Deutsche Bank

Annual General Meeting 2022

Text of the speech Paul Achleitner

Chairman of the Supervisory Board
Deutsche Bank AG

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Dear Shareholders,
Ladies and Gentlemen,

I warmly welcome you to our Annual General Meeting 2022, which I hereby open in due form. Fortunately, the pandemic situation is slowly returning to normal, but we decided back in the winter to keep this year's meeting a virtual one.

We have developed this virtual format further since last year and have made today's meeting even more interactive for you, our shareholders. We have, for example, set aside more time for live contributions from our shareholders, and there will be more opportunities for you to ask questions.

This year's meeting is taking place against a geopolitical backdrop the likes of which we have not seen in decades. We had hoped to never again witness a conflict like Russian's war against Ukraine. Our thoughts are with the people there; we see their terrible suffering and know that this must not continue. Deutsche Bank supports the German government and its allies in their consistent efforts to stop this act of aggression on the part of Russia and end this terrible war as soon as possible.

Unfortunately, we must assume that this war is not merely a brief return to times we hoped had been banished to the history books for good. It looks more like being a drawn out conflict that we can all only hope will not escalate any further. This war adds cyber risks and food supply uncertainties to the challenges of climate change, inflationary pressure and technological revolution that we are already facing. The world today is a different place from the one before Russia attacked, it's more complex, riskier and more unpredictable.

What does this mean for us at Deutsche Bank? First and foremost, of course, we are consistently implementing all international sanctions. But we are also helping refugees. We are helping our employees in Ukraine and we are supporting our clients in Europe and across the world to navigate the consequences of this war and to cope with the challenges that this new uncertain environment poses. Our CEO Christian Sewing will talk about this in more detail later. I'm certain that you, our shareholders, will also have questions for us about the current situation during today's meeting.

At the same time, an AGM is always about looking back on the past fiscal year, and last year was Deutsche Bank's most successful in a decade. Last year was the year we started to see the fruits of our far-reaching transformation efforts, something our first quarter figures this year have reinforced.

As you know, this is my last Annual General Meeting as Chairman of the Supervisory Board, so I would like to look at these recent successes as part of Deutsche Bank's longer-term development.

Revisiting the past decade, I can say that those ten years were largely different from what I expected.

"Trust is the beginning of everything". That was something that Deutsche Bank not only used as a motto in the nineties. They were also the opening words of my first speech at an Annual General Meeting of Deutsche Bank. The trust in our company was already damaged at that time, there was no doubt about that. If I'm really honest, if I had known then the kind of difficulties that we would encounter, I think I would have chosen my words more cautiously. In a world rocked by the financial crisis, we knew we had to change. But what we did not know is that it would ultimately take a fundamental reconstruction, not just a modernisation. A reconstruction that would, in fact, take a decade and make great demands on us all and also you, our shareholders. To those of you who have remained loyal to Deutsche Bank throughout this time and who have continued, year for year, to place their trust in me: thank you.

When I took office a decade ago, there was one goal I wanted to pursue. I am still working hard for that same goal today. It is more relevant than ever:

We need banks based in the European Union that combine a global network with competitive capital market expertise. An economy as export-driven as the German one, but also the European economy, must be able to rely on a financial sector that reflects this strength. This is the only way to guarantee that domestic industry continues to receive the finance it needs in difficult times. It is the only way to make sure companies have a strong banking partner for their international business activities.

This need is even greater today than it was in 2012. Ten years ago, we did not think it possible that today's geopolitical tensions would emerge. The world has become more regional again. Charles de Gaulle's quote, stating nations do not have friends, only interests, seems more fitting now than ever.

With this trend towards regionalisation in mind, it is clear that for financial services, too, we should not be overly dependent on imports or a few providers from one country or one region. The financial industry, like energy supply or telecommunications, is a strategic economic sector where it is crucial to maintain sovereignty as far as possible. This has a lot to do with our tasks as part of society. We are facing a historic transformation towards a more digital and sustainable economy. It will determine what role Europe will play in the global economy in the coming decades. This transformation is now made even more difficult by the fact that many of our companies have to substantially restructure their supply chains. This will require enormous investments.

As a result, it is even clearer today than it was ten years ago that we need global banks in Europe. It is also clearer now than back then that there are not many institutions in Europe that are still capable to play this role. How many internationally competitive banks are there in Europe with a global network and capital market expertise? I could count them on one hand.

Deutsche Bank is one of them and Deutsche Bank is keen to take on that responsibility. Today, Deutsche Bank is in a position to once again successfully perform its task as part of the European economy. The journey to this point has been a long one and it required one important thing: honest self-assessment.

I have always refrained from criticising previous generations of managers, so I will not start today. I would like to say, though, the bank's own situation was overestimated in 2012. The apparent strength with which Deutsche Bank had emerged from the financial crisis ultimately proved to be more of an obstacle. The exaggerated self-image stood in the way of much-needed change. Certainly, the bank was better than others in some areas. But it was not well enough prepared for a banking world that was changing so rapidly and fundamentally.

My own assessment of the situation in 2012 also differed from how it turned out to be.

Who would have thought back then...

- ... that we would have to spend billions of euros over the years on legal expenses, penalties and settlement payments, for cases largely relating to the past?
- ... that we would reduce Deutsche Bank's balance sheet by almost 1 trillion euros over the next ten years and at the same time have to hold even more capital for this much smaller balance sheet?
- ... or that in 2022 we would still not have a European banking and capital markets union?

If I had known when I joined Deutsche Bank what I do now, then I may have started out with more realistic and consequently more modest expectations of our company.

Three phases

I will not deny that the path to our new reality was not always straight. Some of what had been envisaged as progress turned out to be a step backwards. Some of the things that were supposed to be a solution actually made the problem worse. Mistakes were made, and yes, I made mistakes, too.

But we also cannot deny that we have put your Deutsche Bank back on track in these ten years. Ultimately, it is in a much better position today than it was a few years ago. It has remained an independent institution and has the very best prospects for staying that way. Looking back at the past ten years, we must unfortunately conclude that we could not always take this for granted.

How did we get here? In retrospect, I would say there were three phases to the past ten years.

I see the first phase as a reform phase: it seems unreal today, but at the time it was certainly the prevailing opinion that Deutsche Bank's business model was basically intact. It would only take a few reforms, a few adjustments, to get the bank back on track for success.

Incidentally, most external observers and the capital market in particular saw it like that, too. After all, in 2013 and 2014, investors subscribed to two capital increases with a total volume of 11.5 billion euros. Investors based their decision back then on the business model at the time and their conviction that what Deutsche Bank had done successfully in the past would also be the successful model for the future.

However, this conviction, which was common at the time, proved to be a miscalculation on two scores, both of which only gradually became clear to us on the Supervisory Board:

- Firstly, there were fundamental problems lurking below the surface. As we know today, these included fundamental weaknesses in internal controls, but also shortcomings in technology and processes as well as a structure with costs that were too high.
- Secondly, it was completely underestimated how much the regulation and new rules as a response to the financial crisis would change banks - especially in the capital market business. A model that relied on a large volume in securities trading combined with an extremely thin capital base no longer worked in the new world.

This gradually became clearer to us on the Supervisory Board and we realised that any kind of "business as usual" would not be enough. In the summer of 2015, we drew the necessary consequences and brought in an almost completely new management team under the leadership of John Cryan.

Could or should this have happened earlier? Perhaps. But I would also ask you to bear in mind that we made this hard cut just one year after the last capital increase and only about two months after the subsequent strategy process was completed.

The second phase began with John Cryan as CEO. I like to call it the time of restructuring. It was about shaking up our bank and getting it ready for fundamental change. And it was important to restore confidence in Deutsche Bank, among regulators as well as among our clients and in society. This included our unconditional cooperation with the authorities to leave the large legal cases behind us. It also included true new beginnings, be it in the bank's control systems or its corporate culture.

I would like to emphasise once again that John Cryan did an excellent job across the board. He stood for the cultural reboot that Deutsche Bank so desperately needed. He was the right CEO for this phase, of that I am convinced. It was a particularly difficult phase. As we can see today with other companies that have to deal with their past, the moment they start turning over every stone and they need to, then everything starts to come together.

When Christian Sewing took over as CEO in April 2018, he resolutely continued this work. The aim was to continue restructuring and stabilising our bank, in order to build the credibility needed for the third phase.

In the summer of 2019, we were ready for that third phase. I would call this the recovery phase. Realignment was the order of the day and senior management kicked off this phase by setting itself a small number of goals and then working rigorously to implement them. The aim was to regain credibility among clients, regulators, employees and on the capital markets through consistent and strict implementation. The next step was to initiate the successful transformation of our bank with the strategic realignment in July 2019.

That was the plan that Christian Sewing and I discussed before we appointed him CEO in 2018. If we look at where our bank is today, we can see just how successfully he and his team have been working to complete this plan:

- In 2021, Deutsche Bank posted its best results since 2011.
- All major rating agencies upgraded Deutsche Bank's credit ratings last year, something that had never happened before.
- After years of restructuring, the bank is once again ready for a growth strategy.
- The bank also made substantial investments in its controls and processes and made significant progress in both. Further improvements in these areas remain a priority for both the Supervisory Board and the Management Board, however.
- In situations of economic and geopolitical crisis – from the Covid pandemic to the war in Ukraine – we are no longer something our country has to worry about; we are part of the solution.
- At the same time, we can once again offer you, our shareholders, substantial distributions.

Would we have liked to have made this progress earlier? Without a doubt.

Am I satisfied with what I imagined ten years ago? No, I'm not.

But have we made good progress compared to five years ago? Yes, I think so.

The path may, at times, have not been straight but we never lost sight of our goals. It was always about showing integrity in our decision-making. Decisions that seemed to be the correct and responsible choice as a response to the situation at the time and after careful consideration of all the risks and opportunities. Decisions we had to make because we could not waste time. Decisions where you can still look at yourself in the mirror the next day – as one of my predecessors, F. Wilhelm Christians, said – even if they are hard and they hurt. Decisions for which one can expect neither praise nor pity, and for which you are then responsible.

Today, however, we can say that Deutsche Bank is back on the right track. That's what counts for me.

Personnel decisions: Management Board

When it comes to decisions that the Supervisory Board makes, personnel decisions are always in the spotlight. Here, too, the following applies: the best route was not always the easiest. We should not forget, though, that we had to replace almost an entire generation of managers of our bank for the new beginning in 2015. At moments like these, when it will obviously be hard to find a natural successor within the company, it might mean having to go with the more practical solution instead of the ideal one.

Although I would like to emphasise one thing in this context: some of the colleagues you see here in the studio today have been with our bank for many years. I have to say, that fills me with a certain pride, as does the entire team that leads Deutsche Bank today:

- We have an admired CEO, recognised for his good work and who signed a new five-year contract just last year.

— Overall, after years of great fluctuation, what we see today is a high level of stability and consistency when it comes to our members of the Management Board, and also of the Group Management Committee, the GMC. And this applies not only to the business areas, but also to the infrastructure and control functions that our bank had long neglected.

So I am not concerned that the Management Board will be losing its most experienced member today as Stuart Lewis retires at the end of today's Annual General Meeting. He announced this last year and has now spent 26 years with our bank, ten of those on the Management Board.

His merits cannot be overestimated. Stuart Lewis has played a significant role in stabilising Deutsche Bank in recent years and protecting it from calamities such as those suffered by other banks. Thanks to the excellent work of his team, even in turbulent times, credit or market risks never became a problem for Deutsche Bank. I am clearly referring to sensitive market events in the recent past. Deutsche Bank has every reason to be proud of its risk management team. It is the basis for our success.

Deutsche Bank owes you a huge debt of thanks, Stuart. On behalf of the Supervisory Board, I wish you all the very best. I am sure that your advice will still be highly sought, not just by our bank nor only in the financial sector. Ladies and gentlemen, one of the best risk managers in the world is leaving us today.

We are delighted to have found a successor whom we trust to continue and further develop this track record of excellence. Olivier Vigneron joined Deutsche Bank in March and will take over as Chief Risk Officer at the end of this Annual General Meeting. He joins us from the French bank Natixis and has gained deep experience with all types of risk in the banking industry during his career, especially in his twelve years at JP Morgan. The Supervisory Board wishes him every success in his new, important task.

Personnel decisions: Supervisory Board

Not only is our bank's Management Board strongly staffed; our Supervisory Board is too. Developing this committee must be one of the priorities of any Supervisory Board Chairperson; the expectations placed on supervisory boards have grown steadily over the past decade, be it on the part of regulators, but also on your part, our company's owners. Nowadays, they expect a supervisory board that monitors and controls the management board and the entire company much more closely than was customary in the past. They expect a supervisory board that has meticulous knowledge of the relevant topics and asks the right questions. They are right to have these expectations.

A few simple figures demonstrate just how much our Supervisory Board has grown. In 2011, the Supervisory Board had four committees and a total of 25 meetings. Last year, ten years later, the Supervisory Board and its eight committees – more than in any other DAX-listed company – held a total of 66 meetings. In 2013, for example, we set up an Integrity Committee, which has since taken care of culture and controls, but also increasingly deals with sustainability topics and everything that falls under the umbrella of ESG. These topics have become a much larger part of the Supervisory Board's focus in the time I was in office.

The Supervisory Board's responsibilities are now spread across more individuals and we have significantly improved in terms of diversity. Today, of the six individuals who chair our different committees, three of those are women.

Of course, we have always attached great importance to bringing in strong Supervisory Board members at regular intervals, reflecting the increased expectations of supervisory boards. Last year, we made another change to the qualities potential members must have. Among other things, we now place even more importance on our members having experience in the disciplines of anti-money laundering and anti-financial crime, as well as in dealing with ESG issues.

You will see an example of our most recent efforts to continue to strengthen our Supervisory Board in the candidates you will be voting on at today's Annual General Meeting. First, there is Yngve Slyngstad, the long-standing CEO of the world's largest sovereign wealth fund in Norway. He is not only one of the most respected institutional investors worldwide, but also an acclaimed thought leader on sustainable finance. The bank will benefit from his network in the global financial sector as well as from his focus on climate and energy policy issues.

At the end of today's meeting, Professor Gerhard Eschelbeck's mandate expires. He brought technology and especially cyber expertise to our Supervisory Board at a time when it was not yet as "en vogue" as it is today. With his unique biography and his insights into technology companies on the West Coast of the United States, he has firmly anchored technology topics in the Supervisory Board. Nowadays, it's quite normal to deal with them.

Thank you, Gerhard, and all the best for the future.

It is also important to me to take this opportunity to thank Henriette Mark, who resigned a few weeks ago as employee representative after almost 20 years on the Supervisory Board, including 14 years in the Audit Committee and four years in the Strategy Committee. It was excellent working with you. You were critical, but constructive in your views. They were always a great help to me, especially when there were difficult decisions to make. You have shown us all how co-determination is best practiced. Thank you very much for that!

We welcome her successor, Manja Eifert, to the Supervisory Board. My colleagues are very much looking forward to working with Ms Eifert. I would also like to welcome Frank Werneke, who took over the Supervisory Board mandate from Frank Bsirske in October. My thanks to Mr Bsirske at this point for his valuable contribution and his dedicated work on our Supervisory Board, despite his diverse tasks as Verdi union Chairman. We owe our recent success to his support, too.

Competence and personality were, of course, also key characteristics we were looking for in our successor as Chairperson of the Supervisory Board. Here we had set the course early on for an orderly and thorough process under the leadership of Mayree Clark, who took over from me as Chair of the Nomination Committee in July 2020.

The Nomination Committee looked at numerous candidates on the basis of a variety of criteria. This included having extensive expertise in the financial sector as well as a focus on technology and innovation, experience with regulators and control systems, and an understanding of international financial markets. The Supervisory Board is convinced that Alexander Wynaendts brings all this to the table. Personally, I can only confirm this is the case, as I have already come to appreciate him very much during our time together at the European Financial Services Roundtable.

Long-standing CEO of Dutch financial group Aegon, Alexander Wynaendts is a staunch European with a global mindset. His membership on committees at international companies such as Salesforce, Uber, AirFrance-KLM and Citigroup are proof of this. When we nominated him, he resigned from his mandate at Citigroup. All of us on the Supervisory Board and I personally recommend that you elect Alexander Wynaendts to the Supervisory Board at this Annual General Meeting so that the Supervisory Board can subsequently elect him as its Chairman.

Alexander Wynaendts and Yngve Slyngstad will introduce themselves to you later in short videos.

The process of finding, selecting, nominating and electing a successor is never easy and we at Deutsche Bank have a lot of experience with it. In this respect, I am delighted that the search for my successor was so orderly and yet relatively undramatic. That was the result of hard work. Mayree Clark, our Chair of the Nomination Committee, has never shied away from this and, despite the pandemic, she held countless conversations with potential candidates. With her strong ability to listen and analyse, she has developed her own understanding of the requirements of this very important task for our bank. Not only did she then identify the ideal candidate together with us in the Nomination Committee; she managed to convince him to take the job. She has done an outstanding service to our bank.
Thank you, Mayree!

As announced two years ago, I will leave the Supervisory Board at the end of my second term of office at today's Annual General Meeting. I am leaving Deutsche Bank with the deep conviction that we have all set the course for a successful future together in recent years, both in terms of having the right strategy and the right people to implement it.

This leadership team now has the opportunity to resolutely continue what we set out to do ten years ago:

- To create a sustainably competitive Deutsche Bank with a global network.
- With the capital market expertise that Europe's economy needs.
- With a stable business model tailored to the needs of our clients.
- With a modern corporate culture for dedicated, hard-working employees.
- With the potential to create reliable and sustainable value for its shareholders…
- … and to establish itself as one of the leading financial institutions in Europe and the world.

I look back today on eventful years in what was a difficult phase for our bank. And I am very grateful for this time.

Above all, I would like to thank all the employees who, during this whole time, have made the successful transformation of our bank possible in the first place. It is thanks to their tireless and highly professional commitment that Deutsche Bank is back in the excellent position it is in today.

Deutsche Bank is more than a bank, it is an institution. It was my great honour to serve this institution for the time I could.

Thank you very much.