# Media Release

Frankfurt am Main 28 April 2021

## Deutsche Bank reports € 1.6 billion profit before tax in the first quarter of 2021

Highest quarterly Group profit for seven years

- Profit before tax of € 1.6 billion with net profit of € 1.0 billion
- Group post-tax Return on Tangible Equity (RoTE)[1] of 7.4%

Core Bank profit before tax of € 2.0 billion, more than double the prior year quarter, driven by significant profit growth across all core businesses

- Corporate Bank: up 90% to € 229 million
- Investment Bank: up 134% to € 1.5 billion
- Private Bank: up 92% to € 274 million
- Asset Management: up 66% to € 183 million
- Core Bank post-tax RoTE[1] of 10.9%, versus 4.9% in the prior year quarter

Capital Release Unit reduces quarterly pre-tax loss by 46% year on year with further RWA reduction

- Positive net revenues of € 81 million
- 28% year on year reduction in noninterest expenses

Net revenue growth of 14% to € 7.2 billion

- Highest Group quarterly net revenues since 1st quarter 2017 despite business exits
- Core Bank net revenues grew 12% to € 7.2 billion

Further year on year reduction in costs

- Noninterest expenses of € 5.6 billion, down 1%
- Adjusted costs ex-transformation charges[1] down 2% to € 5.3 billion including bank levy charges of € 571 million
- 13 successive quarters of year on year reductions in quarterly adjusted costs ex-transformation charges and bank levies[1]

Capital, risk and balance sheet strength maintained in the quarter

- Common Equity Tier 1 (CET1) capital ratio rises to 13.7%
- Provision for credit losses of € 69 million, down 86% year on year, representing 6 basis points of average loans annualised
- Liquidity reserves stable versus previous quarter at € 243 billion

*[1] For a description of this and other non-GAAP financial measures, see 'Use of non-GAAP financial measures' on pp 17-25 of the 1st quarter 2021 Financial Data Supplement*

Issued by the media relations department of Deutsche Bank AG
Taunusanlage 12, 60325 Frankfurt am Main
Phone +49 (0) 69 910 43800, Fax +49 (0) 69 910 33422

Internet: db.com/news
Email: db.presse@db.com

“Our first quarter is further evidence that Deutsche Bank is on the right path in all four core businesses, and is building sustainable profitability,” said Christian Sewing, Chief Executive Officer. “In addition to substantial revenue growth over an already-strong prior year quarter, we demonstrated cost and risk discipline. We achieved a post-tax return on tangible equity of above 7%, and returns in the Core Bank are already ahead of our ambition for next year. These results give us confidence that we’ll reach our 2022 targets.”

Deutsche Bank (XETRA: DBKGn.DB / NYSE: DB) today reported its best quarterly profit since the first quarter of 2014. This result was driven by revenue growth, a substantial reduction in provision for credit losses, and lower adjusted costs[1] year on year.

## Significant profit growth across all businesses

Profit before tax was € 1.6 billion for the first quarter of 2021, up from € 206 million in the first quarter of 2020. Net profit was € 1.0 billion, compared to € 66 million in the prior year quarter. The Group delivered post-tax RoTE[1] of 7.4% in the quarter, versus a negative 0.3% in the prior year period, with a cost/income ratio of 77%. First-quarter profit includes the impact of € 571 million in bank levies in respect of the full year.

In the **Core Bank**, which excludes the Capital Release Unit, profit before tax more than doubled year on year to € 2.0 billion. This was driven by significant year on year profit growth across all four businesses. Core Bank post-tax RoTE[1] was 10.9%, up from 4.9% in the prior year quarter, while the cost/income ratio improved to 71%, versus 77% in the prior year period. Adjusted profit before tax[1], which excludes specific revenue items, transformation charges, impairments of goodwill and intangibles and restructuring and severance, was € 2.2 billion, also more than double the prior year quarter, and adjusted post-tax RoTE[1] was 11.9%. For the Core Bank results at a glance, please refer to the table on page 7.

## Losses in the Capital Release Unit reduced by nearly half

**The Capital Release Unit** reported a loss before tax of € 410 million in the quarter, versus a loss before tax of € 765 million in the first quarter of 2020. This improvement was partly driven by net revenues of € 81 million in the quarter, compared to negative € 57 million in the prior year quarter. De-risking costs in the current quarter were offset by positive revenues from gains on asset sales and reserve releases, reflecting market conditions, and positive operating income.

Noninterest expenses in the Capital Release Unit declined by 28% year on year to € 498 million. This was driven predominantly by a 36% reduction in adjusted costs ex-transformation charges[1] to € 422 million, reflecting year on year reductions in service cost allocations, bank levy allocations and compensation costs.

The Capital Release Unit further reduced risk weighted assets (RWAs) which stood at € 34 billion at quarter-end, down by 24% from € 44 billion in the prior year quarter. De-risking of € 1.5 billion in the quarter was offset by model impacts and higher credit valuation adjustments (CVA). RWAs include € 23 billion in Operational Risk RWAs.

Leverage exposure was € 81 billion at quarter-end, versus € 118 billion in the prior year quarter and € 72 billion in the fourth quarter of 2020. The quarter on quarter increase primarily reflected an incremental allocation of central liquidity reserves discussed at the Investor Deep Dive in December 2020. This, together with higher Prime Finance leverage, more than offset leverage exposure reductions from continued de-risking, maturities, market movements and other effects.

### Revenues: financing and advising clients in supportive markets

**Group net revenues** were € 7.2 billion, up 14% year on year, the highest quarterly revenues since the first quarter of 2017 despite exits from non-strategic businesses as part of transformation. The year on year growth was driven primarily by 12% growth in Core Bank revenues to € 7.2 billion.

Net revenue development in Deutsche Bank's core businesses was as follows:

- **Corporate Bank net revenues** were € 1.3 billion, down 1% year on year, and up 2% if adjusted for currency translation effects. Interest rate headwinds were offset by positive impacts from further progress on deposit re-pricing, which covered a total of € 83 billion in deposits at the end of the quarter, and the ECB's current Targeted Long-Term Refinancing Operation (TLTRO III) programme, as the bank met the additional loan growth requirement. Corporate Treasury Services revenues were down 1%, but up 2% adjusted for currency impacts, due partly to TLTRO III, deposit repricing and portfolio rebalancing measures. Institutional Client Services revenues were down 3%, while on a currency-adjusted basis revenues grew 3% as fee income growth in Trust and Agency Services more than offset a decline in Securities Services driven by lower interest rates. Business Banking revenues were up 1% year on year, despite interest rate headwinds.
- **Investment Bank net revenues** were € 3.1 billion in the quarter, up 32%. Revenues in Fixed Income & Currencies (FIC) rose 34% to € 2.5 billion, driven by strong year on year growth in Credit Trading and Financing. This more than offset a normalisation of revenues in Rates, Foreign Exchange and Emerging Markets from the exceptional levels of the prior year period. Revenues in Origination & Advisory rose 40% to € 644 million. Significant growth in Equity Origination was driven by strength across the franchise, including high levels of activity in Special Purpose Acquisition Companies (SPACs), while a rebound in Leveraged Debt Capital Markets contributed to growth in Debt Origination. Deutsche Bank grew market share in Origination & Advisory by 30 basis points year on year (source: *Dealogic*). Revenue growth was achieved with continued resource discipline: RWAs were down 4% year on year and the cost/income ratio was 52%, down from 63% in the prior year period.
- **Private Bank net revenues** were € 2.2 billion, flat year on year. Continued deposit margin compression from interest rate headwinds was mitigated by continued business growth, with record net new business volumes of € 15 billion in the quarter. This included net inflows of investment products of € 9 billion and net new client loans of € 4 billion. In the Private Bank in Germany,

revenues were up 1%, while in the International Private Bank, revenues were down 1% year on year but up 1% if adjusted for specific items and currency translation effects. The current quarter also benefited from the TLTRO III programme and higher fee income from insurance products. Assets under Management rose by € 26 billion to € 519 billion during the quarter, exceeding half a trillion euros for the first time since 2017, reflecting five consecutive quarters of net inflows in investment products and positive effects from market performance and currency translation.

- **Asset Management net revenues** rose by 23% to € 637 million in the quarter. Management fees were essentially stable year on year, as four consecutive quarters of client inflows and supportive market conditions offset industry-wide pressure on margins. Revenues were positively impacted by a favourable change in the fair value of guarantees, and performance and transaction fees more than doubled versus the prior year quarter. Assets under Management rose by € 28 billion in the quarter to € 820 billion, a record level, reflecting supportive markets and currency movements. Net inflows were € 1 billion during the quarter; inflows in Passive and Alternatives were largely offset by outflows from low-margin cash products as investors returned to risk assets.

## Costs remain in line with transformation targets

**Noninterest expenses** were € 5.6 billion in the quarter, down 1% versus the prior year quarter. These included bank levies of € 571 million, up by 13% year on year, and transformation charges of € 116 million, up 38%. Adjusted costs ex-transformation charges[1], bank levies and reimbursable expenses related to Prime Finance were € 4.7 billion, down 4%. This was the thirteenth consecutive quarter of year on year reductions in adjusted costs on this basis. The internal workforce was 84,389 full-time equivalents (FTEs) at the end of the quarter, a reduction of 2,278 FTEs since the first quarter of 2020.

## Significant improvement in provision for credit losses

**Provision for credit losses** was € 69 million in the quarter, down 86% from € 506 million in the first quarter of 2020, and 6 basis points (bps) of average loans on an annualised basis. Provisions for non-performing loans (Stage 3) were reduced by 40% versus the prior year quarter, due partly to fewer impairment events and partly to releases on specific exposures. Provisions were further reduced by releases of provisions for performing loans (Stage 1 and 2), which reflected an improved macro-economic outlook.

## Continued conservative management of capital and balance sheet

**The Common Equity Tier 1 (CET1) ratio** rose to 13.7% during the quarter. CET1 capital was positively impacted by net income, partly offset by a dividend accrual of € 300 million, equity compensation and other effects.

**Risk weighted assets (RWAs)** rose slightly from € 329 billion to € 330 billion during the quarter, largely reflecting currency translation effects. An increase in RWAs of € 4 billion due to the European Central Bank's Targeted Review of Internal Models (TRIM) materialised as expected in the first quarter. The bank expects approximately 80 basis points of additional CET1 ratio burden from final TRIM decisions and other regulatory RWA inflation expected in the second quarter of 2021.

**The Leverage Ratio** was 4.6% (fully loaded) in the first quarter, down by 8 basis points from the end of the previous quarter and excluding certain central bank deposit balances. Including these balances, the ratio would have been 4.2%, down by 12 basis points versus the previous quarter. This development reflects growth in leverage exposure of 2% during the quarter, predominantly driven by currency translation effects, together with trading volumes and net loan growth. On a phase-in basis, the Leverage Ratio was 4.7%, down by 8 basis points quarter on quarter.

**Liquidity reserves** were € 243 billion at the end of the first quarter, stable versus the fourth quarter of 2020. The Liquidity Coverage Ratio was 146% and the surplus over regulatory requirements was € 70 billion.

## Continued progress on sustainable financing and investment

Deutsche Bank continued to make progress in growing sustainable financing and investment volumes during the quarter. Volumes rose by € 25 billion, the highest quarterly volume to date, to a cumulative total of € 71 billion, up from € 46 billion at the end of the fourth quarter of 2020. First quarter 2021 milestones included:

- **Deutsche Bank's second green bond**, a US dollar-denominated senior preferred debt instrument with a five-year tenor, raised 800 million US dollars. The proceeds enable Deutsche Bank to refinance projects such as energy-efficient commercial real estate.
- Working with the New Development Bank in Shanghai to issue **the first emerging markets panda bond**, a renminbi-denominated issuance with a coupon of 3.22%. This aims to finance sustainable activities to support all 17 UN Sustainable Development Goals. The bond was issued with reference to the UNDP Sustainable Development Goals Impact Standards for bonds and raised 5 billion renminbi in China's onshore bond market.
- Raising 750 million US dollars through a senior non-preferred bond issuance in New York, working in partnership with additional underwriters owned and led by management teams consisting of women, minorities, and service-disabled veterans. This transaction reflects Deutsche Bank's commitment to diversity and inclusion within the financial community.
- **Launching green deposits** for clients of the Corporate Bank and International Private Bank. These offer cash management solutions in the form of term deposits which finance an equivalent sum in the bank's green asset pool, thereby linking clients' liquidity requirements with their sustainability goals. Eligibility criteria for companies include certain levels of ESG ratings.

Deutsche Bank will host a **Sustainability Deep Dive** on May 20, 2021.

# Group results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues: | | | | |
| Of which: | | | | |
| Corporate Bank (CB) | 1,313 | 1,325 | (11) | (1) |
| Investment Bank (IB) | 3,097 | 2,354 | 744 | 32 |
| Private Bank (PB) | 2,178 | 2,167 | 11 | 0 |
| Asset Management (AM) | 637 | 519 | 118 | 23 |
| Capital Release Unit (CRU) | 81 | (57) | 138 | N/M |
| Corporate & Other (C&O) | (74) | 43 | (116) | N/M |
| Total net revenues | 7,233 | 6,350 | 882 | 14 |
| Provision for credit losses | 69 | 506 | (437) | (86) |
| Noninterest expenses: | | | | |
| Compensation and benefits | 2,631 | 2,689 | (58) | (2) |
| General and administrative expenses | 2,926 | 2,875 | 52 | 2 |
| Impairment of goodwill and other intangible assets | 0 | 0 | (0) | N/M |
| Restructuring activities | 17 | 74 | (57) | (77) |
| Total noninterest expenses | 5,574 | 5,638 | (64) | (1) |
| Profit (loss) before tax | 1,589 | 206 | 1,383 | N/M |
| Income tax expense (benefit) | 552 | 141 | 411 | N/M |
| Profit (loss) | 1,037 | 66 | 972 | N/M |
| Profit (loss) attributable to noncontrolling interests | 36 | 23 | 12 | 53 |
| Profit (loss) attributable to Deutsche Bank shareholders and additional equity components | 1,002 | 43 | 959 | N/M |
| Profit (loss) attributable to additional equity components | 94 | 86 | 8 | 9 |
| Profit (loss) attributable to Deutsche Bank shareholders | 908 | (43) | 951 | N/M |
| | | | | |
| Common Equity Tier 1 capital ratio | 13.7 % | 12.8 % | 0.9 ppt | N/M |
| Leverage ratio (fully loaded) | 4.6 % | 4.0 % | 0.7 ppt | N/M |
| Loans (gross of allowance for loan losses, in € bn)[1] | 440 | 459 | (19) | (4) |
| Deposits (in € bn)[1] | 578 | 567 | 11 | 2 |
| Employees (full-time equivalent)[1] | 84,389 | 86,667 | (2,278) | (3) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Core Bank results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues: | | | | |
| Corporate Bank (CB) | 1,313 | 1,325 | (11) | (1) |
| Investment Bank (IB) | 3,097 | 2,354 | 744 | 32 |
| Private Bank (PB) | 2,178 | 2,167 | 11 | 0 |
| Asset Management (AM) | 637 | 519 | 118 | 23 |
| Corporate & Other (C&O) | (74) | 43 | (116) | N/M |
| Total net revenues | 7,152 | 6,407 | 744 | 12 |
| Provision for credit losses | 77 | 492 | (416) | (84) |
| Noninterest expenses: | | | | |
| Compensation and benefits | 2,591 | 2,637 | (46) | (2) |
| General and administrative expenses | 2,468 | 2,233 | 235 | 11 |
| Impairment of goodwill and other intangible assets | 0 | 0 | (0) | N/M |
| Restructuring activities | 16 | 73 | (56) | (78) |
| Total noninterest expenses | 5,076 | 4,944 | 132 | 3 |
| Noncontrolling interests | 0 | 0 | 0 | N/M |
| Profit (loss) before tax | 1,999 | 971 | 1,028 | 106 |
| | | | | |
| Total assets (in € bn)[1] | 1,141 | 1,200 | (59) | (5) |
| Loans (gross of allowance for loan losses, in € bn)[1] | 438 | 455 | (18) | (4) |
| Employees (full-time equivalent)[1] | 83,945 | 86,090 | (2,145) | (2) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Segment results in detail

## Corporate Bank

**Profit before tax** was € 229 million in the quarter, up 90% versus € 121 million in the prior year quarter. Adjusted profit before tax rose 69% year on year to € 266 million.

**First-quarter net revenues** of € 1.3 billion were 1% lower year on year, but 2% higher if adjusted for currency translation effects. The business offset interest rate headwinds with benefits from the TLTRO III programme, charging agreements, portfolio rebalancing actions and business momentum. Commission and fee income grew by 3% year on year. Charging agreements covered accounts with a value of € 83 billion at the end of the quarter, up from € 78 billion at the end of the fourth quarter 2020. Repricing contributed revenues of € 74 million in the quarter, ahead of the guidance provided at the bank's Investor Deep Dive in December 2020 on an annualised basis. Additionally, the Corporate Bank made progress on its strategy for clearing payments via online marketplaces and expanded its partnership with Mastercard.

Net revenues from **Corporate Treasury Services** were € 796 million, down 1% year on year, but 2% higher on a currency-adjusted basis. Benefits from the TLTRO III programme, charging agreements and portfolio rebalancing actions offset interest rate headwinds.

**Institutional Client Services** net revenues were € 327 million, down 3%, but 3% higher adjusted for currency translation. Fee income growth in Trust and Agency Services offset a decline in Securities Services revenues due to interest rate headwinds in key markets.

**Business Banking** net revenues of € 190 million were up 1% year on year, as interest rate pressures were offset by charging agreements and benefits from the TLTRO III programme.

**Noninterest expenses** were € 1.1 billion, up 1% higher year on year. Adjusted costs ex-transformation charges[1] were also up 1% year on year due to higher bank levy allocations, partly offset by positive impacts from headcount reductions, non-compensation initiatives and currency translation effects.

**Provision for credit losses** was a net release of € 20 million in the quarter, compared to a provision of € 106 million in the prior year quarter. This development was driven by releases due to an improving macroeconomic outlook and releases of provisions on specific exposures.

## Corporate Bank results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues: | | | | |
| Corporate Treasury Services | 796 | 800 | (5) | (1) |
| Institutional Client Services | 327 | 336 | (9) | (3) |
| Business Banking | 190 | 188 | 2 | 1 |
| Total net revenues | 1,313 | 1,325 | (11) | (1) |
| Provision for credit losses | (20) | 106 | (127) | N/M |
| Noninterest expenses: | | | | |
| Compensation and benefits | 274 | 280 | (7) | (2) |
| General and administrative expenses | 818 | 812 | 6 | 1 |
| Impairment of goodwill and other intangible assets | 0 | 0 | 0 | N/M |
| Restructuring activities | 12 | 5 | 7 | 148 |
| Total noninterest expenses | 1,104 | 1,097 | 7 | 1 |
| Noncontrolling interests | 0 | 0 | 0 | N/M |
| Profit (loss) before tax | 229 | 121 | 109 | 90 |
| | | | | |
| Total assets (in € bn)[1] | 246 | 245 | 1 | 0 |
| Loans (gross of allowance for loan losses, in € bn)[1] | 117 | 131 | (14) | (10) |
| Employees (full-time equivalent)[1] | 7,558 | 7,889 | (331) | (4) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Investment Bank

**Profit before tax** was € 1.5 billion in the quarter, up 134% versus € 637 million in the prior year quarter. Adjusted profit before tax rose 149% year on year to € 1.5 billion.

**First-quarter net revenues** were € 3.1 billion, up 32% year on year and up 34% ex-specific items. Revenue growth was driven by strong business performance and continued progress on strategy implementation.

**Fixed Income & Currency (FIC) Sales & Trading** net revenues were € 2.5 billion, up 34% year on year. Financing and Credit Trading revenues were significantly higher, reflecting strong performance in the current quarter combined with non-recurrence of prior year mark to market losses due to market dislocation. Revenues in Rates, Foreign Exchange and Emerging Markets declined as market activity normalised compared with the exceptional levels of the first quarter of 2020; however, the franchise showed resilience with certain business areas performing strongly year on year.

**Origination & Advisory** net revenues were € 644 million, up 40% year on year. Equity Origination revenues were significantly higher, driven by growth across the franchise, with record levels of Special Purpose Acquisition Company (SPAC) activity as well as growth in Initial Public Offerings and follow-ons. Growth in Debt Origination revenues was driven predominantly by a rebound in Leveraged Debt Capital Markets and strong performance with Supranationals, Sovereigns and Agencies (SSAs). Origination and Advisory captured a gain of 30 basis points in market share versus the first quarter of 2020 (source: *Dealogic*). Deutsche Bank ranked #3 in Global EUR denominated issuance for SSA clients with 7.9% market share through the quarter (source: *Dealogic*). Advisory revenues declined year on year, but were up if adjusted for the net impact of hedging activity.

**Noninterest expenses** were € 1.6 billion in the quarter, up 9% year on year, reflecting an increased bank levy allocation. Excluding this item, non-interest expenses were essentially flat. The cost/income ratio improved to 52%, from 63% in the prior year quarter.

**Provision for credit losses** was € 0 million in the quarter, as releases driven by the improved macroeconomic outlook offset Stage 3 impairments.

## Investment Bank results at a glance

| | Three months ended | | | |
|---|---|---|---|---|
| in € m (unless stated otherwise) | Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
| Net revenues: | | | | |
| Fixed Income, Currency (FIC) Sales & Trading | 2,478 | 1,854 | 624 | 34 |
| Debt Origination | 385 | 368 | 17 | 5 |
| Equity Origination | 196 | 20 | 176 | N/M |
| Advisory | 63 | 71 | (8) | (11) |
| Origination & Advisory | 644 | 459 | 185 | 40 |
| Other | (25) | 41 | (66) | N/M |
| Total net revenues | 3,097 | 2,354 | 744 | 32 |
| Provision for credit losses | 0 | 243 | (242) | (100) |
| Noninterest expenses: | | | | |
| Compensation and benefits | 492 | 495 | (3) | (1) |
| General and administrative expenses | 1,113 | 977 | 136 | 14 |
| Impairment of goodwill and other intangible assets | 0 | 0 | 0 | N/M |
| Restructuring activities | 1 | 4 | (3) | (77) |
| Total noninterest expenses | 1,605 | 1,475 | 130 | 9 |
| Noncontrolling interests | 1 | (1) | 2 | N/M |
| Profit (loss) before tax | 1,490 | 637 | 853 | 134 |
| | | | | |
| Total assets (in € bn)[1] | 574 | 653 | (79) | (12) |
| Loans (gross of allowance for loan losses, in € bn)[1] | 71 | 87 | (16) | (18) |
| Employees (full-time equivalent)[1] | 4,279 | 4,324 | (45) | (1) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Private Bank

**Profit before tax** was € 274 million for the first quarter 2021, up 92% versus € 143 million in the prior year period. **Adjusted profit before tax**[1] was € 297 million, up 43% year on year, reflecting continued cost savings, lower provision for credit losses, and stable revenues despite substantial interest rate headwinds.

**First-quarter net revenues** were € 2.2 billion, stable compared to the first quarter 2020 and up 2% on a currency-adjusted basis. Interest rate headwinds were largely offset by continued business growth: € 15 billion of net new business volumes in the quarter included net new client loans of € 4 billion and net inflows into investment products of € 9 billion. This represents significant progress towards the Private Bank's full-year 2021 business growth ambition of more than € 30 billion in net new client loans and net inflows in assets under management. The current quarter also benefited from the TLTRO III programme and higher fee income from insurance products.

The **Private Bank Germany** generated net revenues of € 1.3 billion, up 1% compared to the prior year quarter. Continued growth in loan revenues and TLTRO III benefits, combined with higher commission and fee income from investment and insurance products, more than offset the impacts of continued deposit margin compression.

In the **International Private Bank**, net revenues were € 831 million, down 1% compared to the prior year quarter. Revenues were up 1% year on year excluding specific items and negative currency translation effects. Sustained business growth in investment products, due in part to relationship manager hires in previous periods, together with loan growth and TLTRO III benefits, more than offset headwinds from lower interest rates.

**Assets under Management** increased by € 26 billion in the quarter. This reflected net inflows of € 10 billion, including € 9 billion in investment products, market appreciation, and positive currency translation effects.

**Noninterest expenses** were € 1.8 billion, down 4% versus the prior year quarter. This reflected a reduction in transformation-related effects to € 47 million, down from € 81 million in the prior year period, and a 3% reduction in adjusted costs ex-transformation charges to € 1.8 billion. This was mainly due to continued cost discipline and savings from transformation initiatives including workforce reductions, partly offset by higher costs for deposit protection schemes.

**Provision for credit losses** was € 98 million, down 29% year on year, reflecting releases due to an improved macroeconomic outlook, tight risk discipline and a high quality loan book. These more than offset the continued impact of the COVID-19 environment.

## Private Bank results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues: | | | | |
| Private Bank Germany | 1,346 | 1,331 | 15 | 1 |
| International Private Bank | 831 | 836 | (4) | (1) |
| IPB Personal Banking [1] | 229 | 221 | 8 | 4 |
| IPB Private Banking and Wealth Management [2] | 602 | 615 | (13) | (2) |
| Total net revenues | 2,178 | 2,167 | 11 | 0 |
| Of which: | | | | |
| Net interest income | 1,172 | 1,190 | (19) | (2) |
| Commissions and fee income | 889 | 846 | 43 | 5 |
| Remaining income | 117 | 131 | (14) | (11) |
| Provision for credit losses | 98 | 139 | (40) | (29) |
| Noninterest expenses: | | | | |
| Compensation and benefits | 719 | 739 | (20) | (3) |
| General and administrative expenses | 1,084 | 1,085 | (1) | (0) |
| Impairment of goodwill and other intangible assets | 0 | 0 | 0 | N/M |
| Restructuring activities | 2 | 62 | (60) | (96) |
| Total noninterest expenses | 1,805 | 1,886 | (81) | (4) |
| Noncontrolling interests | 0 | (0) | 0 | N/M |
| Profit (loss) before tax | 274 | 143 | 132 | 92 |
| | | | | |
| Total assets (in € bn)[3] | 296 | 263 | 33 | 12 |
| Loans (gross of allowance for loan losses, in € bn)[3] | 242 | 228 | 14 | 6 |
| Assets under Management (in € bn)[3] | 519 | 442 | 78 | 18 |
| Net flows (in € bn) | 10 | 1 | 10 | N/M |
| Employees (full-time equivalent)[3] | 29,522 | 31,113 | (1,590) | (5) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] Including small businesses in Italy, Spain and India. [2] Including small & mid caps in Italy, Spain and India

[3]As of quarter end.

## Asset Management

**Profit before tax** was € 183 million in the first quarter, a 66% increase over the prior year period. Adjusted for transformation charges and restructuring and severance expenses, profit before tax rose 61% to € 190 million.

**First-quarter net revenues** were € 637 million, a 23% increase over the prior year period. This was primarily due to a favourable change in the fair value of guarantees and higher performance fees. Management fees were essentially flat year on year, as four consecutive quarters of net inflows and positive market conditions offset continued industry-wide margin pressure.

**Net inflows** were € 1 billion in the first quarter. Net inflows of € 10 billion in Passive, Alternatives and Active (ex-cash) products were offset by outflows from low-margin cash products, as investor risk appetite increased in supportive markets.

**Assets under Management** grew by € 28 billion during the quarter to a record € 820 billion. This rise was driven by positive market developments as well as favourable exchange rate movements and supported by net inflows.

**Noninterest expenses** were € 405 million in the first quarter, up 8% year on year. Adjusted costs ex-transformation charges were € 399 million, up 9%. This increase was driven by higher compensation costs, primarily due to higher deferred compensation relating to the strong performance of the DWS share price since the first quarter of 2020, and platform investments. This was partly offset by a reduction in general and administrative expenses driven by the ongoing cost saving initiatives. The cost/income ratio for Asset Management improved year on year by 8 percentage points to 64% in the quarter.

## Asset Management results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues: | | | | |
| Management Fees | 547 | 553 | (6) | (1) |
| Performance and transaction fees | 40 | 17 | 22 | 130 |
| Other | 50 | (51) | 101 | N/M |
| Total net revenues | 637 | 519 | 118 | 23 |
| Provision for credit losses | (0) | 1 | (1) | N/M |
| Noninterest expenses: | | | | |
| Compensation and benefits | 216 | 173 | 43 | 25 |
| General and administrative expenses | 188 | 197 | (9) | (4) |
| Impairment of goodwill and other intangible assets | 0 | 0 | (0) | N/M |
| Restructuring activities | 1 | 3 | (2) | (71) |
| Total noninterest expenses | 405 | 374 | 32 | 8 |
| Noncontrolling interests | 49 | 35 | 14 | 40 |
| Profit (loss) before tax | 183 | 110 | 73 | 66 |
| | | | | |
| Total assets (in € bn)[1] | 10 | 10 | 1 | 7 |
| Assets under Management (in € bn)[1] | 820 | 700 | 120 | 17 |
| Net flows (in € bn) | 1 | (2) | 3 | N/M |
| Employees (full-time equivalent)[1] | 3,945 | 3,889 | 56 | 1 |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Corporate & Other

**Corporate & Other** reported a loss before tax of € 178 million in the first quarter 2021, compared to a loss before tax of € 40 million in the prior year quarter.

**First-quarter net revenues** were negative € 74 million compared to positive € 43 million in the first quarter 2020. This development was principally due to a negative contribution from valuation and timing differences from the negative mark to market impact of hedging activities in connection with the bank's funding arrangements. Valuation and timing differences were positive in the prior year quarter, reflecting the elevated market volatility in that period. Net revenues relating to funding and liquidity were negative € 36 million, versus negative € 63 million in the prior year quarter.

**Noninterest expenses** were € 156 million in the first quarter 2021, compared to € 112 million in the prior year quarter. The increase in noninterest expenses compared to the prior year quarter was driven by transformation charges related to the bank's accelerated rationalisation of its real estate portfolio, and an increase in expenses associated with shareholder activities not allocated to the business, principally driven by restructuring and severance. Higher-than-planned infrastructure expenses, where the difference is retained in Corporate & Other, declined to € 13 million, versus € 51 million in the first quarter of 2020.

**Noncontrolling interests** are deducted from the profit before tax of the divisions and reversed in Corporate & Other. These amounted to € 50 million in the first quarter of 2021, compared to € 33 million in the prior year quarter, mainly related to DWS.

## Corporate & Other results at a glance

| | Three months ended | | | |
|---|---|---|---|---|
| in € m (unless stated otherwise) | Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
| Net revenues | (74) | 43 | (116) | N/M |
| Provision for credit losses | (2) | 4 | (6) | N/M |
| Noninterest expenses: | | | | |
| Compensation and benefits | 892 | 950 | (59) | (6) |
| General and administrative expenses | (735) | (837) | 102 | (12) |
| Impairment of goodwill and other intangible assets | 0 | 0 | 0 | N/M |
| Restructuring activities | (0) | (1) | 1 | (100) |
| Total noninterest expenses | 156 | 112 | 45 | 40 |
| Noncontrolling interests | (50) | (33) | (17) | 50 |
| Profit (loss) before tax | (178) | (40) | (139) | N/M |
| | | | | |
| Employees (full-time equivalent)[1] | 38,641 | 38,875 | (234) | (1) |

N/M – Not meaningful

Prior year segmental information presented in the current structure.

[1] As of quarter end.

## Capital Release Unit

**Loss before tax** was € 410 million in the quarter, versus a loss before tax of € 765 million in the first quarter of 2020. This improvement was driven partly by net revenues of € 81 million in the quarter, up from € 57 million negative in the prior year quarter. Negative de-risking costs in this quarter were offset by positive revenues from gains on asset sales and reserve releases, reflecting market conditions, and positive operating income.

**Noninterest expenses** declined by 28% versus the prior year period to € 498 million, driven by a 36% reduction in adjusted costs ex-transformation charges to € 422 million. The reduction in adjusted costs ex-transformation charges was largely driven by year on year reductions in service cost allocations, bank levy allocations and compensation costs.

The Capital Release Unit made further progress on risk weighted asset (RWA) reduction in the quarter. **RWAs** were € 34 billion at quarter-end, down by 24% from € 44 billion at the end of the prior year quarter. De-risking of € 1.5 billion during the quarter was offset by model impacts and CVA inflation. Remaining RWAs include € 23 billion in Operational Risk RWAs.

**Leverage exposure** was € 81 billion at quarter-end, versus € 118 billion in the prior year quarter and € 72 billion in the fourth quarter of 2020. The quarter on quarter increase primarily reflects an incremental allocation of central liquidity reserves as communicated at the bank's Investor Deep Dive in December 2020. The higher allocation, combined with higher Prime Finance leverage, more than offset reductions from de-risking, maturities, market movements and other effects.

## Capital Release Unit results at a glance

| in € m (unless stated otherwise) | Three months ended Mar 31, 2021 | Mar 31, 2020 | Absolute Change | Change in % |
|---|---|---|---|---|
| Net revenues | 81 | (57) | 138 | N/M |
| Provision for credit losses | (7) | 14 | (21) | N/M |
| Noninterest expenses: | | | | |
| Compensation and benefits | 40 | 52 | (12) | (24) |
| General and administrative expenses | 458 | 641 | (183) | (29) |
| Impairment of goodwill and other intangible assets | 0 | 0 | 0 | N/M |
| Restructuring activities | 0 | 1 | (1) | (61) |
| Total noninterest expenses | 498 | 695 | (196) | (28) |
| Noncontrolling interests | 0 | (0) | 0 | N/M |
| Profit (loss) before tax | (410) | (765) | 355 | (46) |
| | | | | |
| Total assets (in € bn)[1] | 176 | 291 | (115) | (40) |
| Employees (full-time equivalent)[1] | 444 | 577 | (133) | (23) |

N/M – Not meaningful
Prior year segmental information presented in the current structure.
[1] As of quarter end

*As mentioned in the 2020 Deutsche Bank Annual Report, in line with recent ECB/EBA guidance the bank today re-published its Pillar 3 report for 2020 calculating all key regulatory metrics based on the proposed shareholder dividend payment of zero. As a result, the bank's re-published CET 1 capital increased to € 44.9 billion at year end 2020 with a corresponding impact on key regulatory metrics.*

For further information please contact:


Deutsche Bank AG
Media Contacts

Sebastian Kraemer-Bach
Phone: +49 69 910 43330
Email: sebastian.kraemer-bach@db.com

Christian Streckert
Phone: +49 69 910 38079
Email: christian.streckert@db.com

Charlie Olivier
Phone: +44 20 7545 7866
Email: charlie.olivier@db.com

Investor Relations
+49 800 910-8000 (Frankfurt)
db.ir@db.com

## Analyst call

An **analyst call** to discuss first quarter 2021 financial results will take place at 13:00 CEST today. An Earnings Report, Financial Data Supplement (FDS), presentation and audio webcast for the analyst conference call are available at: www.db.com/quarterly-results

A **fixed income investor call** will take place on, April 30, 2021, at 15:00 CEST. This conference call will be transmitted via internet: www.db.com/quarterly-results

**About Deutsche Bank**

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

**Forward-looking statements contain risks**

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 net 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 March 12, 2021 under the heading “Risk Factors” and in the “Risks and Opportunities” section of our Annual Report. Copies of these documents are readily available upon request or can be downloaded from www.db.com/ir.

**Basis of Accounting**

Results are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union (“EU”), including, from 2020, application of portfolio fair value hedge accounting for non-maturing deposits and fixed rate mortgages with pre-payment options (the “EU carve-out”). Fair value hedge accounting under the EU carve-out is employed to minimise the accounting exposure to both positive and negative moves in interest rates in each tenor bucket thereby reducing the volatility of reported revenue from Treasury activities. For the three-month period ended March 31, 2021, application of the EU carve out had a negative impact of € 316 million on profit before taxes and of € 207 million on profit. For the same time period in 2020 the application of the EU carve out had a positive impact of € 132 million on profit before taxes and of € 70 million on profit. The Group’s regulatory capital and ratios thereof are also reported on the basis of the EU carve out version of IAS 39. The impact on profit also impacts the calculation of the CET1 capital ratio and had a negative impact of approximately 6 basis points as of March 31, 2021 and a positive impact of approximately two basis points as of March 31, 2020. In any given period, the net effect of the EU carve-out can be positive or negative, depending on the fair market value changes in the positions being hedged and the hedging instruments.

### Use of Non-GAAP Financial Measures

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

| Non-GAAP Financial Measure | Most Directly Comparable IFRS Financial Measure |
|---|---|
| Adjusted Profit (loss) before tax, Profit (loss) attributable to Deutsche Bank shareholders, Profit (loss) attributable to Deutsche Bank shareholders after AT1 coupon | Profit (loss) before tax |
| Revenues excluding specific items, Revenues on a currency-adjusted basis | Net revenues |
| Adjusted costs, Adjusted costs excluding transformation charges, Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance | Noninterest expenses |
| Net assets (adjusted) | Total assets |
| Tangible shareholders’ equity, Average tangible shareholders’ equity, Tangible book value, Average tangible book value | Total shareholders’ equity (book value) |
| Post-tax return on average shareholders’ equity (based on profit (loss) attributable to Deutsche Bank shareholders after AT1 coupon) | Post-tax return on average shareholders’ equity |
| Post-tax return on average tangible shareholders’ equity | Post-tax return on average shareholders’ equity |
| Tangible book value per basic share outstanding, Book value per basic share outstanding | Book value per share outstanding |

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

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

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

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

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

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

**Expenses eligible for reimbursement related to Prime Finance:** BNP Paribas and Deutsche Bank have signed a master transaction agreement to provide continuity of service to Deutsche Bank's Prime Finance and Electronic Equities clients. Under the agreement Deutsche Bank will continue to operate the platform until clients can be migrated to BNP Paribas, and expenses of the transferred business are eligible for reimbursement by BNP Paribas.

For descriptions of non-GAAP financial measures and the adjustments made to the most directly comparable IFRS financial measures to obtain them, please refer to pages 3-13 and 17-29 of the financial data supplement which is available at: www.db.com/quarterly-results