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DEUTSCHE BANK REPORTS SECOND QUARTER 2010 NET INCOME OF EUR 1.2 BILLION

- *Net revenues of EUR 7.2 billion*
- *Income before income taxes of EUR 1.5 billion*
- *Solid result within Private Client and Asset Management (PCAM) and Global Transaction Banking (GTB)*
- *First-time consolidation of parts of ABN AMRO*
- *Tier 1 capital ratio of 11.3%*
- *Leverage ratio, per target definition, steady at 23*

Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) today reported results for the second quarter and first half of 2010. Net income for the quarter was EUR 1.2 billion versus EUR 1.1 billion in the second quarter 2009. Income before income taxes was EUR 1.5 billion, up 16% versus EUR 1.3 billion in the prior year quarter. Diluted earnings per share were EUR 1.75 versus EUR 1.64 in the prior year quarter. Pre-tax return on average active equity, on a reported basis was 15%, and as per the bank's target definition, which excludes significant gains and charges, was 13%.

For the first six months of 2010, net income was EUR 2.9 billion versus EUR 2.3 billion in the first six months of 2009. Income before income taxes was EUR 4.3 billion versus EUR 3.1 billion. Diluted earnings per share were EUR 4.35 versus EUR 3.53 in the first six months of 2009. Pre-tax return on average active equity was 22% versus 19%, while per the firm's target definition, pre-tax return on average active equity was 21% versus 20%.

Dr. Josef Ackermann, Chairman of the Management Board, said: *„In a quarter which was characterized by increased investor uncertainty and higher market volatility, Deutsche Bank's investment banking business followed the industry-wide trend of weaker profitability.*

Issued by Investor Relations department of Deutsche Bank AG
Theodor-Heuss-Allee 70, 60486 Frankfurt am Main
Phone +49 (0) 69 910 35395, Fax +49 (0) 69 910 38591
Internet: http://www.deutsche-bank.com
http://www.deutsche-bank.com/ir
E-Mail: db.ir@db.com

That said, our leading franchise continues to gain market share while keeping strict risk and balance sheet discipline. In addition, performance within Private Client and Asset Management (PCAM) as well as Global Transaction Banking (GTB) was very solid and partially showed improved profitability. The Private & Business Client segment delivered the best quarterly result since the peak of the financial crisis. This demonstrates the strength of our diversified business portfolio."

He added: "Global economic activity is likely to strengthen and the new regulatory framework is finally taking shape. This presents new challenges as well as opportunities. Deutsche Bank considers itself well positioned to continuously creating sustainable value for its shareholders."

Group Highlights

<u>Net revenues</u> for the quarter were EUR 7.2 billion, compared to net revenues of EUR 7.9 billion in the second quarter 2009. Included were charges of approximately EUR 270 million related to Ocala Funding LLC, a commercial paper vehicle, an impairment charge of EUR 124 million on The Cosmopolitan Resort and Casino property, and net mark-downs of EUR 57 million. These negative effects were partly counterbalanced by a EUR 208 million gain representing provisional negative goodwill from the commercial banking activities acquired from ABN AMRO in the Netherlands. In addition, the bank recognized EUR 101 million of fair value gains from changes in the credit spread on certain of Deutsche Bank's own debt on which the bank elected to use the fair value option, compared to EUR 176 million fair value losses on own debt in the prior year period.

The <u>Corporate and Investment Bank (CIB)</u> recorded net revenues of EUR 4.7 billion, compared to EUR 5.3 billion in the second quarter 2009.

In <u>Corporate Banking & Securities (CB&S)</u>, net revenues were EUR 3.6 billion versus net revenues of EUR 4.6 billion in the second quarter 2009.

In Sales & Trading (debt and other products) net revenues were EUR 2.1 billion versus EUR 2.3 billion in the second quarter 2009 and included the aforementioned charge related to Ocala Funding LLC of EUR 270 million. In addition, the reporting period included net mark-downs of EUR 64 million, mainly related to residential mortgage-backed securities, compared with EUR 108 million in the prior year period. Revenues in Credit and Emerging Markets were impacted by the European sovereign debt crisis and a reduction in investors' appetite for risk. These factors were counterbalanced by a record second quarter result in Foreign Exchange and good performances in Money Markets, Rates and Commodities. For the first time ever, we were ranked #1 in US Fixed Income according to the industry benchmark client survey by Greenwich Associates for 2010.

In Sales & Trading (equity), revenues were EUR 642 million compared to EUR 927 million in the second quarter 2009 due to difficult market conditions and substantially lower primary market activity. Equity trading revenues were solid, on the back of good secondary commissions and Prime Brokerage was voted #1 Global Prime Broker by Global Custodian for the third consecutive year.

Advisory revenues were EUR 124 million, up 72% versus the prior year quarter, reflecting market share gains in mergers and acquisitions. Origination revenues were EUR 418 million versus EUR 652 million in the second quarter 2009. The reduction was primarily driven by the non-recurrence of mark-to-market gains in the leveraged finance business and significantly lower client activity due to the challenging market environment.

In Global Transaction Banking (GTB), net revenues were EUR 1.1 billion versus EUR 654 million in the second quarter 2009. The increase was primarily due to the first time consolidation of business acquired from ABN AMRO in the Netherlands. This led to additional net revenues of EUR 338 million (thereof EUR 208 million representing provisional negative goodwill). Excluding the impact of the acquisition, the increase was driven by continuing strong performance in Trade Finance and Trust & Securities Services.

In Private Clients and Asset Management (PCAM), net revenues were EUR 2.4 billion versus EUR 2.0 billion in the second quarter 2009.

In Asset and Wealth Management (AWM), net revenues were EUR 969 million, up 57% versus the second quarter 2009. The improvement included EUR 148 million attributable to Sal. Oppenheim Group (including BHF) in Private Wealth Management, which was consolidated for the first time in the previous quarter. In addition, the second quarter performance reflected higher commissions and fee income mainly due to improved asset valuations in Asset Management, and an increase in asset based fees and client demand in the Private Wealth Management business. The prior year quarter was adversely impacted by impairment charges of EUR 110 million related to RREEF investments.

In Private & Business Clients (PBC), net revenues were EUR 1.4 billion, slightly better than in the second quarter 2009. Positive margin development led to record quarterly results in deposits. Higher revenues were also recorded in all remaining product categories with the exception of other products, where revenues were lower as a result from asset and liability management activities.

In Corporate Investments (CI), net revenues were EUR 44 million versus EUR 660 million in the second quarter 2009. The current quarter included EUR 116 million related to Deutsche Postbank and EUR 39 million arising from the sale of investments, partly offset by an impairment charge of EUR 124 million on The Cosmopolitan Resort and Casino property. In the second quarter 2009, net revenues included EUR 519 million related to Deutsche Postbank and EUR 132 million from the sale of industrial holdings as well as gains from our option on Hua Xia Bank.

For the first six months of 2010, Group net revenues were EUR 16.2 billion, compared to net revenues of EUR 15.2 billion in the first six months of 2009.

Provision for credit losses was EUR 243 million versus EUR 1.0 billion in the second quarter 2009. CIB recorded a net charge of EUR 77 million versus EUR 779 million in the second quarter 2009. The significant decrease in CIB was attributable to a number of events occurring in the previous year quarter that were not repeated in the current quarter. The prior year quarter was impacted by EUR 508 million of provisions for assets reclassified in accordance with IAS 39, mainly related to two specific counterparties. In PCAM, provision for credit losses was EUR 175 million, down 21% compared to the same quarter last year. This mainly reflects various measures taken on portfolio and country level which led to significant reductions in provision for credit losses throughout all major portfolios.

For the first six months of 2010, provision for credit losses was EUR 506 million versus EUR 1.5 billion in the same period last year.

Noninterest expenses were EUR 5.4 billion in the quarter versus EUR 5.6 billion in the second quarter 2009. Compensation and benefits were EUR 3.0 billion, down 3% versus the second quarter 2009. The non-recurrence of major severance costs was counterbalanced by higher amortization of bonuses deferred from previous years as well as increased compensation and benefits resulting from acquisitions. Increases in compensation and benefits of EUR 121 million and EUR 33 million were related to the consolidation of Sal. Oppenheim Group and the commercial banking activities acquired from ABN AMRO, respectively. In addition, the U.K. bank payroll tax attributable to the second quarter 2010 was EUR 56 million. General and administrative expenses were EUR 2.3 billion versus EUR 2.2 billion in the second quarter 2009. The increase was primarily attributable to the aforementioned acquisitions, related integration costs and foreign exchange movements, partly offset by the non-recurrence of a EUR 316 million charge from a legal settlement with Huntsman Corp. recorded in the second quarter 2009. Policyholder benefits and claims were EUR 2 million in the second quarter 2010, compared to EUR 126 million in the second quarter 2009.

For the first six months of 2010, noninterest expenses were EUR 11.3 billion, up from EUR 10.5 billion in the first six months of 2009.

Income before income taxes was EUR 1.5 billion in the second quarter 2010, up 16% from EUR 1.3 billion in the second quarter 2009. The cost income ratio was 75%, compared to 71% in the same period last year.

For the first six months of 2010, income before income taxes was EUR 4.3 billion versus EUR 3.1 billion in the first six months of 2009.

Net income in the quarter was EUR 1.2 billion versus EUR 1.1 billion in the second quarter 2009. The tax expense of EUR 358 million recorded for the second quarter 2010 versus a tax expense of EUR 242 million in the second quarter 2009, benefited from tax exempt negative goodwill related to the business acquired from ABN AMRO and a favorable geographic mix of income. Diluted earnings per share were EUR 1.75 versus EUR 1.64 in the second quarter 2009.

For the first six months of 2010, net income was EUR 2.9 billion versus EUR 2.3 billion in the first six months of 2009.

The Bank's Tier 1 capital ratio, was 11.3% at the end of the quarter, well above the target of 10% and up from 11.2% at the end of the first quarter 2010 and 11.0% at the end of the second quarter 2009. The consolidation of the business acquired from ABN AMRO contributed EUR 8 billion to the quarter-on-quarter growth in risk-weighted assets and a reduction of EUR 0.2 billion in our Tier 1 capital, resulting in a 35 basis point reduction in the Tier 1 capital ratio. The core Tier 1 ratio, which excludes hybrid capital instruments, was 7.5% at the end of the quarter, unchanged from the end of the first quarter 2010. Tier 1 capital was EUR 34.3 billion at the end of the second quarter 2010 versus EUR 32.5 billion in the prior year quarter and EUR 32.8 billion at the end of the first quarter 2010. The quarter-on-quarter increase is mainly driven by FX effects of EUR 1.6 billion and capital formation through net income of EUR 1.2 billion. This development was partially offset by EUR 1.1 billion higher capital deductions, principally due to re-assessed securitization positions in the trading book. Risk-weighted assets were EUR 303 billion up from EUR 292 billion at the end of the first quarter 2010. This increase primarily reflected the development of FX rates while higher risk-weighted assets following the aforementioned acquisition were offset by reductions in credit and market risk in CIB.

Invested assets in AWM increased by EUR 17 billion to EUR 870 billion in the second quarter of 2010. The weakening of the Euro accounted for EUR 38 billion of the increase, which was partly offset by EUR 9 billion from market depreciation. AM reported outflows of EUR 12 billion, primarily in money market products in the U.S. in line with industry development, while outflows were EUR 3 billion in PWM . In PBC invested assets were EUR 192 billion with EUR 2 billion outflows, mainly related to maturities of time deposits, and EUR 3 billion due to market depreciation.

Total assets were EUR 1,926 billion at quarter end, up 15% versus EUR 1,670 billion at the end of the previous quarter. The quarter-on-quarter development reflects higher market values of derivatives and an increase related to the strengthening of the US dollar. On a U.S. GAAP 'pro-forma' basis, which considers additional netting of derivatives, pending settlements and repos, total assets were EUR 1,043 billion at the end of the quarter, up by 7% versus the end of the first quarter 2010. The leverage ratio, per the bank's target definition, remains unchanged at 23 versus the end of the first quarter 2010. The impact of higher assets was largely offset by an increase in equity, including higher pro-forma fair value gains on own debt issuances.

Business Segment Review

Corporate and Investment Bank Group Division (CIB)

Corporate Banking & Securities (CB&S)

Sales & Trading (debt and other products) net revenues were EUR 2.1 billion in the second quarter, a decrease of EUR 190 million, or 8%, compared to the second quarter 2009. Mark-downs were EUR 64 million in the second quarter, which mainly related to residential mortgage-backed securities, versus EUR 108 million in the prior year period. We recorded additional charges of approximately EUR 270 million related to Ocala Funding LLC, a commercial paper vehicle, in the second quarter. Despite challenging market conditions, revenues were a record for a second quarter in Foreign Exchange, and there were good results in Money Markets, Rates and Commodities. This performance was offset by lower revenues in Credit and Emerging Markets as the European sovereign debt crisis resulted in a reduction in investors' appetite for risk. During July, we received a number of prestigious awards from Euromoney, including Best Investment Bank, Best Credit Derivatives House, Best at Risk Management in Europe and Best Debt House in Germany. For the first time ever, we were ranked number one in US Fixed Income according to the industry benchmark client survey by Greenwich Associates for 2010, with market share of 12.8%, up from 10.7% in 2009.

Sales & Trading (equity) generated revenues of EUR 642 million, a decrease of EUR 285 million, or 31%, compared to the second quarter 2009. The decrease in revenues was due to more difficult market conditions and substantially lower primary market activity. Equity Trading revenues were solid and reflected good secondary market commissions. After the successful recalibration of the business, there were no losses in Equity Derivatives despite a challenging volatility and correlation environment. Although Prime Finance was impacted by spread compression during the quarter, client financing revenues remained stable and balances increased. We were voted number one Prime Broker in Global Custodian's benchmark client survey for the third consecutive year. Equity Proprietary Trading revenues were broadly flat in the quarter and reflected historically low levels of risk taking.

Origination and Advisory generated revenues of EUR 543 million in the second quarter 2010, a decrease of EUR 182 million compared to the second quarter 2009. Debt Origination revenues decreased by EUR 161 million, or 36%, driven by the non-recurrence of mark-to-market gains in the leveraged finance business. In Investment Grade we gained market share and retained a top five position despite reductions in market fee pool. Equity Origination revenues decreased by EUR 73 million, or 35%, impacted by the lowest second quarter fee pool since 2005. However, we grew market share and improved our rank to fifth globally and number one in EMEA. In Advisory, revenues were EUR 124 million, up

EUR 52 million from second quarter 2009. The M&A business gained market share and improved its ranking to sixth globally. (Source for all rankings: Dealogic, Thompson Reuters)

Loan products revenues were EUR 350 million in the second quarter 2010, a decrease of EUR 190 million, or 35%, from the same period last year. The decrease was primarily due to net mark-to-market losses on loans held at fair value.

Other products revenues were negative EUR 35 million in the second quarter, a decrease of EUR 164 million from the previous year quarter. The decrease was due to mark-to-market losses on investments held to back insurance policyholder claims in Abbey Life, which are offset in noninterest expenses.

In provision for credit losses, CB&S recorded a net charge of EUR 46 million in the second quarter 2010, compared to a net charge of EUR 771 million in the prior year quarter. The significant decrease was attributable to a number of events occurring in the previous year quarter that were not repeated in the current quarter, in particular EUR 508 million related to IAS 39 reclassifications, mainly from provisions taken against two specific counterparties.

Noninterest expenses were EUR 2.8 billion in the second quarter 2010, a decrease of EUR 265 million, or 9%, compared to the second quarter 2009. The development was primarily driven by lower performance-related compensation expenses in the quarter and the aforementioned effects from Abbey Life.

Income before income taxes was EUR 779 million in the second quarter 2010, compared to EUR 823 million in the prior year quarter.

Global Transaction Banking (GTB)

GTB’s second quarter performance was positively impacted by the first time consolidation of the commercial banking activities acquired from ABN AMRO in the Netherlands. This led to additional net revenues of EUR 338 million, including a EUR 208 million gain representing provisional negative goodwill, provision for credit losses of EUR 19 million as well as EUR 104 million noninterest expenses including integration costs.

GTB’s net revenues were EUR 1.1 billion in the second quarter 2010, an increase of EUR 416 million, or 64%, compared to the second quarter 2009. Excluding the impact of the aforementioned acquisition, the increase was predominantly attributable to continuing growth in Trade Finance, driven by increased demand for financing products in Germany and Asia Pacific. Trust & Securities Services generated strong fee growth, primarily in the custody business, offsetting the impact of the continuing low interest rate environment, which also impacted Cash Management adversely.

In provision for credit losses, GTB recorded a net charge of EUR 32 million. The increase of EUR 24 million compared to the second quarter 2009 included EUR 19 million in relation to the aforementioned commercial banking activities acquired from ABN AMRO in the second quarter 2010.

Noninterest expenses were EUR 560 million in the second quarter 2010, up EUR 102 million, or 22%, compared to the second quarter 2009. The increase was mainly driven by integration costs and the first time consolidation of the business acquired from ABN AMRO, while other noninterest expenses remained almost flat.

Income before income taxes was EUR 478 million for the quarter, an increase of EUR 291 million, or 155%, compared to the prior year quarter.

Private Clients and Asset Management Group Division (PCAM)

Asset and Wealth Management (AWM)

AWM reported net revenues of EUR 969 million in the second quarter 2010, an increase of EUR 352 million, or 57%, compared to the same period in 2009. Revenues in the second quarter 2010 included EUR 148 million related to Sal. Oppenheim Group (including BHF Bank), which was consolidated for the first time in the first quarter 2010. Discretionary portfolio management/fund management revenues in Asset Management (AM) increased by EUR 39 million, or 10%, and in Private Wealth Management (PWM) by EUR 62 million, or 92%. Revenues were positively impacted by favorable market conditions, the impact of higher asset valuations on asset based fees and the weakening of the Euro. Advisory/Brokerage revenues of EUR 226 million improved by EUR 57 million, or 34%, mainly reflecting increased client activity. Revenues from credit products were EUR 99 million, up EUR 39 million, or 66%, primarily due to higher loan volumes, improved margins and a positive impact from the weakening of the Euro. Deposits and payment services revenues of EUR 30 million decreased by EUR 23 million, or 44%, driven by significant lower deposit margins. Revenues from other products were EUR 62 million compared to negative EUR 116 million in the same period last year. Revenues in the second quarter 2010 benefitted from the consolidation of Sal. Oppenheim Group, whereas revenues in the second quarter 2009 included impairment charges of EUR 110 million related to RREEF investments in AM.

Noninterest expenses were EUR 921 million in the second quarter 2010, up by EUR 221 million, or 32%, compared to the second quarter 2009. The increase included EUR 235 million related to Sal. Oppenheim Group, partly offset by lower expenses resulting from headcount reductions in AM.

Income before income taxes of EUR 45 million in the second quarter 2010 compared to a loss before income taxes of EUR 85 million in the second quarter last year.

Invested assets increased by EUR 17 billion to EUR 870 billion in the second quarter of 2010. The weakening of the Euro accounted for EUR 38 billion of the increase, which was partly offset by EUR 9 billion from market depreciation. Outflows were EUR 12 billion in AM, primarily in money market products in the U.S. in line with industry development, and EUR 3 billion in PWM.

Private & Business Clients (PBC)

Net revenues in the second quarter 2010 were EUR 1.4 billion, up EUR 30 million, or 2%, compared to the second quarter 2009. Credit products revenues increased EUR 24 million, or 4%, compared to the second quarter 2009, driven by improved revenues from higher mortgage volumes, partly offset by lower sales of credit related insurance products. Revenues from Deposits and payment services were a record for a quarter and increased by EUR 27 million, or 6%, compared to the second quarter 2009, driven by increased deposit margins. Advisory/brokerage revenues were up by EUR 6 million, or 3%, mainly due to higher sales of pension related insurance products. Revenues from discretionary portfolio management/fund management increased by EUR 12 million, or 17%, benefiting from more stable revenue flows. Revenues from other products decreased by EUR 39 million, or 33%, compared to the same period last year. This development was mainly driven by the expected normalization of results from PBC's asset and liability management function, partly offset by dividend income related to the investment in Hua Xia Bank Co. Ltd.

Provision for credit losses was EUR 171 million in the second quarter 2010, down EUR 47 million, or 21%, compared to the same quarter last year. Measures taken on portfolio and country level led to significant reductions in provision for credit losses throughout all major portfolios, partially offset by increases in our Consumer Finance Business in Poland.

Noninterest expenses were EUR 1.0 billion in the second quarter 2010, a decrease of EUR 101 million, or 9%, compared to the second quarter 2009. The prior year quarter included severance payments of EUR 150 million resulting from measures to improve platform efficiency. The decrease was partly offset by expenses for strategic projects in the second quarter 2010.

Income before income taxes was EUR 233 million in the quarter, an increase of EUR 178 million compared to the second quarter 2009.

Invested assets were EUR 192 billion as of June 30, 2010, down by EUR 5 billion compared to March 31, 2010, reflecting EUR 3 billion related to market depreciation and EUR 2 billion of outflows.

PBC's total number of clients was 14.5 million, an increase of net 18 thousand during the second quarter 2010.

Corporate Investments Group Division (CI)

Net revenues were EUR 44 million in the second quarter 2010 and included EUR 116 million related to Deutsche Postbank AG and EUR 39 million from the sale of investments, partly offset by an impairment charge of EUR 124 million on The Cosmopolitan Resort and Casino property. In the second quarter 2009, net revenues were EUR 660 million. These included EUR 519 million related to Deutsche Postbank AG and EUR 132 million from the sale of industrial holdings as well as gains from our option to increase our share in Hua Xia Bank Co. Ltd.

Noninterest expenses were EUR 117 million in the second quarter 2010, a decrease of EUR 167 million compared to the second quarter 2009, which included a goodwill impairment charge of EUR 151 million on our investment in Maher Terminals LLC in the second quarter 2009.

Loss before income taxes was EUR 64 million in the second quarter 2010, compared to an income before income taxes of EUR 377 million in the same period of the prior year.

Consolidation & Adjustments (C&A)

Income before income taxes in C&A was EUR 53 million in the second quarter 2010, compared to a loss of EUR 41 million in the second quarter of the prior year. The improvement included a significant reduction of negative effects from different accounting methods used for management reporting and IFRS for economically hedged positions, mainly due to less volatile short-term interest rates in 2010 compared to 2009 in the Euro and U.S. dollar markets. In addition, fair value gains on own debt due to changes in our credit spreads were recorded in the second quarter 2010, compared to losses in the prior year quarter. Partly offsetting was the non-recurrence of gains from derivative contracts used to hedge effects of share-based compensation plans on shareholders' equity recorded in the second quarter 2009.