Outlook: on track to hit return target, with greater ambition for revenues

For the coming years, we expect a clear decline in costs. On the one hand, investments in technology, processes and controls will increasingly translate into savings; on the other, savings from efficiency measures will reduce our cost base. In 2023, we further optimized our branch network. In addition, we launched a program to cut around 3,500 jobs by means of automation and the elimination of duplicate functions, especially for non-client-facing roles.

Our goal is to arrive at a cost level that means the bank is protected against external influences in an uncertain environment. We see this level at around € 20 billion per year, and we want to reach it in 2025. Cost discipline is a top priority, and it is a prerequisite for us to achieve our goals. By the end of 2025, we aim to achieve a cost/income ratio of below 62.5% and a post-tax return on tangible equity at above 10%. And we have a clear path towards these goals.

Another important factor in this is our improved revenues outlook. Our original target was to achieve compound annual revenue growth of 3.5 to 4.5% for the years 2021 to 2025. In recent years, averaging around 7%, we have far exceeded this target and we are confident that we will continue to grow at a stronger pace. We have therefore raised our target for 2021 to 2025 to compound annual revenue growth of 5.5 to 6.5%. By the end of 2025, this would translate to annual revenues of around € 32 billion.

In line with our ambitious financial targets, we expect to be able to further increase capital distributions to you, our shareholders, in the coming years. We have set ourselves a capital distribution goal of 8 billion euros in respect of the financial years 2021 to 2025, paid in 2022 to 2026, and we believe we are in a good position to exceed this objective based on the achievement of our financial targets. For the 2025 financial year, we are aiming for a dividend of € 1.00 per share, subject to it being consistent with a 50% payout ratio.

That said, we are aware that the economic environment will remain difficult for the time being. With our diversified business model, however, we believe we are well positioned for further growth, even in a challenging environment. At the core of our strategy as a Global Hausbank is our ambition to accompany our clients at all stages, as a strong partner, who gives them financial security and works with them to achieve their long-term success. Our clients' response to this and the growing demand for our products and services reinforce our belief that we are on the right track with this strategy. This gives us the strength and confidence to focus our plans on Deutsche Bank's future. We have a clear ambition: to continue our growth trajectory and be a leading European bank.

Knowing that you are at our side is both a pleasure and an incentive for us.

Thank you for placing your trust in Deutsche Bank.

Kind regards,

Christian Sewing

Participation in meetings

During the reporting period, the Supervisory Board members participated in the meetings of the Supervisory Board and of the committees in which they were members as shown in the following. Participation was either in person or per video conference. There was no case of participation by telephone.

No. of meetings / participation in %	Supervisory Board			Chairman's Committee			Risk Committee			Audit Committee			Nomination Committee		
Wynaendts, Alexander (Chairman)	8	/ 8	100%	9	/ 9	100%	6	/ 6	100%	3	/ 3	100%	6	/ 6	100%
Bleidt, Susanne (since May 17, 2023)	4	/ 4	100%							2	/ 2	100%			
Blomeyer-Bartenstein, Ludwig (until May 17, 2023)	4	/ 4	100%				3	/ 3	100%						
Clark, Mayree	8	/ 8	100%				6	/ 6	100%				6	/ 6	100%
Duscheck, Jan	8	/ 8	100%				6	/ 6	100%						
Manja Eifert	8	/ 8	100%							5	/ 5	100%			
Fieber, Claudia (since May 17, 2023)	4	/ 4	100%												
Gabriel, Sigmar	8	/ 8	100%												
Heider, Timo	8	/ 8	100%	5	/ 5	100%							2	/ 2	100%
Klee, Martina (until May 17, 2023)	3	/ 4	75%												
Laumen, Birgit (since May 17, 2023)	4	/ 4	100%							0	/ 2	0%			
Platscher, Gabriele (until May 17, 2023)	4	/ 4	100%							3	/ 3	100%			
Polaschek, Detlef (until May 17, 2023)	4	/ 4	100%	4	/ 4	100%				3	/ 3	100%	4	/ 4	100%
Rose, Bernd (until May 17, 2023)	4	/ 4	100%							3	/ 3	100%			
Schulze, Frank (since May 17, 2023)	4	/ 4	100%	5	/ 5	100%							2	/ 2	100%
Siebert, Gerlinde (since May 17, 2023)	4	/ 4	100%				3	/ 3	100%	2	/ 2	100%			
Slyngstad, Yngve	8	/ 8	100%												
Szukalski, Stephan (since May 17, 2023)	4	/ 4	100%				3	/ 3	100%						
Thain, John	7	/ 8	88%												
Tögel, Jürgen (since May 17, 2023)	4	/ 4	100%												
Trogni, Michele	8	/ 8	100%				6	/ 6	100%						
Valcárcel, Dagmar	7	/ 8	88%							5	/ 5	100%			
Viertel, Stefan (until May 17, 2023)	4	/ 4	100%				3	/ 3	100%	3	/ 3	100%			
Weimer, Theodor	7	/ 8	88%							5	/ 5	100%			
Werneke, Frank (until May 17, 2023)	4	/ 4	100%	3	/ 4	75%							4	/ 4	100%
Winkeljohann, Norbert	8	/ 8	100%	9	/ 9	100%	6	/ 6	100%	5	/ 5	100%	6	/ 6	100%
Witter, Frank	8	/ 8	100%							5	/ 5	100%			
Total			98%			97%			100%			96%			100%

No. of meetings / participation in %	Compensation Control Committee			Regulatory Oversight Committee			Strategy and Sustainabiliy Committee			Technology, Data and Innovation Committees			Total		
Wynaendts, Alexander (Chairman)	7	/ 7	100%	6	/ 6	100%	4	/ 4	100%	4	/ 4	100%	53	/ 53	100%
Bleidt, Susanne (since May 17, 2023)										3	/ 3	100%	9	/ 9	100%
Blomeyer-Bartenstein, Ludwig (until May 17, 2023)				3	/ 3	100%							10	/ 10	100%
Clark, Mayree							4	/ 4	100%				24	/ 24	100%
Duscheck, Jan	3	/ 3	100%	2	/ 3	67%				1	/ 1	100%	20	/ 21	95%
Manja Eifert										4	/ 4	100%	17	/ 17	100%
Fieber, Claudia (since May 17, 2023)							2	/ 2	100%	3	/ 3	100%	9	/ 9	100%
Gabriel, Sigmar				5	/ 6	83%							13	/ 14	93%
Heider, Timo	3	/ 3	100%	6	/ 6	100%	2	/ 2	100%				26	/ 26	100%
Klee, Martina (until May 17, 2023)										0	/ 1	0%	3	/ 5	60%
Laumen, Birgit (since May 17, 2023)							1	/ 2	50%				5	/ 8	63%
Platscher, Gabriele (until May 17, 2023)				3	/ 3	100%							10	/ 10	100%
Polaschek, Detlef (until May 17, 2023)	4	/ 4	100%				2	/ 2	100%				21	/ 21	100%
Rose, Bernd (until May 17, 2023)	3	/ 4	75%							1	/ 1	100%	11	/ 12	92%
Schulze, Frank (since May 17, 2023)							2	/ 2	100%				13	/ 13	100%
Siebert, Gerlinde (since May 17, 2023)													9	/ 9	100%
Slyngstad, Yngve										4	/ 4	100%	12	/ 12	100%
Szukalski, Stephan (since May 17, 2023)				3	/ 3	100%							10	/ 10	100%
Thain, John							4	/ 4	100%				11	/ 12	92%
Tögel, Jürgen (since May 17, 2023)	3	/ 3	100%				2	/ 2	100%				9	/ 9	100%
Trogni, Michele							4	/ 4	100%	4	/ 4	100%	22	/ 22	100%
Valcárcel, Dagmar	7	/ 7	100%	6	/ 6	100%							25	/ 26	96%
Viertel, Stefan (until May 17, 2023)							2	/ 2	100%				12	/ 12	100%
Weimer, Theodor													12	/ 13	92%
Werneke, Frank (until May 17, 2023)	4	/ 4	100%				2	/ 2	100%				17	/ 18	94%
Winkeljohann, Norbert	7	/ 7	100%										41	/ 41	100%
Witter, Frank													13	/ 13	100%
Total			98%			94%			97%			96%			97%

IFRS 9 – Sensitivities of Forward-Looking Information applied on Stage 1 and Stage 2 – Group Level

	December 31, 2023			
	Upward sensitivity		Downward sensitivity	
	Upward shift	ECL impact in € m.	Downward shift	ECL impact in € m.
GDP growth rates	1pp	(80.4)	(1)pp	88.9
Unemployment rates	(0.5)pp	(43.1)	0.5pp	45.9
Real estate prices[2]	5%	(5.9)	(5)%	6.2
Equities	10%	(9.0)	(10)%	12.2
Credit spreads	(40)%	(20.5)	40%	22.8
Commodities[1]	10%	(8.5)	(10)%	9.2

[1] Here the sign of the shift applies to oil prices changes. Gold price changes have the opposite sign. 1pp (percentage point), e.g., GDP shifts from 3% to 4% // 1% (percentage change), e.g., Real estate price shifts from 100 to 101
[2] For a more severe stress test relating to the CRE portfolio that also takes into consideration existing and potential exposure in stage 3 reference is made to the section on Commercial Real Estate above

	December 31, 2022			
	Upward sensitivity		Downward sensitivity	
	Upward shift	ECL impact in € m.	Downward shift	ECL impact in € m.
GDP growth rates	1pp	(83.3)	(1)pp	101.4
Unemployment rates	(0.5)pp	(40.8)	0.5pp	58.0
Real estate prices	5%	(5.6)	(5)%	6.0
Equities	10%	(15.8)	(10)%	19.6
Credit spreads	(40)%	(37.9)	40%	42.6
Commodities	10%	(14.8)	(10)%	15.6

At the divisional level, the sensitivity analysis below was performed for the year ended December 31, 2023, and 2022, respectively, and revealed GDP growth rates, credit spreads and commodities prices to be the dominant factors for the Investment Bank, whereas the model sensitivity for the Corporate Bank and Private Bank is mainly associated with changes in GDP growth rates and unemployment rates. The model sensitivity table for the Private Bank shows GDP growth rates and unemployment rates only, as the key MEVs relevant to the underlying portfolios.

IFRS 9 – Sensitivities of Forward-Looking Information applied on Stage 1 and Stage 2 - Corporate Bank

	December 31, 2023			
	Upward sensitivity		Downward sensitivity	
	Upward shift	ECL impact in € m.	Downward shift	ECL impact in € m.
GDP growth rates	1pp	(18.1)	(1)pp	20.7
Unemployment rates	(0.5)pp	(10.4)	0.5pp	11.0
Real estate prices[2]	5%	(1.5)	(5)%	1.6
Credit spreads	(40)%	(3.8)	40%	4.4
Commodities[1]	10%	(2.6)	(10)%	2.9

[1] Here the sign of the shift applies to oil prices changes. Gold price changes have the opposite sign
[2] For a more severe stress test relating to the CRE portfolio that also takes into consideration existing and potential exposure in Stage 3 reference is made to the section on Commercial Real Estate above

	December 31, 2022			
	Upward sensitivity		Downward sensitivity	
	Upward shift	ECL impact in € m.	Downward shift	ECL impact in € m.
GDP growth rates	1pp	(21.7)	(1)pp	24.6
Unemployment rates	(0.5)pp	(12.2)	0.5pp	14.0
Real estate prices	5%	(1.1)	(5)%	1.1
Credit spreads	(40)%	(7.5)	40%	9.1
Commodities	10%	(4.3)	(10)%	4.6