Release

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Deutsche Bank reports third quarter 2014 income before income taxes of EUR 266 million

Group results

- Income before income taxes (IBIT) of EUR 266 million
- Core Bank IBIT, which excludes the Non-Core Operations Unit (NCOU), of EUR 1.3 billion, up 8% from the prior year period
- Net revenues of EUR 7.9 billion, up 2% year over year largely reflecting higher revenues in Corporate Banking & Securities (CB&S)
- Noninterest expenses of EUR 7.3 billion, up 2% from 3Q2013
- Adjusted cost base of EUR 6.0 billion, up 8% from 3Q2013
- Net loss of EUR 92 million; post-tax return on average active equity (RoE) in 3Q2014 of negative 0.6% for the Group

Capital and de-leveraging

- Common Equity Tier 1 (CET1) ratio of 11.5% on a fully loaded Capital Requirements Regulation (CRR)/Capital Requirements Directive 4 (CRD4) basis at quarter end
- Phase-in CET1 ratio of 14.7%
- CRD4 fully loaded leverage ratio of 3.2% (based on revised CRD4 rules)
- Risk-weighted assets (RWA) on a fully loaded CRR/CRD4 basis of EUR 402 billion, up 1% from 2Q2014
- Tangible Book Value per share increased 2.5% compared to 2Q2014

Segment results

- Corporate Banking & Securities (CB&S) 3Q2014 IBIT of EUR 374 million, up 4% from prior year due to a 9% increase in revenues and an 11% reduction in litigation related charges. This was largely offset by a 10% rise in noninterest expenses due to higher regulatory required spend and legal fees
- Private & Business Clients (PBC) IBIT of EUR 356 million was up 3% from prior year driven by higher revenues and lower provision for credit losses partly offset by charges for loan processing fees and higher technology investments
- Global Transaction Banking (GTB) IBIT of EUR 338 million was down 11% from prior year largely reflecting higher regulatory spend, increased

Issued by Investor Relations of Deutsche Bank AG
Taunusanlage 12, 60325 Frankfurt am Main
Phone +49 69 910 35395

Internet: www.db.com/ir
E-Mail: db.ir@db.com

revenue-related expenses and investments in future growth

- Deutsche Asset & Wealth Management (Deutsche AWM) IBIT was EUR 288 million, up 2% to prior year driven by lower noninterest expenses; net new money of EUR 17 billion
- Non-Core Operations Unit (NCOU) loss before income taxes of EUR 1,049 million compared to EUR 1,199 million in 3Q2013 reflecting lower provisioning, while lower noninterest expenses were offset by lower revenues

Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) today reported results for 3Q2014. Group net revenues of EUR 7.9 billion, up 2% from the prior year, with noninterest expenses 2% higher at EUR 7.3 billion. Income before income taxes was EUR 266 million in 3Q2014, compared to EUR 18 million in 3Q2013, as an increase in revenues and lower provision for credit losses were partially offset by higher noninterest expenses.

Jürgen Fitschen and Anshu Jain, Co-Chief Executives, said: “Net income in this quarter was materially impacted by provisions as we continued to work toward resolution of litigation matters related to legacy issues. We also incurred costs of adapting to new regulation, elevating our systems and control frameworks to best in class, and investing in growth in our core businesses. These costs were partly offset by further savings in our Operational Excellence (OpEx) program which has already reached its original year end 2014 target.”

They added: “Core Bank underlying performance was solid, with well-balanced earnings contributions and underlying revenue growth across all four core businesses. In Corporate Banking & Securities, robust revenue growth in Debt Sales & Trading reflected a strong performance in our market-leading Foreign Exchange business, a diversified franchise and an uptick in volatility toward quarter end. Corporate Finance sustained its global top-5 ranking and leadership in Europe. Private & Business Clients grew revenues despite record-low interest rates thanks to growth in Credit products and Investment & insurance products. Global Transaction Banking also grew revenues on the back of strong volumes. Deutsche Asset & Wealth Management produced its third consecutive quarter of net money inflows, reaching EUR 1 trillion in assets under management.”

They concluded: “Looking ahead, near-term headwinds persist. Europe’s macro-economic outlook faces challenges, and geopolitical risks continue to create uncertainties. In the coming quarters, we will continue to work systematically through our strategic agenda: resolving outstanding litigation matters, completing the task of adapting our platform to new regulation, finalising our investments in OpEx, and reaping the benefits of investments in core business growth. We remain resolutely focused on executing this agenda. Robust underlying performance in our core businesses indicates the progress we are making on that journey.”

Group Results

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	7,864	7,860	7,745	119	4
Provision for credit losses	269	250	512	(243)	20
Noninterest expenses	7,328	6,693	7,215	113	635
Income (loss) before income taxes	266	917	18	248	(651)
Net income	(92)	238	51	(143)	(329)
Cost/income ratio	93 %	85 %	93 %	0 ppt	8 ppt
Post-tax return on average active equity	(1)%	2 %	0 %	(1)ppt	(2)ppt

Adjusted cost base

in € m. (unless stated otherwise)	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Noninterest expenses	**7,328**	**6,693**	**6,466**	**7,607**	**7,215**	**6,950**	**6,623**
Adjusted cost base	**6,043**	**5,723**	**5,992**	**5,604**	**5,600**	**5,910**	**6,034**
excludes:							
Cost-to-Achieve	253	375	310	509	242	357	224
Litigation	894	470	0	1,111	1,163	630	132
Policyholder benefits and claims	77	80	52	104	171	(7)	192
Other severance	40	16	27	2	14	42	10
Remaining[1]	23	29	85[2]	277[3]	24	17	32
Cost/income ratio (adjusted)[4]	**77%**	**73%**	**71%**	**85%**	**72%**	**72%**	**64%**
Compensation ratio	**41%**	**38%**	**40%**	**41%**	**38%**	**39%**	**38%**

Note: Figures may not add up due to rounding

1) Includes smaller specific one-offs and impairments

2) Includes impairment in NCOU

3) Includes impairment of goodwill and intangibles of EUR 79 m and a significant impact from correction of historical internal cost allocation

4) Adjusted cost base divided by reported revenues

Group net revenues in 3Q2014 increased by 2%, or EUR 119 million to EUR 7.9 billion compared to EUR 7.7 billion in 3Q2013.

CB&S revenues were EUR 3.1 billion, up EUR 247 million, or 9%, versus 3Q2013. This was mainly attributable to a EUR 186 million, or 15%, increase in Debt Sales & Trading, resulting from improved market conditions and increased client activity.

PBC revenues were EUR 2.4 billion in 3Q2014, up EUR 69 million, or 3%, compared to 3Q2013. The increase was primarily driven by an increase in loan volumes and increased revenues from Investment & insurance products.

GTB revenues of EUR 1.0 billion were slightly higher compared to 3Q2013 with strong volumes offsetting the impact of the challenging market environment.

Deutsche AWM revenues of EUR 1.3 billion were stable compared to 3Q2013.

NCOU revenues were EUR 20 million, a decrease by EUR 382 million in 3Q2014, reflecting a significant reduction in revenue generating assets as a result of further de-risking.

Provision for credit losses was EUR 269 million in 3Q2014, a decrease of EUR 243 million, or 47%, compared to the same period 2013. This reduction was driven by improvements across all businesses especially lower provisioning for IAS 39 reclassified assets in NCOU.

Noninterest expenses were EUR 7.3 billion in 3Q2014, up EUR 113 million, or 2%, compared to 3Q2013. Compensation and benefits, which amounted to EUR 3.2 billion, were up EUR 285 million, or 10%, compared to 3Q2013. This primarily reflects higher fixed compensation costs to comply with regulatory requirements, mainly in CB&S, as well as strategic hires in control functions. General and administrative expenses of EUR 4.0 billion, were down EUR 60 million, or 1% compared to 3Q2013. The cost base further increased due to higher expenses from increased regulatory requirements and ongoing higher investments in platforms. Offsetting effects during the quarter include benefits from the ongoing implementation of the OpEx program and from the sale of BHF-BANK. Litigation related charges were EUR 894 million in 3Q2014, which was lower by EUR 270 million compared to 3Q2013.

Group income before income taxes was EUR 266 million in 3Q2014 versus EUR 18 million in 3Q2013, as an increase in revenues and lower provision for credit losses were partially offset by higher noninterest expenses.

Net loss for 3Q2014 was EUR 92 million, compared to a net income of EUR 51 million in 3Q2013. In 3Q2014 income tax expense was EUR 358 million, mainly reflecting the non tax deductibility of certain litigation charges. This compares to an income tax benefit of EUR 33 million in the prior year period.

Capital, Funding, and Liquidity

Group

in EUR bn (unless stated otherwise)	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013
CET1 capital ratio[1]	11.5%	11.5%	9.7%
Risk-weighted assets[1]	402	399	350
Liquidity reserves	188	199	196
Total assets (IFRS)	1,709	1,665	1,611
CRD4 leverage exposure[2]	1,526	1,532	1,445
Leverage ratio[3]	3.2%	3.2%	2.4%

1) based on CRR/CRD4 fully loaded (pro-forma for 2013)
2) based revised CRR/CRD4 rules (2013 pro-forma based on previous CRR/CRD4 rules)
3) based on fully loaded CRR/CRD4 T1 capital and leverage ratio exposure according to revised CRR/CRD4 rules (2013 pro-forma based on previous CRR/CRD4 rules)

The bank's fully loaded **CRR/CRD4 Common Equity Tier 1 (CET1) capital ratio** was 11.5% as of 30 September 2014, unchanged compared to 30 June 2014. Fully loaded CRR/CRD4 CET1 capital as of 30 September 2014 remained also unchanged at EUR 46.0 billion compared to the end of 2Q2014. Fully loaded CRR/CRD4 risk-weighted assets (RWA) increased by EUR 3 billion to EUR 402 billion at the end of 3Q2014.

As of 30 September 2014 year-to-date **capital markets issuance** was EUR 36.2 billion at an average spread of 47 basis points over the relevant floating index (e.g. Libor) and an average tenor of 4.8 years. As a result the Group's 2014

issuance plan of EUR 30-35 billion has been completed. For the remainder of the year we continue to opportunistically source term funds.
Liquidity reserves were EUR 188 billion as of 30 September 2014, 43% of which being in cash and cash equivalents primarily held at central banks.

Total assets were EUR 1,709 billion as of 30 September 2014, reflecting an increase of EUR 44 billion, or 3%, versus 30 June 2014.

According to revised CRR/CRD4 rules, **leverage exposure** was EUR 1,526 billion as of 30 September 2014, a decrease of EUR 6 billion from 30 June 2014, even allowing for EUR 60 billion of FX effects. On a previous CRR/CRD4 rules basis, leverage exposure was EUR 1,478 billion as at 30 September 2014.

The **leverage ratio**, on a fully loaded basis according to revised CRR/CRD4, remained at 3.2% as of 30 September 2014.

Segment results

Corporate Banking & Securities (CB&S)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	3,147	3,532	2,900	247	(386)
Provision for credit losses	33	44	43	(9)	(11)
Noninterest expenses	2,737	2,603	2,487	250	134
Noncontrolling interest	2	1	9	(7)	1
Income (loss) before income taxes	374	885	361	13	(510)
Cost/income ratio	87 %	74 %	86 %	1 ppt	13 ppt
Post-tax return on average active equity	3 %	9 %	6 %	(3)ppt	(6)ppt

CB&S net revenues were EUR 3.1 billion, an increase of EUR 247 million or 9% from EUR 2.9 billion in 3Q2013. Net revenues included valuation adjustments relating to Credit Valuation Adjustment (CVA) RWA mitigation efforts, Debt Valuation Adjustments (DVA), Funding Valuation Adjustments (FVA), and refinements in the calculation of IFRS CVA and FVA totalling a loss of EUR 173 million (3Q2013: a loss of EUR 75 million).

Debt Sales & Trading net revenues were EUR 1.4 billion in 3Q2014, an increase of EUR 186 million, or 15%, compared to 3Q2013. Revenues in RMBS were significantly higher than the prior year quarter. Foreign Exchange revenues were also significantly higher driven by an improved market environment and higher client activity reflecting increased volatility. Revenues in Rates were significantly lower than the prior year quarter primarily driven by FVA losses. Flow Credit revenues were significantly lower than the prior year quarter due to lower client activity. Revenues were in line with the prior year quarter in Global Liquidity Management, Distressed Products, Credit Solutions and Emerging Markets. Net revenues included three valuation adjustment items totalling a loss of EUR 145 million (a CVA gain of EUR 38 million relating to RWA mitigation efforts, a loss of EUR 58 million relating to a refinement in the calculation of IFRS CVA, and a FVA loss of EUR 126 million). 3Q2013 recorded a CVA loss of EUR 88 million relating to RWA mitigation efforts.

Equity Sales & Trading generated net revenues of EUR 729 million in 3Q2014, an increase of EUR 86 million, or 13%, compared to 3Q2013. Prime Finance revenues were higher than the prior year quarter driven by increased client balances. Equity Trading and Equity Derivatives revenues were both in line with the prior year quarter.

Origination and Advisory generated net revenues of EUR 691 million in 3Q2014, in line with the prior year quarter. Revenues in Equity Origination were significantly higher than the prior year quarter driven by strong deal flow. Revenues in Debt Origination and Advisory were both in line with the prior year quarter.

CB&S provision for credit losses recorded a net charge of EUR 33 million in 3Q2014, compared to EUR 43 million in 3Q2013, due to decreased provisions taken in the Emerging Markets and Shipping portfolios.

CB&S noninterest expenses increased by EUR 250 million, or 10%, compared to 3Q2013. The increase was mainly due to fixed salary increases to comply with regulatory requirements and higher legal fees. This was partly offset by lower litigation provisions.

CB&S income before income taxes was EUR 374 million, up EUR 13 million compared to the prior year quarter. Higher revenues and lower litigation provisions were offset by elevated noninterest expenses.

Private & Business Clients (PBC)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	2,392	2,367	2,324	69	25
Provision for credit losses	150	145	171	(21)	5
Noninterest expenses	1,886	1,819	1,805	81	67
Noncontrolling interest	0	0	0	0	0
Income (loss) before income taxes	356	403	347	10	(47)
Cost/income ratio	79 %	77 %	78 %	1 ppt	2 ppt
Post-tax return on average active equity	6 %	7 %	8 %	(1)ppt	(1)ppt

PBC net revenues increased by EUR 69 million, or 3%, to EUR 2.4 billion, compared to the prior year quarter. Credit revenues were up by EUR 41 million, or 5%, compared to 3Q2013 reflecting growth from higher loan volumes and improved loan margins. Revenues from Investment & insurance products increased by EUR 40 million, or 15%, reflecting positive net new assets as well as higher levels of transactions compared to the prior year period. Net revenues from Deposit products remained stable compared to last year's third quarter in a continued challenging interest rate environment. Net revenues from Payments, cards & account products decreased by EUR 9 million, or 3%, compared to 3Q2013, impacted by changes in regulatory requirements regarding payment fees. Net revenues from Postal and supplementary Postbank Services decreased by EUR 3 million, or 3%, compared to 3Q2013.

PBC provision for credit losses decreased by EUR 21 million, or 13%, compared to 3Q2013 benefitting from the quality of PBC's loan book and a benign economic environment in Germany.

PBC noninterest expenses increased by EUR 81 million, or 4%, to EUR 1.9 billion, compared to 3Q2013. The increase was primarily driven by the previously mentioned changes in regulatory requirements regarding payment fees in 2014 as well as by higher infrastructure expenses mainly reflecting increased regulatory requirements. In addition cost-to-achieve as part of our OpEx program increased. However, PBC continued to realize offsetting, incremental savings from efficiency measures as part of our OpEx program.

PBC income before income taxes was EUR 356 million, 3% higher compared to 3Q2013.

Invested assets increased by EUR 3 billion compared to June 30, 2014, mainly due to inflows in deposits and securities partly offset by a decline in market values.

Global Transaction Banking (GTB)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	1,039	1,035	1,023	15	4
Provision for credit losses	43	47	58	(15)	(4)
Noninterest expenses	657	759	586	71	(102)
Income (loss) before income taxes	338	228	380	(41)	110
Cost/income ratio	63 %	73 %	57 %	6 ppt	(10)ppt
Post-tax return on average active equity	14 %	10 %	21 %	(7)ppt	4 ppt

GTB net revenues increased by EUR 15 million, or 2%, compared to 3Q2013. Revenues in Trade Finance benefited from growing volumes in Europe and Asia Pacific as well as more stable margins. In Securities Services, revenues increased due to strong volume growth. In Cash Management, the impact from the ongoing low interest rate environment was more than compensated by increased business activity.

GTB provision for credit losses of EUR 43 million in 3Q2014 decreased by EUR 15 million compared to 3Q2013.

GTB noninterest expenses increased by EUR 71 million, or 12%, compared to the prior year quarter. The increase was primarily driven by higher expenses to comply with regulatory requirements as well as increased revenue-related expenses. Furthermore, investments to enable business growth contributed to the higher cost base. 3Q2014 included cost-to-achieve related to the OpEx program of EUR 23 million versus EUR 18 million in 3Q2013.

GTB income before income taxes decreased by EUR 41 million, or 11%, compared to 3Q2013 due to higher noninterest expenses which more than offset the slight revenue increase in difficult market conditions.

Deutsche Asset & Wealth Management (Deutsche AWM)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	1,267	1,134	1,265	1	133
Provision for credit losses	1	(6)	1	0	7
Noninterest expenses	977	936	982	(5)	41
Noncontrolling interest	0	0	0	1	1
Income (loss) before income taxes	288	204	283	6	84
Cost/income ratio	77 %	83 %	78 %	0 ppt	(5)ppt
Post-tax return on average active equity	11 %	8 %	14 %	(2)ppt	3 ppt

Deutsche AWM net revenues were EUR 1.3 billion in 3Q2014, stable compared to 3Q2013. Management fees and other recurring revenues increased by EUR 25 million, or 4%, due to increased average assets under management for the quarter reflecting positive flows, increased market levels and foreign currency effects. Performance and transaction fees and other non-recurring revenues were up EUR 21 million, or 9% driven by higher transactional volumes from structured products and foreign exchange products for private clients. Net interest income increased by EUR 12 million, or 9%, due to increased lending volume and improved lending margins in 3Q2014. Other product revenues increased EUR 50 million, or 61%, compared to 3Q2013, mainly due to net gains on fair value changes. Mark-to-market movements on policyholder positions in Abbey Life decreased by EUR 106 million versus 3Q2013.

Deutsche AWM provision for credit losses remained unchanged compared to 3Q2013 at very low levels.

Deutsche AWM noninterest expenses of EUR 977 million in 3Q2014 decreased by EUR 5 million, or 1%, compared to 3Q2013 driven by lower policyholder benefits and claims, offset by litigation reserve release in the prior year, increased compensation costs mainly in respect of greater regulatory reporting requirements, and higher costs-to-achieve related to OpEx.

Deutsche AWM income before income taxes was EUR 288 million in 3Q2014, an increase of EUR 6 million, or 2%, compared to 3Q2013.

Invested assets were EUR 1,006 billion as of September 30, 2014, an increase of EUR 51 billion versus June 30, 2014, mainly driven by foreign exchange movements of EUR 31 billion, inflows of EUR 17 billion and market appreciation of EUR 5 billion. Net inflows of EUR 17 billion were recorded across all products, with strong flows in both retail and institutional business.

Non-Core Operations Unit (NCOU)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	20	(44)	402	(382)	63
Provision for credit losses	42	19	239	(197)	23
Noninterest expenses	1,026	517	1,361	(335)	509
Noncontrolling interest	0	0	1	0	0
Income (loss) before income taxes	(1,049)	(580)	(1,199)	151	(468)

NCOU net revenues in 3Q2014 decreased by EUR 382 million, or 95%, to EUR 20 million. Portfolio revenues declined reflecting the significant reduction in assets year-on-year, as well as the net effect from valuation adjustments and mark-to-market impacts.

NCOU provision for credit losses in 3Q2014 was EUR 197 million lower versus the same quarter in 2013 due to lower provisions taken against IAS 39 reclassified assets, mainly driven by European Commercial Real Estate exposures.

NCOU noninterest expenses decreased by EUR 335 million, or 25%, compared to 3Q2013. The decrease versus the previous year was predominately due to lower litigation related expenses, while direct costs also decreased by EUR 51 million, or 14%, driven by the sale of BHF-BANK.

NCOU loss before income taxes was EUR 1,049 million, EUR 151 million lower versus the same quarter in 2013, primarily driven by the movements and impacts described above.

Consolidation & Adjustments (C&A)

in EUR m. (unless stated otherwise)	3Q2014	2Q2014	3Q2013	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Net revenues	0	(164)	(168)	168	164
Provision for credit losses	0	0	0	0	(1)
Noninterest expenses	46	59	(6)	51	(13)
Noncontrolling interest	(3)	(1)	(10)	7	(2)
Income (loss) before income taxes	(43)	(223)	(153)	110	180

C&A loss before income taxes was EUR 43 million in 3Q2014, compared to a loss of EUR 153 million in the prior year quarter. This development was predominantly attributable to valuation and timing differences from different accounting methods used for management reporting and IFRS, which showed a positive impact of EUR 4 million compared to negative EUR 59 million in the prior year quarter, as well as positive EUR 36 million FVA in 3Q2014 on internal uncollateralized derivatives between Treasury and CB&S.

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 20 March 2014 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from www.deutsche-bank.com/ir.

This release also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, refer to the 3Q2014 Interim Report, which is available at www.deutsche-bank.com/ir.