Deutsche Bank AG

Deutsche Bank Q4/FY 2025 Analyst Conference Call

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Transcript

Speakers:
Christian Sewing, Chief Executive Officer
James von Moltke, President and Chief Financial Officer
Raja Akram, Chief Financial Officer Designate
Ioana Patriniche, Head of Investor Relations

CHRISTIAN SEWING

Slide 2 – Delivering on 2025 goals sets firm foundation to scale the Global Hausbank

- Thank you, Ioana, and good morning from me
- Let me start with a key message; we delivered on all our 2025 targets
- Thanks to strong momentum across all our businesses, we reported revenues of 32 billion euros. This represents compound annual revenue growth of 6% since 2021, the midpoint of our target range of 5.5% to 6.5%
- We self-funded this growth by achieving 2.5 billion euros of operational efficiencies and delivered a cost/income ratio of 64%, in line with our target of below 65%
- Asset quality remains solid; credit loss provisions, at 1.7 billion euros, are down year on year and in line with our most recent expectations
- We delivered record profits in 2025, with pre-tax profit of 9.7 billion euros and net profit of 7.1 billion euros
- Post-tax return on tangible equity was 10.3%, meeting our full-year target of above 10%. We see this as a great start towards our commitment of greater than 13% by 2028
- We are also delivering on our capital objectives
- We finished the year with a strong CET1 ratio of 14.2%, even after a number of capital headwinds absorbed in the fourth quarter; James will detail these shortly
- And, thanks to our robust organic capital generation and delivery of our capital efficiency program, we again raised distributions to shareholders
- With a proposed 1-euro dividend per share and an authorized share buyback of 1 billion euros, distributions in respect of 2025 will represent 2.9 billion euros, in line with our 50% payout commitment
- As a result, cumulative distributions for 2021 to 2025 would reach 8.5 billion euros, exceeding our original 8-billion-euro target
- And we will be looking to do a further share buyback this year
- And, importantly, over these last few years we have significantly strengthened our foundations. We have positioned Deutsche Bank to further increase value creation in the years ahead by scaling our Global Hausbank
- Let's look at how we delivered the improved profitability

Slide 3 – A transformed bank delivering increasing profitability

- As we explained at our Investor Deep Dive in November, we have transformed Deutsche Bank into a simpler, more focused business with a significantly improved financial profile
- We delivered on our revenue ambition of around 32 billion euros this year, an increase of 7% compared to the prior year or 26% since 2021, due to our diversified business mix and revenue composition
- Cost discipline remained strong in 2025; noninterest expenses came in at 20.7 billion euros, down 10% year on year. We kept adjusted costs broadly flat and achieved a material reduction in nonoperating costs reflecting lower litigation expenses
- Our 2025 cost base is nearly 1 billion euros lower than in 2021, a reduction of around 4% over this period. Operational efficiencies enabled us to self-fund foundational investments in our technology architecture, control environment, and client franchise
- This cost reduction, combined with our strong revenue growth, created significant operating leverage
- In 2025 alone, we delivered operating leverage of 17% and our pre-provision profit was 11.4 billion euros, up threefold since 2021
- This resulted in record profits in 2025 with pre-tax profit of 9.7 billion euros up by 84% year on year
- The improvement in our profitability was delivered through the successful execution of our Global Hausbank strategy across all our divisions as you see on slide 4

Slide 4– Disciplined strategy execution driving higher returns across all businesses

- All four businesses have delivered a reduction in their cost/income ratios and substantial improvement in profitability since 2021 leading to double-digit returns in 2025
- Corporate Bank delivered revenue growth of more than 40% since 2021. The revenue mix benefited from a normalized interest rate environment and, importantly, from our actions to increase fee income. This helped us to deliver stable revenues in 2025 despite lower rates and FX pressures

- Going forward, the actions we took in recent years mean the Corporate Bank is well positioned to scale the Global Hausbank model by further leveraging our global network, product capabilities and client relationships
- Our Investment Bank has transformed over the past few years. In FIC, our efforts were focused on deepening and broadening the franchise with targeted investments into existing and adjacent businesses, reinforcing our world-class franchise. As a result, we gained market share and client activity increased by a further 11% in 2025 compared to the previous year
- We are also repositioning Investment Banking & Capital Markets, or IBCM, building on our German leadership and focused offering, investing in sector and product expertise to expand our Advisory and ECM capabilities while maintaining the strength of our Debt franchise
- Private Bank has made tremendous progress with its transformation, creating a more focused, efficient and connected franchise with a cost/income ratio below 70% and returns above 10% in 2025
- The Private Bank’s two complementary businesses attracted 110 billion euros of net inflows since 2021, setting a strong foundation for the next stage of our plan
- Our Asset Management arm DWS attracted 85 billion euros of net new assets in the last four years, with assets under management surpassing 1 trillion euros in 2025
- And DWS, as a leading German and European asset manager with strong capabilities across asset types, is uniquely positioned to offer clients a gateway to Europe
- We also delivered on our Sustainability agenda across divisions. Sustainable Finance volumes were 98 billion euros in 2025, the highest annual volume since 2021, with 31 billion euros raised in the fourth quarter alone. And we have achieved a cumulative total of over 470 billion euros since 2020
- Together with significantly improved ESG ratings, our Sustainable finance business activity sets a strong base to further strengthen and scale our Sustainability agenda in years ahead

<u>Slide 5 – Creating value and returning capital to shareholders</u>

- Delivering on our strategy has created significant shareholder value, as you can see on slide 5

- First, improved profitability contributed to a 25% increase in our tangible book value per share since 2021, to almost 31 euros
- And second, we have consistently increased shareholder distributions
- For the financial year 2025, we plan to propose a dividend of 1 euro per share, or around 1.9 billion euros in total, at the AGM in May
- We were pleased to have received supervisory authorization for a 1-billion-euro share buyback. The resulting distributions of 2.9 billion euros are consistent with our goal of a payout ratio of 50% for 2025
- Including these proposed distributions, we would reach cumulative distributions of 8.5 billion euros in respect of the financial years 2021 to 2025
- And, as I mentioned earlier, we will evaluate the possibility of an additional share buyback in the second half of 2026

Slide 6 – Fully focused on delivering the next phase of strategic agenda

- Before I hand over to James, I want to briefly address the next phase of our strategy on slide 6
- We have built a firm foundation for the next phase of our strategic agenda, which is all about scaling our Global Hausbank
- At the Investor Deep Dive in November, we set out a roadmap to increase post-tax return on tangible equity from 10% in 2025 to greater than 13% over the next three years
- We also set out our plans to further improve our cost/income ratio to below 60%, from 64% in 2025
- We plan to achieve this via three levers: focused growth, strict capital discipline and a scalable operating model. Disciplined execution will accelerate value creation for our shareholders, including further increased capital distributions
- As we guided, we are increasing our payout ratio to 60% this year. As we made clear in November, we have all the levers to achieve our goals in our hands today. We have planned prudently, and we see upside to our targets if the environment develops positively
- 2026 is about taking the next steps to successfully deliver our strategy and we are encouraged by the strong start to the year we have made so far

- Delivering on our 2028 agenda will enable us to reach our long-term goal: to become the European Champion in banking, as measured by a clearly defined set of criteria
- A truly global bank, domiciled in Germany, the largest economy in Europe and the number three economy in the world
- A champion for our clients as their trusted partner in a world which remains uncertain
- A champion for shareholders reflecting the value we create for them. And a great home for our talented people
- A final thought before I hand over to James
- Today's results mark the end of an era in more ways than one
- This will be the last quarter in which I sit down together with my colleague, James von Moltke, to discuss our results with you
- James joined us in 2017, and, as you know, I was appointed CEO the following year
- Since then, James has been a fantastic partner and a trusted counselor on Deutsche Bank's journey of transformation
- It would be impossible for me to put into words everything James has contributed to what we have achieved on that journey
- But there's one thing I can tell you, the successes we're discussing with you today owe a great deal to James's professionalism and his outstanding dedication to our bank
- And in the past few months, I have witnessed a seamless transition to our incoming CFO, Raja Akram, who had a great start; Raja, it's great to be working with you
- Thank you, James, for all you have done for Deutsche Bank

JAMES VON MOLTKE

<u>Slide 8 – Key performance indicators</u>

- Christian, thank you for the kind words. Indeed, this is the last time I will present the bank's results before handing over the CFO role to my successor, Raja Akram
- And doing this from a position of strength is something I am particularly proud of. The management team and the entire bank have put

tremendous effort into turning the bank around and achieving this milestone

- As I said in November, we have significantly strengthened our foundations, rebuilt stakeholder confidence, and positioned the bank for sustainable value creation above our cost of capital in the years ahead
- Let me now turn to page 8, a slide we have consistently shown since we made commitments to accelerate our Global Hausbank strategy and which shows the development of our key performance indicators
- With a strong finish to the end of the year and continued execution, we successfully delivered against all broader objectives and targets we set for ourselves for 2025
- We maintained a strong capital foundation, and our liquidity metrics are robust; the liquidity coverage ratio finished the year at 144% and the net stable funding ratio was 119%
- And let me add, the proposed 2.9 billion euros of capital for dividends and share buybacks, which complete our distributions in respect of 2025, are already deducted from our CET1 capital, such that the 14.2% CET1 ratio represents an excellent starting point going into 2026
- With that, let me now turn to the fourth quarter and full-year highlights on slide 9

<u>Slide 9 – FY 2025 and Q4 2025 highlights</u>

- Our diversified and complementary business mix enabled us to generate revenue growth of 7% year on year both in the fourth quarter and for the full year
- With normalized nonoperating costs this year and adjusted costs broadly flat, fourth-quarter and full-year noninterest expenses were 15% and 10% lower year on year, respectively
- Our full-year tax rate was 27%, benefiting from the German tax reform and the geographical mix of income. We expect the 2026 full-year tax rate to be around 28%
- In the fourth quarter, diluted earnings per share was 76 cents, bringing the full year to 3 euros and 9 cents, while tangible book value per share increased 4% year on year to 30 euros and 98 cents
- Before I move on, let me share my usual remarks on Corporate & Other, with further information in the appendix on slide 37

- C&O generated a pre-tax loss of 109 million euros in the quarter, primarily driven by shareholder expenses, legacy portfolios and other centrally held items, partially offset by positive revenues in valuation and timing differences
- Let me now turn to some of the drivers of these results starting with net interest income on slide 10

Slide 10 – Net interest income (NII) / Net interest margin (NIM)

- NII across key banking book segments and other funding was 3.4 billion euros for the quarter and 13.3 billion euros for the full year, in line with our plans when adjusted for FX effects
- The Private Bank continued to deliver steady NII growth and improved its net interest margin by around 30 basis points year on year reflecting higher deposit revenues and the ongoing rollover of our structural hedge portfolio
- Momentum continued in FIC Financing with sequential growth in NII supported by loan growth
- Corporate Bank NII was slightly up quarter on quarter, reflecting a significant deposit increase which positions us strongly going into 2026
- Overall, for 2026, we expect NII across key banking book segments and other funding to increase to around 14 billion euros
- We expect this increase to be supported by targeted portfolio growth in both deposits and loans, but the largest contributor will be structural hedge rollover of which around 90% is locked in through swaps
- You can find details on the benefit from the long-term hedge portfolio rollover on slide 25 of the appendix

Slide 11 – Adjusted costs – Q4 2025 and FY 2025 (YoY)

- Turning to slide 11, we maintained strict cost discipline throughout the year and delivered adjusted costs in line with our guidance, at 5.1 billion euros for the fourth quarter and 20.3 billion euros for the year
- As in prior quarters, compensation costs were up on a year-on-year basis, primarily reflecting higher performance-related accruals
- For the full year, higher deferred equity compensation and the impact of increasing Deutsche Bank and DWS share prices also played a role

- Non-compensation costs were down across categories both in the fourth quarter and the full year
- And, similar to last year, fourth-quarter bank levies were mainly driven by the UK levy
- With that, let me turn to provision for credit losses on slide 12

Slide 12 – Provision for credit losses

- Overall provision for credit losses was stable in the fourth quarter as an increase in Stage 3 was offset by releases in Stages 1 and 2
- Full-year provisions stood at 1.7 billion euros, 7% lower than in 2024 despite elevated macroeconomic and geopolitical uncertainty and ongoing headwinds in Commercial Real Estate
- Net releases in Stage 1 and 2 provisions were mainly driven by improved macroeconomic forecasts, with additional benefits from portfolio effects, partially offset by a net increase in overlays
- Key Stage 3 drivers were higher provisions in the Corporate Bank and CRE-related provisions in the Investment Bank, including one larger single-name event. Private Bank provisions returned to a more normalized level
- Wider asset quality remains resilient, and we continue to expect provision for credit losses to trend moderately downwards in 2026 relative to 2025

Slide 13 – Capital metrics

- Turning to capital on slide 13
- Our fourth-quarter Common Equity Tier 1 ratio came in at 14.2%, a decrease of 30 basis points compared to the previous quarter, with a 44 basis points reduction related to one-off effects as discussed last quarter
- These effects included the discontinuation of the transitional rule for unrealized gains and losses on sovereign debt and the annual update of operational risk-weighted assets, impacting the ratio by 27 basis points and 17 basis points, respectively
- Higher market risk-weighted assets reduced the ratio by 9 basis points as trading activity picked up to more normalized levels in the quarter, while credit growth was offset by a securitization benefit

- The impact of these items on the ratio was partially offset by 21 basis points of capital generation reflecting our strong fourth-quarter earnings net of AT1 coupon and dividend deduction
- Our fourth-quarter leverage ratio remained flat at 4.6%
- The discontinuation of the aforementioned transitional OCI filter had an impact of 6 basis points
- The 10-basis-point reduction relating to an increase in cash and reverse repo was more than offset by a 13-basis-point increase due to our 1-billion-euro AT1 issuance in November 2025 and the other CET1 capital increase drivers
- Let us now turn to performance in our businesses, starting with the Corporate Bank on slide 15

Slide 15 – Corporate Bank

- Corporate Bank closed 2025 with a solid financial performance, delivering a full-year post-tax return on tangible equity of 15.3% and a cost/income ratio of 62%, providing a strong foundation for growth in 2026
- In the fourth quarter, Corporate Bank revenues remained stable sequentially, as strong deposit volume growth offset the impact of lower deposit margins
- Compared to the prior year quarter, revenues were essentially flat. Margin normalization and FX headwinds were largely offset by interest rate hedging, higher average deposits, and a 4% increase in net commission and fee income
- Deposit volumes increased significantly by 25 billion euros in the quarter, driven by strong growth in sight deposits towards year-end. This underscores the strength of our client relationships and product capabilities
- Adjusted for FX movements, loans grew by 2 billion euros sequentially and by 7 billion euros year on year, driven by both flow and structured transactions in our Trade Finance business
- Noninterest expenses were essentially flat sequentially, reflecting disciplined cost management, and down year on year due to the non-recurrence of a litigation matter

- After low levels in prior quarters, higher provision for credit losses reflected a few Stage 3 events in the middle market. However, we do not see the most recent quarter as evidence of a pattern
- For the full year 2026, we expect a modest increase in Corporate Bank revenues, with accelerating sequential growth as the year progresses. Remaining interest rate and foreign exchange headwinds will impact the year-on-year comparisons in the first half of the year, temporarily masking the underlying business momentum
- As these effects diminish in the second half, we expect the year-on-year growth to be more pronounced
- I'll now turn to the Investment Bank on slide 16

Slide 16 – Investment Bank

- Revenues for the fourth quarter increased 5% year on year, driven by ongoing strength in FIC
- FIC revenues increased 6%, representing the strongest fourth quarter on record despite lower levels of volatility, driven by continued outperformance in FIC Markets, specifically Foreign Exchange and Emerging Markets
- FIC Financing revenues were slightly higher, reflecting ongoing momentum and targeted balance sheet deployment seen throughout 2025
- Client engagement continued to be strong, with full-year activity increasing across both institutional and corporate clients
- Moving to IBCM, revenues were slightly lower driven by a reduction in Advisory compared to a very strong prior year quarter
- Capital Markets performance was broadly flat, as higher Equity Origination revenues were offset by slightly lower Debt Origination, with reduced LDCM revenues broadly mitigated by strength in Investment Grade debt
- For the full year, the IBCM revenue decline of 6% was driven by mark-to-market losses on LDCM exposures early in the year and the business would have been essentially flat excluding these losses
- Looking ahead to the first quarter, the IBCM pipeline is the strongest it has been at this point for a number of years

- Noninterest expenses were essentially flat year on year, despite higher variable compensation and irrespective of favorable FX effects, reflecting continued cost discipline seen throughout the year
- Provision for credit losses was 97 million euros, essentially flat to the prior year. Increased Stage 3 provisions, including one larger single-name event, were offset by lower Stage 1 and 2 provisions
- Let me now turn to Private Bank on slide 17

Slide 17 – Private Bank

- In the Private Bank, disciplined strategy execution delivered 14% operating leverage, driving significantly higher quarterly profitability, supporting the delivery of a post-tax return on tangible equity of 10.5% for the full year
- Revenues of 2.4 billion euros include NII growth of 10% year on year, driven by higher deposit revenues including benefits from hedge rollover, while the prior year quarter was affected by the impact of certain hedging costs
- Net commission and fee income was essentially flat year on year with growth in discretionary portfolio mandates offset by lower income from cards and payments
- Personal Banking revenues were essentially flat. Continued growth in deposit revenues was offset by the non-recurrence of smaller episodic items and by lower lending revenues, reflecting our strategic focus on value-accretive products totaling approximately 80 million euros. Excluding these impacts revenues would have grown by 5%
- Wealth Management revenues also grew by 5% year on year, adjusted for the aforementioned hedging costs and 10% on a reported basis, driven by higher deposit revenues and continued momentum in discretionary portfolio mandates
- Noninterest expenses declined by 11%. The cumulative impact of transformation-driven efficiencies and lower restructuring and severance costs was partially offset by higher performance-related compensation
- The Private Bank advanced its strategy with additional branch closures in the quarter, bringing the total closures to 126 for the year contributing to workforce reductions of nearly sixteen hundred, with further net reductions expected this year

- Net inflows into assets under management for the full year were 27 billion euros. This was supported by 12 billion euros of inflows in investment products as well as deposit campaigns in Germany
- Provision for credit losses improved year on year with the prior year quarter impacted by a small number of legacy cases in Wealth Management and residual transitory effects from operational backlog; provisions in the third quarter benefited from model updates

Slide 18 – Asset Management

- Turning to slide 18; DWS is showing a significantly improved financial profile, overachieving its financial targets for 2025 as communicated three years ago, notably by reporting an EPS of 4 euros and 64 cents for the full year
- In Deutsche Bank's Asset Management segment, profit before tax in the fourth quarter improved significantly by 73% from the prior year period, driven by higher revenues and resulting in an increase in return on tangible equity of 20 percentage points to 41% for this quarter
- Revenues increased by 25% versus the prior year quarter
- Higher management fees reflected an increase in average assets under management, with higher fee levels from almost all asset classes
- Performance fees saw a significant increase from the prior year period, primarily due to the recognition of fees from an infrastructure fund
- Other revenues also improved significantly compared to the prior year period, reflecting a small gain from guaranteed products valuations compared to a loss reported in the prior year quarter
- Noninterest expenses and adjusted costs were essentially flat, as higher variable compensation costs were effectively offset by lower general and administrative expenses, resulting in a decline in the cost/income ratio to 55% for the quarter
- Quarterly net inflows totaled 10 billion euros with positive inflows across Passive including Xtrackers, Active and Alternatives, and reflecting sustained long-term inflows across all regions and client types. The total inflows also include 5 billion euros of net inflows in Cash products which were partly offset by 2 billion euros of net outflows from Advisory Services
- Total assets under management increased to 1.08 trillion euros in the quarter, driven by positive market impact and the aforementioned net inflows

- As you may have seen in DWS's disclosure materials this morning, DWS upgraded its ambitions for 2028, raising its EPS growth target to 10 to 15% per year and setting a performance and transaction fee contribution of 4 to 8% per year of net revenues
- DWS now also targets a cost/income ratio of below 55% for 2027 and has aligned its net flow ambitions with the targets we communicated at our IDD in November
- For further details please have a look at DWS's disclosure on their Investor Relations Website
- Turning to the outlook on slide 19

Slide 19 – Outlook

- Looking ahead, the delivery of all of our 2025 targets and objectives provides a firm basis for the next phase of our strategy until 2028: Scaling the Global Hausbank
- Business momentum going into 2026 has been good and sets us up well, as we start scaling our franchise and benefit from the investments we are making
- As we said at our investor day in November, we plan to show improvements in operating performance every year, including in 2026
- We expect full-year revenues to increase to around 33 billion euros, aided by banking book NII growing to 14 billion euros as well as growth in net commission and fee income
- As I said earlier, we expect a modest increase in full-year Corporate Bank revenues, with accelerating sequential growth as the year progresses. In the Investment Bank, we expect revenues to be slightly higher compared to 2025, with growth in IBCM revenues in line with the overall growth strategy of the business and essentially flat FIC revenues. We also expect continued growth in the Private Bank, with full-year revenues slightly higher. Likewise, Asset Management should also see a modest increase in revenues
- Looking at the first quarter, in light of a normalization in C&O revenues and against a very strong FIC performance in the prior year quarter, our baseline expectation is for revenues to be flat year on year; nonetheless, we are encouraged by the very good start we have seen in January
- Noninterest expenses in 2026 are expected to increase to slightly above 21 billion euros, in line with the trajectory provided in November. This

includes around 900 million euros of incremental investments in 2026 to unlock growth and efficiencies as early as this year

- Our asset quality remains solid and, as I said earlier, we continue to expect provision for credit losses to trend moderately downwards in 2026 as Commercial Real Estate provisions ameliorate and other portfolios normalize, bringing us closer to the lower expected average run rate of around 30 basis points through 2028
- The 2.9 billion euros of capital distributions proposed in respect of 2025 bring us above our 8-billion-euro target for cumulative distributions in respect of 2021 to 2025
- We also want to deliver attractive capital returns going forward, which is why we are increasing our payout ratio to 60% starting this year; with modest but continuous growth in the dividend per share, complemented by share buybacks
- In short, our strong capital position and full-year profit growth provide a firm foundation as we head into 2026; and we aim to deliver additional shareholder distributions in the second half of this year, subject to customary authorizations
- As Raja rightly said in November, we are ready to scale Deutsche Bank with focused growth, strict capital discipline and a scalable operating model at its core
- For me personally, being able to hand over the CFO role at a moment when the bank stands on strong foundations, enjoys business momentum and strong client engagement, and is able to execute with discipline and purpose is deeply meaningful
- With that, I would like to conclude my last set of quarterly remarks for Deutsche Bank with a heartfelt thank you to all employees globally for their hard work over the years to support the transformation of the bank and the delivery of our 2025 goals
- I also want to thank our analyst and investor community for the high level of engagement over the years, as you have followed the story and supported this management team in a myriad of ways
- Lastly, I want to take a moment to thank Raja for his partnership and efforts to ensure a smooth transition and to wish him every success, as he assumes the CFO role
- Christian, Raja and I look forward to the Q&A session
- With deep dedication, thank you and I'll now hand back to Ioana

Nicolas Payen (Kepler Cheuvreux)	Morning. I just wanted to start by thanking you, James, for all your help and support over the years. It was much appreciated. I wish you the best for your next chapters, and I'm happy to welcome Raja. Then I have two questions, please. The first one is regarding your revenue guidance. Maybe could you clarify a bit how you intend to reach the € 33 billion of revenues, for instance, with the FIC trading, which you mentioned has a very strong start in January. What is the FX rate that you assumed in your guidance? And if the recent moves had any impact on it? What are the different moving parts for the revenue picture in 2026 and also in Q1? Then still for 2026, the operating leverage is likely to be rather limited as you invest quite significantly in the business. I think you mentioned € 900 million of investments at the last IDD. So if you could elaborate on what are you spending the money on and how this will support your business going forward? Thank you very much.
Christian Sewing	Nicolas, it's Christian. Thank you very much for your questions. I start with the revenue guidance. Also a little bit of the composition we see and then I hand over to Raja with regard to operating leverage for 2026, also taking investments into account. Look, first of all, I'm really happy what we achieved in 2025 because it's nothing else than a very, very solid starting position for the next era of growth for Deutsche Bank. You have seen that the momentum is in each and every business, also in a business like the Corporate Bank, even if it looks like a reduction 2025 versus 2024. If you take out the interest rate pressure and you think about the operating growth which we have achieved and it's a very, very positive story. And that is actually something which we see continuing in 2026. We anticipate continued growth in every operating business in 2026 with a little bit of different levels and different dynamics at divisional level as we said in our prepared remarks. Corporate Bank, a modest increase for the full year over 2025, in particular, with accelerating sequential growth

as the year progresses. So, all I can see also in the discussions we have with our clients, on lending, with the investments we have done into our fee business, I can see that this is ramping up. Then from our NII guidance we have, there is a clear sequential growth in the second half and that will lead actually to Corporate Bank seeing a modest increase year over year. To be honest, in this regard, the overall situation which we are facing in this world, the geopolitical uncertainties, the way the Corporate Bank works with the Investment Bank, it's coming more and more through that we are seen as the European alternative also outside Europe for the clients. This is gaining momentum and therefore, I'm very positive that we see an increase in the Corporate Bank.

Investment Bank, we also see the revenues to be slightly higher compared to 2025. Now driven by IBCM, we said that also in our prepared remarks, we do believe that the investments we have done, but also that actually the movement, which we have seen in IBCM U.S. is going more and more into Europe, is gaining traction. And if only the last eight weeks are a guide in terms of pitches we have done, mandates we have won in particular here in Europe, then I'm very optimistic that Alison Harding-Jones's strategy to reposition IBCM, in particular on the Advisory side, is actually being very, very successful. On top of that, if I just look at our existing and traditional business in the IBCM business like Debt Origination: super- strong start in January. And I do believe that this is further pushing the growth. Now you see we are conservative and that is because we have actually planned FIC to be essentially flat for the year. Again, if the last 3.5 weeks are only a guide for what is happening, I think then this is very conservative. But it gives us the buffer for further increases and also potentially compensating other items. So a really good start. And again, the momentum we see in the Investment Bank, be it on the Trading side, but also on the Advisory side, very, very good.

Private Bank is simply expected to show continued growth, with full-year revenues higher than last year. Where does it come from, from both sides. Personal

Banking, I talked in November very extensively with Claudio de Sanctis about the chances we have on the investment side. You have seen over the last two months what has happened in Germany when it comes to the restructuring of the pension system in Germany; more and more efforts and emphasis is put on private pension. And here, we have a huge chance, and we see it simply by looking at our assets under management in the Personal Banking how it's growing. And on the Wealth Management side, I'm very happy with the progress Claudio is doing, not only what he has shown in 2025, but actually, that he is continuing and executing on the growth in terms of hiring people. I think, in the first three weeks of January, we have already from his anticipated growth, 24 people relationship managers on the platform, another 40 have been hired. And there, you can see that everything we told you in November is playing out and it will go into growth. And if I just look at the assets under management, it plays favorably. So Private Bank higher than last year.

And Asset Management, likewise, I mean you saw last night's ad hoc and also the reaction this morning. Very good job by Stefan Hoops. I think he has positioned DWS in asset management as the European alternative. We see the growth in that business. And therefore, I'm confident that also Asset Management, over a record year in 2025, sees another increase.

Now if I put this all together, we will be at € 33 billion. And again, I just gave you a little bit of feel how January started, that it's not only confidence, I have a bit of hope. And that brings me to a hope in terms of doing a bit more. Now that brings me to Q1. Q1, we plan essentially flat over last year. Never forget that last year, we had a fantastic Q1, in particular, in the Investment Bank and in FIC. Now again, I think it's a right plan to do this. However, if I see the first 3.5 weeks in FIC, then there is hope that we can even overshoot that. And therefore, I do believe what we see right now is that the positioning in each of the four businesses is having a real momentum is helping us.

And if I then see the € 33 billion of revenues, which we will have in year 2026 compared to the quality of revenues in 2025, where we'll also benefit from C&O and the benefit from C&O will be less in 2026 than in 2025, it's even a better bank. And that makes me so confident that we have strong qualitative growth in each of the businesses.

Raja Akram

Hi, Nicolas, this is Raja. Thanks for my first question as an incoming CFO, I think you had two questions. One was on FX and what we had planned around that. I think we know the December FX, which is what our planning is based on was around 1.18. Today, we're around 1.19 which has implications on both top line and the expense. But at this point, where we sit, given the magnitude of our revenue and expense base, I think it's completely manageable. Obviously, we will evaluate it if there are any course of change.

On the other question that you had about operating leverage, you're absolutely right. We committed in the investor day to a € 1.5 billion investment program over the next three years, of which almost less than half was slated for 2026. But let me also remind you, we also signed up for € 2 billion operating efficiencies over the same period, which also began in 2026.

Now the mix of investments and the operating efficiencies, obviously, is different given it's the first year. So that will obviously have an impact on our reported operating leverage. I'm not a big fan of excluding things, but I would just say that the underlying operating leverage of the business is extremely strong. And what we are really excited about is that with these investments, the incremental operating leverage that will generate in 2027 and 2028 will be exponential.

But that said, we are absolutely committing to actually having positive operating leverage starting in 2026. And as Christian said, let's see how the revenue trajectory plays out and also how our calendarization of the investments plays out because, obviously, that's something that we completely control. But at this point, we are absolutely committed to our expense guidance in the IDD, which was, if you remember, around 3% over 2025.

Flora Bocahut (Barclays)	Good morning. First of all, James, thank you from me, too. And obviously, wishing you all the best. Moving to the questions. The first question is on the excess capital usage. You just closed the year now at 14.2% CET1, that's after the distributions that you announced today. You say very clearly, you want to do potentially another buyback later this year. So can you maybe tell us how, at this stage, you are thinking about using the capital that you already have in excess and that you will continue to build this year between reinvesting into your organic growth, potential M&A, so external growth, or additional distribution to shareholders? And can I also maybe just clarify on FRTB, if there's any new news regarding the magnitude and the timing on the capital walk? The second question would actually be on the deposits because there was a good deposit growth this quarter. And actually, we have more and more banks that are talking about tougher competitive pricing across various geographies. Obviously, Germany is a market where we continue to see appetite from some of your competitors to try and gain share. So can you maybe elaborate on what it is you expect in terms of the deposit volume growth as well as pricing, especially for Germany, but actually for the various markets, that would be helpful? Thank you.
Raja Akram	Thank you for the questions. So let me start with capital. Let me take you back a couple of months where we clearly laid out our capital cadence: the top priority being safety and soundness and resiliency. Clearly, with the 14.2% capital ratio, we have kind of put that to bed. And as I mentioned, we said that we would like to operate between a range of 13.5% to 14% on an ongoing basis. James talked about the authorized capital distribution that is already coming for 2026. And I think we also have now a plan to start an in-year buyback rhythm, which we did not have previously. So we expect that we will be doing buybacks during 2026. And obviously, the cadence of that will be dependent on how the revenue and trajectory is going and the timing. So we are absolutely committed to that.

I will also remind you that from an M&A perspective, it was at the bottom of my list of capital hierarchy. We remain open to opportunities as every management team should be. But from our perspective, and Christian and I share the same view, that it has to fit various criteria of strategy, culture, financials before we will consider that.

So at this point, if it was up to us, we would like to do return to the shareholders because they deserve it. And in fact, we're generating a lot of capital that needs to be deployed. And if we see business opportunities, we will do that. But with a 14.2% ratio, honestly speaking, we feel pretty well set up for business opportunities that should allow us to continue with our buyback rhythm.

On FRTB, I think we had mentioned at the investor day for the purpose of planning, we actually had left that in there. Now look, if you were to ask us today with that in the absence of concrete information, that assumption probably looks a little bit conservative in terms of us assuming that, that was going to come as planned. So we remain hopeful that the right thing will be done there from a European perspective. And then at that time, obviously, we will make a change.

The last part on deposits, it is clear that there's been some competition and there are teaser rates that our competitors are bringing in. We're actually running a campaign on Private Bank right now. And after three weeks of January, actually, we're pretty confident that our planned growth strategy for deposits is going to work out. We think that our value proposition and our access is something that is not that easily replicable from people coming outside.

Same thing on the Corporate Bank, we have not seen too much deposit pricing trends changing, there's been some stability in the payouts. But remember, on the Corporate Bank side, it's just not a matter of pricing. It's the capability that comes with it. Do they have the operational reliability? Do they have the network to move cash around? So in that sense, with our very unique footprint with corporates around 60 countries. It gives us some advantage of continuing to take operational deposits without having to compete on price.

And last thing I'll say to you, this might be the first three weeks of January, but I think the good challenge that we may actually face this year would be an abundance of riches where we may actually have to decide which deposits do we really want to take versus turn down. So at this point, I would say we feel pretty confident about our ability to potentially meet or exceed our deposit targets.

Christian Sewing

Flora, just to add one comment on the regulatory question and I completely agree with Raja. I witnessed over the last twelve weeks, but in particular, over the last four weeks. And this can also be an impact of all the geopolitical discussions a real reconsideration on the European side, what happens with regulation.

And therefore, the word simplification, the word reduction of regulation in certain items, is gaining speed. You have heard our Chancellor. There were discussions also around Davos on that topic. So completely agree. While we don't have now a concrete decision on FRTB, I would be more than surprised if this would come into play. And therefore, we see that as an absolute cushion in our plan an absolute advantage that potentially on the side, we have also too conservatively.

Chris Hallam (Goldman Sachs)

Good morning everybody. Two from me. First on CLPs. You've guided for them to come down year over year in 2026 and then trend down towards 30bps. How much of a step down should we expect this year? Consensus, I think, has around € 150 million. And what trends are you seeing both in Q4 last year and at the start of this year that give you confidence on that trajectory? That's my first question.

And then secondly, James, taking a step back, you've been CFO since 2017. And from the outside, we can all see the change in the business over that period, not least of which the higher returns, but also the fact the bank is now distributing capital rather than raising it. But from the inside, from your perspective, what are the main changes you've seen during your tenure that might be a little bit less obvious to us and how do they

	inform the future outlook for the bank from here? Thank you.
James von Moltke	Thanks, Chris. Good morning to you. So I'll take both. Raja may want to add to the forward on CLPs, but let me just start with the fourth quarter. We said in our prepared remarks that the Stage 3 was higher than we might have expected. And as you saw, essentially run rates in both Private Bank and Corporate Bank stepped up a little bit, but we don't think those are necessarily indicators of a trend. And I would put the natural run rate on both on a quarterly basis, just moderately below where we were in the fourth quarter.

As we said as well, we see the overall credit conditions in both books to be reasonably stable, in fact, in some cases, improving. The Investment Bank obviously had a higher Stage 3 than we would normally have. Clearly, a big feature of 2026 is the CRE tail, how big and how long it takes to wind off, and obviously a non-repeat as well of the single-name item that we referred to as well.

So short answer, Chris, is I think a normalization of Stage 3 run rates, strong credit quality generally and this amelioration of Commercial Real Estate all play into what would be at least a modest reduction in CLPs this year. Raja said trending down to 30 basis points. I think that's appropriate. We were at, I think, 38, 36. And I think there's a couple of steps perhaps still to go before it fully normalizes in that area.

Thank you for the kind question about my time as CFO, Chris. I mean there's a lot to look back on. But I guess two points I'd make. One is we really changed the culture in the firm and this is around accountability and discipline in terms of delivery. And I think culture will stick in the organization.

So that's something, I think, that is a significant change. Obviously, the Finance functions played an important role, but by no means alone. COO, Risk, in the control functions have been very important. And then in some senses, most importantly, it's also being adopted and internalized in the first line. So I think that's a major change for the organization.

Going forward, I'm genuinely excited about the impact that SVA can have on the organization, and we've talked about that a little bit in the briefings. Again, it's been, if you like, originated and led out of Finance, but it's been adopted by the organization wholesale. And I think the willingness to guide decisions through the use of the SVA tools has been embraced in the organization, and I think it will have a significant impact in the years ahead.

Christian Sewing

Chris, it's always hard for James to talk about himself, but let me add two or three items. I think the integrity and the credibility he has given Deutsche Bank to the market is simply outstanding. We would not be there without his work, but also without his integrity and credibility. So that is something where we are all benefiting from and that discipline is now so instilled in the bank, but it's one of his greatest achievements.

Secondly, next to all the day-to-day work and KPI management, holding us responsible, there is one other thing which makes him an outstanding CFO. And that is, last year, you all remember that we took our target up on the cost/income ratio from 62.5% to 65%.

And James and I, we got criticized because it was sort of a deterioration. We did it on purpose because we saw the long-term chances of the investments at that point in time. And you don't find too many CFOs who move voluntarily away from an own target, which is to the heart of a CFO, to do the long-term better of a bank, and that is James.

And that is something where, I would say, really, thank you, James, because again, that long-term thinking has really created a completely new culture in this bank. And there, we are benefiting all from it in all business divisions, and I think it's actually the secret of success of Deutsche Bank going forward.

Anke Reingen (RBC)

Thank you very much for taking my question. But firstly, thank you very much, James, and all the best for the future. So in terms of the questions, for the cost trends, the € 21 billion approximately in 2026, can you talk a bit about the trajectory in the course of the year in terms of the investments coming in and potentially leading to higher costs in the first half to second half, apart from the normal seasonality, but just in terms of your spending plan?

And then secondly, on the additional capital distribution. The way you seem to be talking, it seems to be with more confidence that there is an additional distribution coming. So I just wonder when should we be thinking you could be revisiting another distribution? And are there any moving parts like regulation, disposals, we should be aware of that, that would help to additionally inform that decision? Thank you very much.

James von Moltke — Thank you for your question. Let me take the first one and then Christian may want to also add in his views on the second one since I express mine. I think on the investment side, look, the great part is that these are our own investments, meaning that we are deliberately and diligently making them. So we do have some control over how we pace them. That said, you would naturally expect that there will be a natural build-up over the year as the hiring gets done, as the technology investments get deployed. But at this point, we would not expect that any quarter would be extremely outsized one way or the other. I think you could expect to see a slow trajectory upwards and then stabilizing over the course of the year. That's the way we think about it.

Obviously, the revenue environment will drive if we do better on revenues, and we expect it will drive volume-driven expenses and other related expenses, which is something that we have now projected based on our current revenue plan, but let's see how that plays out. But at least that's the path for investments.

Christian Sewing — Anke, Raja indicated that with regard to share buybacks, first of all, very happy with the approval we have in hand for the € 1 billion. It brings us there what we promised actually above € 8 billion. I think it's now on us. And like we have done it in the past, we need to deliver. Again, in my view, it's now Q1, and then also, obviously, Q2.

And then I think if we do this, and I don't see any sort of say, clouds for the time being that we can't deliver, then I think we have all the right to have another discussion

	with the regulator. I think we gained credibility with the regulators around the world, but in particular, also with our home regulator here. And if we deliver on our plan and if we are showing capital ratios like we do it right now, there is no reason why we shouldn't ask for another one. Now to give you a confirmation when this is exactly happening, it's too early, we should be fair. Let's deliver first, but we have done this for the last vie years, and therefore, I'm confident that we will also do it this year.
Tarik El Mejjad (Bank of America)	Hi good morning. Just a couple of questions on my side. First, I would like to challenge you on the € 33 billion revenues, more to the upside. First, on the Corporate Bank growth, I mean, you insist on modest growth, but I think you have a self-help strategy there, where you go back to some corporates that you've lost focus on and you capture this growth, which is completely independent from how the market will do. And also, I wanted to confirm on the Corporate Bank, how much you still price your outlook on a potential pickup on the benefit of fiscal stimulus towards the back end of the year. I mean, same for IBCM, the pipeline was good, FIC is flat. I mean, you guided for flat, but clearly all indicators for volatility will stay with us and January should be a good indication of what to come. And also on NII, you're talking of deposit growth with Q4 as an exit rate, which basically implies that a full-year guide before even considering the hedge, if you can help me as well square that? And the second question is on the capital return. Really just to confirm that the extra share buyback you could have in the second half would be as a special from 2025 earnings and not an advanced buyback on the 2026 earnings accrued. Just a clarification on this. And lastly, I don't know how much you can comment on the news yesterday on this remainder AML issue. I don't know how much you can say on that? Thank you.
Raja Akram	Thanks, Tarik. Let me take the first question, and I'll let Christian respond to the penultimate question. Look, I think we actually feel pretty good about the € 33 billion. The reason that I feel good about € 33 billion is because it is not dependent on any one business delivering

outsized performance, but actually everybody is doing a little bit better than what they did.

Now the Corporate Bank is an interesting question, and I fully appreciate why there's a little bit of skepticism on that. But honestly speaking, that is the one that I actually have the most conviction on because under the surface, what I see is a bank that is actually growing super healthy. Just to put some things in perspective, in the last year, we actually grew net fee and commission income in the Corporate Bank by 5%, which was almost entirely offset by the margin compression on the interest rate side.

And if you look at 2026, we believe we can certainly do better than 5%, and in fact, the margin compression headwinds are now starting to subside even on a reported basis. So if you just put that together, we should see positive momentum in Corporate Bank and at what we're seeing on the deposit side, we're doing pretty well. So I think that we actually are pretty well set up.

The other data point that I'll give you on the Corporate Bank is that we actually have underlying loan growth in Corporate Bank that was in excess of 5% to 6% last year. But based on our SVA decisions, we decided to exit or reduce our exposure to a couple of products where we didn't want to be in. So the underlying growth of the loan volumes, putting the German fiscal aside for a second, is actually super, super healthy. At some point, the SVA process will play its course and the loan growth even on a reported basis will be much higher.

So I actually feel pretty good about the Corporate Bank because, one, the idiosyncratic FX headwinds and the margin compression, which were all a feature of 2025, which made it a very complicated story - in fact, we probably need a separate analyst day just to discuss Corporate Bank and its trajectory - is all kind of subsiding giving us confidence that the second half of the Corporate Bank is going to be showing sequential growth and year-over-year growth. So let me put that aside.

The other thing is on the IBCM side. We spend a lot of time with our teams, not just on an aspiration basis. The pipeline that we see today is at least double digit higher than in 2025, whether it's on investment-grade debt, it's leveraged lending or it's M&A. So there too, we are seeing signals that give us some conviction on the revenue growth over there.

Remember, we are planning for a little bit over 3% revenue growth versus what we have done in the past. So that is obviously dependent on a flat FIC, which Christian had talked about, so I'm not going to go there again.

So lastly, on the interest income side, look, we are projecting to go from around € 13.3 billion to around € 14 billion, almost half of that is already baked in with the hedge rollover and alongside the deposit and loan growth that I mentioned, I think the conviction on interest income as it stands today, is pretty good.

I think our focus now is to make sure that our investments get deployed correctly and with agility because we also want to see the one thing that you did not mention, we also want to make sure that our client assets and our net new assets get the same momentum that we want because that obviously is very value accretive for us.

So all in all, I would say going from € 32 billion to € 33 billion and offsetting some of the C&O headwinds with the Corporate Bank recovering is actually something that we feel pretty confident about.

James von Moltke

So on capital, just briefly, Tarik, I just want to make sure you heard us right. Our expectation is that an additional buyback request in the second half of the year would be in respect of 2026 earnings, not 2025. I think as you've heard Raja speak to and also to Anke's question, that is distinct in time from the question of whether there are excess capital distribution.

So think of it as additional distribution is potentially coming from two different sources, accelerating of in-year earnings and at some point in time, once we've established that capital is excess on a sustainable basis, potentially excess distributions.

On the last part of the question, obviously, there's relatively little we can say. We obviously confirm that the Frankfurt prosecutor paid a visit to our offices. Obviously, we see the timing is unfortunate. The prosecutor is looking for information, as you saw in some of the reporting yesterday, on transactions that date back to the period between 2013 and 2018.

And the allegation is that on that basis, there's potentially delayed suspicious activity reporting. Obviously, we need to follow the facts and work with the prosecutor on the investigation as ever, we cooperate as we're doing fully with the investigation. It actually builds on earlier investigations of a very similar nature. And so we will continue working with the prosecutor's office. The last thing to say really is we do not anticipate that it will have any impact on our financial or strategic plans.

Tarik El Mejjad	Thank you very much and thank you, James, for all the interactions. And Raja, just to be clear, I'm actually thinking there is upside to the € 33 billion. I was just trying to see where are the pockets for upside. I'm quite above actually your guidance on 2026. Just to be clear. Thank you.
Giulia Miotto (Morgan Stanley)	Good morning. And thanks, James, also from my side, for all the dialogue and all the best for the future. So I have two questions. One is on the Private Bank fees in the quarter. This seems to me one of the best areas for upside going forward, given that the Postbank is now on the same systems, given the momentum in investments in Germany, etc. Yet, it has disappointed in the quarter, it was flat year on year. There is no growth. So when can we expect this potential to start materializing on the Private Bank? And then secondly, just on SRTs, what should be a base case assumption in our model for SRTs that you plan over a year? Thanks.
Christian Sewing	Giulia, look, as I said on the first question, overall, year over year, we see an increase in Private Bank. And again, coming from the domestic business in the Personal Bank, in particular, on the investment side, but then also from the growth and the hirings Claudio is doing on the Wealth Management side.

And that I actually expect that based also where the markets are an increase already in Q1. It is not something which is just backdated, so to say, to the third or to the fourth quarter. I see a continuous improvement in the Private Bank. And the Private Bank is in this regard, always for me, which I watch with two eyes, number one, the constant increase in revenues, in particular, driven by the investment business. And you see it in the assets under management continuously growing. But at the same time, and Claudio just illustrated that again, that we are working on our costs. We will have another 100 branch closures just in 2026. It is part of our plan. It is, so to say, all in implementation. And you will see that also the operating leverage in the Private Bank will further continue.

And hence, I do believe that already in 2026, you will see another nice increase in the return on tangible equity of the Private Bank because last but not least, it's not only the Corporate Bank, which is working from an SVA point of view on certain sub-portfolios where we can do better, same is done actually by Claudio. And hence, I can see a nice continuous development in the Private Bank, and you will see it already in Q1.

Raja Akram	Giulia, it's Raja again. I hope everybody is down there. I think I'll just add to Christian's point on the Private Bank, you should expect to see growth in the Private Bank throughout the year. I think that is the way we are seeing the trends develop. I think your second question was about SRTs, if I caught it right. I think, as I mentioned, we have a plan for increasing SRTs by approximately 25% over the next couple of years. We've actually demonstrated very strong access to the SRT market in 2025, and we're going to continue to use and expand the use of this tool. And it obviously helps us with capital and SVAs, but the plan is the same, € 5 billion incremental for 2026-2027.
Kian Abouhossein (JPMorgan)	First of all, James, thank you very much for your support, helping us to understand the bank a bit better. So we have a better understanding than before, so highly appreciate it.

Secondly, in terms of question, the first one is on revenues again, but less around 2026, we have roughly 3% growth guidance versus your target, which would then imply more like 6% over the next two years. And I'm just trying to understand what the acceleration would be driven by. I assume part of it is the Corporate Bank, where you clearly have a target of 8% and you're talking about a slight increase and clearly reviewing the slides of the Corporate Bank, you talk about a lot of customer acquisition, but I'm just trying to maybe understand and rationalize this higher growth case better, if you could outline that post 2026, assuming your base case of 3% roughly gets achieved for this year?

And then the second question is on the hedges. They've gone up in terms of contribution going forward, I think, € 200 million and € 100 million respectively, in the next two years. Just trying to understand what drives that? And if I may, just very briefly as well, if you could just talk about US CRE briefly in terms of situation the way you see it for 2026? Thanks.

Raja Akram

Kian, it's Raja here. Let me just take the revenue questions first, and then James might contribute a little bit on the hedge question. Look, I think the 2027 and 2028 conviction is around basically the investments that we're making. And two, we're going to see underlying growth start appearing where it is being masked today, especially in the Corporate Bank.

As you remember from our investor day, we have around an 8% CAGR in the Corporate Bank. What you will expect to see once that we are going to be over the FX headwind as well as the margin compression in the first half of the year, you can expect to see that. And as I already mentioned, we had 5% net fee and commission income already in Corporate Bank last year. You can expect to see us exiting out of this year on Corporate Bank, perhaps not at the 8%, but mid-single digits to out that from a growth perspective. So that gives us the conviction that the future 5% for the Group that we have laid out is achievable.

The second thing, clearly, on IBCM, we have two things going on. One is a different macro environment for us versus where we were. Two, what we're doing on the business side from a strategy perspective and pivoting towards corporates versus sponsors. And three, we are actually making investments in four target sectors where historically, we have been a little bit underweight. And we have a lot of conviction that we actually now have the ability to capture more market share even in the US on the back of what Christian has very clearly laid out the macro geopolitical volatilities and the client need for an adviser. And remember, the third thing that we, at this point, are being pretty conservative around is assuming that FIC is going to stay flattish or will have some margin compression even. So we obviously don't know what the macro situation would be. But that, to me, is a little bit of a wild card in terms of opportunities.

Where we are also obviously super excited about growth is in Wealth Management, because there, we're just getting started, to be totally honest with you. I think we are on an early innings of getting our strategy right of attracting client assets, generating new net assets across our client base. So that growth is going to be a big contributor for our overall target.

And finally, I would say Asset Management, as we just talked about, they have just recently increased their targets. So clearly, we have a little bit upside there that we were probably even two months ago, we would have asked the question whether it was there. So I think all in all, putting the Corporate Bank story on the side and working over the 2025 dynamic, growing Wealth Management, increasing our market share in IB, I think that kind of gets us to the 5% and hopefully more in the future.

Christian Sewing: And before James comes to the next question, let me just add one point Kian, and that's the German impact. You have heard in November that € 2 billion out of € 5 billion we actually planned from Germany as an increase in revenues. Actually, the smallest part, low 3-digit-million number is only in our plan for 2026.

The real impact of that what is happening in Germany is in our revenue plan for 2027-2028, because now you can see the stimulus impact on certain areas, defense starts, infrastructure starts, but the pullover, so to say, in the broader corporate industry is coming, and we have that in our plan for 2027-2028, again, in my view, the right approach.

James von Moltke

Kian, on the hedges, the biggest impact is the gap, if you like, on the rollover benefit. So if you just assume a constant portfolio of hedges of swaps and you look at today's gap in 2026. So go to page 25 of the analyst deck and look at the gap between the hedges that are rolling over and the 10-year swap rate. You can see that right now, that gap is about 2.5%.

And if you go back to the same slide in last year's Q4 results, you can see that the gap was 1.9%. So that difference is a big driver. Now obviously, volume of hedges will have an impact as well, which, over time, reflect growth in the portfolios that we're then hedging larger portfolios of deposits.

And then the other thing, as we've talked about in prior calls has been whether there are any sort of overlay hedges that we do that can also influence the hedge results. So for this year, it's a very strong benefit as much as € 500 million, and that's obviously a big help. It's influenced then beyond that by, as I say, deposit and loan growth that should also be a significantly supporting factor.

On CRE, I'm a little snake bit having sort of thought we'd seen a bottom in this market before and then seeing, if you like, more floors broken through. And so then the question for us is, will there be really a floor put under the market this year in 2026. And as we've talked about, particularly in the West Coast office submarket.

Now at the risk of yet again sort of expecting an improvement and seeing another downturn, we do think we're in the tail of this cycle. And if you look at indices more broadly, they have been stable. But we're obviously subject to a potential downward revision of the appraisals.

And so that's what causes us to be a little cautious at this point in time to fully call an end to the cycle in our

	portfolio, and we'll wait to see how and when the full normalization of that market takes place.
Kian Abouhossein	What are your assumptions for your provision guidance for the group on CRE values, as you just discussed for 2026, I mean?
Raja Akram	Hi, this is Raja.. We do expect that on an overall basis, we will continue to see downwards improvement in the CLP provision number. Now as James said, and I had said actually at the investor day, we do expect that we are not completely over the CRE hurdle. I think there's some small tail still left in 2026, which could be idiosyncratic. So on the whole, we expect improvement in CRE, gradual improvement in CRE. And then offsetting that potentially will be of normalization on Corporate Bank, in which we actually saw very, very low defaults this year. So on the whole, trending downwards towards my target rate, CLP rate and also on CRE expecting improvement year over year.
Mate Nemes (UBS)	Yes, thank you for the presentation and for taking my question. And James also from my side, thank you for the dialogue, discussions and all your help in the past couple of years, and wish you all the best for the next stage of your career. As for the question, I just wanted to go back to the banking NII guidance of € 14 billion for 2026. It seems like a € 700 million step-up from 2025. And when I look at the slide 25, the hedge rollover that seems to indicate also roughly € 700 million positive year on year in 2026. So in that context, it seems like the overall € 14 billion number doesn't have much in terms of benefit from either the growth in size of the hedge or loan growth, deposit growth and so on. Could you help me understand the moving parts here? And the second question would be on your € 21 billion cost guidance. It seems like in some areas, perhaps you have pockets of opportunities that help you outperform the € 33 billion on the revenue side. If that is the case and perhaps FIC revenues also end up better than flat this year, is the € 21 billion number slightly flexible or that is a very hard cost target for 2026? Thank you.

Raja Akram

Let me take the second question first. Look, the cost number can always remain flexible. Obviously, given that we have significant investments in there, but we have a lot of conviction around those. And what James and Christian have demonstrated that they have the ability to be pretty disciplined around costs.

So, look, I think if FIC comes out much better than what we expect, I think that's actually a great tailwind to the bottom line for us because we can manage this organization pretty nimbly. So let's see.

But at this point, our best estimate is to be a little bit over € 21 billion, assuming that all the investments get made in the calendarization that we have now slated out to be and the revenue mix plays out the way we have thought.

So that's our best view at this point. But that said, we are constantly looking for other opportunities to improve our cost base. And that work doesn't stop just when we commit to the plan. That work is going to continue to go on throughout the year. And if we see opportunities to take some of the productivity benefits that we actually have slated for 2027 or 2028 in accelerate them then we'll certainly going to try to do that.

So on the NII guidance, you're absolutely right that the hedge rollover, which, by the way, I consider that as a component of how we manage the overall deposit book, we are a big beneficiary of that and actually that's a very well-designed hedge program.

Remember, I also talked about that we are making intentional decisions on the loan portfolios of exiting out certain portfolios where we are not SVA accretive, even including the net interest income. So there are some deliberate decisions that mute the underlying operating growth of NII along with the hedge rollover.

But the expectation is that as that calibration of the exiting portfolios tapers off, then you will not only have the benefits from the hedge rollover in the outer years, but you also will have a real bottom line increase in the NII from both loans and deposits.

James von Moltke	Just one other thing to add is in 2026, you're going to have a grow-over effect for both FX and the margin compression that took place through the year. So there's some other dynamics in the numbers that are harder to pick out.
Stefan Stalmann (Autonomous)	Good morning. Thank you very much for taking my questions and James, thank you very much for everything and all the best going forward. I have two questions on asset quality, please. The first one on the US CRE book. It does look as if you actually exited about € 2 billion of office exposure during the quarter. And at the same time, the average LTV on the office book in the US went up quite a bit during the quarter. Can you maybe add a little bit of color on what happened? Do you actually sell NPLs? Was there a general mark up or mark down of collateral? Any color there would be useful. And the second question, there was a media article maybe a few weeks ago about your intention to hedge your data center lending exposure. And I don't recall whether you actually commented on that already or not. But if you can to the degree you can, could you give us maybe a bit of a sense of how big this book actually is and whether it actually overlaps with your US CRE book or whether that's considered a corporate exposure mostly in your perspective? Thank you.
James von Moltke	Thanks, Stefan. And to you and all the others, thank you for your very kind words and the partnership. On CRE, we noticed that as well, and it's really mostly payoffs of loans that took place. And the effect, especially of payoffs with low LTVs, has been to increase the average LTV of the remaining book. The closings of some of the sale transactions that we first announced in the third quarter and executed in the third and fourth quarter. So some of it was loan sales. Some of it were pay downs and the net effect on the LTVs was to increase them. On the data centers, we didn't make a public statement about that. It did become public, and there's truth to it. But the wider truth is, we've been a very strong participant in this marketplace for several years.

	We're very proud of the franchise that was built here, but we've always operated that business under, as you'd expect, risk appetite parameters for our overall exposure, both on the book and in new originations.
	And as you'd expect that given those parameters, we - as we do for in a sense, all other financing types here - we manage those exposures carefully, especially in an underwriting period. And so that, I would just characterize as ordinary course risk management.
	Remember that the hyperscalers, what we do in that book is obviously seek out the highest quality loans to underwrite. And the feature is an interesting one, which is that the stronger the contract with the ultimate offtake provider, the more highly rated the underlying position is. We lend mostly to investment-grade tenants or indirectly, if you like.
	And so we feel very good about the strength of the portfolio, but nevertheless, manage it carefully. As to the CRE, I believe the data center exposures are treated as CRE in the same way that warehouse distribution and hotels are commercial real estate. And so it does, I believe, add to the total balances.
Joseph Dickerson (Jefferies)	Hi. Thank you. Most of my questions have been asked. But I guess, as you look out in your ability to deliver on your targets for 2028, the market didn't believe you on what you've achieved on this plan through 2025.
	And if I look out at 2028, it looks like expectations are sitting at least 100, if not 150 basis points below your RoTE target. I guess what do you think that the Street is missing in that regard about your ability to deliver the RoTE that you've outlined? Thanks.
Christian Sewing	Look, let me start, and my two CFOs may want to add. To be honest, I think it's execution and evidence. And if we deliver again on the next step in 2026, and we committed to a gradual improvement year over year, we actually told the Street that we will invest a bit more in 2026 in order to capture all the opportunities. I'm absolutely sure that also the Street will move its consensus.
	And to be honest, if I see the gap between consensus three years ago to the 10% and where we are now with

the gap to consensus to 2028, I think there is a huge amount of credibility we have already gained.

It's on us to show that quarter by quarter, year by year. And we will lose nothing of the dedication and discipline we put into this company going forward. So it's actually nice to raise and beat all the time.

Raja Akram	Thanks, Christian, if I may just to add. I think, obviously, the company went through a transformation internally and now that transformation has been visible to externals. I think at the same time the pivot that we have from defense to offense, while we have all internally bought off on it and understand what we are doing, there's obviously going to be a natural lag for people to get a full understanding of how we will get there. And I think that's completely understandable. I think from my perspective, there, we have two jobs. One is to deliver on what we said we will deliver in 2026. But more importantly, we want to show you the underlying drivers of what is leading us up to 2028 in terms of the KPIs that we shared at the investor day. So even if the underlying financial output of that is on a lag, we want to be able to show to you what we are actually doing on the cash side, what net new assets we're onboarding, how many advisers we were able to bring in, how our volumes are increasing. So, I think my hope and my expectation is that once we start delivering quarter by quarter in 2026, show the discipline on expenses, and then start sharing the underlying drivers of where we are succeeding, that gap will hopefully narrow and maybe we'll end up at a stage where we are behind, the other way around.
Jeremy Sigee (Exane BNP Paribas)	Thank you. And thanks and wishes to James from me as well. A couple of follow-ups. One on the NII discussion and the sort of the limited progression to the € 14 billion. You mentioned loan portfolio exits. You also talked earlier about negative margin impact. Are they largely done now? Or is there a bit more of the negative margin impact still to come through in 2026? That's my first question. And then secondly, just a very broad question for Christian perhaps. You touched a couple of times on

the German stimulus and deregulation programs. I just wondered if you could give some further perspectives on those, particularly from your conversations with corporate clients and the extent to which they're moving from just thinking about it to actually doing something and preparing concrete plans for investment and borrowing and all that kind of good stuff.

Raja Akram

Sure. Let me take the first question. Look, we had said at the investor day that it was our intention to move our SVA from 40% to 70%. Now obviously, that was on the business level. As you saw this quarter, each of our businesses on a RoTE basis was in excess of 10%.

So, at a portfolio level, we are obviously in a pretty good situation, but there are certainly pockets of activity inside our businesses or in geographies, which we either need to improve the SVA on through their expenses, through better capital allocation or better pricing or we decide need to downsize to create capacity for lending that makes sense.

So that work will continue to go on over the next two or three years. But obviously, 2026 is a start for that. So, it's a little bit more transparent.

On the margin headwinds, we expect that they will subsist for the first half of the year, as James said, but we think that we will most likely grow over them in the second half of the year, especially, it will become a little bit more prominent in Corporate Bank where they have been the most impacted by the margin.

Christian Sewing

I just wanted to take the second question, and that is on the German stimulus. We see actually in the fourth quarter and now in the start of the year, the impact of the stimulus in particular in two asset classes, defense and infrastructure financing.

As I said before, we can see quite a good momentum, in particular on the defense side, also with mid-cap companies because in Germany and in Europe, it's the case that it's not the big defense companies who need lending. It's actually the mid-cap companies supporting these large-cap companies.

And there, we're working not only by ourselves, but with banks like KfW, you have seen our announcement with

EIB, on a joint program where things are really developing.

And I do believe from all that I can see in Germany, but also in Europe, that the activity is slowly starting. And hence, from a planning point of view, I outlined that before, we firmly stick to our € 2 billion of revenue increase out of the € 5 billion coming from Germany. But I think for the right reasons, we have put most of that into the years 2027 and 2028 because it needs preparation.

In this regard, although it sounds sometimes different in the media, the government is doing everything they can in order to focus on competitiveness and growth. We have seen a couple of reforms. And of course, we all wish for even quicker implementation. But I also have to say that on the European level, things are moving. And therefore, I gave you the example of regulation, how the talk is there.

But also the extra summit, which will take place in two weeks' time, actually at the request of Germany, that we need more reforms in Europe on bureaucracy, less regulation, Capital Markets Union, digital investments. It all shows that something is happening.

And that brings me to the last point where we obviously benefit. We should not only think when we talk about stimulus in Germany and hopefully also growth in Europe. The biggest theme in Davos last week, next to all the geopolitical discussions, was investors talking about redistributing their assets.

And they are doing it for two reasons, and the beneficial is Europe for diversification, but also because they see alpha in Europe and they see alpha in Germany. And that's what we also see in the “Made for Germany” initiative. So therefore, I remain positive personally. Of course, I also want to have things always quicker, but I can clearly see that things are picking up.

Andrew Coombs (Citi)	Hi, thanks for taking my questions. Firstly, just all the best James. On the questions, same theme I'm afraid, but I wanted to touch upon margin in both the Personal Bank and the Corporate Bank. Obviously, you have

fantastic deposit growth. It hasn't shown through in the net interest income thus far.

And I know the comments that you've made on the trajectory for this year. But on the PB side of things, can I just ask what you're seeing in terms of deposit competition and any commentary you can make around household deposit meters, where they stand today, where you think they're going to trend to?

And on the Corporate Bank side, you've talked a lot about the first half of this year, still having an impact from lower rates in FX, but how you plan or think you'll exit that in the second half. Can I just clarify how much of your deposit book in the Corporate Bank is Dollar-denominated rather than Euros? And what's the consequence of lower Fed rates on the margin there? Thank you.

Raja Akram

Let me start with the Private Bank. As I mentioned earlier on, we're certainly seeing some competitors coming in with teaser rates in January through all the markets for new and fresh money, a couple of outsiders in there as well. We also have some campaigns running. So at this point, from a growth strategy perspective, we don't see an impact of us basically losing out on these deposits in the short term.

As I mentioned, we've done that pretty successfully in the previous year. But there's certainly some pressure, which I think there was an NII question earlier about as well as to why the hedge was the predominant contributor. Part of it was loan exits, but part of it also was some deposit compression.

On the Corporate Bank side, at this point, we are not seeing the deposit pricing trends change, but we do have the year over year headwind that I talked about earlier that I think is going to persist at least to the first half of the year before we start exiting out of it and start seeing sequential growth. That's kind of what we're seeing on Corporate Bank.

In terms of the deposit mix between US and Europe, I'll may have to get back to you on that one via Ioana. But obviously, we have a pretty global franchise, and we raised institutional deposits across the world, but I will have to get back to you on the precise mix.

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