Media Release

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Deutsche Bank reports € 1.9 billion profit before tax in the first quarter of 2023

Profit before tax up 12% year on year to € 1.9 billion, highest quarter since 2013

- Net profit up 8% to € 1.3 billion
- Post-tax return on average tangible shareholders' equity (RoTE)[1] of 8.3% with post-tax return on average shareholders' equity (RoE) of 7.4%
- Cost/income ratio of 71%, down from 73% in prior year quarter

Net revenues grow 5% to € 7.7 billion

- Highest quarter since 2016, despite business exits during transformation
- In line with bank's revenue growth objectives through 2025
- Net inflows of € 12 billion across the Private Bank and Asset Management

Noninterest expenses up 1% year on year to € 5.5 billion

- Adjusted costs flat year on year at € 5.4 billion, with investments in business growth, technology and controls offset by lower bank levies
- Additional efficiency measures underway in front office and infrastructure

Capital, risk and liquidity metrics in line with objectives

- Common Equity Tier 1 (CET1) capital ratio rose to 13.6%, from 13.4% in the previous quarter
- Leverage ratio of 4.6%, in line with previous and prior year quarter
- Provision for credit losses of € 372 million, 30 basis points (bps) of average loans; 2023 guidance range of 25-30 bps of average loans reaffirmed
- Liquidity coverage ratio rises to 143%, a surplus of € 63 billion
- Net Stable Funding Ratio rises to 120%, a surplus of € 100 billion

Initiatives to accelerate *Global Hausbank* strategy announced

- Operational efficiency: incremental savings ambition raised from € 2.0 billion to € 2.5 billion through additional measures

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- Capital efficiency: € 15-20 billion of RWA reductions in lower-yielding portfolios and from optimization, driving returns and shareholder distributions
- Revenue growth: targeted investments in technology, coverage footprint and advisory-focused businesses to tap additional revenue potential

"Our first quarter results demonstrate the relevance of our Global Hausbank strategy to our clients and underscore that we are well on track to meeting or exceeding our 2025 targets," said Christian Sewing, Chief Executive Officer. "We aim to accelerate execution of our strategy through a number of measures announced today: raising our ambitions for operational efficiency, boosting capital efficiency to drive returns and support shareholder distributions, and seizing opportunities to outperform on our revenue growth targets. Strong organic capital generation enables us to re-affirm our commitment to distributions and we are preparing to conduct further share buybacks later this year."

Deutsche Bank (XETRA: DBGn.DB / NYSE: DB) today announced profit before tax of € 1.9 billion for the first quarter of 2023, up 12% year on year. Post-tax profit was up 8% to € 1.3 billion.

Post-tax return on average tangible shareholders' equity (RoTE)[1] was 8.3%, up from 8.1% in the prior year quarter. Post-tax return on average shareholders' equity was 7.4% in the quarter, up from 7.2% in the first quarter of 2022. Diluted earnings per share were € 0.61, up from € 0.55 in the prior year quarter. The cost/income ratio improved to 71%, from 73% in the first quarter of 2022.

Deutsche Bank's results include annual bank levies of € 473 million, recognized in the first quarter. Assuming an equal distribution of the annual bank levy across the four quarters of 2023 and a three-month pro rata (three twelfths) share in the first quarter, profit before tax would have been € 2.2 billion and post-tax profit would have been € 1.6 billion in the quarter. Post-tax RoTE[1] would have been 10.0% and the cost/income ratio would have been 67%, reflecting substantial progress towards the bank's 2025 targets for post-tax RoTE[1] of above 10% and a cost/income ratio below 62.5%.

"In the first quarter, we again proved the strength and resilience of Deutsche Bank in challenging conditions," said James von Moltke, Chief Financial Officer. "We have delivered well-balanced earnings and growth momentum across four complementary businesses, attracted inflows into investment products and demonstrated balance sheet strength. Our capital and liquidity ratios were stable or improved during the quarter, each significantly ahead of regulatory requirements, and we benefited from the resilience of our funding base, anchored by our strong and well-diversified deposit base."

The bank's businesses contributed as follows to the bank's key target ratios:

- Corporate Bank: post-tax RoTE[1] of 18.3% and cost/income ratio of 55%
- Investment Bank: post-tax RoTE[1] of 8.5% and cost/income ratio of 67%
- Private Bank: post-tax RoTE[1] of 5.3% and cost/income ratio of 78%
- Asset Management: post-tax RoTE[1] of 13.6% and cost/income ratio of 74%

Revenue growth in challenging conditions

Net revenues were € 7.7 billion, up 5% over the prior year quarter and the highest quarterly net revenues since 2016, despite business exits as part of the bank's transformation programme and challenging conditions in financial markets during the quarter. This compares to the bank's target for compound annual revenue growth of between 3.5% and 4.5% through 2025. In the businesses, net revenues were as follows:

- **Corporate Bank net revenues** were € 2.0 billion, up 35% year on year, the highest quarterly revenues since the launch of Deutsche Bank's transformation programme, reflecting significant year-on-year growth across all regions and businesses. Growth was driven by year-on-year growth of 71% in net interest income and continued pricing discipline. Fee income rose 1% year on year. Revenues in Corporate Treasury Services grew by 32%, Institutional Client Services revenues rose 28% and Business Banking revenues were up 59%
- **Investment Bank net revenues** were € 2.7 billion, down 19% from the very strong first quarter of 2022. Fixed Income & Currencies (FIC) revenues declined by 17%, partly reflecting a significant contribution from episodic items in the prior year quarter which did not recur. Rates revenues were higher than the strong prior year quarter, while Credit Trading revenues were lower, reflecting the non-recurrence of a concentrated distressed position in the prior year quarter, partly offset by growth in flow credit revenues. Financing revenues were lower, impacted by the non-recurrence of other episodic revenue events in the prior year. Foreign Exchange revenues were significantly lower, reflecting heightened interest rate volatility and market dislocation during March. Origination & Advisory revenues were down 31%, reflecting lower industry fee pools and lower issuance activity against the backdrop of continued macro-economic and geo-political uncertainties. Advisory revenues were lower, although by less than industry average (source: *Dealogic*)
- **Private Bank net revenues** were € 2.4 billion, up 10% year on year, driven by strong net interest income. Revenues in the Private Bank Germany were up 14% year on year, while the International Private Bank grew revenues by 3%. Net inflows were € 6 billion during the quarter, driven by inflows into investment products. Assets under management grew by € 13 billion to € 531 billion during the quarter, more than reversing the decline of the previous quarter, driven by net inflows into investment products and rising market levels

- **Asset Management net revenues** were € 589 million, down 14% compared to the prior year quarter. This primarily reflected an 8% decline in management fees to € 571 million, largely due to market-driven declines in assets under management during 2022. Performance and transaction fees declined 58% to € 11 million. Net inflows were € 6 billion, or € 9 billion ex-Cash, compared to net outflows of € 2 billion in the previous quarter. Assets under management grew by € 19 billion to € 841 billion at the end of the first quarter, reflecting positive net inflows and rising market levels

Noninterest expenses essentially flat year on year

Noninterest expenses were € 5.5 billion in the quarter, up 1% compared to the prior year quarter and including annual bank levies of € 473 million. Adjusted costs were € 5.4 billion, flat year on year, while adjusted costs ex-bank levies[1] were up 5% to € 4.9 billion. This development reflects investments in business growth, technology and controls in line with the bank’s strategy.

The bank is currently implementing additional efficiency measures across the front office and infrastructure. These include strict limitations on hiring in non-client-facing areas, focused reductions in management layers, streamlining the mortgage platform and further downsizing of the technology centre in Russia.

Credit provisions: year on year growth reflects macroeconomic developments

Provision for credit losses was € 372 million in the quarter, up from € 292 million in the first quarter of 2022 and 30 basis points of average loans. The year-on-year development included a rise in provision for credit losses in the Private Bank to € 267 million, up from € 101 million in the prior year quarter, driven by a small number of idiosyncratic events in the International Private Bank, while the quality of the overall portfolio remained solid. Provision for non-performing (Stage 3) loans was € 397 million, up from € 114 million in the prior year quarter. These were partly offset by net releases of performing (Stage 1 and 2) loans of € 26 million, reflecting a modest improvement in the economic outlook since year end 2022 and lower levels of provisioning in the Corporate Bank.

For the full year 2023, provision for credit losses is expected to remain within the previously communicated range of 25-30 basis points of average loans.

Capital and liquidity in line with goals and capital distribution plans reaffirmed

The Common Equity Tier 1 (CET1) capital ratio strengthened to 13.6% at quarter end, ahead of the bank’s ambition of around 13%, up from 13.4% in the previous quarter and the highest level for eight quarters. Strong organic capital generation through higher profitability more than offset the impact of deductions for common share dividends and equity compensation. **Risk weighted assets** were € 360 billion at the end of the quarter, unchanged from the previous quarter and down slightly from € 364 billion at the end of the prior year quarter.

The Leverage ratio was 4.6% at the end of the first quarter, essentially unchanged from the end of the previous quarter. At 4.6%, the leverage ratio was also consistent with the prior year quarter which excluded certain central bank cash balances in accordance with EU regulation then in effect; including these balances, the leverage ratio at the end of the prior year quarter would have been 4.3%. **Leverage exposure** was € 1,238 billion at quarter end, essentially unchanged from the end of the previous quarter.

The Liquidity Coverage Ratio strengthened to 143% at the end of the quarter, from 142% at the end of the previous quarter, above the regulatory requirement of 100% and a surplus of € 63 billion. Liquidity reserves were € 241 billion, compared to € 256 billion at the end of the previous quarter, including High Quality Liquid Assets of € 208 billion. The Net Stable Funding Ratio was 120%, at the high end of the bank's target range of 115-120%, with a surplus of € 100 billion above required levels.

For Deutsche Bank's Annual General Meeting on 17 May, the Management Board and the Supervisory Board have formally proposed payment of a cash dividend of € 0.30 per share in respect of 2022, up 50% from 2021. This reflects the bank's commitment to its capital distribution ambitions as set out in the Global Hausbank strategy announced in March 2022.

Deutsche Bank remains fully committed to further capital distributions in 2023. Given the bank's strong first quarter performance and further improved capital ratios, management has initiated a dialogue with supervisors to enable 2023 share repurchases and currently expects to commence buybacks in the second half of 2023.

Accelerating the Global Hausbank strategy

Deutsche Bank also announced additional measures aimed at accelerating execution of its *Global Hausbank* strategy. These include:

- **Operational efficiency:** targeting additional efficiency measures to raise the bank's ambition for incremental cost savings from € 2.0 to € 2.5 billion. Specific measures include workforce reductions in non-client facing staff; further streamlining the mortgage platform; optimization of the retail distribution network; and improved operations by automating processes
- **Capital efficiency:** reducing € 15-20 billion in risk weighed assets by 2025 from lower-yielding portfolios and from optimization with minimal revenue impact, enabling redeployment and distributions to shareholders and thereby improving RoTE[1]. Specific measures include reducing mortgage originations and sub-hurdle lending; reducing balance sheet intensity through increased securitization; optimized hedging; and enhanced risk models and processes
- **Revenue growth:** aiming to outperform on previously communicated revenue targets through platform growth in capital-light businesses. Specific measures include investments in technology, selective hiring and additional growth initiatives in the Corporate Bank and Investment Bank;

investments in digital and direct sales and accelerated hiring in Wealth Management in the Private Bank; and in Asset Management, the expansion of Passive and Alternatives together with strategic partnerships and product innovations

Sustainable Finance: further progress across businesses

Environmental, Social and Governance (ESG)-related financing and investment volumes ex-DWS[2] were € 22 billion in the quarter, bringing the cumulative total since January 1, 2020 to € 238 billion. In the first quarter, Deutsche Bank's businesses contributed as follows:

- **Corporate Bank**: € 3 billion in sustainable financing, raising the business' cumulative total since January 1, 2020 to € 43 billion
- **Investment Bank**: € 14 billion, comprising € 4 billion in sustainable financing and € 9 billion in capital market issuance, for a cumulative total of € 142 billion
- **Private Bank**: € 5 billion growth in ESG assets under management and € 1 billion in ESG new client lending, raising the Private Bank's cumulative total to € 53 billion

Sustainability remains one of Deutsche Bank's strategic priorities and the bank demonstrated this by hosting its second **Sustainability Deep Dive** on March 2, 2023. CEO Christian Sewing and the senior management provided an update on the business strategies as well as on its policies and commitments. This included a tightened thermal coal policy as well as the ambition to encourage corporate clients to commit to net zero. Further details on this event are available **here**.

Group results at a glance

in € m (unless stated otherwise)	Three months ended Mar 31, 2023	Mar 31, 2022	Absolute Change	Change in %
Total net revenues, of which:	7,680	7,328	353	5
Corporate Bank (CB)	1,973	1,462	511	35
Investment Bank (IB)	2,691	3,323	(632)	(19)
Private Bank (PB)	2,438	2,220	218	10
Asset Management (AM)	589	682	(93)	(14)
Corporate & Other (C&O)	(10)	(359)	349	(97)
Provision for credit losses	372	292	79	27
Noninterest expenses	5,457	5,377	79	1
Profit (loss) before tax	1,852	1,658	194	12
Profit (loss)	1,322	1,227	95	8
Profit (loss) attributable to Deutsche Bank shareholders	1,158	1,060	98	9
Common Equity Tier 1 capital ratio[1]	13.6 %	12.8 %	0.8 ppt	N/M
Leverage ratio[1]	4.6 %	4.6 %	0.1 ppt	N/M

N/M – Not meaningful
Prior year segmental information presented in the current structure
[1] At period-end

[1] *For a description of this and other non-GAAP financial measures, see 'Use of non-GAAP financial measures' on pp 15-20 of the first quarter 2023 Financial Data Supplement and "Non-GAAP financial measures" on pp. 50-55 of the first quarter 2023 Earnings Report, respectively*

[2] *Cumulative ESG volumes include sustainable financing (flow) and investments (stock) in the Corporate Bank, Investment Bank and Private Bank from January 1, 2020 to date, as set forth in Deutsche Bank's Sustainability Deep Dive of May 20, 2021. Products in scope include capital market issuance (bookrunner share only), sustainable financing and period-end assets under management. Cumulative volumes and targets do not include ESG assets under management within DWS, which are reported separately by DWS.*

Further details on first quarter performance in Deutsche Bank's businesses are available in the First Quarter 2023 Earnings Report.

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Analyst call

An **analyst call** to discuss first-quarter 2023 financial results will take place at 11:00 CEST today. An Earnings Report, Financial Data Supplement (FDS), presentation and audio webcast for the analyst conference call are available at: www.db.com/quarterly-results

A **fixed income investor call** will take place on April 28, 2023, at 15:00 CEST. This conference call will be transmitted via internet: www.db.com/quarterly-results

About Deutsche Bank

Deutsche Bank provides retail and private banking, corporate and transaction banking, lending, asset and wealth management products and services as well as focused investment banking to private individuals, small and medium-sized companies, corporations, governments and institutional investors. Deutsche Bank is the leading bank in Germany with strong European roots and a global network.

Forward-looking statements

This release 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 the 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 17 March 2023 under the heading "Risk Factors". Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.

Basis of Accounting

Results are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"), including, from 2020, application of portfolio fair value hedge accounting for non-maturing deposits and fixed rate mortgages with pre-payment options (the "EU carve-out"). Fair value hedge accounting under the EU carve-out is employed to minimise the accounting exposure to both positive and negative moves in interest rates in each tenor bucket thereby reducing the volatility of reported revenue from Treasury activities.

For the three-month period ended March 31, 2023, application of the EU carve-out had a negative impact of € 97 million on profit before taxes and of € 70 million on profit. For the same time period in 2022, the application of the EU carve-out had a positive impact of € 139 million on profit before taxes and of € 106 million on profit. The Group's regulatory capital and ratios thereof are also reported on the basis of the EU carve-out version of IAS 39. For the three-month period ended March 31, 2023, application of the EU carve-out had a negative impact on the CET1 capital ratio of about 2 basis points and a positive impact of about 3 basis points for the same time period in 2022. In any given period, the net effect of the EU carve-out can be positive or negative, depending on the fair market value changes in the positions being hedged and the hedging instruments.

Use of Non-GAAP Financial Measures

This report and other documents we have published or may publish contain non-GAAP financial measures. Non-GAAP financial measures are measures of our historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with IFRS in our financial statements. Examples of our non-GAAP financial measures, and the most directly comparable IFRS financial measures, are as follows:

Non-GAAP Financial Measure	Most Directly Comparable IFRS Financial Measure
Profit (loss) attributable to Deutsche Bank shareholders, Profit (loss) attributable to Deutsche	Profit (loss) before tax

Bank shareholders and additional equity components Profit (loss) before tax based on pro rata bank levies, Profit (loss) after tax based on pro rata bank levies	
Revenues excluding specific items	Net revenues
Cost/income ratio based on pro-rata allocation of bank levies	Cost/income ratio
Adjusted costs, Adjusted costs excluding bank levies, Adjusted costs excluding bank levies adjusted for FX movements	Noninterest expenses
Net assets (adjusted)	Net assets
Tangible shareholders' equity, Average tangible shareholders' equity, Tangible book value, Average tangible book value	Total shareholders' equity (book value)
Post-tax return on average shareholders' equity (based on profit (loss) attributable to Deutsche Bank shareholders after AT1 coupon), Post-tax return on average tangible shareholders' equity, post-tax return on average tangible shareholders' equity based on pro rata bank levies	Post-tax return on average shareholders' equity
Tangible book value per basic share outstanding, Book value per basic share outstanding	Book value per share outstanding

Specific revenue items generally fall outside the usual nature or scope of the business and are likely to distort an accurate assessment of the divisional operating performance.

Revenues on a currency-adjusted basis are calculated by translating prior period revenues that were generated in non-euro currencies into euros at the foreign exchange rates that prevailed during the current period. These adjusted figures, and period-to-period percentage changes based thereon, are intended to provide information on the development of underlying business volumes.

Adjusted costs are calculated by deducting (i) impairment of goodwill and other intangible assets, (ii) net litigation charges and (iii) restructuring and severance (in total referred to as nonoperating costs) from noninterest expenses under IFRS.

ESG Classification

We defined our sustainable financing and investment activities in the "Sustainable Financing framework – Deutsche Bank Group" which is available at investor-relations.db.com. Given the cumulative definition of our target, in cases where validation against the Framework cannot be completed before the end of the reporting quarter, volumes are disclosed upon completion of the validation in subsequent quarters.

In Asset Management DWS introduced its ESG Product Classification Framework ("ESG Framework") in 2021 taking into account relevant legislation (including Regulation (EU) 2019/2088 – SFDR), market standards and internal developments. The ESG Framework is further described in the Annual report 2021 of DWS under the heading "Our Product Suite – Key Highlights / ESG Product Classification Framework" which is available at https://group.dws.com/ir/reports-and-events/annual-report/. There is no change in the ESG Framework in the first quarter of 2023. DWS will continue to develop and refine its ESG Framework in accordance with evolving regulation and market practice.

We have measured the carbon footprint of our corporate loan portfolio in accordance with the standards laid out in our publication “Towards Net Zero Emissions” (March 2022) available here. In doing so we used in part information from third-party sources that we believe to be reliable, but which has not been independently verified by us, and we do not represent that the information is accurate or complete. The inclusion of information contained in this release should not be construed as a characterization regarding the materiality or financial impact of that information.

If emissions have not been publicly disclosed, these emissions may be estimated according to the Partnership for Carbon Accounting Financials (PCAF) standards. For borrowers whose emissions have not been publicly disclosed, we estimate their emissions according to the PCAF emission factor database. Since there is no unified source of carbon emission factors (including sustainability-related database companies, consulting companies, international organizations, and local government agencies), the results of estimations may be inconsistent and uncertain.

We reserve the right to update its measurement techniques and methodologies in the future.