Media Release

Frankfurt am Main 24 October 2018

Deutsche Bank reports net income of 229 million euros in the third quarter of 2018 and strengthens Common Equity Tier 1 capital ratio

Christian Sewing, Chief Executive Officer, said: "*With profit before tax of 506 million euros, this result is another milestone on our way to becoming a sustainably profitable bank. We have our costs under control and sufficient capital to grow. We are on track to be profitable in 2018, for the first time since 2014.*"

Deutsche Bank (XETRA: DBKGn.DB / NYSE: DB) reported profit before tax[(1)] of 506 million euros for the third quarter of 2018, versus 933 million euros in the prior year quarter. Net income was 229 million euros, compared to 649 million euros in the prior year period. Management made further progress meeting near-term adjusted cost and headcount targets while managing the balance sheet conservatively.

For the first nine months of 2018, profit before tax was 1.6 billion euros, versus 2.6 billion euros in the prior year period, and net income was 750 million euros, compared to 1.7 billion euros in the prior year period. Post-tax return on tangible equity (RoTE) was 1.7% for the first nine months of 2018.

The Common Equity Tier 1 (CET1) ratio strengthened further, rising from 13.7% to 14.0% in the quarter, compared to the bank's target of over 13%. This resulted primarily from a reduction of risk weighted assets (RWA) of 7 billion euros, partly reflecting lower credit risk RWA in the Corporate & Investment Bank, including through reductions in non-strategic assets, as well as lower operational risk RWA.

Net revenues were 6.2 billion euros, down 9% versus the third quarter of 2017, partly reflecting the non-recurrence of certain specific items in the prior year quarter, as well as lower volatility and reduced client volumes in the Corporate & Investment Bank during the third quarter of 2018.

In the first nine months of 2018 revenues were 19.7 billion euros, down 5% year-on-year.

Progress towards cost targets. Noninterest expenses were 5.6 billion euros, down 1% year-on-year. Adjusted costs were 5.5 billion euros, also down 1% year-on-year as reductions in professional services and other external spending more than offset ongoing investments, notably in the Private & Commercial Bank.

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For the first nine months of 2018, total noninterest expenses were 17.8 billion euros, up 1% year-on-year, while adjusted costs were 17.4 billion euros, down 1%, as ongoing expense management more than offset more even accrual of variable compensation expenses, higher IT amortisation, investments related to the German legal entity merger, and higher bank levy charges in the first quarter. Management reaffirmed its target to reduce adjusted costs to 23 billion euros in 2018 and 22 billion euros in 2019.

Workforce reductions on track. On a full-time equivalent (FTE) basis, the number of employees was 94,717 at the end of the quarter, a net reduction of approximately 700 during the quarter. This development reflects reductions of around 1,450 FTEs, primarily in infrastructure areas, offset by the hiring of approximately 750 graduates in the period. In the first nine months of 2018, the bank reduced its workforce by approximately 2,800 FTEs.

Management reaffirms its targets to reduce the workforce to below 93,000 by the end of 2018 and well below 90,000 by the end of 2019. The forecast includes the impact of the agreed partial sale of the bank's retail operations in Poland which is expected to close before year-end and reduce the number of employees by approximately 1,400.

Conservative balance sheet management. Both credit and market risk indicators remained close to historically low levels. Provision for credit losses remained at 9 basis points of loans at amortised cost on an annualised basis while average Value at Risk (VaR) declined by 3% in the quarter to 25 million euros. The bank's leverage ratio remained unchanged at 4.0% on a fully loaded basis and at 4.2% on a phase-in basis, compared to the bank's target of 4.5% over time. Liquidity reserves remained strong at 268 billion euros and the liquidity coverage ratio was 148%, 76 billion euros above the minimum requirement of 100%.

Developments in core businesses

The Corporate & Investment Bank (CIB)

Net revenues were 3.0 billion euros, down 13% versus the prior year quarter. Global Transaction Banking revenues were down 5% year-on-year, due to changes in the business perimeter. Origination and Advisory revenues were essentially flat as significantly higher equity origination offset lower advisory and investment grade debt origination revenues. Fixed Income Sales & Trading revenues were 15% lower, partly reflecting lower volatility and client activity in European rates as well as the impact of previously announced and now completed strategic adjustments in the US. Equity Sales & Trading revenues were 15% lower year-on-year. Declines in Prime Finance and Cash Equities were partly offset by growth in Derivatives.

Reshaping the Corporate & Investment Bank. By the end of the quarter, management had completed the reduction of front-office headcount and balance sheet resources initiated in the second quarter. The focus now is on driving growth and returns while continuously improving infrastructure and controls.

Deutsche Bank's **Corporate Finance** business scored a number of successes in the quarter. Deutsche Bank had a primary role in six of the ten largest corporate finance transactions as measured by fees (source: *Dealogic*), more than for any quarter in the past five years. In the year to date, Deutsche Bank was the top-ranked global coordinator of initial public offerings (IPOs) in Europe, leading four of the five largest transactions. In Germany, Deutsche Bank led all three of the top three IPOs and remains No 1-ranked in corporate finance in 2018 to date (source: *Dealogic*).

The Private & Commercial Bank (PCB)

Net revenues were 2.5 billion euros, down 3% versus the prior year quarter, primarily reflecting the non-recurrence of a positive effect of 108 million euros from the sale of Concardis GmbH in the third quarter of 2017.

Growth in loan volumes. In the year to date, the Private & Commercial Bank grew loan volumes by approximately 8 billion euros. Of this, more than 5 billion euros arose in the Private & Commercial Business (Germany), with growth across both private and commercial lending, which offset continued deposit margin compression. Despite repricing measures undertaken, the Postbank-branded business saw the second consecutive quarter of net growth in current accounts.

The integration of Deutsche Bank's German Private & Commercial Business with Postbank is progressing well. Consolidation of the head office and infrastructure functions and harmonisation of product governance are underway. Management confirmed its target of 900 million euros of synergies by 2022 at the latest.

Asset Management (AM)

Net revenues were 567 million euros, a decline of 10% versus the third quarter of 2017, largely reflecting the non-recurrence of an insurance recovery of 52 million euros related to a real-estate fund in the third quarter of 2017. Excluding this item, revenues were essentially flat compared to the prior year period and compared to the second quarter of 2018.

Assets under management rose by 2 billion euros to 694 billion euros during the quarter, as market performance and exchange rate movements more than offset net outflows.

Developments in the business included:

- In the first nine months of 2018, DWS ranked second in Exchange Traded Products (ETP) net inflows in the European market with a 14.5% flow market share (Source: *ETFGI*);
- The three open-end real-estate funds of the DWS "*Grundbesitz*" product family reached combined assets of more than 10 billion euros during the quarter;
- DWS agreed an alliance with the alternative asset management firm Tikehau Capital, which is also a shareholder in DWS.

(1) Profit before tax = income before income taxes under IFRS

Group Results

in € m (unless stated otherwise)	Q3 2018	Q3 2017	Q2 2018	YoY	QoQ
Net revenues	**6,175**	**6,776**	**6,590**	**(602)**	**(416)**
Provision for credit losses	(90)	(184)	(95)	94	5
Noninterest expenses	**(5,578)**	**(5,660)**	**(5,784)**	**81**	**206**
of which :					
Impairment of goodwill & intangibles	0	0	0	(0)	0
Litigation	(14)	(140)	31	126	(45)
Restructuring and severance	(103)	(7)	(239)	(96)	136
Adjusted costs	**(5,462)**	**(5,513)**	**(5,577)**	**51**	**115**
Profit before tax	506	933	711	(427)	(205)
Net income	229	649	401	(420)	(172)
Cost/income ratio (in %)	90	84	88	7 ppt	3 ppt
Tangible book value per share (in €)	25.81	27.18	25.91	(1.37)	(0.10)
Post-tax return on average tangible shareholders' equity (in %)	1.6	4.5	2.7	(3.0) ppt	(1.1) ppt
Diluted earnings per share (in €)	0.10	0.30	0.03	(0.20)	0.07

Key Capital Ratios

in € bn (unless stated otherwise)	Q3 2018	Q3 2017	Q2 2018	YoY	QoQ
Common Equity Tier 1 capital ratio (fully loaded, in %)	14	13.8	13.7	0.1 ppt	0.2 ppt
Common Equity Tier 1 capital (fully loaded)	48	49	48	(1)	(0)
Risk-weighted assets	342	355	348	(13)	(7)
Leverage ratio (CRR/CRD4 fully loaded, in %)	4	3.8	4.0	0.2 ppt	0.0 ppt
Leverage ratio (CRR/CRD4 phase-in, in %)	4	4.2	4.2	0.0 ppt	0.1 ppt
Tier 1 Capital (CRR/CRD4 fully loaded)	52	54	52	(1)	(0)
Leverage exposure (CRR/CRD4 fully loaded)	1,305	1,420	1,324	(115)	(19)

Segment results

Corporate & Investment Bank (CIB)

in € m (unless stated otherwise)	Q3 2018	Q3 2017	Q2 2018	YoY	QoQ
Net revenues	3,025	3,469	3,578	(443)	(553)
Global Transaction Banking	912	964	1,008	(52)	(96)
Origination & Advisory	468	475	577	(7)	(110)
Sales & Trading (FIC)	1,320	1,545	1,372	(225)	(52)
Sales & Trading (Equity)	466	548	540	(82)	(74)
Other	(140)	(63)	81	(78)	(221)
Provision for credit losses	(1)	(94)	(11)	93	10
Noninterest expenses	(2,868)	(2,962)	(3,071)	94	203
Noncontrolling interest	0	(2)	(21)	2	21
Profit before tax	156	411	475	(255)	(318)
Risk-weighted assets (in € bn)	228	242	235	(14)	(7)

Private & Commercial Bank (PCB)

in € m (unless stated otherwise)	Q3 2018	Q3 2017	Q2 2018	YoY	QoQ
Net revenues	2,518	2,602	2,542	(84)	(25)
Private and Commercial Business (Germany)	1,686	1,756	1,635	(69)	51
Private and Commercial Business (International)	341	355	376	(14)	(35)
Wealth Management (Global)	417	429	470	(12)	(53)
Exited businesses	73	62	62	12	12
Provision for credit losses	(87)	(90)	(86)	3	(1)
Noninterest expenses	(2,210)	(2,162)	(2,194)	(48)	(16)
Noncontrolling interest	(1)	(1)	(0)	0	(0)
Profit before tax	220	349	262	(129)	(42)
Risk-weighted assets (in € bn)	89	89	88	0	1

Asset Management (AM)

in € m (unless stated otherwise)	Q3 2018	Q3 2017	Q2 2018	YoY	QoQ
Net revenues	567	628	561	(61)	6
Provision for credit losses	1	0	1	1	1
Noninterest expenses	(393)	(431)	(441)	38	48
Noncontrolling interest	(31)	(0)	(26)	(31)	(5)
Profit before tax	143	197	93	(53)	50
Risk-weighted assets (in € bn)	10	10	9	(0)	0

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An analyst call to discuss third-quarter 2018 financial results will take place today, Wednesday, 24 October 2018, at 08.00 CEST. This conference call will be broadcast via internet: www.db.com/quarterly-results

A Fixed Income investor call will take place on Thursday, 1 November 2018, at 14.00 CET. This conference call will be broadcast via internet: www.db.com/bondholder-presentations

The Interim 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 Q3/2018 is 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

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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 16 March 2018 under the heading "Risk Factors". Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.