Media Release

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Deutsche Bank reports € 1.7 billion profit before tax in the first quarter of 2022

Profit before tax up 4% to € 1.7 billion with net profit up 18% to € 1.2 billion
- Post-tax return on tangible equity (RoTE)[1] of 8.1%
- Cost/income ratio of 73%, down from 77% in prior year quarter
- Profit grew despite 28% increase in bank levies to € 730 million

Core Bank profit before tax of € 2.0 billion, post-tax RoTE[1] of 10.7% and cost/income ratio of 69% with profit growth across all businesses
- Corporate Bank up 25% to € 291 million
- Investment Bank up 1% to € 1.5 billion
- Private Bank up 54% to € 419 million
- Asset Management up 12% to € 206 million

Capital Release Unit cuts loss before tax by 17% year on year to € 339 million
- 32% reduction in noninterest expenses more than offsets revenue decline
- Further portfolio reduction: RWAs down € 3 billion to € 25 billion and leverage exposure down € 4 billion to € 35 billion during first quarter

Net revenues up 1% to € 7.3 billion reflecting growth across core businesses
- Corporate Bank up 11% year on year to € 1.5 billion
- Investment Bank up 7% to € 3.3 billion
- Private Bank up 2% to € 2.2 billion
- Asset Management up 7% to € 682 million

Noninterest expenses reduced 4% year on year to € 5.4 billion
- Adjusted costs ex-transformation charges and bank levies[1] down 3% to € 4.6 billion

Capital, risk and balance sheet in line with objectives
- Common Equity Tier 1 (CET1) capital ratio of 12.8%
- € 300 million share repurchase completed in April
- Provision for credit losses of € 292 million, in line with guidance

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"In this quarter, we showed our strength and resilience as the Global Hausbank," CEO Christian Sewing said. "Our priority was to enable clients to respond quickly to geo-political events and guard against risks. All our businesses delivered results in line with or ahead of our targets, and we produced our highest quarterly profit for nine years."

Deutsche Bank (XETRA: DBGn.DB / NYSE: DB) today announced profit before tax of € 1.7 billion for the first quarter of 2022, up 4% year on year. Post-tax profit was up 18% to € 1.2 billion, the highest quarterly post-tax profit since 2013. This result was achieved despite a 28% increase in Deutsche Bank's annual bank levies to € 730 million, recognised in the first quarter.

Post-tax return on average shareholders' equity was 7.2% in the quarter, while post-tax return on average tangible shareholders' equity (RoTE)[1] was 8.1%, up from 7.4% in the prior year quarter. The cost/income ratio improved to 73%, from 77% in the first quarter of 2021.

Assuming an equal distribution of Deutsche Bank's annual bank levies across the four quarters of 2022 and a three-month pro rata (three twelfths) share in the first quarter, pre-tax profit would have been € 2.2 billion in the quarter. Post-tax RoTE[1] would have been 11.2%, compared to the bank's full year 2022 target of 8%, and the cost/income ratio would have been 66% versus the full year target of 70%.

James von Moltke, Chief Financial Officer, said: "In a challenging environment, we delivered both revenue and profit growth across all core businesses. Our first quarter revenues demonstrate clear momentum towards our 2022 objectives. We believe this momentum, combined with continued cost discipline and organic capital generation, positions us well for delivery on our 2022 targets."

Core Bank: profit growth across all businesses

In the Core Bank, which excludes the Capital Release Unit, profit before tax was € 2.0 billion, essentially unchanged year on year, despite a year on year rise of € 184 million in bank levies to € 587 million. Revenues grew 3% to € 7.3 billion, noninterest expenses were down 1% to € 5.0 billion, and adjusted costs ex-transformation charges and bank levies were down 1% to € 4.4 billion.

Post-tax RoTE[1] was 10.7%, higher than the Core Bank's full year 2022 target of above 9% and compared to 10.9% in the first quarter of 2021. The year on year development reflected growth in tangible equity. The cost/income ratio was 69%, versus 71% in the prior year quarter. Assuming a three-month pro rata (three twelfths) share of full year bank levies, Core Bank post-tax RoTE[1] would have been 13.4% and cost/income ratio would have been 63%.

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

- Corporate Bank: post-tax RoTE[1] of 7.2% and cost/income ratio of 70%
- Investment Bank: post-tax RoTE[1] of 16.8% and cost/income ratio of 53%

- Private Bank: post-tax RoTE[1] of 9.1% and cost/income ratio of 77%
- Asset Management: post-tax RoTE[1] of 25.4% and cost/income ratio of 62%

The Capital Release Unit

The Capital Release Unit maintained its progress on portfolio reduction. Leverage exposure was reduced by € 4 billion to € 35 billion during the first quarter, and Risk weighted assets (RWAs) were down a further € 3 billion to € 25 billion, including operational risk RWAs of € 19 billion. The Capital Release Unit remains ahead of its year-end 2022 targets for both leverage exposure and RWA reduction and has cut leverage exposure by 86% and RWAs by 61% since its creation in mid-2019.

The Capital Release Unit reduced its loss before tax to € 339 million, down 17% from a loss before tax of € 410 million in the first quarter of 2021. The improvement was driven primarily by cost reduction, with noninterest expenses down 32% year on year to € 337 million. This reduction more than offset the non-recurrence of net revenues which primarily reflects the cessation of revenues from Prime Finance cost recovery after the completion of the transfer of Prime Finance to BNP Paribas at the end of 2021.

Revenue growth across all core businesses

Net revenues were € 7.3 billion, up 1% over the prior year quarter and the highest since the first quarter of 2017. Revenue growth in Deutsche Bank's core businesses more than offset negative revenues in the Capital Release Unit and Corporate & Other. In the core businesses, net revenues were as follows:

- **Corporate Bank net revenues** were € 1.5 billion, up 11% year on year, the highest since the launch of the transformation programme and the second consecutive quarter of double-digit revenue growth. Revenues in Corporate Treasury Services were up 14%, Institutional Client Services revenues rose 11% and Business Banking revenues were up 1%. Revenues were driven in part by business growth, with deposits up 5% and gross loans up 7% over the prior year quarter.
- **Investment Bank net revenues** were € 3.3 billion, up 7% over a strong first quarter of 2021. Fixed Income & Currencies (FIC) revenues grew 15%, driven by strong Financing, Rates, Foreign Exchange and Emerging Markets which more than offset a decline in Credit Trading. This growth in FIC revenues more than offset a 28% decline in Origination & Advisory revenues, driven by a significant year on year decline in Equity Origination which reflected lower industry fee pools against a backdrop of economic and geo-political uncertainties.
- **Private Bank net revenues** were € 2.2 billion, up 2% year on year. Revenues in the Private Bank Germany were up 1%, while the International Private Bank grew revenues by 4% over the prior year quarter. Net new business volumes were € 13 billon, predominantly net inflows into investment

products of € 9 billion and net new client loans of € 3 billion, which are expected to contribute to revenue growth in future quarters.

- **Asset Management net revenues** rose 7% to € 682 million. A 13% rise in management fees, to € 621 million, more than offset a decline of 34% in performance and transaction fees which reflected the non-recurrence of a substantial performance fee in the prior year quarter. Net outflows were € 1 billion, driven by Cash and Fixed Income products; net inflows ex-Cash were € 5.7 billion. Assets under management were € 902 billion at quarter-end, down 3% quarter on quarter but up 10%, or € 82 billion, year on year.

Sustainable Finance: further progress and accelerated targets

Environmental, Social and Governance (ESG)-related financing and investment volumes[2] were € 20 billion ex-DWS in the quarter, bringing the cumulative total since January 1, 2020 to € 177 billion. In the first quarter, Deutsche Bank's businesses contributed as follows:

- **Corporate Bank**: € 4 billion in sustainable financing, raising the business' cumulative total since January 1, 2020 to € 30 billion;
- **Investment Bank**: € 11 billion in sustainable financing and capital market issuance, for a cumulative total of € 98 billion;
- **Private Bank**: € 4 billion growth in ESG assets under management and a further € 1 billion in ESG new client lending, raising the Private Bank's cumulative total to € 50 billion.

At its Investor Deep Dive on March 10, 2022, Deutsche Bank announced an acceleration of its targets for sustainable financing and investment volumes for the second time. The bank now aims to achieve cumulative volumes since January 2020 of over € 200 billion by the end of 2022, a year earlier than previously, and a further € 100 billion per year from 2023 to 2025, reaching a cumulative total of over € 500 billion by the end of 2025. The bank expects net revenues arising from the volumes categorised under Deutsche Bank's Sustainable Finance Framework to be in excess of € 1.5 billion in 2025.

Expenses: year on year reductions despite higher bank levies

Noninterest expenses were € 5.4 billion in the quarter, down 4% year on year, despite the aforementioned rise in annual bank levies of € 159 million to € 730 million. Adjusted costs ex-transformation charges and bank levies[1] were down 3% to € 4.6 billion. By the end of the first quarter, Deutsche Bank had recognised 98% of the total transformation-related effects anticipated through end-2022.

Credit provisions: year on year growth reflects macroeconomic developments

Provision for credit losses was € 292 million in the quarter, up from € 69 million in the first quarter of 2021. This development was driven by provision for performing

(Stage 1 and 2) loans of € 178 million, compared to net releases of € 95 million in the prior year quarter, primarily reflecting rating migrations and overlays to reflect macro-economic uncertainties. This increase was partly offset by a 30% decline in provision for non-performing (Stage 3) loans to € 114 million, partly reflecting a small number of larger releases in the Investment Bank.

Russia exposure further reduced in the quarter

Deutsche Bank further reduced its Russian credit exposures during the quarter:

- Gross loan exposure was cut by 5% to € 1.3 billion, with de minimis onshore exposure and exposures to Russian subsidiaries of multi-national corporations largely guaranteed by parent companies;
- Net loan exposure decreased 21% to € 0.5 billion during the quarter, reflecting active exposure management and repayments;
- Additional contingent risk was reduced by 35% to € 1.0 billion in the quarter. Undrawn commitments were reduced to € 0.8 billion and are largely mitigated by Export Credit Agency coverage and contractual drawdown protection. Guarantees were reduced by two thirds to € 0.2 billion, largely due to roll-offs.

Ruble cash balances with the Central Bank of Russia were € 0.9 billion at the end of the quarter, predominantly reflecting deposits from existing clients. All major derivative exposures have been unwound and market risk exposure to Russia remains low. The bank has implemented the sanctions policies adopted by Western governments and continues to take care of local employees and to invest in the management of technology, cyber and other risks. The local balance sheet of Deutsche Bank Moscow was unchanged at € 1.5 billion and the local capital position of € 0.2 billion was fully FX hedged.

Support for Ukraine

Deutsche Bank remains operational in Ukraine and has taken action to support its local employees and their families. The bank and its employees have offered support for Ukraine through initiatives which include:

- A donation of € 1 million by the bank, supplemented by donations of more than € 500,000 from employees, to support relief efforts by the Red Cross, the International Medical Corps and other aid organisations working on the ground in Ukraine and neighbouring countries;
- Supporting Wellcome, a German charity helping Ukrainian mothers and their children fleeing to Germany, through the bank's payroll giving scheme;
- Offering free current accounts with simplified opening procedures agreed with the Federal Government for Ukrainian refugees arriving in Germany, and reimbursing transaction fees on money transfers to Ukraine;

- Providing technology expertise in partnership with JobAidUkraine to roll out a free website helping Ukrainian refugees to find job opportunities.

Capital and liquidity in line with goals

The Common Equity Tier 1 (CET1) capital ratio was 12.8% at quarter end, down from 13.2% at the end of the previous quarter. Around half of this decline was driven by ECB mandated model adjustments. The decline further reflected business-related growth in risk weighted assets and the negative impact on ratings and higher prudent valuation adjustments resulting from the war in Ukraine. Strong organic capital generation through net income was largely offset by share repurchases, deductions for common share dividends, future Additional Tier 1 (AT1) coupon payments and equity compensation.

By the end of the first quarter, Deutsche Bank had completed around 50% of its € 300 million share repurchase for termination, announced on January 26 as part of the bank's aim to distribute approximately € 700 million of capital to shareholders during 2022. This repurchase programme was completed in April.

The Leverage ratio was 4.6% in the first quarter, down from 4.9% at the end of the previous quarter. This development primarily reflected a € 1.75 billion reduction in AT1 capital resulting from the bank's decision during the quarter to redeem AT1 notes issued in 2014, and growth in leverage exposure of 2% arising from loan growth and other business activity in the Core Bank.

Liquidity reserves were € 246 billion at the end of the first quarter, versus € 241 billion at the end of the previous quarter, including High Quality Liquid Assets of € 214 billion. The Liquidity Coverage Ratio was 135%, above the regulatory requirement of 100% and a surplus of € 55 billion. The Net Stable Funding Ratio was 121%, above the bank's target range of 115-120%, with a surplus of € 106 billion above required levels.

Group results at a glance

in € m (unless stated otherwise)	Three months ended Mar 31, 2022	Mar 31, 2021	Absolute Change	Change in %
Total net revenues, of which:	7,328	7,233	95	1
Corporate Bank (CB)	1,461	1,313	148	11
Investment Bank (IB)	3,322	3,097	225	7
Private Bank (PB)	2,220	2,178	43	2
Asset Management (AM)	682	637	45	7
Capital Release Unit (CRU)	(5)	81	(86)	N/M
Corporate & Other (C&O)	(353)	(73)	(280)	N/M
Provision for credit losses	292	69	223	N/M
Noninterest expenses	5,377	5,574	(197)	(4)
Profit (loss) before tax	1,658	1,589	69	4
Profit (loss)	1,227	1,037	189	18
Profit (loss) attributable to Deutsche Bank shareholders	1,060	908	152	17
Common Equity Tier 1 capital ratio	12.8 %	13.7 %	(0.9) ppt	N/M
Leverage ratio (reported/fully loaded)	4.6 %	4.6 %	(0.0) ppt	N/M

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] *For a description of this and other non-GAAP financial measures, see 'Use of non-GAAP financial measures' on pp 17-25 of the first quarter 2022 Financial Data Supplement and "Non-GAAP financial measures" on pp. 46-54 of the first quarter 2022 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 2022 Earnings Report.

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Analyst call

An **analyst call** to discuss first-quarter 2022 financial results will take place at 13:00 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 29, 2022, 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.

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 11 March 2022 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, 2022, application of the EU carve-out had a positive impact of € 139 million on profit before taxes and of € 106 million on profit. For the same time period in 2021, the application of the EU carve-out had a negative impact of € 316 million on profit before taxes and of € 207 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, 2022, application of the EU carve-out had a positive impact on the CET1 capital ratio of about 3 basis points and a negative impact of about 6 basis point for the same time period in 2021. 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
Adjusted Profit (loss) before tax, Profit (loss) before tax based on pro forma bank levies, Profit (loss) attributable to Deutsche Bank shareholders, Adjusted profit (loss) attributable to Deutsche Bank shareholders, Profit (loss) attributable to Deutsche Bank shareholders after AT1 coupon	Profit (loss) before tax
Revenues excluding specific items, Revenues on a currency-adjusted basis, Revenues adjusted for forgone revenues due to the BGH ruling	Net revenues
Adjusted costs, Adjusted costs excluding transformation charges, Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance	Noninterest expenses
Net assets (adjusted)	Total 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), adjusted post-tax return on equity measures	Post-tax return on average shareholders' equity
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
Cost/income ratio based on pro rata bank levies	Cost/income ratio

Adjusted profit (loss) before tax is calculated by adjusting the profit (loss) before tax under IFRS for specific revenue items, transformation charges, impairments of goodwill and other intangibles, as well as restructuring and severance expenses.

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.

Transformation charges are costs included in adjusted costs that are directly related to Deutsche Bank's transformation as a result of the new strategy announced on July 7, 2019, and certain costs related to incremental or accelerated decisions driven by the changes in our expected operations due to the COVID-19 pandemic. Such charges include the transformation-related impairment of software and real estate, the accelerated software amortisation and other transformation charges like onerous contract provisions or legal and consulting fees related to the strategy execution.

Transformation-related effects are financial impacts resulting from the strategy announced on July 7, 2019. These include transformation charges, goodwill impairments in the second quarter 2019, as well as restructuring and severance expenses from the third quarter 2019 onwards. In addition to the aforementioned pre-tax items, transformation-related effects on a post-tax basis include pro-forma tax effects on the aforementioned items and deferred tax asset valuation adjustments in connection with the transformation of the Group.

Profit (loss) before tax based on pro forma bank levies is calculated based on the assumption of an equal distribution of the (expected) annual bank levies across the four quarters of the financial year. Bank levies are predominantly incurred in the first quarter.

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 reported 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 2022. DWS will continue to develop and refine its ESG Framework in accordance with evolving regulation and market practice.