Media Release

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Deutsche Bank reports net loss driven by transformation charges in the second quarter of 2019

Christian Sewing, Chief Executive Officer, said: "We have already taken significant steps to implement our strategy to transform Deutsche Bank. These are reflected in our results. A substantial part of our restructuring costs is already digested in the second quarter. Excluding transformation charges the bank would be profitable and in our more stable businesses revenues were flat or growing. This, combined with our solid capital and liquidity position, gives us a firm foundation for growth."

Second quarter and first half 2019 highlights

- **Second-quarter net loss of 3.1 billion euros after strategic transformation charges of 3.4 billion euros**
  - **Substantial portion of expected transformation charges now taken**
  - **Large majority of transformation charges have no impact on capital position**
- **Second-quarter net income would have been 231 million euros and pre-tax profit 441 million euros excluding transformation charges**
- **Revenues down 6% or 5% if adjusted for specific items[1]; revenues essentially flat or growing in more stable businesses (Global Transaction Banking, Private & Commercial Bank and Asset Management) if adjusted for specific items[1]**
- **Continued volume growth in the first half year**
  - **Loan growth of 14 billion euros**
  - **Net asset inflows of 20 billion euros**
  - **Assets under management up 88 billion euros**
- **Noninterest expenses of 7.0 billion euros and adjusted costs[2] of 5.7 billion euros. Excluding transformation charges, in the second quarter:**
  - **Noninterest expenses down 3%**

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    - **Adjusted costs down 4%**
    - **6th consecutive quarter of year-on-year adjusted cost reduction ex-bank levies**
- **Capital position remains robust: Common Equity Tier 1 ratio of 13.4%**
- **Substantial progress on strategy execution**
    - **Cash Equities positions exited/system shutdown initiated**
    - **Negotiation of Prime Finance/Electronic Equities sale on track**
    - **Over 900 employees given notice or informed their role will be eliminated**
- **As at 30 June 2019, businesses to be transferred into the Capital Release Unit accounted for (pro forma):**
    - **Leverage exposures of 250 billion euros**
    - **Risk weighted assets of 65 billion euros**

Financial impact of strategic transformation charges

As a result of its announced restructuring, Deutsche Bank (XETRA: DBKGn.DB / NYSE: DB) reported a net loss of 3.1 billion euros in the quarter. Charges related to strategic transformation, including the impact of a lowered outlook on business plans, were 3.4 billion euros.

Excluding these charges, net income would have been 231 million euros versus 401 million euros in the prior year period.

The bank reported a loss before income taxes of 946 million euros including 1.4 billion euros in pre-tax transformation-related charges. Excluding these charges, pre-tax profit would have been 441 million euros versus 711 million euros in the second quarter of 2018.

Strategic transformation charges of 3.4 billion euros comprised Deferred Tax Asset (DTA) valuation adjustments of 2.0 billion euros, plus 1.4 billion euros comprising 1.0 billion euros of impairments on goodwill[3] reflecting a lowered outlook on business plans, and 351 million euros of impairments on software and provision for existing service contracts. The large majority of these charges have no impact on Common Equity Tier 1 capital.

For the first six months of 2019, the bank reported a loss before income taxes of 654 million euros and a net loss of 2.9 billion euros, primarily driven by transformation-related charges in the second quarter of 2019. Excluding these charges, first-half pre-tax profit would have been 733 million euros, and first-half net income would have been 432 million euros. In the first six months of 2018, profit before tax was 1.1 billion euros and net income was 521 million euros.

Execution of Deutsche Bank's transformation strategy is underway. In the first six months of 2019 the bank reduced leverage exposures in business to be transferred to the Capital Release Unit by 38 billion euros and risk weighted assets by 9 billion euros. Negotiations are on track for the sale of Prime Finance and the Electronic Equities platform to BNP Paribas. In Cash Equities, Deutsche Bank has exited positions and the shutdown of systems is in progress. Over 900 employees have either been given notice or informed that their role will be eliminated since the announcement of the transformation strategy.

Revenue share of more stable businesses is growing

Net revenues were 6.2 billion euros in the quarter, down 6% on a reported basis compared to the prior year quarter and down 5% excluding specific items[1]. These items contributed a positive 109 million euros in the quarter, versus a positive 194 million euros in the prior year quarter.

Revenues in the Corporate & Investment Bank (CIB) were 2.9 billion euros, down 18% year-on-year, while revenues in the Private & Commercial Bank (PCB) were down 2%, or essentially flat if adjusted for specific items[1]. Revenues in Asset Management were up 6% year-on-year.

Revenues in more stable businesses – Global Transaction Banking, the Private & Commercial Bank and Asset Management – made up 65% of revenues in the quarter. These revenues were down 2% on a reported basis and up 1% adjusted for specific items[1].

[1]Specific revenue items, 2nd quarter 2019 versus 2nd quarter 2018

	Three months ended Jun 30, 2019				
in € m.	Corporate & Investment Bank	Private & Commercial Bank	Asset Management	Corporate & Other	Total Consolidated
Net revenues	2,942	2,486	593	182	6,203
DVA - CIB Other	(15)	0	0	0	(15)
Change in valuation of an investment - Sales & Trading (FIC)	101	0	0	0	101
Sal. Oppenheim workout - Wealth Management	0	23	0	0	23
Gain on sale - Global Transaction Banking	0	0	0	0	0
Gain from property sale - Private and Commercial Business (Germany)	0	0	0	0	0
Revenues excluding specific items	2,856	2,463	593	182	6,094

	Three months ended Jun 30, 2018				
in € m.	Corporate & Investment Bank	Private & Commercial Bank	Asset Management	Corporate & Other	Total Consolidated
Net revenues	3,578	2,542	561	(91)	6,590
DVA - CIB Other	56	0	0	0	56
Change in valuation of an investment - Sales & Trading (FIC)	0	0	0	0	0
Sal. Oppenheim workout - Wealth Management	0	81	0	0	81
Gain on sale - Global Transaction Banking	57	0	0	0	57
Gain from property sale - Private and Commercial Business (Germany)	0	0	0	0	0
Revenues excluding specific items	3,465	2,462	561	(91)	6,397

Volume growth in loans and assets under management

Loan growth was 4 billion euros on a reported basis. In the first six months, loan growth was 14 billion euros.

Assets under management (AuM) grew by 18 billion euros during the quarter, including net inflows of 9 billion euros. In the first six months of 2019, AuM increased by 88 billion euros with cumulative net inflows of 20 billion euros.

Costs down excluding strategic transformation charges

Noninterest expenses were 7.0 billion euros in the quarter, versus 5.8 billion euros in the prior year quarter, including the aforementioned 1.4 billion euros of transformation charges. Excluding these charges, noninterest expenses were down 3% year-on-year.

Adjusted costs[2] were 5.7 billion euros in the quarter. Excluding transformation-related charges, consisting of the aforementioned impairments on software and provision for existing service contracts, adjusted costs were 5.3 billion euros, down 4% year-on-year. This decline was driven by lower compensation and benefits expenses and professional service fees which more than offset higher IT expenses. The bank remains on track to meet its full-year target for adjusted costs of 21.5 billion euros excluding transformation-related charges.

[2] Noninterest expenses and adjusted costs, 2nd quarter 2019 versus 2nd quarter 2018

	Three months ended Jun 30, 2019				
in € m.	Corporate & Investment Bank	Private & Commercial Bank	Asset Management	Corporate & Other	Total Consolidated
Noninterest expenses	3,759	2,640	471	117	6,987
Impairment of goodwill and other intangible assets	491	545	0	0	1,035
Litigation charges (net)	169	(25)	2	18	164
Restructuring and severance	51	(6)	28	19	92
Adjusted costs	3,048	2,126	442	80	5,696

	Three months ended Jun 30, 2018				
in € m.	Corporate & Investment Bank	Private & Commercial Bank	Asset Management	Corporate & Other	Total Consolidated
Noninterest expenses	3,071	2,194	441	77	5,784
Impairment of goodwill and other intangible assets	0	0	0	0	0
Litigation charges (net)	(42)	(49)	16	44	(31)
Restructuring and severance	167	22	9	41	239
Adjusted costs	2,945	2,222	416	(7)	5,577

The workforce declined to 90,866 on a full-time equivalent (FTE) basis at the end of the quarter, a reduction of approximately 600 in the quarter, partially due to the disposal of the bank's Portuguese retail operations during the quarter, and down by approximately 4,600 since the end of the second quarter of 2018.

Credit quality remains solid

Provision for credit losses was 161 million euros in the quarter, up by 66 million euros versus the prior year quarter, reflecting higher provisions set aside to take account of forecasted weaker macroeconomic conditions. However, it remains low by historical standards, reflecting the low risk profile of the loan portfolio. Provision for credit losses in PCB remained essentially unchanged versus the prior year quarter at 87 million euros, as new provisions were partially offset by gains on portfolio sales. This reflects strong underwriting standards and a supportive credit environment. Provision in CIB was 72 million euros, up from a low level of 11 million euros in the prior year quarter, reflecting forecasted weaker macroeconomic conditions and larger releases recorded in the prior year quarter.

Capital and balance sheet strength largely unaffected by transformation charges

The Common Equity Tier 1 (CET 1) ratio was 13.4% at the end of the quarter, down from 13.7% at the end of the first quarter, and largely unaffected by the aforementioned DTA adjustments and goodwill impairments which comprised the majority of the transformation charges. The quarter-on-quarter development reflected an impact of approximately 20 basis points from two final decisions relating to regular reviews by the European Central Bank. In addition, the payment of the 2018 common share dividend and of coupons on Additional Tier 1 (AT1) capital instruments reduced the CET 1 ratio by approximately 10 basis points. In the first six months, the CET 1 ratio declined from 13.6% to 13.4%, largely reflecting the aforementioned second-quarter effects.

Risk weighted assets (RWA) were 347 billion euros, essentially flat quarter-on-quarter. Increases in Credit Risk RWA were offset by reductions in Operational Risk RWA due to continued improvement in the bank's loss profile. In the first six months of 2019, RWAs declined by 4 billion euros, reflecting a modest first-quarter reduction.

The fully loaded Leverage Ratio was 3.9% in the quarter, stable relative to the first quarter. Leverage exposures declined by 41 billion euros. Cash balances were reduced, while additional reductions in leverage exposures related to Sales & Trading activities were partly offset by loan growth, reflecting the bank's continued efforts to rebalance its business mix toward more stable revenue sources. In the first six months of 2019, the fully loaded leverage ratio declined from 4.1% to 3.9%, and the phase-in ratio declined from 4.3% to 4.2%, largely reflecting an increase in leverage exposures in the first quarter.

Liquidity reserves remained strong at 246 billion euros at the end of the second quarter, down from 260 billion euros in the first quarter and 259 billion euros at the end of 2018. The decline of 13 billion euros during the first six months of this year was driven by active measures to reduce and redeploy excess liquidity. The Liquidity Coverage Ratio (LCR) at the end of the quarter was 147%, up from 141%

in the previous quarter. At this level, the LCR is 47% above the required level of 100%, equivalent to a surplus of 67 billion euros.

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[3] *Goodwill impairment charges, which were triggered by the bank's revision to its strategic plan as part of the transformation planning process, were higher than those charges disclosed on announcement of the bank's strategy on 7 July 2019. This resulted from the detailed application of the bank's divisional strategic plan to the Cash-Generating Unit "Global Transaction Banking & Corporate Finance". For further information, please refer to section "Impact of Deutsche Bank's transformation" of the Interim Report*

Group results at a glance

in € m. (unless stated otherwise)	Three months ended Jun 30, 2019	Three months ended Jun 30, 2018	Absolute Change	Change in %	Six months ended Jun 30, 2019	Six months ended Jun 30, 2018	Absolute Change	Change in %
Net revenues:								
Of which:								
Corporate & Investment Bank (CIB)	2,942	3,578	(636)	(18)	6,270	7,424	(1,153)	(16)
Private & Commercial Bank (PCB)	2,486	2,542	(57)	(2)	4,999	5,182	(183)	(4)
Asset Management (AM)	593	561	33	6	1,118	1,106	13	1
Corporate & Other (C&O)	182	(91)	273	N/M	166	(144)	311	N/M
Total net revenues	**6,203**	6,590	(387)	(6)	**12,554**	13,567	(1,013)	(7)
Provision for credit losses	**161**	95	66	70	**301**	183	119	65
Noninterest expenses:								
Compensation and benefits	2,813	3,050	(237)	(8)	5,679	6,052	(373)	(6)
General and administrative expenses	3,089	2,552	537	21	6,159	6,008	152	3
Impairment of goodwill and other intangible assets	1,035	0	1,035	N/M	1,035	0	1,035	N/M
Restructuring activities	50	182	(132)	(73)	33	181	(148)	(82)
Total noninterest expenses	**6,987**	5,784	1,203	21	**12,906**	12,241	666	5
Profit (loss) before tax	**(946)**	711	(1,657)	N/M	**(654)**	1,143	(1,798)	N/M
Income tax expense (benefit)	2,204	310	1,894	N/M	2,295	622	1,673	N/M
Net income (loss)	**(3,150)**	401	(3,551)	N/M	**(2,949)**	521	(3,470)	N/M
Net income (loss) attributable to noncontrolling interests	40	40	0	0	63	40	23	57
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(3,190)	361	(3,551)	N/M	(3,012)	481	(3,493)	N/M
Common Equity Tier 1 capital ratio	13.4 %	13.7 %	(0.3) ppt	N/M	13.4 %	13.7 %	(0.3) ppt	N/M
Leverage ratio (fully loaded)	3.9 %	4.0 %	(0.1) ppt	N/M	3.9 %	4.0 %	(0.1) ppt	N/M
Leverage ratio (phase-in)	4.2 %	4.2 %	0.1 ppt	N/M	4.2 %	4.2 %	0.1 ppt	N/M
Loans (gross of allowance for loan losses, in € bn, as of quarter-end)	419	395	23	6	419	395	23	6
Deposits (in € bn, as of quarter-end)	577	558	18	3	577	558	18	3
Assets under Management (in € bn, as of quarter-end)	1,226	1,195	31	3	1,226	1,195	31	3
Employees (full-time equivalent, as of quarter-end)	90,866	95,429	(4,563)	(5)	90,866	95,429	(4,563)	(5)

N/M – Not meaningful

Development in the business segments

Corporate & Investment Bank (CIB)

Net revenues were 2.9 billion euros, down 18% year-on-year.

Global Transaction Banking (GTB) revenues were 949 million euros, down 6% year-on-year. Adjusted for a specific item[1] relating to a one-time gain recorded in the prior year quarter, revenues in the quarter were essentially stable year-on-year. Growth in Cash Management and in Trade Finance was offset by perimeter adjustments in Securities Services.

Sales & Trading (Fixed Income) revenues were 1.3 billion euros, down 4%, or 11% if adjusted for a specific item[1] relating to a change in valuation of an investment. This development reflected a resilient performance in Credit, which was offset by the impact of lower volatility on FX revenues, while Rates produced a solid performance if adjusted for perimeter adjustments made in 2018. Overall Sales & Trading (Fixed Income) revenues were negatively impacted by the year-on-year impact of portfolio items.

Origination & Advisory revenues were 407 million euros, down 30%. This development reflects lower industry fee pools, especially in geographies (EMEA) and products (Leveraged Debt) which are normally areas of strength for Deutsche Bank.

Sales & Trading (Equity) revenues were 369 million euros, down 32% year-on-year. This development reflects the strategic reshaping announced in the second quarter of 2018, together with lower client flows in the second quarter of 2019 due to the market's anticipation of a strategic downsizing of the bank's Equities franchise.

Provision for credit losses was 72 million euros in the quarter, versus 11 million euros in the prior year quarter. This development reflects a weaker macroeconomic outlook and substantial releases in the second quarter of 2018.

Noninterest expenses were up 22% year-on-year to 3.8 billion euros impacted by transformation charges totalling 810 million euros. These comprised 491 million euros of impairment of goodwill plus 319 million euros of impairment on software and provisions for existing service contracts. This latter item also impacted adjusted costs which were up by 3%. Excluding this item, adjusted costs were down 7% year-on-year, driven by strategic perimeter reductions in 2018 and continued cost discipline.

CIB reported a **loss before tax** of 907 million euros in the quarter, driven in large part by the aforementioned 810 million euros of transformation charges.

For the first six months of 2019, CIB reported a loss before income taxes of 1.0 billion euros, compared to a pre-tax profit of 678 million euros in 2018. The decrease was primarily driven by the aforementioned impairments.

Deutsche Bank's core investment banking franchise scored notable successes in the first half of 2019. Deutsche Bank played a lead role in 16 of the top 25 fee events and was No. 1 issuer of high yield debt in EMEA with a market share of 8.3%, up from third in the first half of 2018 (source: *Dealogic*). In the 2019 *Euromoney* FX survey, Deutsche Bank rose to second place, from eighth in 2018, and was ranked first in Western Europe, versus fifth last year. In the same survey, Deutsche Bank rose to third place in electronic trading, up from eighth in 2018.

Corporate & Investment Bank results at a glance

in € m. (unless stated otherwise)	Three months ended Jun 30, 2019	Three months ended Jun 30, 2018	Absolute Change	Change in %	Six months ended Jun 30, 2019	Six months ended Jun 30, 2018	Absolute Change	Change in %
Net revenues:								
Global Transaction Banking	949	1,008	(59)	(6)	1,924	1,926	(2)	(0)
Equity Origination	75	108	(32)	(30)	118	183	(65)	(35)
Debt Origination	241	316	(75)	(24)	530	633	(102)	(16)
Advisory	91	153	(62)	(41)	212	241	(28)	(12)
Origination and Advisory	407	577	(170)	(30)	861	1,057	(195)	(18)
Sales & Trading (Equity)	369	540	(172)	(32)	837	1,111	(275)	(25)
Sales & Trading (FIC)	1,320	1,372	(52)	(4)	2,836	3,255	(419)	(13)
Sales & Trading	1,689	1,912	(224)	(12)	3,672	4,366	(694)	(16)
Other	(103)	81	(183)	N/M	(187)	75	(262)	N/M
Total net revenues	2,942	3,578	(636)	(18)	6,270	7,424	(1,153)	(16)
Provision for credit losses	72	11	61	N/M	95	8	87	N/M
Noninterest expenses:								
Compensation and benefits	890	1,054	(164)	(16)	1,852	2,114	(263)	(12)
General and administrative expenses	2,343	1,858	485	26	4,766	4,426	340	8
Impairment of goodwill and other intangible assets	491	0	491	N/M	491	0	491	N/M
Restructuring activities	36	160	(124)	(78)	43	174	(131)	(75)
Total noninterest expenses	3,759	3,071	688	22	7,151	6,714	438	7
Noncontrolling interests	18	21	(3)	(16)	19	24	(5)	(22)
Profit (loss) before tax	(907)	475	(1,381)	N/M	(995)	678	(1,672)	N/M
Total Assets (in € bn, as of quarter-end)	1,077	1,077	(0)	(0)	1,077	1,077	(0)	(0)
Loans (gross of allowance for loan losses, in € bn, as of quarter-end)	143	128	15	12	143	128	15	12
Employees (full-time equivalent, as of quarter-end)	17,238	17,052	185	1	17,238	17,052	185	1

N/M – Not meaningful

Private & Commercial Bank (PCB)

Net revenues were 2.5 billion euros, down 2% year-on-year. Excluding specific items[1] and adjusted for exited businesses, revenues grew by 2%, as growth in loan volumes and improved investment revenues more than offset the negative impact of continued deposit margin compression.

In the **Private & Commercial Business (Germany)**, revenues were 1.7 billion euros, up 2% year-on-year as strong growth momentum in business volumes and re-pricing measures more than offset continued deposit margin compression.

The **Private & Commercial Business (International)** generated revenues of 366 million euros, down 3% year-on-year following the change in the treatment of loan fees in Italy. Excluding this effect, revenues were essentially flat year-on-year as growth in loans and investment revenues offset impacts from the low interest rate environment.

Wealth Management (Global) revenues were 429 million euros, down 9% year-on-year. If adjusted for the specific item[1] arising from gains on workout activities relating to legacy Sal. Oppenheim positions in both quarters, revenues were up 4% year-on-year due to strong growth in Emerging Markets.

Noninterest expenses were 2.6 billion euros, up 20%, and were impacted by transformation-related charges totalling 557 million euros. These comprised 545 million euros for an impairment on goodwill and 12 million euros for an impairment on software. The latter also impacted **adjusted costs**, which were down 4% at 2.1 billion euros, reflecting benefits from reorganisation measures and continued strict cost discipline. On an FTE basis, the workforce was down by 459 in the quarter and by 2,682 year-on-year, including reductions of approximately 1,700 related to the deconsolidation of operations in Poland and Portugal.

PCB recorded a pre-tax loss of 241 million euros after the aforementioned 557 million euros in transformation-related charges. Excluding these charges, profit before tax would have been 316 million euros in the quarter, compared to 262 million euros in the prior year quarter.

Provision for credit losses was essentially flat year-on-year at 87 million euros, reflecting gains on portfolio sales and continued strong underwriting standards.

For the first six months of 2019, PCB reported a profit before tax of 46 million euros, compared to 586 million euros in the first six months of 2018. The decrease was primarily driven by the aforementioned transformation-related charges. Excluding these charges, pre-tax profit would have been 603 million euros in the first half of 2019, up 3% versus the prior year period, despite benefits from specific revenue items such as real-estate sales gains which were substantially higher in the first half of 2018. Post-tax Return on Tangible Equity (RoTE) for the first half of

2019 was 0.5%; excluding transformation-related charges, the post-tax RoTE would have been 7% for this period.

Growth in business volumes: PCB's AuM grew by 3 billion euros to 505 billion euros during the quarter. Adjusted for the impact of the sale of the Portuguese business, growth of 6 billion euros in the quarter was driven by net inflows of 5 billion euros. Loans were stable in the quarter. Net growth of 2 billion euros in loans to clients was largely offset by the sale of securities classified as loans, mainly promissory note loans.

In the first six months of 2019, PCB achieved net inflows of 13 billion euros in assets under management, of which 10 billion euros related to term deposits, and loan growth of 3 billion euros. Net growth of 6 billion euros in loans to clients was partly offset by the sale of securities classified as loans and exchange rate movements.

Private & Commercial Bank results at a glance

	Three months ended				Six months ended			
in € m. (unless stated otherwise)	Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %	Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %
Net revenues:								
Private and Commercial Business (Germany)	1,670	1,635	36	2	3,377	3,471	(94)	(3)
Private and Commercial Business (International)[1]	366	376	(10)	(3)	725	750	(25)	(3)
Wealth Management (Global)	429	470	(41)	(9)	856	896	(40)	(4)
Exited businesses[2]	21	62	(41)	(67)	41	65	(24)	(37)
Total net revenues	2,486	2,542	(57)	(2)	4,999	5,182	(183)	(4)
Of which:								
Net interest income	1,510	1,516	(6)	(0)	2,988	3,001	(13)	(0)
Commissions and fee income	775	793	(19)	(2)	1,595	1,661	(66)	(4)
Remaining income	201	233	(32)	(14)	416	520	(104)	(20)
Provision for credit losses	87	86	1	1	204	174	29	17
Noninterest expenses:								
Compensation and benefits	973	1,003	(30)	(3)	1,946	1,982	(36)	(2)
General and administrative expenses	1,136	1,181	(46)	(4)	2,297	2,445	(149)	(6)
Impairment of goodwill and other intangible assets	545	0	545	N/M	545	0	545	N/M
Restructuring activities	(13)	11	(23)	N/M	(39)	(7)	(32)	N/M
Total noninterest expenses	2,640	2,194	446	20	4,749	4,421	328	7
Noncontrolling interests	(0)	0	(0)	N/M	(0)	0	(0)	N/M
Profit (loss) before tax	(241)	262	(503)	N/M	46	586	(540)	(92)
Total Assets (in € bn, as of quarter-end)	345	338	7	2	345	338	7	2
Loans (gross of allowance for loan losses, in € bn, as of quarter-end)	272	268	5	2	272	268	5	2
Assets under Management (in € bn, as of quarter-end)	505	503	2	0	505	503	2	0
Employees (full-time equivalent, as of quarter-end)	40,932	43,614	(2,682)	(6)	40,932	43,614	(2,682)	(6)

N/M – Not meaningful
[1] Covers operations in Belgium, India, Italy and Spain.
[2] Covers operations in Poland and Portugal as well as Private Client Services (PCS) and Hua Xia in historical periods.

Asset Management (AM)

Net revenues were 593 million euros, up 6% year-on-year. The increase was driven by episodic performance fees and essentially flat management fees as improved market conditions and positive asset flows offset the unfavourable impact of net outflows in 2018.

Noninterest expenses were 471 million euros, up 7%, with adjusted costs up 6% to 442 million euros, predominantly due to higher compensation expenses on carried interest relating to episodic performance fees.

Profit before tax was 89 million euros in the second quarter, down 5% year-on-year, reflecting an increase in noncontrolling interest driven by higher standalone profitability in DWS. Post-tax RoTE was 14%.

For the first six months of 2019, Asset Management reported profit before tax of 185 million euros, up 12% from 165 million euros in the first six months of 2018.

Growth in assets under management: assets under management increased by 15 billion euros to 721 billion euros during the quarter. This increase reflected positive market performance and net new money inflows of 4 billion euros driven by targeted growth areas of Passive and Alternatives offset by declines in traditional fixed income and equities. In the year to date, assets under management grew by 56 billion euros including net inflows of 7 billion euros which includes a positive contribution from strategic partnerships.

Asset Management results at a glance

	Three months ended				Six months ended			
in € m. (unless stated otherwise)	Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %	Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %
Net revenues:								
Management Fees	539	530	9	2	1,048	1,062	(14)	(1)
Performance and transaction fees	66	29	36	124	77	47	29	62
Other revenues	(11)	1	(12)	N/M	(7)	(3)	(3)	100
Total net revenues	593	561	33	6	1,118	1,106	13	1
Provision for credit losses	0	(1)	1	N/M	0	(0)	0	N/M
Total noninterest expenses:								
Compensation and benefits	228	194	33	17	427	389	39	10
General and administrative expenses	217	240	(23)	(10)	413	516	(103)	(20)
Impairment of goodwill and other intangible assets	0	0	0	N/M	0	0	0	N/M
Restructuring activities	27	7	20	N/M	29	9	19	N/M
Total noninterest expenses	471	441	30	7	869	914	(45)	(5)
Noncontrolling interests	33	26	6	25	64	26	37	141
Profit (loss) before tax	89	93	(4)	(5)	185	165	20	12
Total Assets (in € bn, as of quarter-end)	10	10	(0)	(2)	10	10	(0)	(2)
Assets under Management (in € bn, as of quarter-end)	721	692	29	4	721	692	29	4
Employees (full-time equivalent, as of quarter-end)	3,998	4,027	(29)	(1)	3,998	4,027	(29)	(1)

N/M – Not meaningful

Corporate & Other (C&O)

Net revenues were 182 million euros in the second quarter of 2019, up from negative 91 million euros in the prior year period. This development was driven primarily by the mark-to-market impact of hedging activities in connection with the bank's arrangements to fund business activity across different currencies, notably US dollars, as spreads widened compared to the second quarter of 2018.

Noninterest expenses were 117 million euros in the quarter, up from 77 million euros in the prior year period. This development was primarily due to differences between plan and actual infrastructure expenses, which are allocated to business divisions based on plan with any differences between plan and actual allocations being captured within C&O. Shareholder expenses increased year-on-year by 12 million euros to 130 million euros, due to increased strategic project and business consulting costs.

Profit before income taxes was 113 million euros in the quarter, versus a loss before income taxes of 119 million euros in the prior year quarter.

In the first six months, profit before income taxes was 109 million euros, compared to a loss of 286 million euros in the prior year period.

Corporate & Other (C&O) results at a glance

in € m. (unless stated otherwise)	Three months ended Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %	Six months ended Jun 30, 2019	Jun 30, 2018	Absolute Change	Change in %
Net revenues	**182**	(91)	273	N/M	**166**	(144)	311	N/M
Provision for credit losses	**2**	(2)	4	N/M	**2**	0	2	N/M
Noninterest expenses:								
Compensation and benefits	723	800	(77)	(10)	1,453	1,566	(113)	(7)
General and administrative expenses	(606)	(727)	121	(17)	(1,316)	(1,379)	63	(5)
Impairment of goodwill and other intangible assets	0	0	0	N/M	0	0	0	N/M
Restructuring activities	0	5	(5)	N/M	0	5	(5)	N/M
Total noninterest expenses	**117**	77	40	52	**137**	192	(54)	(28)
Noncontrolling interests	**(51)**	(48)	(3)	6	**(82)**	(51)	(32)	62
Profit (loss) before tax	**113**	(119)	232	N/M	**109**	(286)	395	N/M

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An analyst call to discuss second-quarter 2019 financial results will take place today, Wednesday, July 24, 2019, at 13.00 CEST. This conference call will be broadcast via internet: www.db.com/quarterly-results

A Fixed Income investor call will take place on Friday, July 26, 2019, at 15.00 CEST. This conference call will be broadcast via internet: www.db.com/quarterly-results

The Earnings Report, the Financial Data Supplement (FDS), the presentation and the audio-webcast for the analyst conference call are available at: www.db.com/quarterly-results

The Deutsche Bank Pillar 3 Report Q2 2019 will be published on August 21 and will be available at:
www.db.com/regulatory-reporting

This document contains non-IFRS financial measures. For a reconciliation to directly comparable figures under IFRS, to the extent not provided herein, please refer to the Financial Data Supplement.

About Deutsche Bank

Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals. Deutsche Bank is Germany's leading bank, with a strong position in Europe and a significant presence in the Americas and Asia Pacific.

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 22 March 2019 under the heading "Risk Factors". Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.