

Deutsche Bank



# Financial objectives to 2025

#PositiveImpact

James von Moltke  
Chief Financial Officer

10 March 2022

# Agenda



## 1 Our financial objectives

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## 2 Capital planning and distribution

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# Financial targets and capital objectives



## Our financial targets to 2025

>10%

Post-tax RoTE  
in 2025

3.5-4.5%

Revenue CAGR  
2021-2025

<62.5%

Cost/income ratio  
in 2025

## Capital objectives

~13%

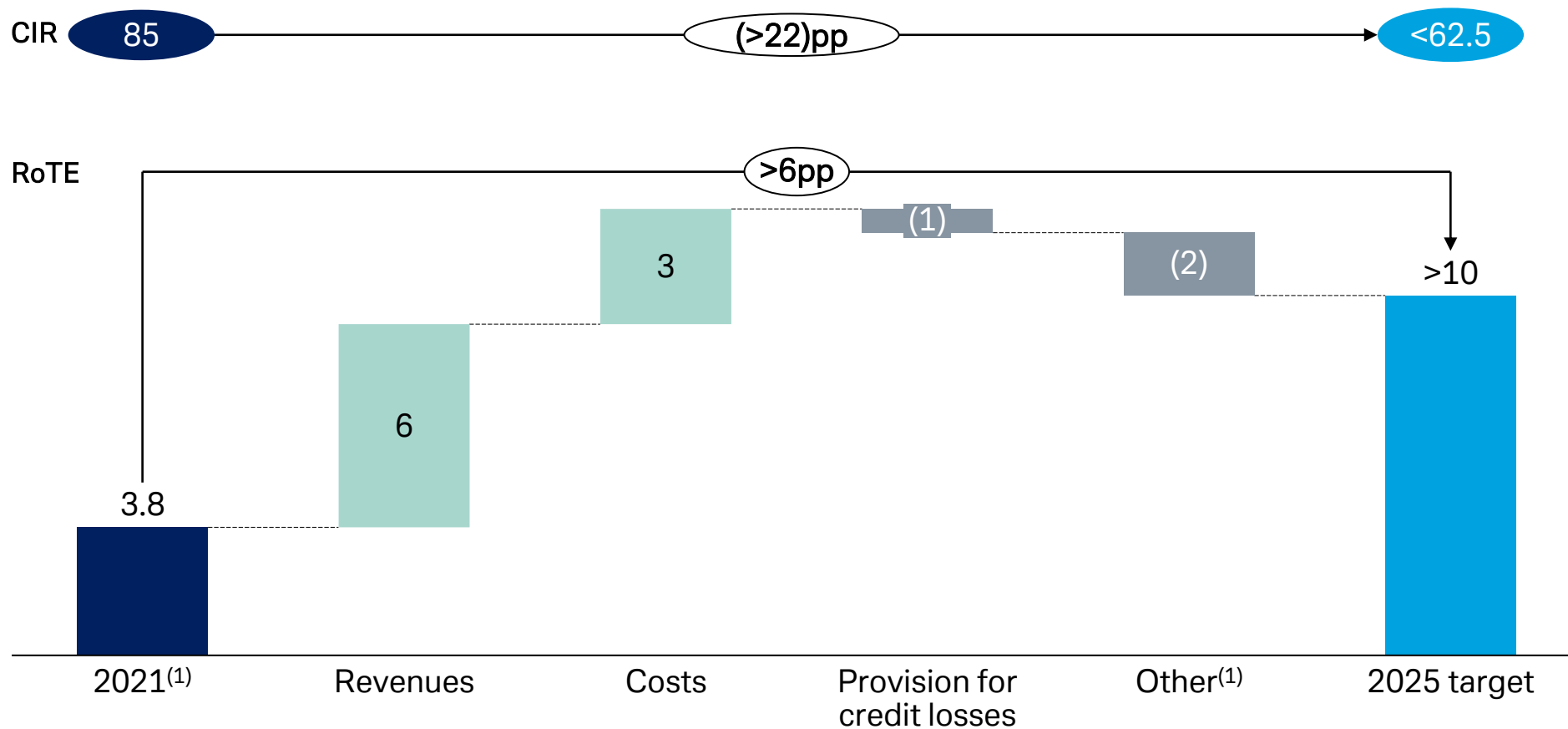
CET1 ratio

50%

Total payout ratio  
from 2025

# Operating leverage to drive increased RoTE target

Return on tangible equity and CIR in %



## Objectives

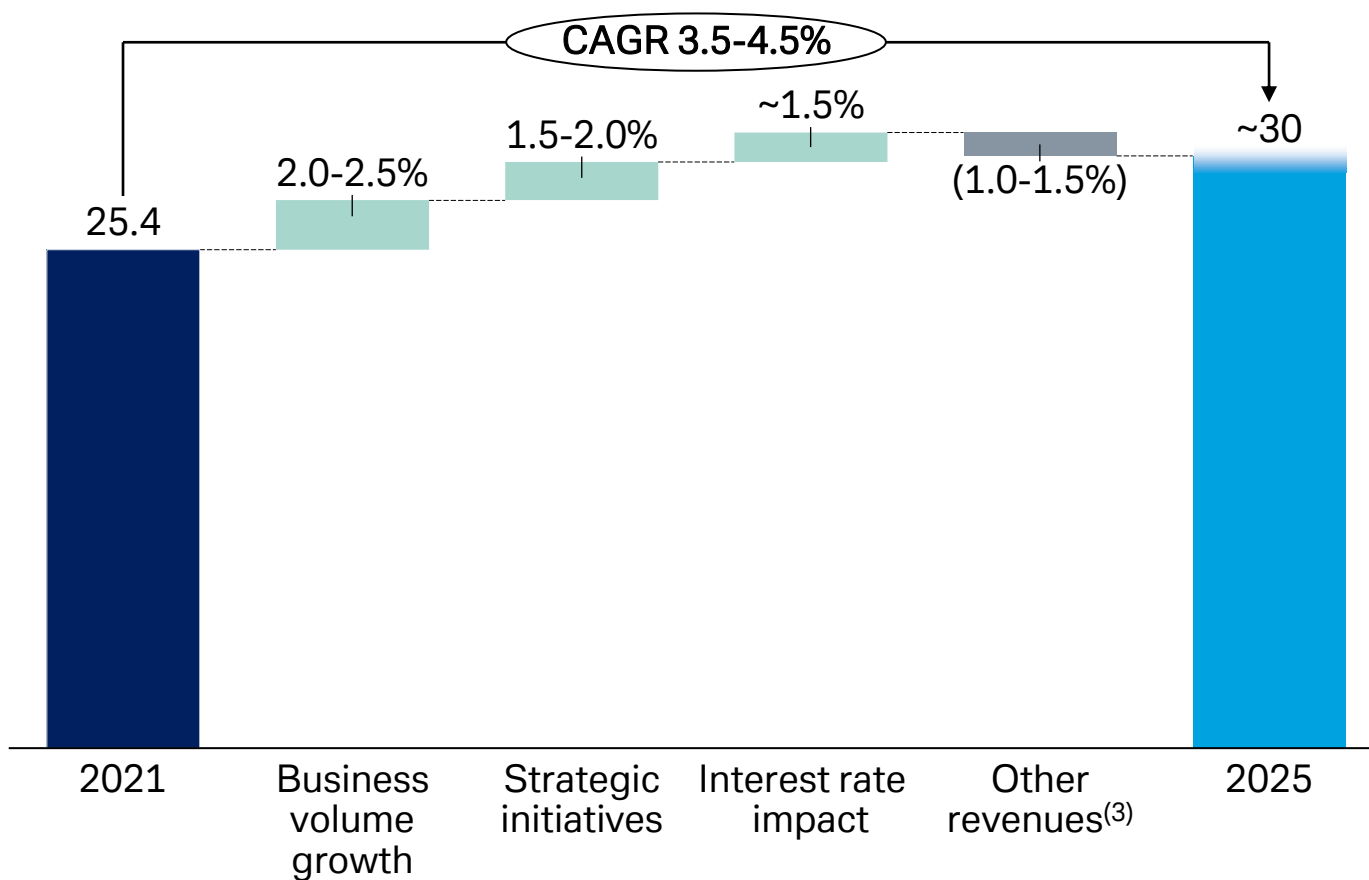
Note Throughout this presentation totals may not sum due to rounding differences and percentages may not precisely reflect the absolute figures

(1) Return on average shareholder's equity (RoE) 2021: 3%

(2) Includes impacts from noncontrolling interests, additional equity components and tangible shareholders equity

# Favorable environment supports execution momentum

Revenues, in € bn, unless stated otherwise



2021-2025 revenue CAGR divisional<sup>(1)</sup> assumptions:

Corporate Bank	6-7%
Investment Bank	1-2%
Private Bank	4-5%
Asset Management	4-5%
<b>Group target<sup>(2)</sup></b>	<b>3.5-4.5%</b>

## Objectives

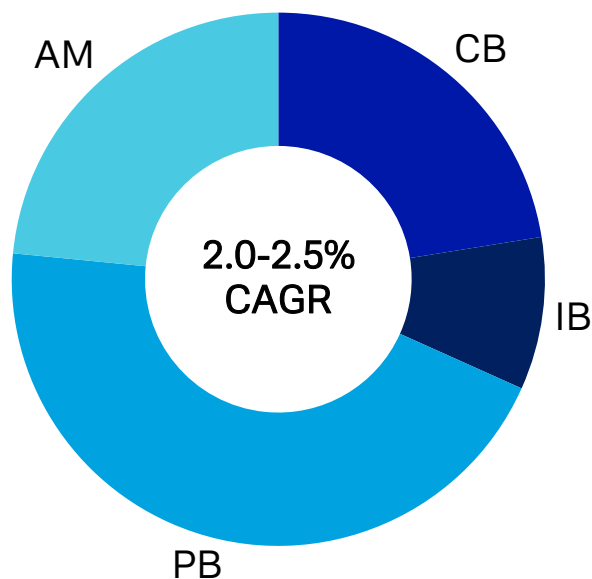
- (1) Divisional Compound Annual Group Rate (CAGR) based on 2021 revenues excluding specific items
- (2) Group CAGR based on 2021 reported net revenues
- (3) Corporate and Other, Capital Release Unit and other factors

# Business volume growth expectations in line with market opportunity and recent performance

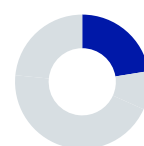


CAGR 2021-2025, in %, unless otherwise stated

## Revenue contribution from volume growth to 2025



## Anticipated contribution from volume growth to total divisional CAGRs 2021-2025



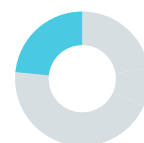
- > Increase revenues with corporate clients across cash management / payments
- > **~2.5% CAGR contribution to Corporate Bank revenue driven by basebook and wallet growth**



- > Continued disciplined resource deployment within Financing and investment into O&A coverage bankers
- > **~0.5% CAGR contribution to Investment Bank revenue**



- > Leverage advisory capabilities and holistic offering across client segment
- > **~3.0% CAGR<sup>(1)</sup> addition to Private Bank revenue driven by lending and net inflows**



- > Capitalize on shift to passive asset management and high margin strategies
- > **~5.0% CAGR contribution to Asset Management revenue growth driven by increase in AuM**

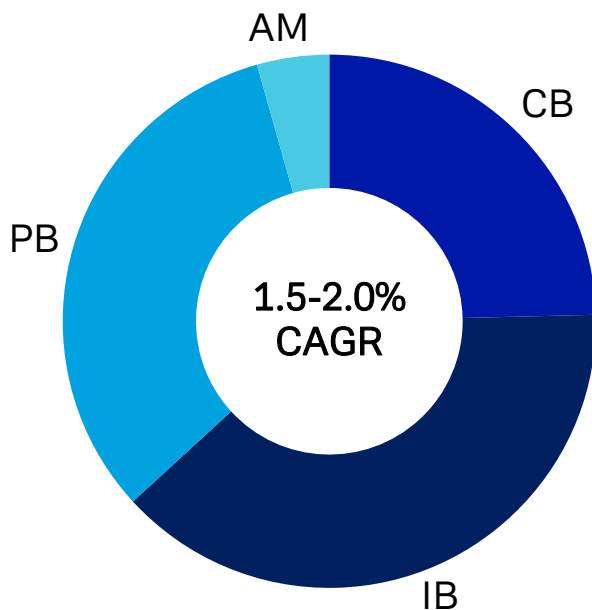
(1) Excludes previous impact of BGH

# Continued execution and expansion of initiatives aim to deliver additional growth

CAGR 2021-2025, in %, unless otherwise stated



## Divisional revenue contribution from strategic initiatives to 2025



## Key strategic growth measures by division



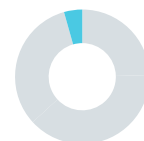
- › Support corporate clients and their new business models (e.g. Asset-as-a-Service)
- › Build on technology initiatives (e.g. Merchant Solutions and Digital Assets Custody)



- › Continued impact of FIC transformation
- › Targeted investment into growth opportunities across the flow franchise



- › PB Germany: investments into sales effectiveness, partnerships and the digital investment offering
- › IPB: investments into Wealth Management, bank for entrepreneurs and affluent customers



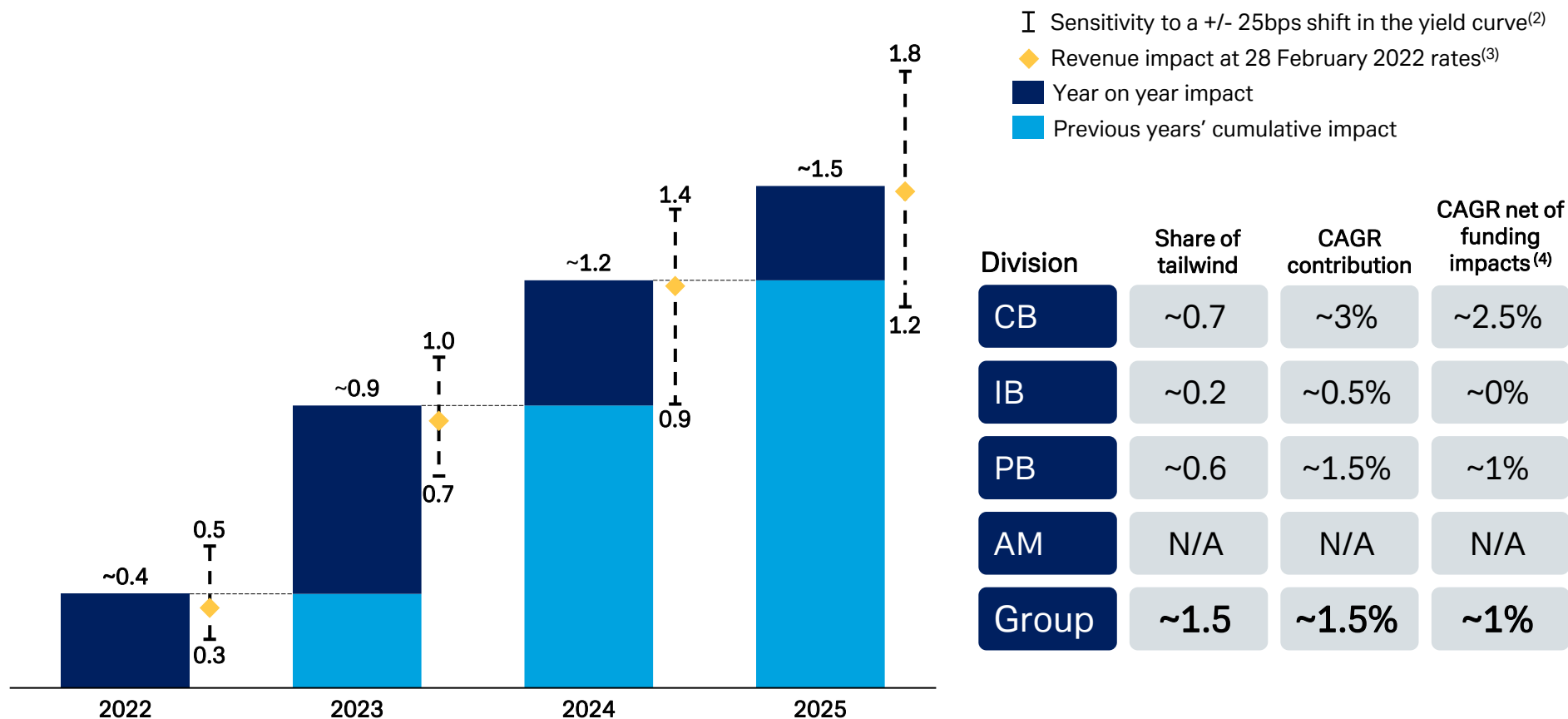
- › Continue to deliver ESG capabilities and sustainable investment solutions to clients
- › Enhance platform scale through complementary strengths, new distribution access and footprint

# Modelled revenue benefit anticipated from market rate curve through 2025



In € bn, unless otherwise stated

## Evolution of interest sensitive revenues at current forward rates<sup>(1)</sup>



Division	Share of tailwind	CAGR contribution	CAGR net of funding impacts <sup>(4)</sup>
CB	~0.7	~3%	~2.5%
IB	~0.2	~0.5%	~0%
PB	~0.6	~1.5%	~1%
AM	N/A	N/A	N/A
Group	~1.5	~1.5%	~1%

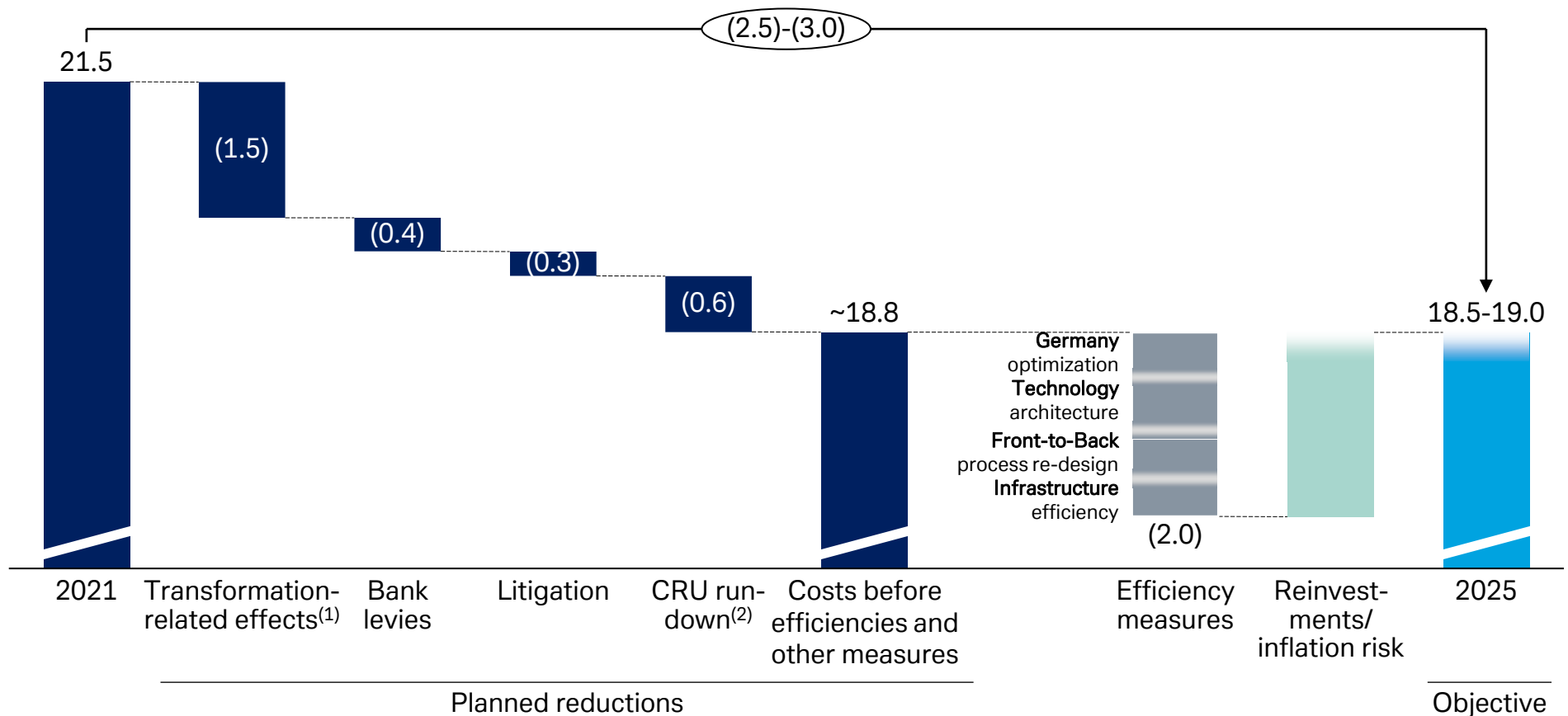
(1) Rates as of 11<sup>th</sup> February; Includes the effects of increased volume of deposits being charged vs 2021  
 (2) Assuming a static balance sheet as of 31 December 2021 and reflecting +/- 25bps sensitivity against forward rate curve as per 11 February 2022  
 (3) Excluding impact of FX RUB moves  
 (4) Driven by TLTRO roll-off, spreads on capital markets issuance, cross currency and funding basis on cash reserves and FX/XCCY swaps and yield on liquidity reserves



# Path to 2025 costs is supported by ongoing efficiency initiatives and self-funding reinvestments



Noninterest expenses, in € bn



(1) Includes transformation charges of € 1.0bn and restructuring & severance expenses of € 0.5bn in 2021

(2) CRU adjusted costs excluding transformation charges and bank levies

# Efficiency measures address long-standing challenges in our cost base



## Germany optimization

- › Finalization of IT systems integration in Private Bank Germany
- › Optimization of Corporate Bank payments platform and head office
- › Digitization and automation of our Germany operations

## Technology architecture

- › Improved time to market and more flexible cost base through increased usage of cloud technology
- › Additional application decommissioning for legacy systems
- › Streamlined data architecture across the Group

## Front-to-Back process re-design

- › Automated Operations through end-to-end redesign and zero-touch intelligent workflows
- › Radically transformed lending processes and infrastructure, enabling revenue growth, unlocking efficiencies and delivering control enhancements
- › Front-to-Back process and control model enables product innovation and time to market

## Infrastructure efficiency

- › Optimized location, corporate title and footprint
- › Continued focus on execution discipline and decision-making culture
- › Ongoing rationalization of real estate holdings

Note: Excluding DWS

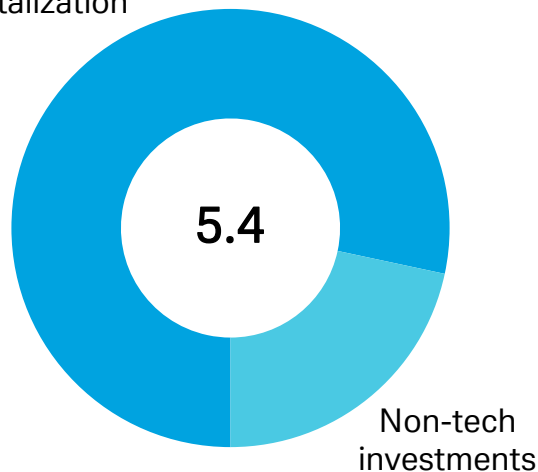
# Simplifying and modernizing our legacy IT to enable investments in client solutions and revenue growth



2022–2025 investments, in € bn

## Investment ambitions

Technology & digitalization



## Key focus areas

- › Simplifying the application landscape on our modernized infrastructure and cloud integration
- › Improving customer centric and digitally enabled products in our growth businesses
- › Investing into improving our technological foundation for control processes
- › Targeting front office and relationship management hires in growth markets and products
- › Investing in marketing, business development and product innovation to create long-term partnerships
- › Enabling effective controls through targeted hires across the Lines of Defense

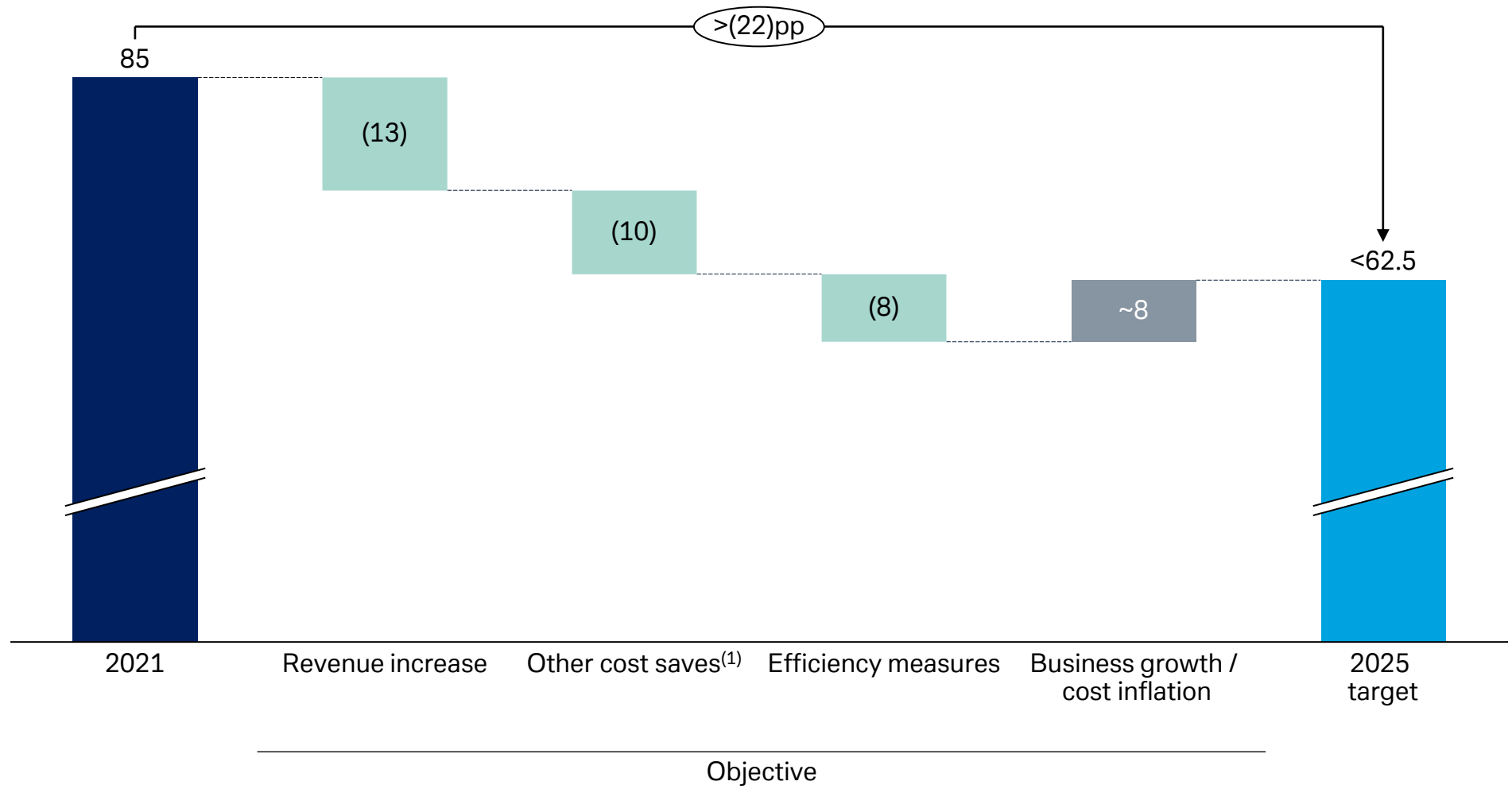
## Investment development

- › Progress on the modernization of our legacy infrastructure is driving a reduction in our overall IT costs
- › Increasing share of strategic technology investments to support our targeted business growth

Note: Excluding DWS

# Targeted result: significant efficiency improvement

Cost/income ratio, in %



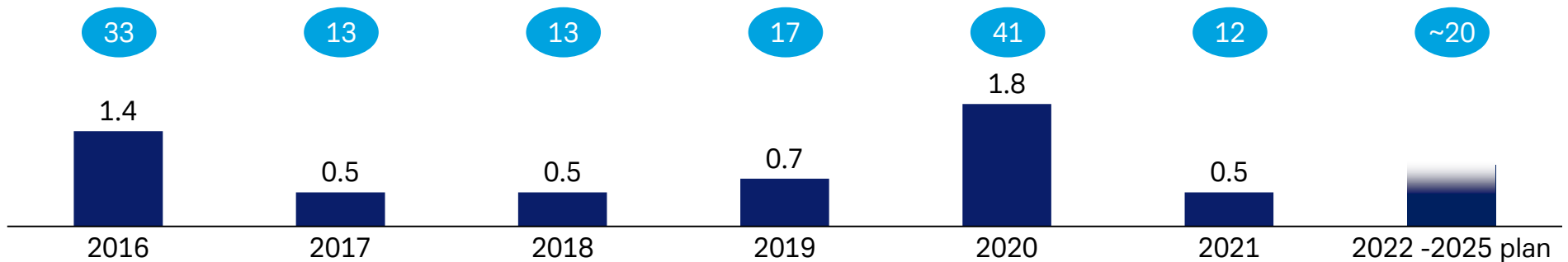
(1) Includes transformation charges, restructuring & severance, litigation, bank levies and CRU run-down

# Strong risk management expected to support through-the-cycle credit loss provisions of ~20bps to 2025

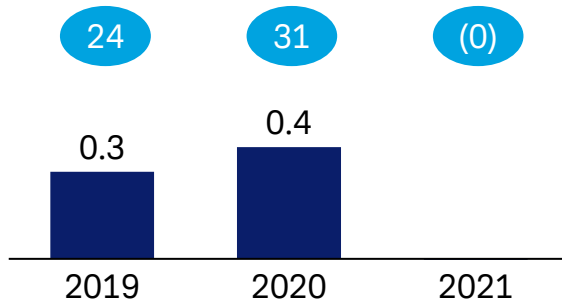


Provision for credit losses, in € bn

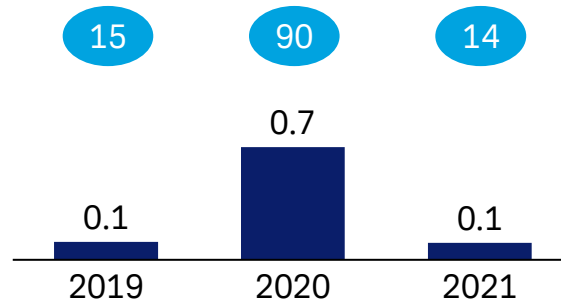
## Provision for credit losses



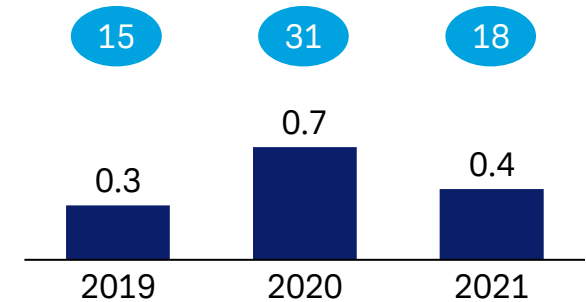
### Corporate Bank



### Investment Bank



### Private Bank



xx In bps of average loans

# Profit increase expected across all divisions



**CB** Investment in growth, supported by ongoing loan and fee income growth

**IB** Investment driven resource optimization and particularly in **capital light activities**

**PB** Increased **profitability** driven by targeted growth initiatives and efficiency measures

**AM** Enhanced **competitive market position** from investments in platform transformation

# Agenda



1 Our financial objectives

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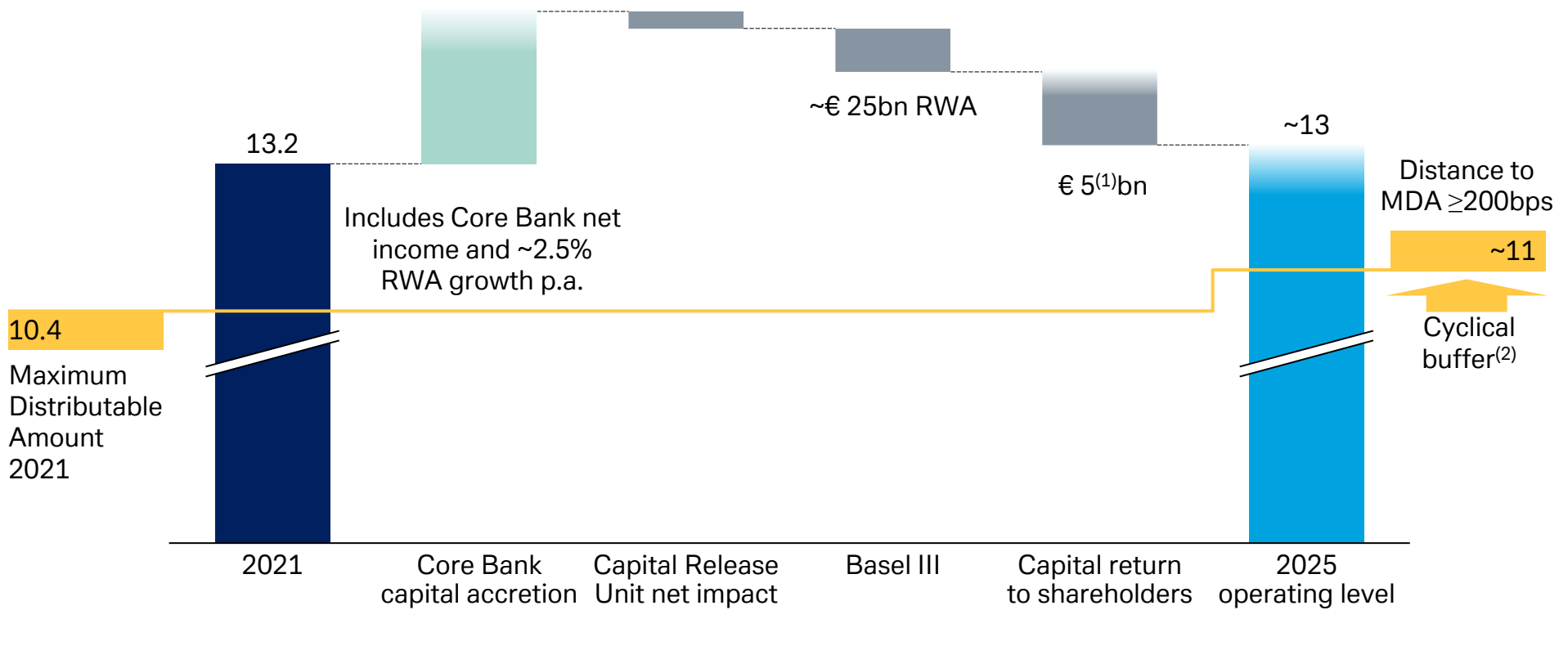
2 Capital planning and distribution

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# Maintaining strong capital on glidepath to Basel III implementation



CET1 ratio, in %



## Objective

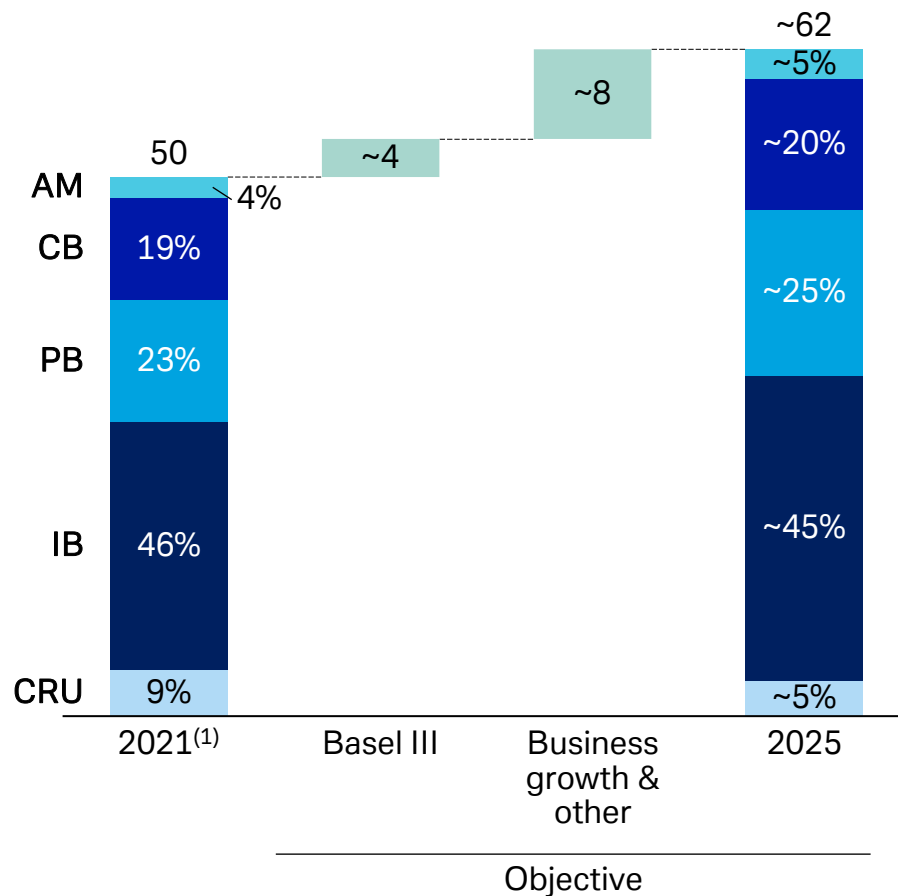
- (1) Anticipated cumulative payout in respect of FY 2021-2024 (i.e. including distributions in respect of 2024, payable in 2025) subject to meeting strategic targets and German corporate law requirements, AGM authorization and regulatory approvals
- (2) Includes countercyclical and systemic risk buffers currently announced and relevant for DB



# Average tangible equity increase supports business growth with stable capital allocation



Average tangible equity in € bn, unless stated otherwise



➤ 2021-2025 envisaged increase of average tangible equity by ~5% CAGR post capital distribution driven by increased profitability

➤ Capital allocation remains relatively constant despite the impact of Basel III<sup>(2)</sup> compliance

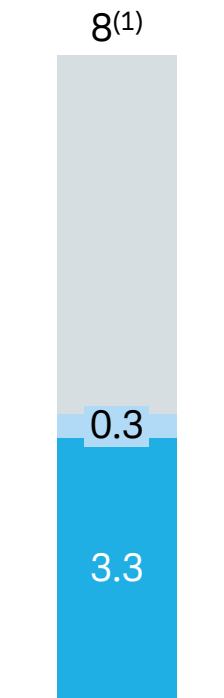
(1) Average shareholder's equity in respect of FY 2021: € 56bn

(2) Basel III final rules (internal models)

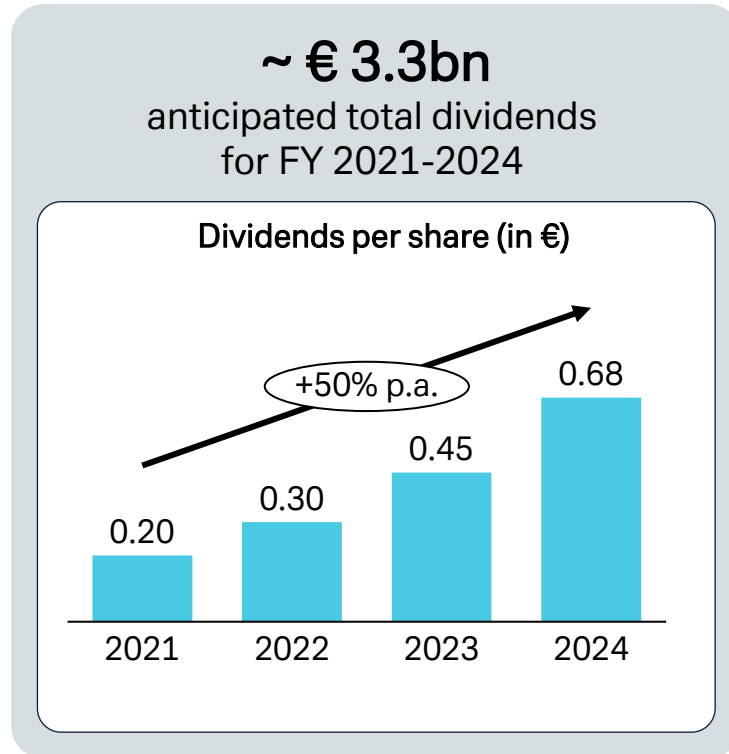
# Sustainable capital generation supports previous return objectives and growing distribution over time



Distribution, in € bn



Anticipated cumulative payout in respect of FY 2021-2025



- > Sustainable growth of cash dividends
- > Commitment to return excess capital to shareholders through share buy-backs over and above requirements to support profitable growth and upcoming regulatory changes

■ Additional payout up to and including for FY2025
 ■ Dividends until 2024  
■ Already committed share buy-backs

(1) Anticipated cumulative payout in respect of FY 2021-2025 (i.e. including distributions in respect of 2025, payable in 2026) subject to meeting strategic targets and German corporate law requirements, AGM authorization and regulatory approvals

# Summary



- Expected environment supports **returns in excess of cost of equity**, mainly driven by Group's increasing operating leverage
- **Continued self-funding from** ongoing efficiency initiatives and increased investment into revenue growth is expected to deliver **RoTE improvements**
- **Capital plan accommodates growth and regulatory inflation** with a relatively stable capital allocation despite the impact of Basel III
- **Sustainable capital generation** allows us to target an anticipated **distribution of € 8bn<sup>(1)</sup>** for financial years 2021-2025

(1) Anticipated cumulative payout in respect of FY 2021-2025 (i.e. including distributions in respect of 2025, payable in 2026) subject to meeting strategic targets and German corporate law requirements, AGM authorization and regulatory approvals



# Appendix

10 March 2022

Deutsche Bank

# We intend to maintain a solid capital base to 2025



	2021 Actuals	2025 Operating Level
CET1	13.2%	~13.0%
Total capital	17.7% <sup>(1)</sup>	~17.6%
MREL	32.7%	~32.8%
Leverage ratio	4.5% <sup>(1,2)</sup>	>4.5%

(1) Fully loaded

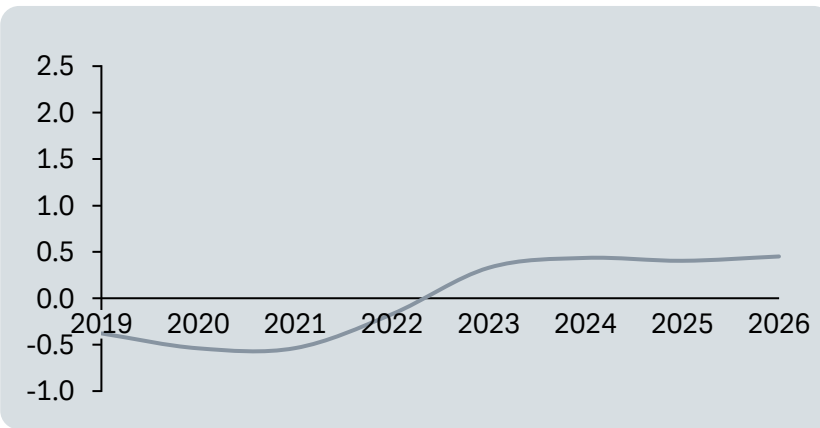
(2) Including certain central bank cash balances

# Market implied interest rates, in %

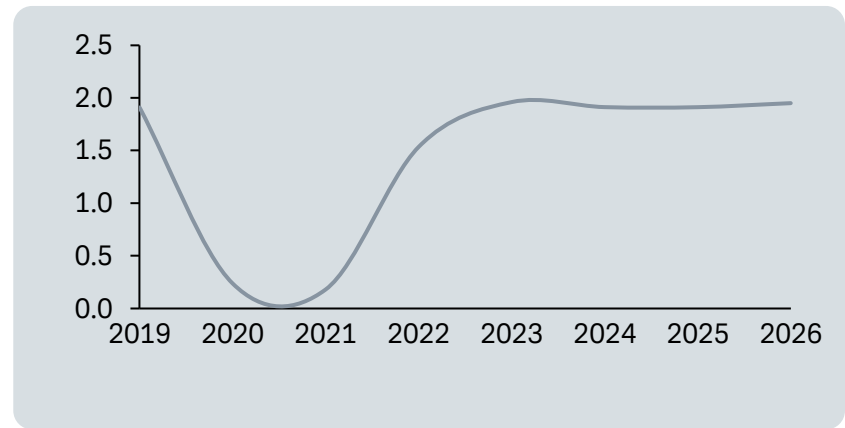


3M rates<sup>(1)</sup>

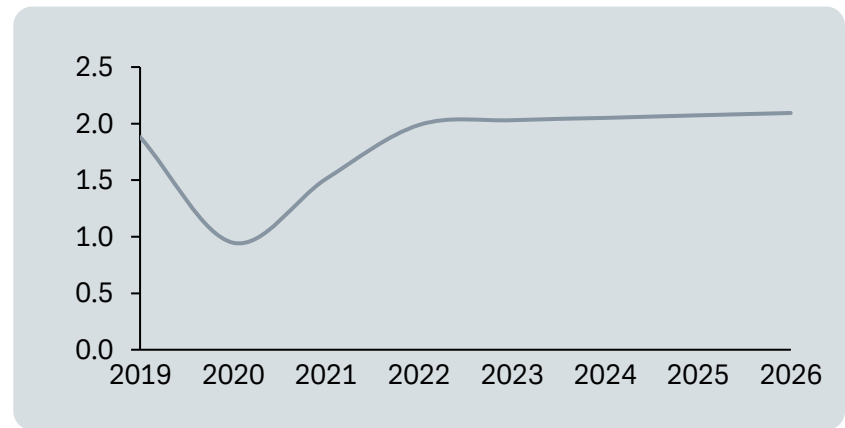
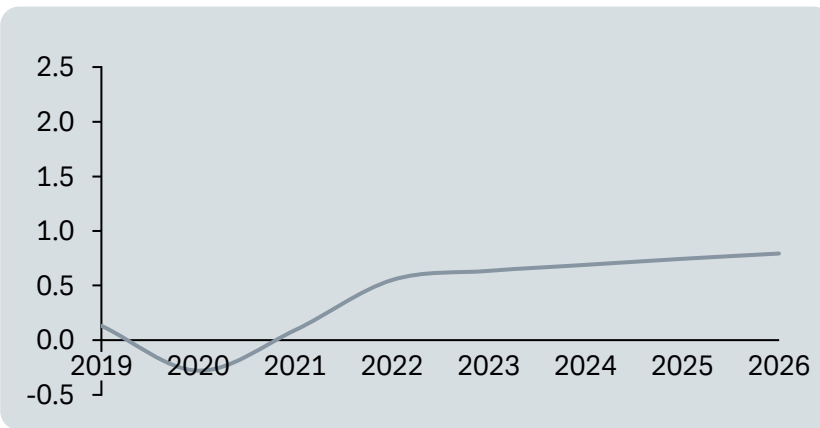
EUR



USD



10Y rates<sup>(1)</sup>



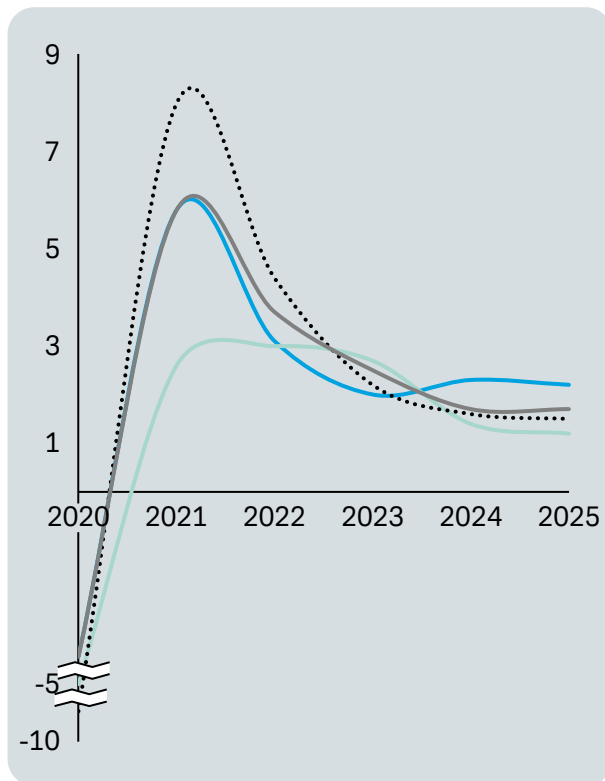
— Market implied interest rates used for the plan as of 11<sup>th</sup> February 2022

(1) Source: Bloomberg Market Data

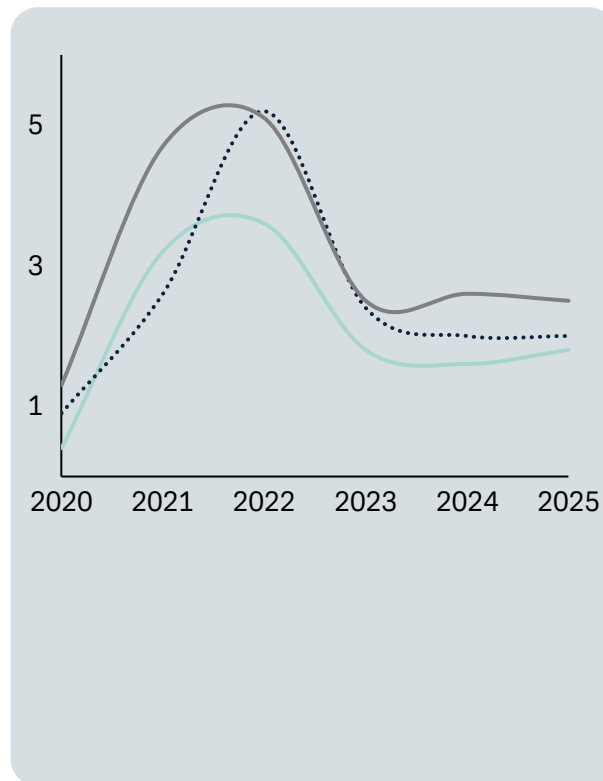
# Macroeconomic assumptions used in the plan to 2025



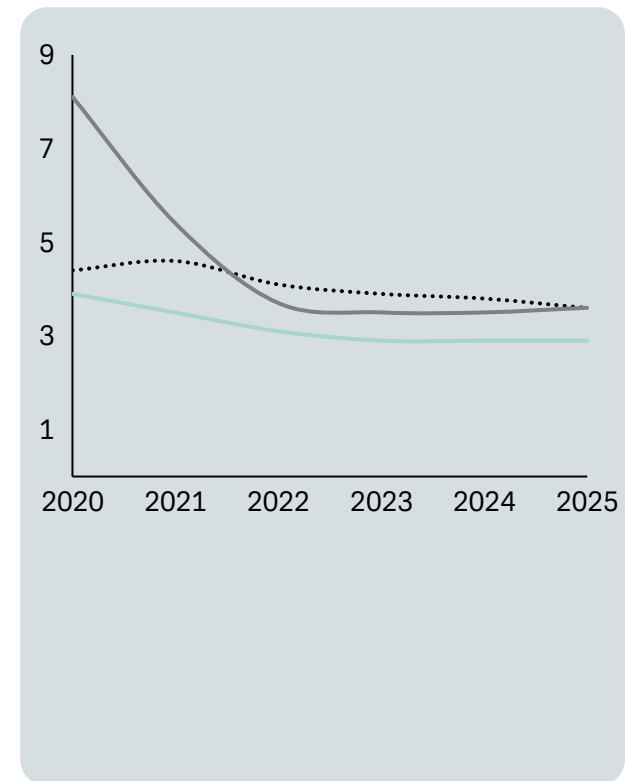
**GDP growth<sup>1)</sup>**  
(real, in % p.a.)



**Inflation<sup>1)</sup>**  
(in % p.a.)



**Unemployment rate<sup>1)</sup>**  
(in %)



— World — Germany ..... UK — USA

(1) Sources: Deutsche Bank ERM Risk Research, based on consensus forecasts from Bloomberg Finance L.P. and long-term forecasts from IMF, World Economic Outlook.

# Cautionary statements



## Non-IFRS Financial Measures

This document contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation not provided herein, please refer to the Financial Data Supplement which can be downloaded from [www.db.com/ir](http://www.db.com/ir).

## Forward-Looking Statements

This document contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our most recent SEC Form 20-F under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from [www.db.com/ir](http://www.db.com/ir).