Deutsche Bank AG

Deutsche Bank Q1 2025 Analyst Conference Call

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Transcript

Speakers:
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James von Moltke, Chief Financial Officer
Ioana Patriniche, Head of Investor Relations

CHRISTIAN SEWING

Slide 2 – Well-positioned to support clients and deliver on 2025 targets

- Thank you Ioana, and a warm welcome from me
- Before we turn to our performance, I want to offer my perspective on recent events. The geopolitical landscape is rapidly evolving, and uncertainty and volatility are likely to stay elevated for the time being. This will likely impact the world economy. We still believe globalization will persist, but we expect to see a substantial reordering of trade corridors and supply chains, and this may accelerate some of the long-term trends we have spoken about for some time
- And we are particularly encouraged to see what is happening in our domestic market with regards to fiscal changes and structural reforms, leading to a much-needed economic boost for Germany and Europe
- All of this underscores why we believe our *Global Hausbank* business model and four strong businesses position us very well to support clients through these unsettled times. And already, since the start of the second quarter, we're seeing clients increasingly seek our expertise and advice
- Now, let me turn to our results. We are very pleased with a very strong first-quarter performance
- We delivered revenues of 8.5 billion euros, up 10%, a strong start towards our full-year revenue objective of around 32 billion euros
- Our cost/income ratio was 61% with adjusted costs of 5.1 billion euros, in line with full-year guidance
- Our loan portfolio quality remains solid. Stage 3 provisions are down nearly 30% year on year, normalizing as expected, while Stage 1 and 2 provisions were higher and included overlays in this more uncertain environment
- Our pre-tax profit of 2.8 billion euros was up 39% year on year
- And with net profit of 2 billion euros, our return on tangible equity was 11.9% in the first quarter
- Our CET1 ratio of 13.8% sets us up well for the rest of the year, both to support our clients and reward shareholders
- To summarize, the start of the year was very strong. We believe that we have the right business model both to face uncertainties in the environment, as well as to steer the bank towards delivery of our 2025 targets

- Beyond that, we have a clear management agenda for further developing our *Global Hausbank* offering for our clients, and sustainably increasing returns for shareholders beyond 2025, which I will talk about shortly
- Let's now turn to our resilient operating performance on slide 3

Slide 3 – Resilient operating performance drives increasing profitability

- We delivered pre-provision profit of 3.3 billion euros, up 34% year on year
- Revenue momentum, combined with cost discipline, resulted in strong operating leverage of 11%, with each operating division delivering positive jaws
- Revenue quality is strong; 71% came from more predictable revenue streams in the Corporate Bank, Private Bank, Asset Management and FIC Financing
- Net commission and fee income increased by 5% year on year, in line with our goals and reflecting our strategic investments
- Net interest income in key banking book segments and other funding also remained resilient year on year
- Noninterest expenses declined 2% year on year to 5.2 billion euros, as nonoperating costs normalized as expected
- Our progress on operational efficiencies enabled us both to deliver adjusted costs in line with plan and continue to self-finance investments
- Turning to slide 4, let's now look at the progress with our 2025 delivery

Slide 4 – Progress across strategic pillars provides confidence in 2025 delivery

- Turning first to revenue growth, since 2021, we have achieved a compound annual growth rate of 6.1%, within our target range of 5.5 to 6.5%
- Double-digit first-quarter revenue growth contributed 700 million euros towards our target of 2 billion euros incremental revenues in 2025

- Second, in respect of operational efficiencies, we have reached 85% of our 2.5-billion-euro target, with 2.1 billion euros in cost efficiencies either delivered or expected from completed measures
- Third, we made further progress with our capital efficiency measures, with 4 billion euros of RWA reductions delivered this quarter through a combination of data and process improvements and a securitization transaction
- This brings our cumulative RWA benefit to 28 billion euros, at the high end of the bank's target range of 25 to 30 billion euros by the end of this year
- We have announced capital distributions of 2.1 billion euros this year, including the 2024 dividend and our recently launched share buyback program
- This will take cumulative capital returns to 5.4 billion euros since 2022, and we remain committed to surpassing our capital distribution target of 8 billion euros in respect of the years 2021 through 2025
- Put simply, our 2025 targets are in sight. Let me now turn to our long-term management agenda on slide 5

Slide 5 – Embedding our management agenda for strategic delivery beyond 2025

- Our aim is to deliver a sustainable increase in returns through three levers; increasing value generation for shareholders, re-engineering our target operating model, and reinforcing leadership
- First, we will deploy Shareholder Value Add methodology in our planning process and decision-making to optimize resource allocations across the Group
- And progress is underway; in the Private Bank we have reduced RWA exposures in below-hurdle mortgages, and in the Corporate Bank and Investment Bank we are undertaking client-level reviews
- We are also making progress in re-engineering our target operating model. In the Private Bank, we continue to transform our Personal Banking operations by reducing branches and moving to digital channels, resulting in a planned reduction of almost 2,000 FTEs
- We are transforming our Corporate Bank German platform and overhauling front-to-back processes in the Investment Bank, leading to improved client experience and efficiency

- Finally, we are strengthening leadership by streamlining governance structures. We have already reduced our committees, councils and internal policies by about half. This speeds up decision-making and increases accountability while maintaining a robust control environment

Slide 6 – Leading franchise strongly positioned to support clients in dynamic environment

- As promised, a few words on how we are well positioned to help clients navigate through the dynamic environment, on slide 6
- In Germany and across Europe, we see fresh commitment to support growth, boost competitiveness, and accelerate reform
- We believe Germany's loosening of the debt brake will unlock considerable investment opportunities and the proposed pension reforms are expected to boost activity in the capital markets
- At the European level, we see commitments to invest in defense and infrastructure and much-needed embrace of structural reforms, for example, the Savings and Investment Union and measures to boost securitization
- Globally, trading patterns are shifting, supply chains are being rewired, and new partnerships and alliances are emerging
- All of this plays to our strengths. Clients need a partner with the expertise, financial strength, product breadth and "global-and-local" network to help them navigate this changing environment
- And we aim to be that partner, as our leading franchise and diversified businesses are best placed to advise clients at European and global levels
- Our Corporate Bank was voted World's Best Bank for Corporates by clients. We combine global reach with local presence to support multinational clients as their supply chains evolve. We are already a partner of choice, with around 40% of our revenues with multinationals coming from cross-regional corridors
- With deep roots in Europe and in Germany's *Mittelstand*, we are ideally positioned to help clients benefit as fiscal stimulus feeds through to the real economy
- Our Investment Bank is also ideally placed to help institutional and corporate clients navigate this environment

- We have the leading global non-US FIC franchise; we were the top-ranked European bank in global SSA issuance and in EMEA cash rates, while in Germany, we have the leading O&A franchise
- And we are well positioned to support the broader German and European defense agenda, where we have the leading franchise in Aerospace & Defense in Germany, providing clients with holistic global coverage
- We are also Germany's leading Wealth Manager and Retail Fund Manager through our Private Bank and Asset Management businesses. This positions us well to help clients capitalize on savings and investment reforms
- We have already rebalanced our Wealth Management business mix resulting in increased asset under management flows, and we continue to scale up in our core growth markets
- DWS, with assets under management of over 1 trillion euros, record net inflows of 20 billion euros in the first quarter and a market share of 11% in European ETFs, is ideally placed, not only to serve German and European investors, but also to act as a gateway to Europe for investors globally
- To sum up, across all our businesses, we believe we are very well positioned to serve German, European and global clients in a fast-changing environment
- With that, let me hand over to James

JAMES VON MOLTKE

Slide 8 – Key performance indicators

- Thank you Christian and good morning
- As you can see on slide 8, we saw strong delivery this quarter against all the broader objectives and targets we set ourselves for 2025
- More importantly, we have done so without compromising on our investments, be it to support operating performance or our controls
- Our capital position is robust, after absorbing deductions for dividends, share buybacks and AT1 coupons, and the CRR3 impact
- Equally, our liquidity metrics are sound; the liquidity coverage ratio was 134%, in line with our target, and the net stable funding ratio was 119%, at the upper end of our target range

- And while we recognize that the last few weeks have been turbulent and resulted in a significant amount of volatility and uncertainty, reflecting on the path ahead, our balance sheet remains strong
- As shown on slide 28 in the appendix, asset quality is sound, the bank's liquidity profile is strong and together with our robust capital position and strong earnings momentum, we believe that we are well equipped to continue to support our clients globally and to provide advice and solutions, as they navigate this time of uncertainty
- Our prudent approach to managing our trading book also paid off in April. Our trading P&L has stood up well throughout the market volatility and developed in line with the bank's risk appetite
- With that, let me now turn to the first-quarter highlights on slide 9

Slide 9 – Q1 2025 highlights

- We have demonstrated strong franchise momentum across the bank
- Investments across businesses continue to pay off, which drove a significant increase in revenues, both sequentially at 18% and year on year at 10%
- And the balanced portfolio mix also enables us to weather times of uncertainty
- Our cost/income ratio of 61.2% benefitted both from our continued cost discipline and a normalization of nonoperating costs. Noninterest expenses in the first quarter are in line with our guidance for 2025
- Profit generation was strong and our post-tax return on tangible equity of 11.9% underpins the bank's ambition to deliver sustainable returns of greater than 10% in 2025 and beyond
- Our tax rate in the first quarter came in at 29%
- In the first quarter, diluted earnings per share was 99 cents and tangible book value per share increased to 30 euros and 43 cents, up 4% year on year
- Before I go on, let me add a few remarks on Corporate & Other, where you can now find further information in the appendix on slide 39
- With respect to developments this quarter, C&O generated a pre-tax loss of 34 million euros, mainly from shareholder expenses and other centrally retained items, partially offset by positive revenues in valuation and timing

- But let me now turn to some of the drivers of these results and start with net interest income on slide 10

Slide 10 – Net interest income (NII) / Net interest margin (NIM)

- NII across key banking book segments and other funding was 3.3 billion euros, broadly stable quarter on quarter
- As in prior quarters, Private Bank continues to deliver strong NII supported by our structural hedge portfolio while FIC Financing continues to grow lending
- The Corporate Bank is slightly down compared to the prior quarter principally due to accounting reclassification effects in loan NII, which are offset in remaining income. Deposit NII was broadly flat as hedge benefits offset a reduction in policy rates and portfolio growth remained strong
- With respect to the full year, in line with prior guidance, we continue to expect a material NII tailwind for the key banking book businesses and other funding versus 2024 which is principally driven by hedge rollover and deposit growth
- Compared to our disclosure a quarter ago, higher long-term rate expectations, specifically in Euros, increase the expected benefit of our hedge portfolio in the outer years
- In the appendix on slide 26, we illustrate the dynamics of the interest rate hedge in more detail

Slide 11 – Adjusted costs – Q1 2025 (YoY)

- Turning to slide 11, adjusted costs were 5.1 billion euros for the quarter, in line with our expectations
- Cost discipline across the franchise remained high and materially offset an increase in compensation costs. This was driven by higher performance-related cash accruals and increased equity compensation costs, as the result of rising Deutsche Bank and DWS share prices during the first quarter
- With that, let me turn to provision for credit losses on slide 12

Slide 12 – Provision for credit losses

- Stage 3 provision for credit losses materially reduced in the first quarter to 341 million euros, in line with expectations
- Stage 1 and 2 provisions were elevated at 130 million euros and included around 70 million euros of provisions related to the impact of weaker macroeconomic forecasts on forward-looking information, as well as overlays, including for direct tariff-driven impacts on select higher risk names. The remainder was driven by model- and portfolio-related effects
- We feel comfortable with our underlying portfolio performance and the development of provisions, but we recognize the ongoing uncertainty around the macroeconomic environment and monitor these developments closely
- With that, let me turn to capital on slide 13

Slide 13 – Capital metrics

- Our first-quarter Common Equity Tier 1 ratio remained strong at 13.8%
- The CRR3 go-live impact was 1 basis point since the reduction in credit risk RWA was largely offset by reductions in capital supply and an increase in operational risk RWA
- Aside from the CRR3 go-live impact, risk-weighted assets increased, principally reflecting a normalization of market risk RWA, as previously guided
- This increase was partly offset by a reduction in credit risk RWA as higher business growth was more than offset by capital efficiency measures, including a securitization transaction during the quarter
- CET1 capital increased, as the strong first-quarter net income net of AT1 and dividend deductions, was offset by equity compensation, the FX impact on account of the AT1 call and other capital changes
- At the end of the first quarter, our leverage ratio was 4.6%, up by 1 basis point, as higher trading inventory and high-quality liquid assets were offset by higher Tier 1 capital, alongside beneficial FX and CRR3 effects
- With regard to bail-in ratios, we continue to operate with significant buffer over all requirements
- In short, our capital position remains strong

- And with that, let us turn to performance in our businesses, starting with the Corporate Bank on slide 15

Slide 15 – Corporate Bank

- In the first quarter, the Corporate Bank delivered a post-tax return on tangible equity of 14.4% and a cost/income ratio of 62%, despite an uncertain geopolitical and macroeconomic environment and lower interest rates
- Revenues were 1.9 billion euros, essentially flat sequentially and year on year, supported by interest rate hedging, higher deposit balances and growth in net commission and fee income, mostly offsetting ongoing deposit margin normalization
- We continued to make good progress by further accelerating noninterest revenue development with 6% growth in net commission and fee income and benefitting from a particularly strong contribution from our Institutional Client Services business
- The deposit base remained strong. Adjusted for FX movements, deposits were up by 13 billion euros year on year and by 6 billion euros sequentially
- Provision for credit losses was contained at 77 million euros, including 50 million euros of Stage 1 and 2 provisions, of which 29 million euros related to management overlays
- Noninterest expenses were lower year on year driven by the non-recurrence of a litigation item in the prior year and continued tight cost management
- Looking ahead, we believe that our international presence, strength in all trade corridors, and strong footprint in Germany position the Corporate Bank well to support our clients on changes in trade flows and supply chains
- I will now turn to the Investment Bank on slide 16

Slide 16 – Investment Bank

- Revenues for the first quarter were 10% higher year on year, with strength in FIC driving improvement to the division's return on tangible equity and cost/income ratios

- FIC revenues increased by 17%, with both Rates and Foreign Exchange significantly higher year on year reflecting heightened market activity and increased client engagement
- We continue to support our institutional and corporate clients through volatile markets and saw activity increase across both groups in the first quarter, including our priority clients. Meanwhile, we continue to advance the business strategy of developing existing and adjacent businesses
- Financing revenues were also higher, reflecting strong fee income across the business combined with an increased carry profile, following targeted balance sheet deployment, in line with our strategy. The targeted deployment in the business is also reflected in the increased loan balances compared to the prior year
- Moving to Origination & Advisory, revenues were lower year on year due to a loss on the partial sale and markdown of a specific loan in Leveraged Debt Capital Markets, as guided. Excluding this item, revenues increased 5% on a like-for-like basis compared to the prior year quarter in a fee pool that was broadly flat
- Advisory revenues were significantly higher in a static industry fee pool, with the business maintaining the momentum of a strong 2024
- Noninterest expenses were essentially flat, with higher adjusted costs, which were impacted by FX translation, offset by lower litigation and reduced severance and restructuring costs
- Provision for credit losses were 163 million euros, with the year-on-year increase driven by Stage 1 and 2 provisions, which includes tariff-related overlays, model changes and portfolio effects, largely offset by a material reduction in Stage 3 impairments, including CRE
- Let me now turn to Private Bank on slide 17

<u>Slide 17 – Private Bank</u>

- The Private Bank achieved a 43% increase in pre-tax profit, reflecting 7% operating leverage driven by revenue growth and further cost benefits from progress made in our transformation initiatives
- Good business momentum continued with net inflows of 6 billion euros and higher revenues driven by 5% growth in net commission and fee income from investment product revenues in line with our strategy, while net interest income grew by 2%

- Revenues in Wealth Management and Private Banking grew 8%, reflecting double digit growth from investment products, mainly driven by discretionary portfolio mandates. Revenues in Personal Banking reflect our decision to reduce capital-intensive loan products such as mortgages, while revenues from deposit and investment products were up 4%, mainly from discretionary portfolio mandates
- The Private Bank has continued its transformation, with an additional 60 branch closures and reductions of approximately 400 FTE in the quarter, on track to achieve almost 2,000 FTE reductions as part of further restructuring efforts in Germany
- Benefits from these measures coupled with normalized investment spend, including from the Postbank IT migration, and lower regulatory costs drove adjusted costs down by 4% year on year
- Provision for credit losses in the Private Bank was impacted by the deteriorating macroeconomic environment, while underlying portfolio performance improved. The prior year quarter was impacted by elevated provisions in Wealth Management and transitory effects from the operational backlog
- We expect the Private Bank to continue benefitting from a combination of efficiency programs underway in Germany, Italy and Spain, where benefits are yet to be realized, revenue growth initiatives and optimization of capital usage via recalibrating the lending book and higher focus on capital-light solutions, which in turn will lead to sustainable profitability and annual mid-teens RoTE in the near term

Slide 18 – Asset Management

- Turning to slide 18; my usual reminder, the Asset Management segment includes certain items that are not part of the DWS stand-alone financials
- Asset Management delivered materially improved profitability with a 67% increase in profit before tax. This was driven by higher revenues across all streams, resulting in a materially lower cost/income ratio and an improved return on tangible equity of 22.1%
- The 730 million euros in revenues were primarily driven by higher management fees from both Active and Passive products, benefitting from growth in average assets under management
- The increase in performance fees was driven by the ongoing recognition of performance fees on one infrastructure fund, while other revenues benefitted from a more favorable outcome of fair value of guarantees

- Slightly higher costs were driven by business growth and increased equity compensation costs, as a result of a rising DWS share price during the first quarter
- Assets under management remained over 1 trillion euros, with record net inflows of almost 20 billion euros, driven by Passive products of 13 billion euros, offset by negative FX and market impacts
- Cash, SQI and Fixed Income also contributed with combined further net inflows of 11 billion euros, over-compensating for net outflows of 3 billion euros in Active Equity, Alternatives and Multi Asset products
- In the quarter, a new Private Credit partnership with the Investment Bank was launched to enhance the Alternatives franchise, aiming to provide prospective investors with access to this highly sought-after asset class
- Finally, let me turn to the Group outlook on slide 19

Slide 19 – Outlook

- In short, our outlook remains largely unchanged, and we are on course to deliver our full-year targets for 2025; we are steadfast in our aim to deliver improved profitability and shareholder returns
- Our strong revenue performance in the first quarter provides the step-off to deliver this year's revenue goal of around 32 billion euros, with our complimentary businesses all performing well
- We remain committed to rigorous cost management, while not making any compromises on controls and investments, as we continue to benefit from ongoing delivery of our cost efficiency initiatives
- Our asset quality remains solid, and we continue to expect Stage 3 provisions to normalize this year. We are maintaining our full-year guidance for provision for credit losses, but the macroeconomic and geopolitical environment may continue to impact model-based Stage 1 and 2 provisions
- Yes, uncertainty has increased, and we need to remain vigilant, but considering our strong financial performance and levels of client activity, we remain comfortable with our trajectory to deliver a RoTE of above 10% and a cost/income ratio of below 65% in 2025, with strong operating leverage and balance sheet efficiency supporting further improved profitability beyond 2025
- Our strong capital position and first-quarter results also give us a solid step-off for our distribution objectives

- The 750-million-euro share buyback we announced in January is already underway and we have proposed a dividend of 68 cents per share, which brings us to 2.1 billion euros of capital distributions so far this year
- We will assess the scope for additional distributions in 2025 and remain comfortable on outperforming our 8-billion-euro distribution target
- With that, let me hand back to Ioana, and we look forward to your questions

Questions & Answers

Chris Hallam (Goldman Sachs)	Good morning, everybody, and thank you for taking my questions. I have two, both on revenues. So, first, for this year, clearly, Q1 was strong, run rate well ahead of the € 32 billion guide. But obviously, a lot has changed in terms of the operating environment in the past few weeks. In some of the businesses, I suppose, that's supported higher activity levels, but in other parts of the group, client activity will have cooled meaningfully. So how does that picture look for you across the group? And where are there, I guess, substitution opportunities for you? For example, let's say a CAPEX related loan is delayed, but now the client needs additional short-term working capital finance. And then second, more medium term, on slide 6, you outlined these kind of big emerging trends, which looks set to determine the competitive landscape over the coming years. I guess, simply, what gives you the confidence that, following the transformation of the business, Deutsche Bank is the right footprint and the right risk and control set up to succeed against this backdrop, i.e., to take market share and to capitalise on those growth opportunities. Thank you.
Christian Sewing	Thank you, Chris. And good morning, everybody. Let me take your questions first. And James should add, of course. Look, like we said in the prepared remarks, with regard to the full year revenue picture and our goal and our confidence in the € 32 billion. Obviously, first quarter helps a lot. We outperformed not only the

consensus, we, to be honest, also are ahead of our own plan in the first quarter, which gives us all the confidence that we can keep the momentum and that we will see the € 32 billion also at year end. So first quarter helps a lot.

Secondly, Chris, I'm really happy with the diversification in our business. And if you really tear it apart, then you can see that many of our businesses will actually be unaffected by what we have seen in early April, or are even benefiting from that over time. We can see a very stable and continuous development in the Private Bank, very positive, stable delivery path, supported by an ongoing growth in assets under management.

So, I would say also, with having the monthly performance review meetings with Claudio, that this is a continuous path, which we enjoy, both in the Personal Banking, also with additional deposit campaigns. But in particular in the Wealth Management business, with our Investment business.

Similar good momentum in Asset Management, very happy with the first quarter results. We always forgot to mention also that I really have to congratulate Stefan, also for re-emerging into the MDAX with DWS. It really shows that there is momentum behind the businesses. Very positive on the outlook.

Also here, I would say with that, what we have seen in April, also with the way they have managed the performance for our clients, it’s actually a very good and convincing picture. And therefore, we stay the course on Asset Management. And there is, in our view, no concern that we will miss our full year results.

In the Corporate Bank, we had a little bit of a weaker start in Q1. Fortunately, we offset that with the over delivery in all the other businesses. And therefore, I'm saying we are even stronger in Q1 than our own internal plan. But the nice thing is, actually, that the Corporate Bank will accelerate from here. So, the sequential performance, we believe that we will see slight increases in revenues quarter over quarter from where we are right now.

We can already see also a little bit more of demand in the credit business, in the financing business, in the Corporate Bank. We saw it already at the end of the first quarter. Now, obviously, this did not be or was not fully reflected then in the P&L for the first quarter, but you could see an increase in demand at the end of the first quarter, which also gives us the confidence going forward.

And linked to your second question, I will get back to that. Look, in particular, what is happening also in Germany is a huge opportunity for our Corporate Bank. And I will talk about that positioning in a bit. On the Investment Bank, to be honest, I'm super happy with our FIC business. I think, again, we have shown that not only we perform very well in Q1, but also that we took market share. If I compare that with the numbers, which we have seen from our peers, Q1 was another example that Deutsche Bank took market share in the FIC business.

If we go deeper into FIC, to be honest, yes, we have seen some weaker days in the first half of April, but to be honest, we are back to normal, so to say, in the second half. And the outperformance in Q1 will carry us through the year and will also carry us through the somewhat weaker days in the first half of April. So, I'm honestly very happy with that business.

And don't forget that in that business, in the FIC business, we have a very stable Financing business. Where I would even say that the opportunities which the market now presents in the Financing business, also in areas like distress and credit trading, are actually really good. And from our capital position, the power we have to invest there, I'm actually optimistic. So, in this regard, there are pockets also in FIC where we can benefit from the situation. And again, in the second half of April, we are absolutely back to normal flow business.

And that then actually remains the question of O&A. I'm actually satisfied with Q1 in O&A. You know that we had the one markdown, which we already mentioned also to the market middle of March. Outside that, O&A actually behaved very, very strong. If I now look forward with a very robust pipeline, stronger pipeline than before, and there is no deal cancelled, yes, we see some delayed deals, but no deal is cancelled.

And I do believe, actually, that with where the markets are right now, where I do believe we move that I can see that actually Q2, Q3, with that robust pipeline is actually enjoying quite healthy numbers in the O&A business.

So all in all, looking at the outperformance in Q1, looking at the chances and opportunities we see in the private bank and parts of the FIC businesses, the continuous inflow on asset management and now the acceleration of the Corporate Bank makes me absolutely comfortable with our € 32 billion revenue goal.

With regard to your second question. Look, I really do see, for the time being, three trends. And this is where James and I try to focus the bank on in terms of delivery and client delivery. Number one, and let me start with that, in my view, is the global volatility, uncertainty, clearly also with our clients. But here, the concept of the *Global Hausbank* is working. And we said it in the previous quarters and again, in Q1, but also in particular, in April, we can see that the demand for advice, the demand of a global bank with a global network, is higher than ever before.

And I also see, actually, that a lot of clients, and we even have tangible examples in the O&A businesses, in the Corporate Bank business, where clients want to actually see the European alternative to the US banks, in particular, in a world which is more fragmented than before. So, the setup, as a *Global Hausbank* with strong roots here in our home market, clearly helps us.

Secondly, I've been on the record with supporting statements of that, what we will see from the new coalition. I do think that Germany can digest actually the additional debt, which we intend to take on in order to do investments. There are huge opportunities to leverage that with private debt, to leverage that with financings. And that's actually what we started to see at the end of March. And therefore, I was saying, we see in the Corporate Bank that there is a trend with regard to financing, which goes into the right direction.

And I do believe if the government is taking the right decisions over the next three months, and you have heard actually, Friedrich Merz, that he is intending to take some accelerated decisions before the summer break that will be actually very good for the atmosphere, for the psychology in the country, for the consumption in the country. And obviously, we will benefit from that in the various business lines.

Thirdly, we should not forget all the acceleration. Also, when it comes to Capital Markets Union or better Savings and Investment Union in Europe. Again, the focus is on banks with the capital markets business. We have seen the reallocation of funds already to Europe over the last weeks. We have clearly seen that also in our flows. And to be honest with that, what is happening in Brussels, together with that, what is happening in Germany, I think we are rightly placed to benefit from that.

All that with the outperformance in Q1 makes me really confident that we can achieve our goals and that we will achieve our goals on the revenue side, but also on the profitability side.

Chris Hallam

Thanks very much.

Kian Abouhossein (JP Morgan)

Yes. Hi, Christian, James, Thanks for taking my questions. First question is regarding the comment around FIC slowdown. Can you just put that in context? In April, you mentioned that, I think, on Bloomberg and Christian, you just mentioned that as well. Could you just put it in context of what timeframe you're comparing? And secondly, in that context, just tell me what subsegments of FIC are weaker than credit. Is it rates? Maybe even by geography, if possible, just so we get an idea. And if this is just an immediate reaction of what happened in the markets, post tariffs, or is this an ongoing issue that we should think about in our modelling.

And then the second question is regarding your outlook, GDP, US assumption 1.7, China, four and a half. Just wondering if these numbers, what would happen if they would be significantly lower? Because they look a bit on the higher end of what market consensus expectation or forward curves are assuming. If you could discuss that relative to your 10% RoTE plus target and issues around that, if we should think about if it could have a negative impact, so to say.

James von Moltke

Sure. Thanks. And I'll start on the guidance that we'd given or commentary about the market. Look, I think one important thing is to say is that the second half of April, and it isn't precisely in halves, but I think the easiest way to think about it is second half of April, resumed a pattern that looked very much like what you see in the disclosure on daily trading results in the FIC business for much of the first quarter.

So, to your question about ongoing, it isn't a concern for us at the moment at all. In fact, I think we're well positioned to recapture the foregone revenues from the first half of April as in the balance of the quarter. In fairness, we're actually up year on year still in April. So we look at this with a relaxed view. Naturally, in markets that are as turbulent as the ones we experienced in the first couple of weeks of April, you're going to see some correlations breakdown, some impact on the books. But we were reasonably happy.

So there was, of course, a slowdown a few weak days, but we were happy with how the desks performed in that environment. The way we were able to stand in, to provide liquidity for clients, pricing, what have you.

In terms of the products, it was a little varied around the world. But to your point, credit struggled more, and there were elements in the Rates and FX complexes where, again, correlations moving created some disturbance. What's interesting is how quickly and almost fully the markets have recovered over the course of April.

Again, going to your question about, is it an ongoing concern? As we sit here today, really, it's not. And actually, I've been positively impressed by the way in which investors have continued to be engaged in the environment that we have, which is reasonably fast moving.

In terms of the outlook, lots of our assumptions are driven by macroeconomic variables. And I'll focus on revenues and expenses. And naturally, we look at downside scenarios. And that was the principal driver, of course, of the overlay that we took in provisions in Q1. We think that overlay was prudent and appropriate and actually reflects how the macroeconomic consensus has moved since the end of March. So we feel quite comfortable with how, if you like, first quarter reporting reflects our outlook, as well as the consensus environment today.

The other thing, just more broadly to the question you asked and really Christian's response to Chris's question. We see a lot of what I'll call portfolio effects in our businesses. So businesses that are maybe negatively affected by certain elements of the macro environment will be offset by others that are benefited. And so it isn't at all linear. And we feel like the balance of risks and opportunities that we see in the market really underscores our outlook, as Christian just mentioned. And hence, we're feeling pretty good about the overall macro environment, even as it's changed since the beginning of the year when we last spoke.

Kian Abouhossein	Great, thank you.
Nicolas Payen (Kepler Cheuvreux)	Yes. Good morning. Two questions, please. One on distribution, and one follow up on CLPs, please. The first one on distribution. You mentioned that you are continuing to assess the scope for additional share buybacks. So I wanted to ask you whether you have

started discussions with the regulator regarding a second tranche of buybacks, and if we could have any indication regarding the potential size of the second tranche?

And is there any particular indicator that you and the regulator are looking at to be able to launch that second tranche?

On CLPs, so you just mentioned overlays on tariffs. So is it possible to know what was the size of this overlay? And what are the underlying assumptions that you are taking regarding the tariff impact and the whole tariff situation?

And with the development situation that we see on the CLP fronts, how does it impact your full year guidance? Are we still on track for the € 350 to 400 million per quarter that you mentioned earlier? Thank you.

Christian Sewing

Thank you, Nicolas. Look, on the distribution, I stay to that what I said and what we said end of January. Because that was a clear outlook statement that, A, obviously we have the approval for the €750 million, which started where we started the programme early April. And then we clearly said that we want to deliver two quarters where we show that we are on track for our 10% RoTE.

Now, we are very happy with that, what we have seen in Q1, you have heard from our outlook statements, which we just reiterated, that we remain comfortable on the 10% and then we will reassess during the second quarter, obviously, the possibility of a second buyback, and we will then start the discussions.

But I would find it not fair, actually, if, on the one hand, I'm doing a clear statement in January and saying, I measure myself and we measure ourselves against the first two quarters, and then I change track. Obviously, the outlook in the overall economy changed. We have shown that we can deal with that. We have shown that we have laid a very solid foundation. We are at 13.8%. And therefore I feel overall pretty good about all this.

But now we are focusing on delivery of a strong Q2, and then I'm sure we will reassess and have the discussion with our regulators.

James von Moltke

And Nicolas, on the CLP side, it's very nuanced, but the easiest way to think about it is that the overlay represents about € 70 million broken into two parts. One is, as part of the answer to Kian's question is, we assumed a set of macroeconomic variables that were more pessimistic than what were present in the market in March. And that represented about € 50 million of the € 70 million. And essentially, the consensus is caught up with that level. So we feel good that that was appropriately calibrated. So € 50 million on macroeconomic variables reflected in a forward looking indicator overlay, and about € 20 million reflecting what I'd call collective staging.

So we've been looking, not just recently, but for the past couple of quarters, either at sectors or individual obligors, particularly exposed to tariffs. And that can be based on their own export activity, their supply chain, what we think the competitive environment for their business might be, and how it'll be affected by tariffs and so on. And so we took some actions around collective staging, and that represents really the other € 20 million.

To be fair, there's probably some amount in what I'd think of as the baseline. So the rest of it is about € 400 million. There's some of that € 400 million, actually, would also reflect tariff related impacts that have been bleeding in as individual credit decisions for obligors are reflected. But the easiest way to think about it is € 400 million run rate, which is in line with our guidance. And we always expected the first quarter to be a little higher than the rest of the year. And €70 million of overlay broken out, as I described.

As to the guidance, look, the wide end would have been about € 1.6 billion. We note that consensus is a little higher than that already. And we think, based on how stage three has developed, and we now see the evidence of that normalisation that we called for, we think that's entirely reasonable. That would imply about € 375 million per quarter from here. Which, absent a deterioration of macroeconomic variables, would be entirely achievable and to be expected, hence sticking with the guidance.

Nicolas Payen

Thank you very much.

Christian Sewing

Thank you, Nicolas.

Matthew Clark (Mediobanca)

Hiya. So, a few questions. Firstly, thanks for the commentary on April from a P&L perspective in FIC. I'm just wondering, should we be worried about a risk weighted asset impact from value at risk breaches, or counterparty risk, or liquidity drawdowns by customers, or anything like that? Would you expect a material impact in the second quarter that could possibly affect your second buyback decision? That's the first question.

Second question is on the US Commercial real estate outlook. Christian, I think you gave some fairly constructive comments at a conference in the middle of March that a higher rate trajectory didn't affect your expectations there. Just wondering if you could give us an update whether there's been a significant change since then, whether you've reassessed your half billion stress loss for the commercial real estate portfolio?

And then final question is just on when we can expect some more concrete targets for future years rather than simply a continuous improvement? Do we need to wait till next year, when the CFO succession process has played out before that can come? Or can you give us something more concrete, or can we expect something more concrete before then? Thank you.

James von Moltke

Thanks, Matthew. So, market risk RWAs, interesting question. There is, of course, a risk, but we think we've managed that down. So, the VaR outliers, we haven't triggered at this point over the threshold at which VaR outliers would produce an increase in market risk RWA. And the SVaR did tick up at the beginning of the month, and we've managed that down through hedging and portfolio actions.

So those risks are there, if the market were to become disrupted later in the quarter. But we think the impact of what was present in the market in the first half of April has been managed. And at the moment we don't see that presenting itself.

On the CRE side, it's interesting, the market indicators are a little bit mixed. So office in the index is slightly down, I'll call it flat. Leasing activity has actually ticked up, which is good. And of course, rates and sponsor behaviour have moved around, largely unchanged. So our outlook for CRE continues to be where it was beginning of the year. We would see a steady improvement from the levels that we show you in Q1.

In fact, there was only one new default in CRE, in office in the US this quarter. So what you have is essentially 100% of the provision associated with valuation adjustments on existing defaulted positions. And hence, I think we get closer to the point where you see a more dramatic decline in the provision levels.

As you say, we're tracking a little bit closer every quarter to the severe stress, but we don't see anything that that would suggest another leg down in CRE. We're still in line with our earlier expectations.

Christian Sewing

And Matt, from a numbers point of view for the other years and our plan going forward. Of course you will get something during this year. But as I said before, I think it's important for us that we deliver very solid numbers for the first half year. And obviously, James and his successor will then work together with me on those numbers, because I want to have an absolutely smooth handover. I want to make sure that there is a fully aligned process. I think that is what management is all about, and I'm really happy with that, how we have set it up. But you can be rest assured that numbers will be given to you in the second half of 2025.

Matthew Clark: Thank you. By implication, does that mean the third quarter results just off the new guy is joining in September?

Christian Sewing: Look, I said in the second half of 2025, and we have lots of things to do now, and I'm not yet deciding on the exact date. But you will receive in the second half of 2025, a good set of outlook numbers for the oncoming years from us.

Matthew Clark: Thank you very much.

Stefan Stalmann (Autonomous): Good morning, thank you very much for taking my questions. I wanted to clarify one of your comments, please, James. You mentioned that fixed income trading was still up year on year in April. Does that literally mean April year on year, or does it mean year to date up in fixed income for the full four months?

And the second question is about the increase in compensation expenses that you flagged, that is coming partly from the rise in your share price. DWS did mention that they are hedging this effect to some degree? Are you also doing this at Deutsche Bank level? And if so, was there any positive benefit from this in one of the revenue items, and if so, where?

And the final question I wanted to ask, please, is on the NSFR ratio, and in particular, on the dollar based NSFR ratio, which received a bit of attention recently with the EBA report. Could you give us a rough indication of where your dollar NSFR ratio sits? The EBA said that German banks on average were at 76%. Can you give us an indication where you are, please? Thank you.

James von Moltke: Thanks, Stefan. So the answer is both on FIC revenue. So we are obviously up big year on year in the first quarter. We're up slightly in April, in the month of April, and therefore, we remain up significantly year on year, year to date in FIC. And that's encouraging to see how the franchise strength, the investments that we've talked about, client engagement, all of those things playing out as we hoped and have been, and Ram and his team been working to for such a long time. So it's encouraging development.

And to the earlier question, if the market tone stays as it has been now in the second half of April and in the first quarter, we'd certainly recapture the weakness in the early days of April.

On the compensation expenses, at the end of the day it falls through to the expense line on a consolidated basis. Essentially, the group offers DWS some benefit of hedging that risk. It transfers and creates a revenue item for DWS that's then eliminated on consolidation at the group level. But the compensation cost impact shows up at the group on a consolidated basis.

And actually, it represents year on year a decent size of the increase. If I break the compensation numbers up, it's basically four parts, all about equal between €30 and €40 million. Foreign exchange translation, the stock impact, variable compensation, and then the net impact of fixed pay coming through. Which we think is a good outcome, especially as a lot of that was then offset in non-comp expenses.

On the NSFR, we wanted to tip our hat to the question that was raised in the EBA report. So, on page 28, we show you a number of more than 90% of our US dollar asset side being funded by native US dollar liabilities. Now NSFR, by its definition, doesn't include cross-currency funding, which is just a quirk or a feature of it. Including cross currency funding, we'd be safely above 100%. And we think our dollar liquidity position is extremely strong, because essentially the liabilities fund a balance sheet that is, I'll call it, 80% loan to deposit, and a significant amount of cash and high-quality liquid assets in dollars. If anything, our dollar funding is more robust than other currencies.

So we saw that. And I think, hopefully, we've provided with that one data point, a good response. I will say, and we'll maybe come up to this tomorrow on the fixed income call. There's a lot of, I'll say, technology limits, controls, maturity ladders, and what have you, that we apply to managing currency risks and the funding implications of currency risks on the balance sheet. So we think we've got a very, very strong, robust set of capabilities there.

Stefan Stalmann	Excellent. Thank you very much. Thanks, James.
Flora Bocahut (Barclays)	Yes. Good morning. The first question I wanted to ask is on the cost guidance. You've obviously started well here in Q1 on the cost base, and you have, I think, 18% of your cost base in US dollar, assuming the euro dollar remains where it currently is, around 114. This should have, I think, around a 1% positive impact on your cost base year on year. So I'm just asking, would you say there is positive risk to your cost guidance for this year? Or not really because despite the good Q1, despite the FX tailwinds here, you think this could be offset somewhere else by the end of this year? The second question is on O&A revenues. I see you've dropped the guidance of the plus €600 million you expected for this year. I think it's clear what you've explained already on this call. Maybe just to us, do you still think, nevertheless, that you could expect to increase year on year, or it could be flat or down? Just to help us frame the range of outcomes here, considering current market conditions, but also your pipeline. Thank you.
James von Moltke	Thanks, Flora. So, on reported expenses, yes, the current FX rate would represent, if you like, however you think about it, put downward pressure on the reported expenses. You've seen that year on year in the first quarter, the average was a € 52 million upward movement in reported expenses that would flip around next quarter, to some degree, depending on the path of the exchange rate. Remember, though, that because we have US dollar revenues, it neutralises more or less in pre-tax profit. And in the ratios, there's a little bit of, I'll call it tracking error. But by and large, the US dollar nets out when you get to cost income ratio, pre-tax profit and RoTE.

Christian Sewing	Flora. And to your second question on O&A revenues. Yes, we do believe that if we compare 2025 with 2024, that we will see an increase in O&A. Despite of that, what we see in the markets right now. Therefore, again, I think it's really important to look at the probability weighted pipeline, which is still very robust. Also, at the comment I made before, that, we haven't seen any cancelled deals, that we actually have seen a very nice development on the mandates which we received. And therefore, if I take now Q1, if I look at the pipeline and the work we are doing on Q2, to be honest, I'm very confident that we will see O&A revenue numbers which are ahead of last year. And again, given the diversification we have in the businesses, also the compensating business areas. Even if we have a weakness in O&A versus our initial plan, we believe that this would be offset by other businesses. And we have the really good cushion, which we have already established in Q1.
James von Moltke	Just one thing to add, Flora, on that is that the guidance is, of course, an update with Q1 behind us. And hence the guidance reflects also that LDCM mark in it. And so I think it's an encouraging thing to see O&A up and more than overcoming what was a relatively significant one off item in the first quarter.
Flora Bocahut	Right, thank you.
Anke Reingen (RBC)	Yes. Thank you for taking my question. My first is on Personal Banking. The headwinds you saw in the quarter from the runoff of the capital and terms loan products. Should we expect that to continue, or is the review completed with Q1? And then on the costs, you say comp is up 5% year over year, but I just wonder about the non-comp, that obviously implies a quite good performance in the quarter. Is Q1 a run rate year, or is it really quite low and should pick up in the course of the year? But then any uptick should be compensated by lower compensation

expenses. If you can, please comment. Thank you very much.

James von Moltke

Thank you, Anke. So, just to make sure we heard your comments orally, but question one, so we had about a 2 billion run off in mortgages in the quarter, which was relatively significant. And given our strategic view, as well as the decision to close the DSL channel, I think you'd expect to see some of that also persist in the year.

Now, again, our outlook statements about Private Bank are, I would say, bullish that we still see continued growth in the coming quarters. And so that would incorporate additional runoff of what we think of as capital-intensive portfolios.

On the cost side, there was nothing special necessarily in the non-comp in private bank in the first quarter. We did have restructuring in severance, as you saw. Most of the restructuring in severance charge that we took at the group level in the first quarter was in PB. We would expect that to lessen as the year goes by, maybe some more in Q2, but less in the second half of the year.

There can be some seasonality in things like marketing expense and what have you. But by and large, what we'd expect to see is the continued impact over the coming quarters and into the subsequent years of the benefits of the cumulative restructuring steps that we've taken around, particularly branches, personnel. But also the impact now of more fully the benefits of the technology investments we've made in the past.

Christian Sewing

I just wanted to support that, Anke, because I'm really happy with what I'm seeing now in the Private Bank. I think we are really seeing the fruits of all the transformation and restructuring. Also, by the way, of all the work we have done on Unity, and you know how painful that was. And also with the pain we in particular took in the year 2023. It's paying off now. It's really paying off on the cost side. It's paying off in the way that clients are reacting.

And I have to say that also, one of the reasons why we are so confident to achieve the € 32 billion and the 10% RoTE is now that all the hard work is flowing through, is going through the P&L of the Private Bank. So I would say there is a continuous improvement.

Also, the decision, by the way, because you talk about loans and mortgages, clear decision of one item which we summarised under the Deutsche Bank 3.0, and this is SVA. It was a clear decision by the finance department and Claudio's department to reduce mortgage lending under one brand, the DSL brand that is SVA positive. This is exactly what we want to achieve. And it's just one little evidence that we are working hard, actually, to further improve on the profitability of the bank and optimise our capital allocation.

Anke Reingen

Thank you.

Mate Nemes (UBS)

Good morning, and thank you for taking my questions. I have three of them. The first one is still continuing with SVA question. You mentioned that what you did in the Personal Bank was one clear example of that. Can you share, perhaps, other opportunities for the SVA to increase resource allocation in certain areas? And also, conversely, where you expect to see perhaps clear restrictions, and also how this aligns with the demand side, i.e., are there growth opportunities where you can allocate more capital from an SVA perspective? That's the first one.

The second one is a question of NII, perhaps for James. Are you still expecting about the € 300 million pickup in the banking book NII in 2025, or has this also improved slightly, as you alluded to, 2026 and 2027 haven't improved due to the hedge?

And the last question would be, on RWAs, you clearly have achieved now a cumulative € 28 billion in RWA reduction. RWA optimisation is ongoing. Could you point to the opportunity you see in the remainder of the year? i.e., what, in addition, can you achieve in the next three quarters? Thank you.

Christian Sewing

Yes. Let me start, Mate, on your SVA question. So, first of all, I'm delighted that this topic of SVA focus and day to day SVA management is now fully incorporated in the bank. And you can see that in our monthly performance review meetings, that we are really driving the businesses. And as such, the whole bank based on SVA.

Now, I just gave you one example in the Private Bank, and to be honest, this is one example where we executed. And rest assured that, obviously, we are going through portfolio by portfolio. And in particular, in those portfolios where, say, we are SVA negative, we are looking, what can we do?

Now one item is where we're starting. And you have seen that also in the Private Bank is repricing. And repricing will play a role in the Private Bank. Repricing will partially play a role in the Corporate Bank. If you think about our trade finance book and our lending book, there is a chance, actually, to reprice. And based on all the data we have, the methodologies we have in hand, we will do this.

Secondly, if you think about SVA, it's not only about actually whether we allocated capital in the wrong way, it's actually about the underlying cost and process costs of running the business. And hence, we are very much in the detailed work to think about more efficient front to end processes, in particular in credit related processes.

Again, for instance, the German lending book, the trade finance book, David Lynn and the credit department are looking into a more efficient credit process end to end that will lower the running costs of that business. And actually, I think it will, or we think it will make the trick to bring it into a clear SVA positive business.

Thirdly, we are looking SVA also from a regional point of view, whether there are regional portfolios where we potentially do not have the significant market share, where we can restructure. Or from a brand name point of view, like we did it for DSL mortgaging in Germany.

So SVA is actually a combination of repricing. Client by client review, which Fabrizio is doing in the Investment Bank and in the Corporate Bank. Looking at the five-to-ten-year history of clients, whether we have, so to say, continue SVA negative clients, where we want to go and will go now into the debate with and the discussion with the client, what else we can do in order to make that relationship a more profitable one.

But it also goes over processes. And at the end of the day, we wouldn't mind to take decisions to also exit certain sub portfolio if we are not convinced that we can turn it into positive. And therefore, I think it will be one of the most significant levers we have to really raise our return on equity beyond the 10% return to a higher number. And the progress which we have seen over the last three months since we introduced it to you, end of January, is quite significant.

James von Moltke

It actually feeds nicely into your third question, which is RWA. And so one of the levers beyond what Christian just talked about is looking at more capital relief transactions through securitisation to help various businesses. And obviously, the market is broader and deeper than a few years ago. And so we're going, if you like, more deeply into the portfolio to look for securitisation opportunities.

Now, that takes some time. So I don't want to go out over our skis in terms of how much more is achievable this year. But I'd certainly see us achieving the € 30 billion target, maybe slightly more than that in 2025. But at that point, we move into the future, and we will continue looking at capital optimisation in the years to come. The opening up of securitisation markets with the Savings and Investment Union initiatives will obviously help in that regard. And the measurement of businesses by SVA makes them less inclined to hold on to revenues if they're being measured at, if you like, the very bottom line.

In banking book NII, our guidance is basically consistent with where we were at the beginning of the

	year. There are obviously moving parts in that ocean. Rates have moved, but as you see our hedging has protected us, and we don't see an impact from the rate environment. We do see a benefit, as we mentioned, in the years beyond 2025, as the long term rate curve has steepened. And obviously, our hedging, the rollover hedging benefits us. And there's been a little bit of movement in FX and in volumes, and basically, we're still where we were before, about € 13.6 billion. A lot of that, the year-on-year benefit is in the Private Bank and in Financing. You will have seen there have been some movements in the Corporate Bank. Some of that's just reallocation or reclassification of revenues, group neutral or even within the CB neutral, as it reclassified some revenues into remaining income. But again, with all of that said, our guidance is in line with where we started the year on banking book NII, which is encouraging.
Mate Nemes	Perfect. Thank you.
James von Moltke	Thank you, Mate.
Giulia Aurora Miotto (Morgan Stanley)	Yes. Hi. Good morning. Two questions from me as well, please. The first one is on the mark that you have seen in O&A related to the leverage finance book. Could I ask you, please, to shed more light on this book? So, how big is it? I don't know, performance per time factor, concentration, warehousing, risk, anything that you can give us would be useful. And then secondly, just on the SFT market, have you witnessed any change in demand for SFTs from investors, given the heightened macro uncertainty, or do you expect any change in demand? Thank you.
James von Moltke	So, Giulia, I actually don't have the size of the book in front of me. We talked about that a lot last year, but it is, the on balance sheet book is relatively modest. As you know, there's also a revolver piece of it. There's the underwriting pipeline that then gets distributed. But we're actually at a relatively lower point in the cycle, given the slowdown of activity so far this year.

The individual position that we were talking about is actually our last remaining sort of position from the prewar period. So prior to February of 2022. It's one that actually we've had a reasonably positive view on. We participated in a recapitalisation last year, and the mark reflects really sales activity away from us. And partially, we participate in the sales activity in order to free up capital. But there's certainly a possibility that the on balance sheet position recovers over time.

But in terms of orders of magnitude, it's larger in terms of an impact in the quarter than we would typically see. And the funded book, there's nothing like that, and that remains in the funded book.

Christian Sewing	I think you had one more question, Giulia, on any change in SRT demand. To be honest, no. We even concluded a transaction, I think, James, in mid of April, and we are actually very happy with the demand. It was the transaction which was focusing also on German mid-caps and the mid-cap portfolio. There was also no noticeable repricing required. So actually, there is a lot of demand. We haven't seen any change in behaviour, which also makes us believe that to the prior question on the € 30 billion goal or € 25 to € 30 billion goal of RWA reduction, that obviously with what we have achieved so far with that, which is in the pipeline, that we will achieve that, if not overachieve it.
Giulia Aurora Miotto	Perfect. Thank you very much.
Jeremy Sigee (Exane BNP Paribas)	Thank you. I'll just keep it to one question, actually. And it's a slightly broader one. You mentioned Savings and investment Union, as a lot of other banks have as well. Just how material is that on a three year planning horizon? Is that something that could make a percentage point or two of RoTE difference in your next three year plan? Or is it still a bit marginal, a bit blue sky? How material is it for you?
Christian Sewing	Look, let me, let me start, and James should add. I think, yes, it is material, and it's clearly not yet in our

detailed plan for the next years. And why do I think it's material? For two reasons. Number one, we will see with the Savings and Investment Union, a lot more investments, actually, into Europe. Also in certain asset classes like defence, like infrastructure. And in this regard, there are not a lot of banks, actually, who can handle that, and who can bring investors together. Who have the access, the network to the investors around the world. And that's what we are already seeing right now.

You cannot imagine, actually, the interest which was created not only by the Savings and Investment Union, but also by the German decision to invest more into defence and infrastructure. And how many investors are now contacting us in order to be part of this initiative. And hence, I would say that in this regard, the capital markets initiatives, the leverage which we can provide from a banking point of view in order to support these programmes, is actually quite significant. And again, we saw it in particular after the announcement of Friedrich Merz early March.

The second part, where I do believe we have a huge opportunity, is actually based on the Savings and Investment Union, but also based on the coalition agreement in Germany, because if you read it in detail, there is a clear intention to look at the pension schemes in Germany, and the way the people will actually provide for their retirement plans. And in this regard, I'm convinced that we will see changes in this regard also in Germany.

And I do believe that this is a huge opportunity, in particular, for a bank like Deutsche Bank, not only because we have the 19 million end clients in Germany, the retail clients, but also, as we have the product sectors, be it in DWS or in the Investment Bank, which can provide for that.

And the level of discussions we have with Berlin, but also with Brussels, on how we can facilitate that, how we can make sure that we have a change in the pension scheme, is on a very, very good level. And hence, I do believe, on both sides, i.e., the Investment Bank, Corporate Bank, supporting actually the corporates in the investments, but also on the Private Banking side, there is a lot of upside, and hence I'm very positive, in particular for the other years.

Jeremy Sigee

Thank you.

Andrew Coombs (Citi)

Morning. In fact, I have a couple of follow ups, please, on the numbers. Firstly, on Flora's question on FX. I think you made the point about it already netting out when you get to the PBT level. I think when you gave that FX guidance at the full year, you talked about it being an € 800 million tailwind revenues versus a € 400 million headwind of costs. And I'd have thought both of those would have largely reversed out. But perhaps you could give us the € 32 million and € 20.8 million guidance for the full year. If you marked it on today's FX rates, that would be useful.

And then secondly, just coming back to the overlay for tariffs. I was looking at IFRS 9 disclosures on page 41 and 42, and you obviously presented it a bit differently to others. You talk about one percentage point of GDP being a € 77 million adjustment on ECLs. The other banks have provided you a downside scenario, adjusting the weightings and given all the assumptions to the downside scenario.

But is there anything you could do just to help us calibrate how you determine that € 70 million figure, and particularly the € 50 million on the macroeconomic scenarios, would be useful, just so we can compare and contrast what you've done versus others. Thank you.

James von Moltke

Andrew, well, the first one is a relatively easy question to answer, but I don't really want to get into mark to market of the plan each quarter. Obviously, you'll see it in our results with the variances. But what I'd tell you is, maybe to help, is our plan is, I think we said at the end of January was done with a rate of about 1.10 on the euro to the US dollars. You remember that December, it had gone all the way to 1.035. And if we do it on March, it'll be back to 1.08. And currently 1.14. So it's been moving around a lot.

I think it's fair to say that it's a downward, so today, it would be a downward pressure on the FX numbers we showed you in January, both for revenues and expenses netting out in pre-tax profit.

On the tariffs item, and the IFRS 9 view, you're right. And one of the, I don't want to say a challenge, but the positive and the negative of the way we show the disclosure is that you're seeing the sensitivity of each of the variables. And what we implemented was an overlay that played with a number of the variables. So US GDP, US unemployment rate, the level of the S&P, the level of the credit metrics. So I couldn't give you one metric to really quantify what it is. We sometimes look at it in terms of standard deviations of all of the metrics. And hence it's hard to give you an apples to apples comparison with what other people do.

Tom Hallett (KBW)

Hi, thanks for taking my question. I guess, firstly, on NII, just following up. So you need to grow key banking for NII € 400 million in the next nine months to keep in line with your 2025 guidance. How should we see the NII walk in both the Private and Corporate Bank over the next couple of quarters? And how much is related to non-hedge related benefits?

And then secondly, could you provide us with any capital moving parts over the next couple of quarters? And what we'll need to consider for modelling purposes?

And then finally, on DWS, the CEO noted a few weeks back, it's time to acquire a competitor. So, I'm just wondering why it's taken seven years since the IPO to consider this. And would a large acquisition alter Deutsche Bank's capital return plans in any way? Thank you.

James von Moltke

Thanks, Tom. So, look, I think you'll see improvement from here. As I mentioned, there was some internal reclassifications that we made in Corporate Bank, but I think a steady but modest improvement from Q1 in Corporate Bank. In the Private Bank it gets more pronounced and more related to the hedge rollover than any other factor. And in Financing, it's, call it, a hundred million of the full year benefit, more volume driven.

Now, I will say with all three businesses, volumes will play a part. Christian noted that in the Corporate Bank loan growth was a little bit more sluggish in the quarter than we might have expected, but then spiked up at the end of the quarter. So if we do see loan growth on average in the quarters that lie ahead that exceed our current estimation or deposit growth, then we could have some volume related lift on all of those numbers. But, as I say, so most of the hedge rollover benefit you'll see in the Private Bank.

I think your second question was movements in capital. With the first quarter behind us, it becomes a little bit more simple, because we don't have really remaining model related changes or acceleration of… The impact of equity comp is really concentrated in the first quarter. So at this point, it's really earnings net of accruals for future distributions or profit recognition for future distributions. Net of balance sheet growth or business growth.

The last question about DWS and M&A. I think Stephane's comment was more that we are better positioned today to, to think about and potentially pursue transactions for DWS than in the recent past. In part because DWS was also working through some internal issues. But I don't want the implication to be that we haven't considered it at all over the now seven years since the IPO.

And I want to just emphasise, we recognise the strategic environment in which DWS is operating, and we haven't been sitting on our hands, but also appropriately, we haven't pursued transactions that aren't beneficial to DWS’s shareholders or the group. So there's been some discipline attached to it. But

Stephane's right to say that the company is better positioned. And, of course, the market environment around DWS has changed. You've seen a number of transactions in the industry in recent days.

I do want to emphasise DWS is well positioned with its existing business, and you can see it executing and performing well on its strategic intent, with both inflows and the distribution of its assets under management, as well as the performance. All are good indicators about DWS's trajectory from here.

Tom Hallett — Thanks for that. Just a quick follow up. But this won't alter Deutsche Bank's capital return plans in any way, or will it potentially?

James von Moltke — No. Look, we've set targets for our distribution. And we're bound and determined to deliver on all of that. Obviously, there is a resource envelope within which we manage all of the businesses, and allocate capital, as Christian referred to, based on SVA. We certainly look at asset management in the DWS businesses with a similar view. And yes, we've got a year left to deliver on the targets that we set out. And we're determined to follow through on our plans and deliver on the distributions that we promised to our shareholders.

Tom Hallett — Okay. Cheers, thanks.

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