



# Release

Frankfurt am Main

27 April 2010

---

## DEUTSCHE BANK REPORTS FIRST QUARTER 2010 NET INCOME OF EUR 1.8 BILLION

- *Net revenues of EUR 9.0 billion, up 24%*
- *Second best quarterly income before income taxes of EUR 2.8 billion*
- *Corporate and Investment Bank: Record income before income taxes, with strong revenues in Sales & Trading debt and equities*
- *Pre-tax return on average active equity of 30%*
- *Tier 1 capital ratio of 11.2%*
- *First-time consolidation of Sal. Oppenheim Group*
- *EUR 1.0 trillion in PCAM invested assets, an increase of EUR 125 billion*
- *Leverage ratio, per target definition, held steady at 23*

FRANKFURT AM MAIN, 27 April 2010 – Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) today reported results for the first quarter 2010. Net income for the quarter was EUR 1.8 billion, compared to EUR 1.2 billion in the first quarter 2009. Diluted earnings per share for the quarter were EUR 2.66, versus EUR 1.92 in the first quarter 2009. Income before income taxes was EUR 2.8 billion in the quarter, versus EUR 1.8 billion in the first quarter 2009. Pre-tax return on average active equity for the quarter was 30%.

Dr. Josef Ackermann, Chairman of the Management Board, said: *“The economic environment clearly stabilized in the first quarter 2010, but is not without some remaining vulnerability. In this environment, Deutsche Bank has once again demonstrated its earnings power, and has achieved the second best quarterly pre-tax result ever.”*

He added: *"The key component for achieving the very good result in the first quarter 2010 was our global investment banking franchise. The Corporate and Investment Bank (CIB) generated a pre-tax profit of EUR 2.7 billion, a new record quarterly result. This is all the more remarkable as it was achieved despite the fact that the Bank has significantly reduced its risk positions and cut its proprietary trading activities to a very low level."*

## **Group Highlights**

Net revenues for the quarter were EUR 9.0 billion, up 24% versus EUR 7.2 billion for the first quarter of 2009. This performance reflects strong revenues in Corporate Banking & Securities, as well as lower mark-downs and impairments. First quarter revenues in 2010 reflected EUR 241 million of net mark-downs predominantly related to monolines. The first quarter of 2009 included EUR 1.0 billion of mark-downs, primarily against monoline insurers, and an impairment charge of EUR 500 million on The Cosmopolitan Resort and Casino property.

In the Corporate and Investment Bank (CIB), net revenues were EUR 6.6 billion versus EUR 4.9 billion in the first quarter 2009.

In Corporate Banking & Securities (CB&S), net revenues were EUR 6.0 billion, up from EUR 4.3 billion in the prior year quarter. Revenues in Sales & Trading (Debt and other products) were EUR 3.8 billion, virtually unchanged versus the first quarter 2009. The impact of lower mark-downs and a strong performance in the quarter in Credit Trading was offset by lower revenues in Foreign Exchange, Money Markets and Rates arising from the expected normalization of the market environment. In Sales & Trading (Equity), net revenues were EUR 944 million in the quarter, versus EUR 215 million in the first quarter 2009. This improvement primarily reflected the non-recurrence of losses in Equity Derivatives which occurred in the first quarter of 2009 as well as increased contributions from Equity Trading. Revenues in Origination and Advisory were EUR 563 million in the quarter, up from EUR 349 million in the first quarter 2009. Debt Origination revenues increased by EUR 186 million, reflecting increased volumes and the non-recurrence of mark-downs in leveraged lending. Equity Origination revenues were up by 29%, reflecting significantly increased market activity compared to the prior year quarter. Loan products revenues were EUR 513 million for the first quarter 2010, compared to EUR 645 million in the first quarter 2009. The decrease was primarily due to losses from reductions of legacy assets. Other products revenues were EUR 170 million in the first quarter 2010, compared to negative revenues of EUR 765 million in the first quarter 2009. The swing in profitability of EUR 935 million was mainly attributable to an impairment of EUR 500 million in the first quarter 2009 related to The Cosmopolitan Resort and Casino property. The improvement also reflects a positive movement in mark-to-market results on investments held to back policyholder claims in Abbey Life, which are offset in noninterest expenses. Additionally, the prior year quarter was burdened by impairment losses on certain private equity investments.

In Global Transaction Banking (GTB), net revenues were EUR 636 million, compared to EUR 666 million in the first quarter 2009. Growth in Trade Finance

revenues was offset by lower revenues in Corporate Cash Management and Trust & Securities Services, reflecting prevailing low interest rates and lower transaction volumes in our domestic custody business.

In Private Clients and Asset Management (PCAM), net revenues were EUR 2.2 billion, compared to EUR 1.9 billion in the first quarter 2009.

In Asset and Wealth Management (AWM), net revenues were EUR 831 million, compared to EUR 514 million in the first quarter 2009. The increase was favorably impacted by the non-recurrence of impairment charges of EUR 120 million in the RREEF business recorded in the first quarter 2009. The development was also aided by the acquisition of Sal. Oppenheim Group (Sal Oppenheim) which added EUR 79 million in revenues since January 29, 2010, upon receipt of all significant legal and regulatory approvals. In addition, the first quarter 2010 included higher revenues from Discretionary portfolio management/fund management, Credit products and Advisory/brokerage activities.

In Private & Business Clients (PBC), net revenues were EUR 1.4 billion, up 2% versus the first quarter 2009. This reflected higher revenues from Discretionary portfolio management/fund management and from Deposits and payments services, partially offset by reduced revenues from Other products.

Revenues in Corporate Investments (CI) were EUR 220 million versus EUR 153 million in the first quarter 2009. Revenues in the first quarter 2010 included EUR 148 million related to Deutsche Postbank AG and EUR 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction.

In Consolidation & Adjustments (C&A), revenues were negative EUR 93 million in the first quarter 2010 versus positive net revenues of EUR 267 million in the first quarter 2009, mainly reflecting effects of different accounting methods used for management reporting and IFRS in relation to economically hedged short-term positions.

Provision for credit losses was EUR 262 million versus EUR 526 million in the first quarter 2009. CIB recorded a net charge of EUR 90 million in the first quarter 2010, compared to a net charge of EUR 357 million in the prior year quarter. The decrease was partly attributable to reduced provisions for credit losses on assets reclassified in accordance with IAS 39. The remaining reduction reflects improved credit conditions. In PCAM, provision for credit losses was EUR 173 million, versus EUR 169 million in the first quarter 2009. This reflects lower credit losses in Spain, but also includes the positive effect of a EUR 60 million one time release in the first quarter and lower provisions of EUR 28 million in the current quarter, both in relation to revised parameter and model assumptions.

Noninterest expenses were EUR 5.9 billion in the quarter, versus EUR 4.9 billion in the first quarter 2009. Compensation and benefits were EUR 3.6 billion, compared to EUR 3.0 billion in the prior year quarter, reflecting approximately EUR 350 million of increased deferred compensation expenses, predominantly including accelerated amortization of deferred compensation for employees eligible for career retirement. In addition, U.K. bank payroll tax attributable to the

first quarter of 2010 was EUR 120 million. Both items related to deferred compensation awards granted during the quarter. The aforementioned inclusion of Sal. Oppenheim increased compensation and benefits by EUR 90 million. The ratio of compensation and benefits to revenues was 40%, versus 41% in the prior year quarter. General and administrative expenses were EUR 2.2 billion, compared to EUR 2.0 billion in the prior year quarter. Current quarter general and administrative expenses include higher IT and professional services costs as well as EUR 95 million expenses relating to the inclusion of Sal. Oppenheim for the first time. Other non-compensation expenses include EUR 140 million of policyholder benefits and claims and an impairment charge on intangible assets of EUR 29 million.

Income before income taxes was EUR 2.8 billion in the quarter, versus EUR 1.8 billion in the first quarter 2009. The cost-income ratio for the quarter was 66%, compared to 68% in the same period last year.

Net income was EUR 1.8 billion in the quarter, versus EUR 1.2 billion in the first quarter 2009. The effective tax rate for the quarter was 36.4% compared to 34.9% in the prior year quarter. The increase was mainly driven by the geographic mix of income and the non-tax deductible bank payroll tax in the U.K. Earnings per share, on a diluted basis, were EUR 2.66, compared to EUR 1.92 in the prior year quarter.

The Bank's Tier 1 capital ratio was 11.2% at the end of the quarter, down from 12.6% at the end of the fourth quarter 2009, but well above our published target of 10%. This decrease is driven primarily by the acquisition of Sal. Oppenheim, which contributed EUR 17 billion to the quarter-on-quarter growth in risk-weighted assets and a reduction of EUR 1.3 billion in our Tier 1 capital, resulting in a 117 basis point reduction in our Tier 1 ratio. Moreover, a change in the regulatory reporting of certain securitization positions in the trading book led to an additional Tier 1 capital deduction of EUR 1.4 billion (and a corresponding deduction in Tier 2 capital), translating into a decrease of 49 basis points in our Tier 1 ratio. The core Tier 1 ratio, which excludes hybrids, was 7.5% at the end of the quarter, down from 8.7% at the year end. Tier 1 capital at the end of the quarter was EUR 32.8 billion, EUR 1.6 billion lower than at the end of the fourth quarter 2009, reflecting the above mentioned Tier 1 capital deductions as well as capital formation through net income of EUR 1.8 billion. Risk-weighted assets were EUR 292 billion at the end of the current quarter, up EUR 19 billion versus the end of the fourth quarter 2009. This increase principally reflected the above mentioned consolidation of Sal. Oppenheim.

Total assets were EUR 1,670 billion at the end of the quarter, up by 11% versus the end of the fourth quarter 2009. The quarter-on-quarter development reflects the weakening of the Euro, higher settlement balances, and the consolidation of Sal. Oppenheim. On a U.S. GAAP 'proforma' basis, which considers additional netting of derivatives, pending settlements and repos, total assets were EUR 978 billion at the end of the quarter, up by 10% versus the end of the fourth quarter 2009. The leverage ratio, per the bank's target definition, remains materially unchanged at 23 versus the end of the fourth quarter 2009. The impact

of higher assets has been largely offset by an increase in equity, mainly as a result of the increase in retained earnings.

## **Business Segment Review**

The comparison between the first quarter 2010 and the first quarter 2009 is limited due to several factors. The first quarter of 2009 included significant mark-downs and impairment charges, which did not repeat in 2010, whereas the first quarter in 2010 included three specific features which were not present in the first quarter 2009. Firstly, the first quarter 2010 included the consolidation of Sal. Oppenheim Group ("Sal. Oppenheim") for the first time. In Asset and Wealth Management, mainly Private Wealth Management, the inclusion of Sal. Oppenheim resulted in additional revenues of EUR 79 million and additional noninterest expenses of EUR 134 million, with an overall negative effect of EUR 58 million on the division's results. In addition, Corporate Investments included revenues of EUR 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction. Secondly, the first quarter 2010 reflected approximately EUR 350 million of higher deferred compensation expenses. This amount included EUR 298 million of accelerated amortization of deferred compensation for employees eligible for career retirement at the date of grant of the awards in February 2010. The awards granted in the first quarter 2009 did not have such a feature. Of the EUR 298 million, EUR 230 million relates to Corporate Banking & Securities, EUR 41 million to Asset and Wealth Management, EUR 20 million to Global Transaction Banking and EUR 8 million to Private & Business Clients. Thirdly, the first quarter 2010 reflected EUR 120 million of U.K. bank payroll tax related to the deferred compensation, which is attributed to Corporate Banking & Securities.

## **Corporate and Investment Bank Group Division (CIB)**

The presentation of Sales & Trading revenues was adjusted during the first quarter 2010 following a review of the assignment of specific revenue components to the product categories. Prior periods were amended retrospectively. The review resulted in a transfer of negative revenues of approximately EUR 60 million from Sales & Trading (debt and other products) to Sales & Trading (equity) in the first quarter 2009. The adjustment had no impact on CIB's total revenues.

## **Corporate Banking & Securities (CB&S)**

Sales & Trading (Debt and other products) net revenues were EUR 3.8 billion in the first quarter, virtually unchanged versus the first quarter of 2009. Mark-downs were EUR 255 million in the first quarter 2010 versus EUR 980 million in the prior year period (both mainly related to provisions against monoline insurers). Credit Trading had a record quarter reflecting strong performance in flow products across all regions and the non-recurrence of losses from legacy positions. These factors were offset by expected lower revenues in Foreign Exchange, Money Markets and Rates, driven by lower volatility and tighter bid-offer spreads compared to the prior year quarter. Emerging Markets and Commodities recorded solid revenues.

Sales & Trading (Equity) generated revenues of EUR 944 million, an increase of EUR 729 million compared to the first quarter 2009. Equity Trading benefited from good commission levels despite the decline in primary volumes. Prime Finance performed well in an increasingly competitive environment. The increase in revenues compared to the first quarter 2009 partly reflects the non-recurrence of losses incurred in Equity Derivatives in the first quarter of 2009. Equity Proprietary Trading revenues were positive and the business continues to operate with low levels of risk.

Origination and Advisory generated revenues of EUR 563 million in the first quarter 2010, an increase of EUR 214 million compared to the first quarter 2009. Debt Origination revenues increased significantly, by EUR 186 million to EUR 316 million, in the first quarter of 2010. In Investment Grade debt, our ranking improved to fifth globally and, by volume, we achieved a number one position in All Bonds issued in Euros and maintained our third position in the All International Bonds league table. Equity Origination revenues increased by EUR 26 million, or 29%, reflecting significantly increased market activity versus the prior year quarter. In Advisory, revenues were consistent with the first quarter of 2009, reflecting similar low levels of market activity compared with the same period of the prior year. In that environment, our M&A business gained market share and improved its ranking by three positions to fifth globally. In the Americas, we grew market share significantly and improved our ranking by eight positions to number four. (Source for rankings and market share data by fees: Thomson Reuters, Dealogic).

Loan products revenues were EUR 513 million in the first quarter 2010, a decrease of EUR 131 million, or 20%, from the same period last year. The decrease was primarily due to losses from reductions in legacy assets. In addition, there were net mark-to-market losses across the investment grade fair value loan portfolio and hedges, compared to net mark-to-market gains in the prior year quarter.

Other products revenues were EUR 170 million in the first quarter, an increase of EUR 935 million from negative EUR 765 million in the previous year quarter. The increase was due to the absence of an impairment charge of EUR 500 million relating to The Cosmopolitan Resort and Casino property and private equity investment losses recorded in the first quarter 2009, as well as increased mark-to-market gains on investments held to back insurance policyholder claims in Abbey Life, which are offset in noninterest expenses.

In provision for credit losses, CB&S recorded a net charge of EUR 93 million in the first quarter 2010, compared to a net charge of EUR 356 million in the prior year quarter. The decrease was partially attributable to a reduction of EUR 115 million in provisions for credit losses related to assets which had been reclassified in accordance with IAS 39, mainly in relation to leveraged loans. The remaining reduction of EUR 148 million is primarily attributable to improved credit conditions in the current year quarter.

Noninterest expenses were EUR 3.3 billion in the first quarter 2010, an increase of EUR 714 million, or 28%, compared to the first quarter 2009. The development was primarily driven by increased deferred compensation expenses, which includes accelerated amortization of deferred compensation for employees eligible for career retirement, the related U.K. bank payroll tax, and the aforementioned effects from Abbey Life.

Income before income taxes was EUR 2.6 billion in the first quarter 2010, compared to EUR 1.3 billion in the prior year quarter.

### **Global Transaction Banking (GTB)**

GTB generated net revenues of EUR 636 million in the first quarter 2010, a decrease of EUR 30 million, or 5%, compared to the first quarter 2009. The decrease was predominantly attributable to the prevailing low U.S. dollar and euro interest rate environment as well as lower transaction volumes in our domestic custody business. In contrast, revenues in Trade Finance improved driven by higher demand for more complex financing products in Germany and the Americas. The current quarter included a positive impact of EUR 29 million related to a revision of our risk-based funding framework in the second quarter 2009.

Noninterest expenses were EUR 520 million in the first quarter 2010, up EUR 82 million, or 19%, compared to the first quarter 2009. The increase included an impairment of intangible assets of EUR 29 million relating to the client portfolio of an acquired domestic custody services business as well as higher deferred compensation and regulatory expenses, mainly related to deposit protection.

Income before income taxes was EUR 119 million for the quarter, a decrease of EUR 107 million, or 47%, compared to the prior year quarter.

### **Private Clients and Asset Management Group Division (PCAM)**

The presentation of PCAM product revenues was adjusted during the first quarter 2010 following a review and refinement of product classifications. These changes primarily impacted the classification of revenues from deposits, which had been previously been reported jointly with loan revenues. Revenues from credit products have now been combined with revenues from payment services. Revenues from credit products are now reported separately. Insurance brokerage revenues, previously reported under Payments, Account and Financial Services, are now reported under Advisory/Brokerage. These changes enhance transparency and better reflect how products are managed internally. Prior periods were amended retrospectively. The adjustments had no impact on PCAM's total revenues.

### **Asset and Wealth Management (AWM)**

AWM reported net revenues of EUR 831 million in the first quarter 2010, an increase of EUR 317 million, or 62%, compared to the same period in 2009. Revenues from credit products were EUR 77 million, an improvement of EUR 20 million, or 35%, primarily due to increased loan volumes and margins. Deposits

and payment services revenues were EUR 33 million, down by EUR 3 million, or 8%, driven by margin compression. Advisory/brokerage revenues improved by EUR 27 million, or 16% to EUR 197 million. The increase included EUR 19 million related to Sal. Oppenheim. Discretionary portfolio management/fund management revenues were up by EUR 50 million, or 15%, in Asset Management (AM) and by EUR 32 million, or 52%, in Private Wealth Management (PWM). The increases reflected the positive impact of favorable market conditions and higher asset valuations on asset based fees. Additionally, in PWM the first consolidation of Sal. Oppenheim contributed EUR 20 million. Revenues from Other products increased by EUR 191 million compared to the same period last year. The prior year's quarter included impairment charges related to RREEF investments of EUR 120 million in AM. In addition, PWM's revenues from other products in the first quarter 2010 reflected EUR 36 million related to Sal. Oppenheim.

Noninterest expenses in the first quarter 2010 were EUR 832 million. The increase of EUR 146 million, or 21%, versus the first quarter 2009 was mainly driven by the first consolidation of Sal. Oppenheim in PWM and by the aforementioned deferred compensation expenses in both, AM and PWM.

In the first quarter 2010, AWM recorded a loss before income taxes of EUR 5 million compared to a loss before income taxes of EUR 173 million in the first quarter last year.

Invested assets in AWM were EUR 808 billion as of March 31, 2010, up by EUR 122 billion from December 31, 2009, of which EUR 17 billion related to market appreciation. In AM, invested assets increased by EUR 41 billion, or 8%, during the first quarter 2010, reflecting favorable market conditions and net new money of EUR 4 billion. Also included was an increase of EUR 14 billion related to the consolidation of certain Sal. Oppenheim asset management activities. In PWM, invested assets were up by EUR 81 billion, of which EUR 68 billion related to the first consolidation of Sal. Oppenheim. Excluding Sal. Oppenheim net new money in the first quarter 2010 was EUR 5 billion.

### **Private & Business Clients (PBC)**

Net revenues in the first quarter 2010 were EUR 1.4 billion, up EUR 31 million, or 2%, compared to the first quarter 2009. Credit products revenues increased EUR 9 million, or 2%, compared to the first quarter 2009, driven by higher loan revenues due to increased volumes, partly offset by lower sales of credit related insurance products. Deposits and payment services increased by EUR 40 million, or 10%, compared to the first quarter 2009, driven by increased deposit margins. Advisory/brokerage decreased by EUR 11 million, or 5%, mainly due to lower sales of closed-end funds. This decline was more than offset by an increase of EUR 51 million, or 126%, in revenues from Discretionary portfolio management/fund management, benefiting from more stable revenue flows from discretionary portfolio management products. Revenues from Other products decreased by EUR 59 million, or 44% compared to the same period last year. This development was mainly driven by PBC's asset and liability management function and a gain on the disposal of an available for sale security position in the prior year's quarter.

Provision for credit losses was EUR 170 million in the first quarter 2010, up EUR 5 million, or 3%, compared to the same quarter last year. Due to the revised parameter and model assumptions in last year the prior year period included a positive one-time effect of EUR 60 million, while the current year quarter impact was a positive EUR 28 million. Net of model changes, the lower credit losses were mainly attributed to Spain.

Noninterest expenses were EUR 1.1 billion in the first quarter 2010, an increase of EUR 42 million, or 4%, compared to the first quarter 2009. The increase mainly reflected the aforementioned deferred compensation expenses, and expenses for strategic projects, partly offset by savings resulting from measures to improve platform efficiency implemented during 2009.

Income before income taxes was EUR 189 million in the quarter, a decrease of EUR 17 million, or 8%, compared to the first quarter 2009.

Invested assets were EUR 197 billion as of March 31, 2010, up by EUR 3 billion compared to December 31, 2009, mainly due to market appreciation. Inflows of EUR 2 billion in securities products were offset by outflows mainly resulting from maturities of time deposits.

PBC's total number of clients was 14.5 million. During the first quarter 2010, PBC's client flows were net 82 thousand negative, in particular related to the aforementioned maturities in time deposits.

### **Corporate Investments Group Division (CI)**

Net revenues in the first quarter 2010 were EUR 220 million, an increase of EUR 67 million compared to the first quarter 2009. Revenues in the current quarter included EUR 148 million related to Deutsche Postbank AG and EUR 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction. In the first quarter 2009, net revenues were EUR 153 million. These included mark-to-market gains of EUR 321 million from derivatives related to the acquisition of Deutsche Postbank AG shares, gains of EUR 60 million from the sale of industrial holdings and mark-to-market gains from our option to increase our share in Hua Xia Bank Co. Ltd., partly offset by impairment charges of EUR 302 million on our industrial holdings.

Noninterest expenses were EUR 156 million in the first quarter 2010, an increase of EUR 67 million compared to the first quarter 2009 mainly reflecting the inclusion of BHF-Bank AG.

Income before income taxes was EUR 65 million in the first quarter 2010, flat compared to the first quarter 2009.

## Consolidation & Adjustments (C&A)

Loss before income taxes in C&A was EUR 165 million in the first quarter 2010 compared to an income of EUR 173 million in the prior year quarter. The development was mainly due to different accounting methods used for management reporting and IFRS. In the prior year quarter, euro interest rates decreased significantly, resulting in a gain on economically hedged short-term positions which was partly offset by the reversal of prior period gains on such positions. The reporting period included a small loss from the reversal of such gains from prior periods.

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 trading revenues, 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 16 March 2010 under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from [www.deutsche-bank.com/ir](http://www.deutsche-bank.com/ir).

This release may also contain non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, refer to the 1Q2010 Financial Data Supplement, which is available at [www.deutsche-bank.com/ir](http://www.deutsche-bank.com/ir).