Deutsche Bank

General Meeting 2021

Statements

As of 21 May 2021

The statements from shareholders currently submitted to us are presented below.

The statements are the authors' views as notified to us. We have also placed assertions of fact in the Internet without changing or verifying them.

It should be noted that questions, counterproposals and election nomination proposals are to be submitted only through the channels described in the agenda and, accordingly, questions, counterproposals and election nomination proposals contained in the published statements will not be considered.

Statements

Shareholder Peter Schmidt

Dear Dr. Achleitner, dear Mr. Sewing,

To begin with I would like to thank you and the Bank's employees for your tireless efforts this past year under what for the most part must have been difficult conditions caused by the pandemic. To ride out the crisis year so well and maintain a relatively low overall level of credit losses was by no means a foregone conclusion. Congratulations are also in order for the very successful start to 2021. Mr. Lewis – your Chief Risk Officer – and his team have my utmost respect and esteem. The fact that Deutsche Bank suffered no losses whatsoever from the Archegos collapse again demonstrates how well it seems to manage its financial risks.

In this context it would be highly desirable for you to give more details during the AGM into the succession planning for Mr. Lewis' position. To be specific, please give your best answer to the following questions:

- What progress has been made in finding a suitable successor?
- When can we expect a clear road map and a decision?
- Do you anticipate being able to fill the role from within or will it be an outside hire? If your preference is to bring someone in from outside, it would be desirable to ensure an adequate transition period.
- Going forward, will the role mainly be based in Frankfurt or are you planning for it to remain in London?

I should nevertheless be permitted one point of criticism. Looking just at the issue of costs and the notion of "tightening one's belt", I find it highly questionable and open to scrutiny that the Management Board has again grown to the size it has. The Supervisory Board should by all means support you, Mr. Sewing, and your team in implementing the strategy, but do so many Management Board positions really have to be filled or newly created? It would be a very welcome step if the Supervisory Board were to present a plan to this meeting or at the latest the AGM in 2022 setting out the long-term strategy for Management Board positions and submit it for shareholder approval. Looking at the announcements made to date on this issue it seems that another new Management Board position is in the pipeline, potentially for an independent chief HR officer. If the aim is to create a new independent position at short notice, plans should at least be in place to carry out restructuring elsewhere before increasing the number of Management Board members again.

On a different note I think that the new virtual AGM format has been a complete success, including where answering questions is concerned. In my opinion there has been a real substantive improvement. In the interests of cost efficiency, consideration should also be given to perhaps switching to a hybrid model going forward, in other words alternating each year between a virtual AGM and one held in person. On that subject, I would like to propose specifically that the costs "saved" on the AGM in 2021 be donated to charity or a foundation, for example one acting in the public interest or supporting the environment, culture, education, integration or health.

To conclude, please continue to pursue your ambitious goals and do not let yourselves be distracted by setbacks like the recent less positive news about money laundering. In this area, too, I hope that the Bank can achieve the same level of success it has had managing financial risks.

Overall, it seems to me that our Bank is on the right track.

With kind regards and best wishes for the health and success of everyone at Deutsche Bank!

Peter Schmidt

Shareholder Roland Portmann

Dear Sir/Madam,

First of all, I am pleasantly surprised by the company's positive development in the past fiscal year. For that I would like to thank and congratulate you. Keep it up.

However, to ensure that this positive development continues – which is something we all hope for, both in the interests of the shareholders and with regard to Germany as a business and financial center – it would certainly be beneficial to significantly pare down the Management Board and the Supervisory Board. I consider this a necessary step to having strong and efficient teams that in the future will be able to once again develop DEUTSCHE BANK positively in terms of revenue and profits, without being too greatly distracted by internal friction and unwieldy consensus building.

Yours faithfully,

Roland Portmann

Shareholders Siegfried and Renate Kottwitz

Dear Sir/Madam,

As you have already been made aware, we continue to feel cheated by Deutsche Bank (which has also been criticized publicly for its cash transactions) by the "db GeldmarktSparen" securities product that was recommended to us, and as such we feel that the lack of trust we have in your Bank compels us, before casting our votes, to acquaint ourselves as thoroughly as possible based on all available reports and any other documents with the matters to which the individual agenda items pertain. And because a printout from the Internet is out of the question, we request that you send us a hard copy of these documents without delay.

We are probably not the only ones who will be taking our business elsewhere due to Deutsche Bank's actions that have given rise to criticism – and this will impact its financial situation and likely also affect every single shareholder. It is not just that Deutsche Bank's shares are currently valued at a disappointing €11.53 – the dividends are also meager.

One reason for these low returns is probably that, like us, other customers have lost trust in Deutsche Bank and have taken their business elsewhere. Since losing trust in Deutsche Bank as a result of its actions, we have not just opened accounts at another bank – we have taken all of our banking business elsewhere, including moving our securities account to another bank, which represents a not inconsiderable portfolio of assets.

There is no point buying more shares in Deutsche Bank.

We would appreciate it if you could present this message to the Annual General Meeting.

Yours faithfully,

Siegfried Kottwitz Renate Kottwitz

Statement by Andreas Thomae, portfolio manager at Deka Investment for the shareholders represented by him

Regarding restructuring measures:
"Deutsche Bank has made good progress with its restructuring program. The risks in the Capital Release Unit have been further reduced and the costs were brought down according to plan. The Bank also benefited from the upswing in investment banking and gained further market share in the fixed income business. The management has done sterling work in the past twelve months."

Regarding strategy:
"The interaction between the Corporate Bank and the Investment Bank is working well and the focus on top customers and the global fixed income segment is paying off. Deutsche Bank can play to its strengths here."

"It was a good move for CEO Christian Sewing to now put Fabrizio Campelli in charge of the Investment Bank and turn his full attention to the next phase of the transformation with its focus on profitability."

"The Investment Bank has performed better in terms of growth than the Corporate Bank and the Private Bank. More work is needed here."

Regarding bonuses:
"Variable remuneration was up 29% in 2020, which is excessive in a year when the Bank just about generated €1 billion before taxes. A larger share of the bonuses were deferred, which will have a more pronounced impact on future earnings. The Bank has made strides in improving its operations, but bonuses should be paid out based on actual profits and not as a down payment for the future."

"The new system of Management Board remuneration is more transparent and includes clear ESG goals. That is a step in the right direction. Scrapping the functional allowances was overdue."

Regarding the Management Board:
"Extending the contracts with Christian Sewing until 2026 and Asoka Wöhrmann until 2024 gives the Bank greater stability for the next phase of its strategy implementation towards increased profitability."

Regarding the Supervisory Board:
"Supervisory Board member Alexander Schütz's conduct in the Wirecard matter was outrageous. His resignation was overdue."

"Frank Witter is a good choice to replace Alexander Schütz on the Supervisory Board."

Regarding the sustainability strategy:
"We are pleased that Deutsche Bank has formed a sustainability committee at Management Board level chaired by Christian Sewing. This – and joining the UN-convened Net-Zero Banking Alliance – underscores how important the issue is."

"We welcome Deutsche Bank's desire to increase the transparency of its CO2 reporting by 2022 and its commitment to becoming carbon neutral by 2050 at the latest to meet the climate goals of the Paris Agreement."

"The target of over €200 billion in sustainable finance and investments now already by 2023 instead of 2025 is ambitious but the intention is good. Customers will receive solid support and sound advice as they transition towards increased sustainability. The Bank and its ESG products should benefit from this."

Regarding the coronavirus crisis/credit losses:
"With its moderate credit risk profile, Deutsche Bank weathered the pandemic extremely well. It has demonstrated that its risks are under control. This was emphasized once again recently by the fact that, unlike its competitors, the Bank avoided any losses on the Archegos hedge fund.

Capital:
"With a capital ratio of 13.7%, Deutsche Bank stands on a very solid foundation and emerged from the crisis in better shape than many had expected."

Yours faithfully,

Andreas Thomae

Shareholder Verbraucherzentrale für Kapitalanleger e.V.

Dear fellow shareholders,

"*Be on the right side*", proclaims Deutsche Bank AG in large font in its introduction to its "Code of Conduct". But has Deutsche Bank AG for its part chosen the right side?

At any rate, lots of companies have lofty principles. It is usually much harder to actually live by those principles, which is hardly a surprise. Sad to say, this remains the case for Deutsche Bank AG. Already last year, VzfK e.V. pointed this out based on Deutsche Bank AG's failure to come to terms with its involvement with cum/ex transactions (see the statement by VzfK e.V. on page 4 of the statements for the 2020 AGM). A year on, Deutsche Bank AG's assertion of "progress" in resolving the matter is sobering. "*Tax evasion is illegal and goes against our culture, values and beliefs and our policies strictly prohibit aiding or abetting tax evasion*", writes Deutsche Bank AG in its Tax Strategy, which it has published online. However, once the alleged tax evasion has taken place it would seem to go against Deutsche Bank AG's culture to help resolve the matter transparently and accept one's own responsibility.

The section on the cum/ex affair in Annual Report 2020 (p. 358 *et seq.*) – as usual – does not leave one with the impression that Deutsche Bank AG – as it claims in its "Tax Strategy" – "*give[s] due regard to the intent and spirit of tax laws, the social context within which the bank operates, and the bank's standing and reputation with the public, tax administrations, regulators, and political representatives*". Moreover, it was reported in the press – and not disputed – that a London-based Deutsche Bank AG employee had written with respect to cum/ex transactions: "*I think it's simple … there is no withholding of capital gains tax and any assertion of such would be 'fraudulent'!*" (*Handelsblatt*, February 8, 2021). This never kept the bank from taking part in the transactions. But that is not all. Attentive readers and shareholders might furthermore notice that Deutsche Bank AG failed to mention risks arising in connection with cum/ex transactions in the 2020 Annual Report (p. 358 *et seq.*) although these were even discussed by the Bundestag's Finance Committee and the Hessian Finance Court filed a criminal complaint against Deutsche Bank AG employees as well as ordering the bank to assume liability itself. In the opinion submitted to the Finance Committee at its meeting on September 9, 2020, the presiding judge of the Fourth Senate of the Hessian Finance Court stated in this respect (supplementing his oral statements):

"*The court has [...] expressly stated that [...] a priority liability claim is to be made against the acting domestic custodian banks pursuant to section 44 (5) of the German Income Tax Act (*Einkommensteuergesetz*, "EStG"). […] In the 2nd judgment [FG Hessen, Ref.: 4 K 977/14], where there is reasonable suspicion of intentional tax evasion by the responsible bank representatives due to non-withholding of capital gains tax on dividend compensation payments, the court fulfilled its obligation under section 116 of the German Fiscal Code (*Abgabenordnung*, "AO") and filed a criminal complaint with the Office of the Attorney General in May 2017 via the responsible tax investigation department.*" (Annex 4 to the minutes of the Finance Committee no. 19/94, page 7)

The final report of the Bundestag investigative committee reveals from which institution the "responsible bank representatives" come: "*According to media reports, the domestic custodian bank is Deutsche Bank AG, Frankfurt am Main.*" (Bundestag printed matter 18/12700, p. 511).

Is this where Deutsche Bank AG's true cum/ex risks lie dormant? Is that why the 2020 Annual Report is silent on this very question?

Deutsche Bank AG's auditors – Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") – are unlikely to provide any transparent clarification in this respect. EY has proven its toothlessness as an auditor not only in connection with the Wirecard scandal. The audit firm itself is also too deeply involved in cum/ex transactions. Maple Bank's insolvency administrator, Michael Frege, has therefore sued EY for damages. According to press reports, EY recently agreed to pay approximately €12.5 million. In the proceedings, EY had already served notice of the dispute on Deutsche Bank AG's cum/ex advisors from the law firm Freshfields Bruckhaus Deringer LLP. It is quite possible that the true cum/ex risks are still hidden to EY as well. Any cum/ex-critical legal opinion in the context of the audit of Deutsche Bank AG could therefore quickly come back to haunt EY. There is much to suggest that EY is biased in this situation. Will BaFin take this as an opportunity to demand the appointment of another auditor in accordance with section 28 (1) of the German Banking Act (*Kreditwesengesetz*, "KWG")? It would be desirable – and an opportunity for BaFin to finally show that it has teeth in the area of auditing. Unfortunately, such action by the banking supervisory authority is not to be expected.

At the current Annual General Meeting, however, even strong action by BaFin would not provide shareholders with more information. In order to achieve at least rudimentary proper information on the risks in this situation, VzfK e.V. has prepared seven questions which it will ask at the Annual General Meeting. The hope remains that Deutsche Bank AG will duly respond to the questions and finally take this as an opportunity not only to talk about the right side, but also to be on the right side.

Shareholder Ute Sippel

Statement and appeal for compensation re financing of a junk property with secretive guarantee/letter of credit financing

Dear Mr. Achleitner,
Dear Mr. Sewing,

I have been known to you personally for many years by virtue of the many letters I have sent and my presence at the AGM. Your response when I spoke most recently about the subject in 2020 was:
regrettable, the case has been discussed many times, a goodwill payment was made, for DB the case is closed.
But it cannot be for me because I live in a junk property which is unfinished and damaged and as such has been without insurance cover for years. You know all of this.

Where the goodwill payment is concerned I will begin by saying this:
Dr. Ackermann offered me €20,000.00 after my speech at the 2009 AGM and a member of the Management Board marked the document "donation". After that I was offered a meeting in Frankfurt. I initially rejected the donation because I have the right to compensation, but afterwards pressure was applied and I accepted this amount in 2013, which is now simply referred to as a **goodwill payment**.
I have no idea what I was meant to achieve from a meeting in Frankfurt. Building the house has cost me my money and my life as a single woman who wanted to provide for her old age and leave something behind for her children.
Deutsche Bank knows this. I was born in 1944 and I draw a monthly pension of €958.00.

There is a branch of your bank here in town, and no-one from Deutsche Bank has yet invited me to a meeting, etc., there. As a bank you have an obligation to get to the bottom of such an issue and finally pay damages.
At the last AGM held in person in 2019, Mr. Sewing, you pledged honesty and decency, and it is time to finally show some.
Proven legal, ethical and moral facts have been willfully ignored here, and DB's behavior towards me over 30 years has been inhuman. Although the Bank is at fault, I have simply been left hanging. A lot of things can be solved with money, that I have discovered, and I have none left.
None of the good business conduct required by law has been demonstrated in this case. A lot of negative things were written in the past about the conduct of Deutsche Bank, which promised to reform.
I notified Dr. Breuer in 2001. He wished me strength but could not intervene. Over the years I have contacted all members of the Management Board and have been met with nothing but a wall of silence.
The fraud that DB was aware of has been perpetrated since 1991. DB sees it as a closed case – those who are well off know no hardship.

Briefly, this is what I have been stating at the AGM in Frankfurt since 2009:
In 1991, DB sold me a DM 132,000.00 mortgage at normal terms with normal documents and entry into the land register to finance construction of a home.
What was delivered and constructed on my family's land in 1991 was a Hungarian junk property – publicly offered as a capital investment at the time by Holzmann, which Deutsche Bank had a stake in and even acted as banker for.
The fact that these properties – which the Bank knew to be junk – had no contractual DIN standards whatsoever was later confirmed in appraisals. It is impossible that Deutsche Bank was unaware of this beforehand because an appraiser was engaged as part of the requirements for this type of loan.
A building application forming part of the construction agreement was submitted to the authorities but was incorrect, there was no separate structural analysis but the building permit was issued – a lot happens on the quiet.

After two instances of water ingress in the basement, the then-building contractor up and left, leaving behind a structurally incomplete ruin. By then almost the entire contractual amount had been pocketed with no trace as to where it had gone, or so I am told.
DB stepped in to help – or so it seemed – by consulting with the lawyer chosen by me to continue construction independently on a stop-gap basis, selling me a costly loan of some DM 75,000.00 in the process and with me also using up my entire savings so that I could move in. A case was heard before the Regional Court (Landgericht) of Siegen,

which I won, but the building contractor was bankrupt and I never saw a penny. After several years I fell ill and later I was unemployed on long-term benefits. No further payments were made and DB sought foreclosure with all the bells and whistles, despite the guarantee/letter of credit. This took three years and cost roughly DM 200,000.00. I managed to fend off foreclosure with a €75,000.00 inheritance in the family that DB immediately seized. My daughter gave me the remaining €15,000.00 and debts were incurred with the tax authorities.
Thus the ruin and the land were kept in the family, and to this day I live there and maintain it with my pension. At the auction the hammer had already fallen and all would have been lost for €42,000.00 had I not been there in person to negotiate. In the meantime it has no **value** and no **building insurance** because it is unfinished and damaged, it is cracking on the outside and damp will penetrate. DB knows this from me. There are no steps to the front door – I made an entrance myself out back through the terrace doors and the living room. The entire outside drainage system had to be replaced due to the known problem with water ingress. DB knows all this.
For years now, the state of the house and the apartment means that I have not received any of the rental income I wanted to use to top up my pension.
I used the donation of €20,000.00 received in 2013 to repay the €15,000.00 my daughter had lent me for the foreclosure and put away the rest, which was necessary. Three years ago my heating gave up the ghost up due to damage caused by a power surge during a storm. Building insurance would have paid out a claim but I do not have any because nobody will insure this ruin. I have reported all of this to DB and nobody lifts a finger.

As you, Mr. Achleitner and Mr. Sewing, know, you are avoiding liability for the damage, for the capital I have lost. The proof is the **secretive guarantee/letter of credit financing** which imposed severe conditions that customers of course had to be informed about but weren't. The aim was for the customer's capital to remain untouched, but the goods (in this case junk property) had severe conditions attached. This type of financing makes it clear what has been ordered, where liability lies.
The Bank **deliberately concealed** the nature of this financing from me. Everything would have been different, I would have been able to lead a different, better life.
At that time I had about DM 174,000.00 in capital at DB. That was swept away.
The fact that I am dealing with a conspiracy – which the local public prosecutor's office is also involved in – is not unknown to you. I believe it is time to receive a clear statement and settlement of the matter from DB, including with regard to the secretive guarantee/letter of credit financing.

Kind regards,
Ute Sippel

Shareholder Dachverband der Kritischen Aktionärinnen und Aktionäre e.V.

Deutsche Bank AGM Statement 2021

Dear Shareholders,

In 2015, Deutsche Bank vowed to support the Paris Agreement [1]. However, since then, Deutsche Bank's actions have not matched its rhetoric.

Since the Paris Agreement was signed, Deutsche has been a major financier of coal, oil and gas. According to the *Banking on Climate Chaos* report, between 2016-2020, Deutsche provided US$30.438 billion to companies responsible for expanding fossil fuels [2]. These investments seriously undercut Deutsche Bank's claims to support climate protection.

The Intergovernmental Panel on Climate Change (IPCC) has been clear that limiting global warming to 1.5ºC avoids many of the more severe impacts that would occur at 2ºC of warming [3]. At 2ºC of warming, 37% of the world's population will be exposed to severe heat at least once every five years, the Arctic will experience ice-free summers at least once every 10 years, more than 99% of coral reefs will decline and there will be significant consequences for plant and animal species [4]. In short, global warming of 2ºC will cause serious ecological collapse and social upheaval.

According to the International Energy Agency (IEA), limiting global warming to 1.5ºC "calls for nothing less than a complete transformation of how we produce, transport and consume energy" [5]. In the IEA's landmark new net zero emissions scenario (NZE), the Agency sets out a Paris Agreement-aligned global pathway for decarbonisation. Significantly, the IEA specifically warns against any investment in new coal mining projects (including expansions), as well as new oil and gas fields:

- Coal: "No new coal mines or extensions of existing ones are needed in the NZE as coal demand declines precipitously. Demand for coking coal falls at a slightly slower rate than for steam coal, but existing sources of production are sufficient to cover demand through to 2050." [6]

- Gas: "No new natural gas fields are needed in the NZE beyond those already under development. Also not needed are many of the liquefied natural gas (LNG) liquefaction facilities currently under construction or at the planning stage." [7]

- Oil: "The trajectory of oil demand in the NZE means that no exploration for new resources is required and, other than fields already approved for development, no new oil fields are necessary." [8]

The scenario models significant and rapid declines in the use of coal, oil and gas:

	Share of Global Energy Supply (%)		
	2020	2030	2050
Renewables	12	30	67
Biomass	4	-	-
Nuclear	5	8	11
Natural Gas (Unabated)	23	21	3
Natural Gas (CCS)	0	2	8
Oil	29	25	8
Coal (Unabated)	26	12	1
Coal (CCS)	0	1	3
Total	**100**	**100**	**100**

IEA Modelled Energy Supply for 1.5ºC Scenario [9]

The publication of this scenario should prompt Deutsche Bank to immediately review and strengthen its *Environmental and Social Policy Framework*. Currently, that framework permits Deutsche Bank to fund the expansion of the fossil fuel industry (coal, oil and gas). However, as the IEA has made clear, "[t]here is no need for investment in new fossil fuel supply in our net zero pathway" [10].

Example Whitehaven Coal

One Deutsche Bank investment that is particularly out of line with the Paris Agreement is its February 2020 AU$30 million loan to Australian coal mining company, Whitehaven Coal. Whitehaven's pure play coal business model is predicated on the failure of the Paris Agreement.

In the last financial year, more than 80% of Whitehaven's revenue was sourced from selling thermal coal [11]. Whitehaven is currently planning to spend around AU$2 billion on new coal mines and expansions, including the new Vickery and Winchester South coal mines and the Narrabri coal mine expansion [12]. These new and expanded mines would see the company producing around twice as much coal as it does today by 2030 [13].

Whitehaven justifies these expansionary plans by referencing coal demand scenarios that are consistent with the failure of the Paris Agreement [14].

Whitehaven also has a long and chequered history of destructive impacts on local communities and ecosystems. The company has repeatedly broken environmental conditions put in place to govern its operations, including by contaminating nearby streams and excessive air pollution [15]. In December 2020, Whitehaven pleaded guilty to 19 charges brought against it by the New South Wales resources regulator for unauthorised vegetation clearing, unauthorised drilling of bores and failing to rehabilitate drill sites [16].

For years, local farmers have raised concerns that Whitehaven's coal mines have been unlawfully taking water without a licence, including during severe drought. The state water regulator has since commenced prosecution against Whitehaven Coal over these allegations [17]. Even where Whitehaven has lawfully obtained its water, it has done so at the expense of local farmers by outbidding them on the water trading market [18].

Environmental and Social Policy Framework

Deutsche Bank's *Environmental and Social Policy Framework* states:

> *Any transaction in coal mining requires enhanced ES review and, potentially, discussion within a regional Reputational Risk Committee.*
>
> *In addition:*
>
> *— We will not provide any financing for greenfield thermal coal mining;*
>
> *— We will not finance new greenfield coal-related infrastructure, regardless if related to new or existing mines;*
>
> *In 2016 we committed to reducing our coal lending exposure and set a three-year reduction target of 20%. Per end of 2019, we achieved that target and now further commit to phase out coal exposure by 2025 worldwide (including both lending and capital markets).*

Whitehaven's proposed Vickery coal mine appears incompatible with this *Framework*, because:

(1) The Independent Planning Commission–the relevant consent authority for significant developments in the Australian state of New South Wales–describes the Vickery coal mine as, "in a de facto sense … a greenfield coal development" [19];

(2) Whitehaven has stated that the Vickery mine will produce at least 40% thermal coal – likely more as the remaining coking coal "can be used as premium quality thermal coal" [20] and;

(3) The proposed Vickery mine includes infrastructure such as a coal handling and processing plant, train load out facility, rail loop and rail spur line, water supply bore-field and pipeline and other associated infrastructure [21].

It is clear that further financing (including refinancing) for Whitehaven Coal would very likely breach Deutsche Bank's *Environmental and Social Policy Framework.* Given Deutsche's pre-existing loan to Whitehaven, this represents a material governance and reputation risk. To alleviate shareholder concerns about these risks, Deutsche Bank must confirm that it will not refinance Whitehaven's current loan and commit to not participating in any further financing for the company before its 2025 coal divestment deadline.

Sources

[1] Deutsche Bank, How the Paris Climate Agreement has changed the bank (11 December 2020).
[2] Rainforest Action Network, Banking on Climate Chaos: Fossil Fuel Finance Report (2021) p 38-39.
[3] IPCC, Special Report: Global Warming of 1.5ºC (2018).
[4] Ibid
[5] IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector (2021) p 13.

[6] Ibid p 103.
[7] Ibid p 102.
[8] Ibid p 101.
[9] Ibid p 195.
[10] Ibid p 21.
[11] Whitehaven Coal, Annual Report 2020 (2020) p 73
[12] See Queensland Coordinator General, Winchester South project (2021); Whitehaven Coal, Narrabri Underground Mine Stage 3 Extension Project: Environmental Impact Statement (2020) p ES-6; Whitehaven Coal, Vickery Extension Project: Environmental Impact Statement (2018) p 2-10.
[13] Whitehaven Coal, Annual Report 2020 (2020) p 10.
[14] Whitehaven Coal, Sustainability Report 2020 (2020) p 28.
[15] Jake Sturmer (ABC News), Whitehaven Coal documents showing environmental breaches raise concerns (4 August 2017).
[16] Elouise Fowler (The Sydney Morning Herald), Whitehaven pleads guilty, faces $20m in fines (11 December 2020).
[17] Lisa Cox (The Guardian), NSW mine could face multimillion-dollar fine for allegedly breaching water law (2 July 2020).
[18] John Ellicott (The Land), Farmers say they are priced out of water auctions by miners (1 March 2019).
[19] Independent Planning Commission, Vickery Extension Project SSD 7480: Issues Report (30 April 2019) p 35.
[20] Independent Planning Commission, Vickery Extension Project SSD 7480: Statement of Reasons for Decision (12 August 2020) 43.
[21] Ibid p 8.

Shareholder Rodrigo Goegler

Dear Sir/Madam,

The world is waiting for answers and for Deutsche Bank to propose solutions.

It would be overblown and premature to claim that the globalization of markets has peaked or gone beyond its peak since the SARS/COVID-19 pandemic. The Bank's future development is flanked by diametrically opposed global developments, including trends toward withdrawal in certain countries driven by nationalistic sentiments.

The disruptions to supply chains caused by the pandemic, particularly the initial difficulties experienced with procuring surgical masks and protective suits, but also with the supply of parts for vehicle manufacture in Europe, showed with stark clarity that neither Germany nor the European Union is able to guarantee, on a largely separate and independent basis, the supply of key demand-side goods.

Within certain limits, it is in line with the behavior expected of market participants for governments and economic operators, whether they be companies, public institutions or consumers, to initially prioritize the satisfaction of their own needs in periods when goods and resources are scarce. The current generation should view the problems we were forced to acknowledge with regard to the supply of medications and even bans on exports as a strange new warning sign for the future.

Use it or lose it

It is a warning sign that the commercial decision to delegate and outsource development and production processes to the "extended workbench" for the purpose of reducing costs is risky and has limitations. Let us assume for a moment that by outsourcing extensive know-how relating to the practical and applied development and manufacture of certain goods, particular skills such as experience with managing and overcoming technical challenges and risks are lost forever. We have already observed this trend in many market segments such as photography, precision engineering, telecommunications, computers and microelectronics. Furthermore, up and coming talent from the STEM disciplines are hardly likely to dedicate themselves to areas that have already been irreversibly surrendered by European companies. In policy debates, sporadic consideration is already being given to the idea of bringing manufacturing back to Europe in order to guarantee a base supply of certain key goods.

Now it would be foolish to believe that our competitors on global markets will leave areas such as basic research untouched, including, for example, all forms of automation and mechanization, the development and programming of IT systems and peripheral equipment for Industry 4.0, including artificial intelligence and cloud computing. Would they really leave the pioneering role to us when it comes to the development of products and procedures based on physical, chemical, biological and biochemical processes, just because Europe has traditionally been very heavily involved in research activities in these areas? The global market is not familiar with these forms of job sharing and it no longer reflects the actual situation.

Fortunately, it is possible to disassociate from an increasing and subtly developed dependence on sub-markets to cover own needs, exactly like an exporter of local products and services, through balanced trade relations. "Balanced" does not just mean mutually similar revenues from goods and services, but also legal equality in terms of economic freedom to engage in business overseas in a certain way and to establish branches, including the freedom to acquire real property. The principle of reciprocity can be used as the benchmark here.

In order to be able to make an unconditionally positive contribution for its clients, Deutsche Bank as an investment bank needs political assistance to establish a regulatory framework for its M&A activities undertaken from and in countries in which the continuing reciprocity of the basic legal framework is not guaranteed from the outset, unlike in European Union countries. An important first step in this direction was the investment deal struck between the European Union and China in December 2020 after seven years of negotiations. I should point out here that in almost all provinces of China, it is not possible to acquire full title to property. Instead, only a right of use similar to the German hereditary lease (Erbpacht) can be transferred.

Due to the global nature of its business, Deutsche Bank, alongside statutory corporations and chambers of commerce, is in a position to be able to compile key country-specific expertise early so as to help foster connections and make resources for networking available to clients in foreign offices. The employees of our firm are among the preferred group of people called upon to provide targeted and independent advice on policy from time to time because of their strong client and problem-solving focus and familiarity with the area.

Investment banking: Is it really what it says it is?

I absolutely support Deutsche Bank's investment banking arm continuing to be operated as a risk-mitigating investment banking enterprise, in other words unencumbered by the risks associated with proprietary, commodities and share trading.

Commitments in the USA must continue to be very closely monitored and are particularly risky due to latent legal risks arising from the fundamentally different regulatory environment and an associated culture of entitlement and complaint. The sub-prime crisis starting in 2007 should at least have taught us the always valuable lesson that with M&A activities too, it is necessary to check carefully beforehand what is being sold and, if applicable, what is included in the sale without having been requested, or what is being added at no initial cost.

New challenges

In his speech, the Supervisory Board Chairman was completely correct in referring to the enormous investment and intellectual challenges associated with the

digitalization

of most areas of production, communication and other areas of life, and those associated with pursuing

climate targets through 2050.

However, the Supervisory Board Chairman's statement that the need for investment will be unimaginably high if we want to achieve climate targets is only logical and compelling if we intend to live in the future as we currently live and do business, but want to be climate neutral at the same time.

The many ideas of what a climate neutral future looks like include consideration of the fact that there are probably sections of the population of indeterminate size that regard the attainment of 2050 climate targets to be first and foremost dependent on partially or fully withdrawing and stepping back from civic life with its modern conveniences. Back to the roots, back to nature, renunciation, forbearance, withdrawal, I like nature are the catchphrases of such ways of life aimed at living in harmony with nature. The role of policy here will be to find the right balance between the opposing demands of a changed everyday reality, to choose the most effective instruments and specify the speed of the transformation in specific areas, as well as strike a balance in terms of who is responsible for the costs. The most socially palatable transformation to climate neutrality by 2050 would most probably be a transformation implemented on the basis of technology.

A technology-based transformation to achieve climate targets affords freedom to those who already wish to and can live a climate neutral life in their own way in isolation from the benefits of civilized life. Those who wish to take advantage of the undeniable advantages that have existed in most fields and areas of life since the early days of industrialization remain free in principle to pursue this way of life, provided any increase in global temperatures to which their activities contribute is kept to well below 2 degrees Celsius, and where possible limited to 1.5 degrees Celsius (climate neutrality), or is largely offset by compensatory measures.

In its decision of March 24, 2021 (1 BvR 2656/18, 1 BvR 98/20, 1 BvR 78/20, 1 BvR 288/20), the Federal Constitutional Court (Bundesverfassungsgericht) criticized among other things the fact that the stipulations for reducing emissions from the year 2031 onwards were inadequate and, above all, that the cost associated with emissions reductions under the Paris Agreement had been unconstitutionally and irreversibly shifted to periods after 2031. The complainants were therefore robbed of all freedom to engage, in a constitutional or otherwise lawful manner, in activities that would adversely affect the climate beyond the year 2030, because the remaining [carbon] budget was depleted by obligations to reduce emissions.

To put it more simply: "I don't care if it doesn't affect me" is passé.

A technology-based transformation is a joint task

Assuming we want a transformation rather than returning predominantly "to nature", the transformation process is a joint task. Responsibility for the costs of the transformation has by no means been settled internationally, nor even nationally. This does not preclude the imposition of charges on certain polluting activities right now based on causation, to the extent that the pollution is not offset by compensatory measures.

However, where private individuals or enterprises take action towards achieving climate neutrality or put in place compensatory measures, governments should promote investment in climate protection by forgoing taxes. It follows that private investment in climate protection is contingent upon private individuals or enterprises being granted relief from the costs of climate protection as a shared cost (taxes, apportionment of costs, etc.) and not being taxed twice.

Private investment in sustainability projects is also contingent upon policy dependability, and in particular a regulatory environment that provides planning stability.

I am convinced that offering investments in various types of sustainability projects on capital market conditions could relieve pressure on the decidedly overheated real estate market. The priority for private investors is to avoid repeating the mistakes of the sub-prime crisis post-2007. Investments in sustainability projects would also have to generate roughly the same expected long-term returns as residential real estate.

Investments in sustainability projects with long-term profitability could conceivably cover:

- woodland, rewilding, reforestation
- plants to produce hydrogen/synthetic fuels on an industrial scale
- hydroelectric and tidal power plants
- charging stations for electric vehicles
- expansion of the power grid, underground cabling, pipeline projects

and many more

The rather less risk-averse exposures include photo-voltaic systems in conjunction with equipment to produce hydrogen and synthetic fuels in very sunny but politically less stable regions, including in Africa. Private investments will only be made in these areas if public authorities approve guarantees to hedge the risk. If politically desirable private investments require fundamental military security, the political forces in the European Union and alliances are called upon in particular to ensure the appropriate preemptive military interventions. Involving a large number of poorer but hotter and sunnier countries in the efforts to transform the energy sector could make a major and ultimately valuable reciprocal contribution (when taking into consideration all of the risks that need to be covered) to achieving climate neutrality and reducing the incentives for migration from those regions.

Private investments with risk oversight

Corporate investments (including private ones) in sustainability and digitalization projects could even today be managed via a kind of "sovereign wealth fund". What comes to mind are fund-based structures for specific projects created from an association of European banks active on the capital market. Additional guarantees given by multiple banks and modest fees for fund managers raise the justified expectation that private investors (where necessary with additional tax benefits) will opt for investments of that kind instead of buying over-priced residential real estate. I think that an association of banks acting for the greater good and governed by contractual restraint and independent (external) risk monitoring could be managed just as effectively as state institutions might permissibly be expected to do in the case of a sovereign wealth fund.

Cost structure of the Deutsche Bank Group

We still "produce" at a relatively expensive rate in the Deutsche Bank Group.

In 2020, personnel expenses amounted to 46 percent of total revenue (previous year (2019): 46 percent). In fiscal year 2018, personnel expenses accounted for approximately 47 percent of total revenue.

Things are going in the right direction.

That said, the rate is not just improving because the Bank is parting ways with employees. A rise in total revenue is enough to achieve a further improvement in cost structure and productivity.

The comments above may perhaps provide some incentive to improve the Deutsche Bank Group's overall earnings in a positive way.