



Deutsche Bank AG
Sustainability Deep Dive
May 20, 2021

– Transcript –

Lars Stoy – Private Bank Germany

- Hello!
- My name is Lars Stoy and I am responsible for the Private Bank in Germany.
- I am delighted to talk to you today about the progress our Private Bank in Germany has made towards sustainable banking and the journey ahead.

- Being the Private Bank division of Deutsche Bank in our home market, we take our social responsibility very seriously.
- Our employees have supported social, educational and ecological initiatives all over the country for decades.
- At the heart of our efforts, however, are our 19 million clients and how we can help them address their investment and financing needs.
- We observe that in Germany sustainability is becoming a theme, not only when buying a new car or at the meat counter, but also in banking.
- We see it as our responsibility to advise our clients in an area where they are looking for guidance. We can link it more closely to their lives by providing relevant information and helping them to translate their growing interest into real action and having impact. There is a strong connection between our business and our role in society.
- Our experience is that Private Banking and Retail Banking customers are both increasingly open to us discussing the options for sustainable investments and financing with them.
- And market research shows that our customer base has a greater affinity for sustainable finance than the population at large.

- What are our competitive advantages?
- First, we have a nationwide footprint with Deutsche Bank and Postbank, thousands of investment and real-estate financing advisors, plus a fully-fledged online and mobile



offering. That means the Private Bank Germany has all it needs to support ESG becoming the new normal in banking and finance in our home market.

- Second, the enthusiasm and expertise of our ESG-trained branch staff is a competitive differentiator.
- Based on their initiative, and unique in Germany, we have launched the concept of the “ESG advisory branch”. When you go into one of these branches, you will see that our branding is not blue but actually strikingly “green”; our staff have all completed sustainability training; and you can get dedicated advice on your ESG investment and financing needs. You may ask: what difference does it make to have this look and feel in our branches? Very simple: it helps to get into a meaningful conversation with our clients.
- Our third competitive advantage is that we have developed a strong product suite ourselves and that we also partner with internal and external experts.
- We work very closely with our Wealth Management colleagues as well as with DWS and Deutsche Bank’s building society BHW when it comes to designing sustainable products and services.
- We have integrated solutions from our longstanding partner KfW into ESG-compliant mortgages.
- And we also work very closely with Switzerland’s Zurich Insurance and the German insurer Talanx to offer our customers pension solutions based on sustainable funds.
- And last but not least, we have invested in ways to support our clients in their efforts to adapt their consumption patterns. That includes integrating a CO₂ indicator into our mobile banking app to allow our users to measure their carbon footprint. Beyond this transparency, we also plan to offer facts and advice as well as options for clients to compensate for their own CO₂ footprint.
- So what sustainable finance targets have we set ourselves?
- With 26 billion euros in ESG volume by 2023, the Private Bank Germany aims to make a relevant contribution towards the Group target of 200 billion euros by the end of 2023.
- We’re already on track. We outperformed our initial target as early as last year. And we have made a successful start into 2021.
- Let me give you a few very concrete examples of what we have already achieved:



- In the first quarter of 2021, we had net inflows into our ESG funds of 1.3 billion euros, this is more than double the 0.6 billion euros we had in all of 2020.
 - In total, we had almost 9 billion euros in ESG-related assets under management as of the end of the first quarter of this year.
 - 15% of our clients with an investment portfolio already have one or more sustainable products.
 - And our clients had taken out ESG-compliant mortgages amounting to 1.1 billion euros by the end of March. This is a new record.
 - In the first four months of this year, more than 100,000 users activated the carbon footprint indicator in our mobile banking app, which puts us on track to achieve our aim of 250,000 users by the end of 2021.
 - And we have launched the “ESG advisory branch” concept I mentioned earlier at 43 locations in Germany and plan to increase that number to 100 by the end of 2021.
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- Building on our progress so far, we will continue to drive sustainability in four key areas.
 - First, the Private Bank Germany will aim to provide best-in-class transparency and advice on ESG for our clients. Our goal is to meet their demands to a much more tailored and detailed degree than is required by regulators.
 - In 2022 we will therefore implement an ESG investment analysis tool so that all of our clients can see how sustainable their portfolio is and better understand the impact of their investment decisions.
 - We will also expand our advisory offering on sustainability to clients looking for mortgage loans to build or renovate their properties. Going forward, we won’t just advise them on the finance side but will extend our service. We will also cover issues relating to sustainable building and renovation and provide access to local experts.
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- Our second strategic priority will be to convert our existing product and service range to incorporate sustainability criteria as well as to launch new products and services – and this also in cooperation with our partners.
 - By the end of this year, we will offer at least one ESG alternative or innovation in every relevant product category.
 - Going forward, we will complement our offering with non-core banking solutions, like our CO₂ indicator including a compensation function.
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- Third, we will continue to invest in training our people.
 - All staff in our division will be offered training to obtain a basic ESG qualification.



- In addition, all of our investment advisors and sales executives will receive a regulatory ESG training session, which will be part of our annual process to recertify them from 2022.
- Our fourth and final strategic priority centres around thought leadership.
- We will make ESG insights available through a number of channels, including conferences and events, research publications and (social) media. We hope to fuel a greater awareness and understanding of the issues, and the role that banks can play in helping to address them.
- And by the end of 2022, we will have converted all of our 400 Deutsche Bank branches to ESG advisory branches.
- So let me conclude.
- Today the Private Bank Germany has strong ESG advisory capabilities in banking, investments and real estate financing.
- We offer customised solutions and a broad range of products for clients to engage in ESG.
- And we provide insights around ESG to our customers and to society at large. The Private Bank Germany has already made significant progress on its journey towards sustainable banking and further action will follow.
- Thank you.

Disclaimer

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

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the



development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 12 March 2021 under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.

This transcript also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS refer to www.db.com/ir.