Release

Frankfurt am Main 26 October 2017

Deutsche Bank reports net income of EUR 649 million for the third quarter of 2017

John Cryan, Chief Executive Officer, said: "While the revenue environment remained challenging, we have made significant progress on our key initiatives such as the planned merger of Deutsche Bank and Postbank in Germany as well as the preparation for the IPO of our asset management business. We are convinced that the benefits of our efforts will step by step become more apparent in the coming quarters and years."

Deutsche Bank's profits increased significantly both in the quarter and in the first nine months of 2017. For the third quarter, income before income taxes was up by 51% to EUR 933 million, while net income more than doubled to EUR 649 million. For the first nine months of 2017, income before income taxes was up 64% to EUR 2.6 billion while net income more than tripled to EUR 1.7 billion.

Revenues were negatively impacted by a market and interest rate environment which remained challenging. For the third quarter of 2017, net revenues were EUR 6.8 billion, down by 10% year-on-year, or 7% if adjusted for exchange rate movements. Client activity was subdued compared to a strong prior year quarter, while volatility and interest rates remained low.

Cost reductions boosted profit growth. Noninterest expenses were EUR 5.7 billion in the quarter, down by 14%, or 11% if adjusted for exchange rate movements. Restructuring and severance expenses were significantly lower, as were litigation charges, despite the bank successfully resolving a number of litigation matters, largely within existing provisions. Adjusted costs were down 6%, or 3% if adjusted for exchange rate movements, largely reflecting the absence of the Non-Core Operating Unit that was closed last year, and lower professional services fees. Accruals for current-year variable compensation were higher year-on-year. Total headcount fell approximately 4,000* year-on-year.

Credit quality remained high. Provision for credit losses was EUR 184 million, down by 44% versus the prior year quarter, reflecting a broad-based improvement in the Corporate & Investment Bank and continued strong credit quality in the Private & Commercial Bank.

Issued by Media Relations 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
https://www.db.com/news
e-mail: db.presse@db.com

Our capital ratio remains strong. The Common Equity Tier (CET1) ratio** was 13.8% for the quarter on a fully loaded basis, versus 14.1% in the second quarter. The positive impact of net income on CET1 capital was offset by a required dividend deduction, exchange rate movements and other effects. The leverage ratio was 3.8%, stable compared to the previous quarter.

The first nine months of 2017

Revenues for the first nine months were EUR 20.7 billion, down 10%, or 5.5% if adjusted for the impact of debt valuation adjustments and spreads on Deutsche Bank's own debt. Noninterest expenses were EUR 17.7 billion, a reduction of EUR 2.7 billion or 13%, or 12% if adjusted for exchange rate movements. Adjusted costs were EUR 17.5 billion, down 6%, or 4% on an exchange rate-adjusted basis. Provision for credit losses was EUR 396 million, down by EUR 495 million or 56% versus the first nine months of 2016. The CET1 ratio of 13.8% compares with 11.1% at the end of the third quarter of 2016, while the leverage ratio improved from 3.5% to 3.8% over the same period.

Third-quarter revenue development in Deutsche Bank's businesses

Corporate & Investment Bank (CIB): Revenues were EUR 3.5 billion, down 23%, or 21% adjusted for exchange rate movements, reflecting muted client activity and low volatility versus the prior year quarter which saw high levels of client activity post-Brexit. Fixed Income & Currencies (FIC) revenues were down 36%; if reported on the basis of previous segmental reporting, including the relevant revenues now reported in the Financing segment, the year-on-year decline in FIC would have been 24%. Revenues in Equity Sales & Trading and in Origination and Advisory were lower year-on-year, while revenues in Global Transaction Banking (GTB) were lower year-on-year but stable versus the second quarter. GTB's year-on-year revenue development partly reflected strategic reductions in the business perimeter. CIB has made substantial progress in the repositioning announced earlier in 2017.

Private & Commercial Bank (PCB): Revenues were up 3% year-on-year at EUR 2.6 billion, driven in part by a one-time gain from the sale of shares in Concardis GmbH which was partly offset by the non-recurrence of revenues from the Private Client Services unit, sold in 2016. Adjusting for these items, revenues were stable year-on-year, as growth in fee income mitigated the impact of low interest rates. The merger of Deutsche Postbank AG and Deutsche Bank Privat- und Geschäftskunden AG in the home market is proceeding on schedule, and will create a market leader with approximately 20 million clients and two distinct brands. As announced in March, Deutsche Bank anticipates annual synergies of roughly EUR 900 million from 2022 onwards. The Sal. Oppenheim business will be fully integrated into Deutsche Bank. (*For further details relating to the merger of Deutsche Postbank AG and Deutsche Bank Privat- und Geschäftskunden AG please see separate release.*)

Deutsche Asset Management: Revenues were EUR 628 million***, stable year-on-year, partly reflecting a one-off item related to a real estate fund, offset by nonrecurring Abbey Life revenues and lower performance and transaction fees. Net new money inflows for the quarter were EUR 4 billion, bringing the total in the first nine months of 2017 to EUR 14 billion. Invested assets were EUR 711 billion, up by EUR 5 billion in the year to date, as exchange rate movements largely offset the positive impact of favourable market developments and positive net money inflows. The partial IPO of Deutsche Asset Management is proceeding on track and is anticipated to take place within the stated 24-month timeframe. Pre-IPO alignment measures are progressing well.

---

*Full-time equivalent basis
**CRR/CRD 4 fully loaded
***Adjusted for Abbey Life gross-up

Group Results

in € m (unless stated otherwise)	Q3 2017	Q3 2016	YoY	QoQ
Net revenues	6,776	7,493	(717)	161
Provision for credit losses	(184)	(327)	143	(105)
Noninterest expenses	(5,660)	(6,547)	888	55
Income (loss) before income taxes	933	619	314	110
Net income	649	278	371	183
RWA (in € bn)	355	385	(30)	0
Tangible book value per share (in €)	27.18	33.50	(6.32)	(0.06)

Noninterest expenses

in € m (unless stated otherwise)	Q3 2017	Q3 2016	YoY	QoQ
Noninterest expenses	**(5,660)**	**(6,547)**	**888**	**55**
therein:				
Impairment of goodwill & intangibles	0	49	(49)	6
Litigation	(140)	(501)	362	(166)
Policyholder benefits and claims	(0)	(167)	167	(0)
Restructuring and severance	(7)	(76)	69	88
Adjusted costs	**(5,513)**	**(5,852)**	**339**	**127**
Cost/income ratio	**84 %**	**87 %**	**(4)ppt**	**(3)ppt**
Compensation ratio	**41 %**	**39 %**	**3 ppt**	**(3)ppt**

Capital and leverage

in € bn (unless stated otherwise)	Sep 30, 2017	Jun 30, 2017 [(1)]	Sep 30, 2016
CET1 capital ratio (CRR/CRD4 fully-loaded)	13.8%	14.1%	11.1%
Risk-weighted assets (CRR/CRD4 fully-loaded)	355	355	385
Total assets (IFRS)	1,521	1,569	1,689
CRD4 leverage exposure (CRR/CRD4 fully-loaded)	1,420	1,443	1,354
Tier 1 Capital	53.7	54.7	47.4
Leverage ratio (CRR/CRD4 fully-loaded)	3.8%	3.8%	3.5%

Note: Q3 2017 CET1capital ratio (CRR / CRD 4phase-in) is 14.6%

(1) Q2 2017 values are pro-forma: including the proceeds from capital raise completed in early April

Segment results

Corporate & Investment Bank (CIB)

in € m (unless stated otherwise)	Q3 2017	Q3 2016	YoY	QoQ
Net revenues	3,468	4,532	(1,064)	(150)
Provision for credit losses	(94)	(208)	114	(38)
Noninterest expenses	(3,011)	(3,333)	322	(10)
Noncontrolling interest	(2)	(22)	20	17
Income (loss) before income taxes	361	969	(608)	(182)
RWA (in € bn)	242	246	(4)	(0)

Private & Commercial Bank (PCB)

in € m (unless stated otherwise)	Q3 2017	Q3 2016	YoY	QoQ
Net revenues	2,602	2,520	82	43
Provision for credit losses	(90)	(102)	12	(67)
Noninterest expenses	(2,179)	(2,231)	52	49
Noncontrolling interest	(1)	(0)	(1)	(2)
Income (loss) before income taxes	332	187	145	22
RWA (in € bn)	89	93	(5)	0

Deutsche Asset Management (Deutsche AM)

in € m (unless stated otherwise)	Q3 2017	Q3 2016	YoY	QoQ
Net revenues	628	821	(193)	(48)
Net revenues excl. Abbey Life(1)	628	627	1	(48)
Provision for credit losses	0	(0)	0	(0)
Noninterest expenses	(433)	(606)	173	8
Noninterest expenses excl. Abbey Life(1)	(433)	(439)	6	8
Noncontrolling interest	(0)	(0)	(0)	1
Income (loss) before income taxes	195	215	(20)	(39)
RWA (in € bn)	10	13	(4)	1

(1) Net revenues excluding mark-to-market movements on policyholder positions; noninterest expenses excluding policyholder benefits and claims

For further information please contact:

Deutsche Bank AG

Press & Media Relations

Michael Golden +44 20 7545 6469
Monika Schaller +49 69 910 48098
db.presse@db.com

Investor Relations

+49 800 910 8000 (Frankfurt)
+44 20 7541 4100 (London)
db.ir@db.com

An analyst call to discuss third-quarter 2017 financial results will take place today at 14.00 CEST. This conference call will be transmitted via internet:
www.db.com/quarterly-results

A Fixed Income investor call will take place on Thursday, November 2, 2017 at 15.00 CET. This conference call will be transmitted via internet:
www.db.com/ir/en/presentations-to-fixed-income-investors.htm

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

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.