



Media Release

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Deutsche Bank reports third-quarter profit of 309 million euros with transformation on track

Strongest quarterly profit of the current year

- Profit of 309 million euros with profit before tax of 482 million euros
- Nine-month profit of 435 million euros and profit before tax of 846 million euros

Group net revenues grew 13% year-on-year to 5.9 billion euros in the quarter

- Core Bank net revenues up 9% year-on-year to 6.0 billion euros
- Investment Bank net revenues of 2.4 billion euros, up 43%
- Private Bank stable as volume growth offsets interest rate headwinds
- Corporate Bank down 5%, 2% ex-FX translation effects, as deposit repricing partly offsets interest rate headwinds
- Asset Management net revenues up 4% with net inflows of 11 billion euros

11th consecutive quarter of progress on costs

- Noninterest expenses down 10% year-on-year to 5.2 billion euros
- 4.7 billion euros in adjusted costs ex-transformation charges¹ excluding reimbursable expenses related to Prime Finance, down 10% year-on-year
- On track to meet full-year 2020 target of 19.5 billion euros

Core Bank quarterly profit before tax of 909 million euros

- Adjusted profit before tax¹ of 1.2 billion euros, up 87% year-on-year
- Nine-month profit before tax of 2.6 billion euros with adjusted profit before tax¹ up 40% to 3.2 billion euros

Capital Release Unit: further progress on asset reduction in the quarter

- Risk weighted assets down by 3 billion euros to 39 billion euros

Continued disciplined management of capital, risk and balance sheet

- Common Equity Tier 1 capital ratio stable at 13.3%, 285 basis points above regulatory requirements
- Liquidity reserves of 253 billion euros, LCR surplus of 76 billion euros
- Provision for credit losses of 273 million euros, 25 basis points of loans (bps) in the third quarter and 47 bps annualised in first nine months of 2020
- Reaffirmed guidance of full-year provision for credit losses of 35-45 bps

¹ For a description of this and other non-GAAP financial measures, see 'Use of non-GAAP financial measures' on pp 16-17

Christian Sewing, Chief Executive officer, said: "In the fifth quarter of our transformation, we not only demonstrated continued cost discipline, but also our ability to gain market share. Our more focused business model is paying off and we see a substantial part of our revenue growth as sustainable. Our balance sheet strength and high quality risk management enable us both to support clients in challenging times and to take advantage of new business opportunities."

Deutsche Bank (XETRA: DBKGn.DB / NYSE: DB) reported its third consecutive profitable quarter of 2020 and remains on track to meet all financial and strategic targets related to its transformation plan. The operating strength of the Core Bank, driven by revenue growth and continued cost reduction, more than offset multiple headwinds. These included credit losses driven by COVID-19, ongoing costs of restructuring and the expected operating losses in the Capital Release Unit. Deutsche Bank's capital and liquidity levels remained strong and well ahead of regulatory requirements.

Profit growth driven by the Core Bank

Profit in the third quarter of 2020 was 309 million euros, compared to a net loss of 832 million euros in the third quarter of 2019. **Profit before tax** was 482 million euros, compared to a loss before tax of 687 million euros in the prior year quarter. Net revenues grew by 13% year-on-year, accompanied by a 10% reduction in noninterest expenses versus the prior year. **Adjusted profit before tax¹**, which excludes specific revenue items, transformation charges and restructuring and severance, was 826 million euros compared to a loss of 84 million euros in the prior year quarter.

These results were driven by profit growth in the **Core Bank**, together with lower losses in the Capital Release Unit. Core Bank profit before tax rose nearly three-fold year-on-year to 909 million euros and adjusted profit before tax¹ grew by 87% to 1.2 billion euros. Core Bank net revenues grew 9% with noninterest expenses down 4% year-on-year.

The **Capital Release Unit** reported a loss before tax of 427 million euros versus 1.0 billion euros in the prior year quarter, with the year-on-year improvement driven primarily by lower noninterest expenses.

During the quarter, the Capital Release Unit further reduced leverage exposure from 102 billion euros to 90 billion euros. Since the third quarter of 2019, leverage exposure has been reduced by approximately half, or 87 billion euros. Risk weighted assets (RWAs) were reduced from 43 billion euros to 39 billion euros in the quarter, and were down by 17 billion euros or 30% year-on-year. The bank re-affirmed its target for RWAs of 38 billion euros in the Capital Release Unit by year-end 2020.

For the first nine months of 2020, profit was 435 million euros, versus a net loss of 3.8 billion euros in the prior year period. In 2019, nine-month profit included valuation

adjustments on deferred tax assets of 2.4 billion euros, versus 25 million euros in the current year period, and goodwill impairments of 1.0 billion euros related to the bank's transformation strategy which did not recur in the current year period.

Nine-month profit before tax was 846 million euros, compared to a loss before tax of 1.3 billion euros in the first nine months of 2019. The year-on-year improvement reflects the non-recurrence of the aforementioned goodwill impairments in 2019, lower adjusted costs excluding transformation charges and revenue growth. This was partly offset by higher provision for credit losses in the first nine months of 2020. Adjusted profit before tax¹ was 1.5 billion euros versus 607 million euros in the prior year period.

The Core Bank generated profit before tax of 2.6 billion euros in the first nine months of 2020, up from 971 million euros in the prior year period while adjusted profit before tax¹ grew 40% to 3.2 billion euros.

The Capital Release Unit made a loss before tax of 1.8 billion euros in the first nine months of 2020, versus a loss before tax of 2.3 billion euros in the prior year period.

Revenue growth driven by sustained strength in the Investment Bank

Group net revenues were 5.9 billion euros, up 13% and up 9% excluding specific items¹, driven by growth in the refocused Core Bank. In Deutsche Bank's core businesses:

- **Corporate Bank net revenues** were 1.3 billion euros, down 5% year-on-year, or 2% if adjusted for currency translation effects. The business materially offset interest rate headwinds with deposit repricing, which rose to cover 68 billion euros of deposits, ahead of plan, as well as balance sheet management and ECB tiering. Commercial Banking net revenues grew by 1%, while Global Transaction Banking net revenues declined by 8%, or 4% if adjusted for currency translation effects.
- **Investment Bank net revenues** were up 43% year-on-year to 2.4 billion euros, driven by 47% growth in Fixed Income & Currencies (FIC), with Rates net revenues more than doubling year-on-year. Origination & Advisory net revenues grew 15%. Revenue strength reflected market share gains in key areas, together with a supportive market environment.
- **Private Bank net revenues** were 2.0 billion euros, stable year-on-year. Growth in volumes, including net inflows in investment products of 3 billion euros and 5 billion euros in net new client loans, offset the impact of COVID-19 and interest rate headwinds. As a result, in the first nine months, net new client loans rose to 9 billion euros and net inflows of investment products to 12 billion euros. Net revenues in the Private Bank Germany were up 1%, while the International Private Bank's net revenues declined by 2%, or 1% ex-specific items.
- **Asset Management net revenues** were 563 million euros, up 4% year-on-year, driven primarily by a favourable change in the fair value of guarantees and lower funding costs. Net asset inflows were 11 billion euros. Cumulative

year-to-date inflows were 17 billion euros, of which more than one-third were in environmental, social and governance (ESG) assets. Assets under Management rose by 14 billion euros during the quarter to 759 billion euros.

For the first nine months of 2020, Group net revenues were 18.6 billion euros, up 4% year-on-year, while Core Bank net revenues were up 8% to 18.7 billion euros.

Sustained progress on cost reduction

Noninterest expenses were 5.2 billion euros in the quarter, down 10% year-on-year. Adjusted costs ex-transformation charges¹ were down 10% to 4.7 billion euros if adjusted for 89 million euros of expenses eligible for reimbursement related to Prime Finance. This reflects year-on-year reductions across all cost categories in the quarter. Deutsche Bank has delivered 11 successive quarters of year-on-year reductions in quarterly adjusted costs ex-transformation charges and bank levies.

For the first nine months of 2020, noninterest expenses were reduced by 13% to 16.2 billion euros. Adjusted costs ex-transformation charges excluding expenses eligible for reimbursement related to Prime Finance were 14.9 billion euros. Deutsche Bank reaffirmed its commitment to meeting its 2020 target of 19.5 billion euros in adjusted costs thus measured.

Provision for credit losses lower quarter-on-quarter, in line with guidance

Provision for credit losses was 273 million euros in the quarter, or 25 basis points (bps) of loans on an annualised basis, consistent with management's prior guidance. Provision for credit losses increased 56% from the prior year quarter, but declined significantly from the 761 million euros in the previous quarter. The quarter-on-quarter development reflected releases in provision for performing loans (Stage 1 and 2), driven by improvements in the macro-economic outlook, partly counterbalanced by a larger management overlay to reflect remaining uncertainties in that outlook. Provision for defaulted or non-performing loans (Stage 3) declined by 20% quarter-on-quarter.

In the first nine months of 2020, provision for credit losses was 1.5 billion euros, 47 bps of loans on an annualised basis. Deutsche Bank reaffirmed its guidance for full-year 2020 provision for credit losses of 35-45 bps of loans. Including provision for credit losses taken in the third quarter, allowances for credit losses were 4.8 billion euros, or 111 bps of loans, at quarter-end.

Capital and balance sheet strength maintained

Deutsche Bank's **Common Equity Tier 1 (CET1) ratio** was 13.3% at the end of the quarter, up by 2 basis points versus the end of the previous quarter. Risk weighted assets (RWAs) were down 6 billion euros or 2% to 325 billion euros. This development included the progress on RWA reduction in the Capital Release Unit and lower

Operational Risk RWAs, which more than offset growth in Core Bank RWAs excluding Operational Risk.

The leverage ratio rose to 4.4% (fully-loaded) in the quarter, from 4.2% in the previous quarter. The quarter-on-quarter development mainly reflects the ability to temporarily exclude certain central bank balances for regulatory leverage under the CRR 'Quick Fix'. Excluding this positive impact, the leverage ratio would have been broadly stable at 4.1%. On a phase-in basis, the leverage ratio rose from 4.3% to 4.5% during the quarter.

Liquidity reserves rose by 20 billion euros to 253 billion euros in the quarter, driven predominantly by increases in cash held at central banks. The Liquidity Coverage Ratio strengthened to 151%, and the surplus over regulatory requirements rose to 76 billion euros.

Strong progress in sustainable finance

Deutsche Bank also made substantial progress in sustainable finance during the third quarter, in line with its strategic objectives. The bank led 29 transactions and helped clients raise more than 27 billion euros in sustainable financing, with direct underwriting volume of 4 billion euros. Deutsche Bank ranked second by fees and third by volume in Green Bond underwriting in the quarter (source: *Dealogic*), up from 14th by volume in the fourth quarter of 2019. In the first nine months of 2020, Deutsche Bank led 59 transactions and helped clients raise more than 46 billion euros in sustainable financing, versus 13 billion euros in the prior year period.

Continued execution of Deutsche Bank's transformation agenda

Progress also continued on transformation during the third quarter. In the Private Bank Germany, the bank announced plans for the additional reduction of Deutsche Bank-branded branches from approximately 500 to around 400, reflecting changes in customer behaviour patterns, and the extension of partnerships with Zurich Gruppe Deutschland and Mastercard. Deutsche Bank completed the leadership structure of the International Private Bank, which aims to unlock cost and revenue synergies between Wealth Management and the former Private & Commercial Bank International. In the Americas, the bank announced further progress on real estate rationalisation with the early closure of a significant part of its New York footprint.

Group results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues:								
Of which:								
Corporate Bank (CB)	1,254	1,324	(71)	(5)	3,915	3,958	(43)	(1)
Investment Bank (IB)	2,365	1,658	707	43	7,396	5,494	1,902	35
Private Bank (PB)	2,033	2,041	(9)	(0)	6,144	6,203	(59)	(1)
Asset Management (AM)	563	543	20	4	1,631	1,662	(31)	(2)
Capital Release Unit (CRU)	(36)	(220)	184	(84)	(159)	396	(556)	N/M
Corporate & Other (C&O)	(240)	(84)	(156)	187	(350)	103	(453)	N/M
Total net revenues	5,938	5,262	676	13	18,575	17,816	759	4
Provision for credit losses	273	175	98	56	1,540	477	1,064	N/M
Noninterest expenses:								
Compensation and benefits	2,663	2,773	(110)	(4)	7,997	8,451	(454)	(5)
General and administrative expenses	2,336	2,776	(440)	(16)	7,810	8,936	(1,126)	(13)
Impairment of goodwill and other intangible assets	0	2	(2)	N/M	0	1,037	(1,037)	(100)
Restructuring activities	185	224	(39)	(18)	382	257	125	49
Total noninterest expenses	5,183	5,774	(591)	(10)	16,189	18,681	(2,492)	(13)
Profit (loss) before tax	482	(687)	1,169	N/M	846	(1,341)	2,188	N/M
Income tax expense (benefit)	173	145	29	20	411	2,440	(2,029)	(83)
Profit (loss)	309	(832)	1,141	N/M	435	(3,781)	4,216	N/M
Profit (loss) attributable to noncontrolling interests	31	27	4	14	87	90	(3)	(4)
Profit (loss) attributable to Deutsche Bank shareholders and additional equity components	278	(859)	1,137	N/M	348	(3,871)	4,220	N/M
Profit (loss) attributable to additional equity components	96	83	13	15	286	245	41	17
Profit (loss) attributable to Deutsche Bank shareholders	182	(942)	1,124	N/M	62	(4,116)	4,179	N/M
Common Equity Tier 1 capital ratio	13.3 %	13.4 %	(0.1) ppt	N/M	13.3 %	13.4 %	(0.1) ppt	N/M
Leverage ratio (fully loaded)	4.4 %	3.9 %	0.5 ppt	N/M	4.4 %	3.9 %	0.5 ppt	N/M
Loans (gross of allowance for loan losses, in € bn) ¹	433	431	2	0	433	431	2	0
Deposits (in € bn) ¹	575	584	(10)	(2)	575	584	(10)	(2)
Employees (full-time equivalent) ¹	86,984	89,958	(2,975)	(3)	86,984	89,958	(2,975)	(3)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end.

Segment results in detail

Corporate Bank

Third-quarter net revenues were 1.3 billion euros, down 5% year-on-year, or 2% if adjusted for currency translation effects, as interest rate headwinds and lower client activity more than offset the effects of deposit repricing, episodic items including portfolio rebalancing actions, balance sheet management, and ECB tiering.

Global Transaction Banking net revenues of 893 million euros declined by 8%, or 4% if adjusted for currency translation effects. Cash Management net revenues declined reflecting the interest headwinds in the U.S. and in Asia Pacific as well as lower client activity in parts of the quarter, partly offset by deposit repricing initiatives, balance sheet management and ECB tiering. Trade Finance and Lending net revenues were lower, driven mainly by lower credit recoveries in the current quarter and the negative impact of FX translation. Trust and Agency Services and Securities Services net revenues declined reflecting the interest rate headwinds in key markets.

Commercial Banking net revenues of 361 million euros increased by 1% as growth in deposit and fee revenues offset lower lending-related revenues.

Third-quarter **noninterest expenses** of 1.0 billion euros decreased by 1% year-on-year and included 39 million euros of restructuring and severance charges, mainly related to the finalisation of the integration of the German corporate and commercial banking activities. **Adjusted costs excluding transformation charges** were 7% lower than in the prior year quarter as a result of reductions in non-compensation expenses and favourable FX translation impacts.

Provision for credit losses was 42 million euros in the third quarter 2020, reflecting improvements in the macro-economic outlook in the quarter with limited new impairment events.

Profit before tax was 189 million euros in the third quarter. Excluding transformation charges, restructuring and severance, the Corporate Bank generated an adjusted profit before tax of 243 million euros.

For the first nine months of 2020, the Corporate Bank reported a **profit before tax** of 399 million euros compared to 213 million euros in the prior year period. **Adjusted profit before tax¹** was 503 million euros in the first nine months of 2020 compared to an adjusted profit before tax of 739 million euros in the prior year period which excluded goodwill impairment charges of 492 million euros. The decline in adjusted profit before tax was primarily driven by higher provision for credit losses and litigation charges.

Corporate Bank results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues:								
Global Transaction Banking	893	967	(74)	(8)	2,827	2,879	(52)	(2)
Commercial Banking	361	358	3	1	1,088	1,078	9	1
Total net revenues	1,254	1,324	(71)	(5)	3,915	3,958	(43)	(1)
Provision for credit losses	42	74	(32)	(44)	293	180	113	63
Noninterest expenses:								
Compensation and benefits	269	260	8	3	799	796	3	0
General and administrative expenses	729	770	(41)	(5)	2,394	2,258	135	6

Impairment of goodwill and other intangible assets	0	2	(2)	N/M	0	492	(492)	N/M
Restructuring activities	25	5	19	N/M	30	18	12	65
Total noninterest expenses	1,022	1,038	(15)	(1)	3,222	3,565	(342)	(10)
Noncontrolling interests	0	0	0	N/M	0	0	0	N/M
Profit (loss) before tax	189	213	(23)	(11)	399	213	186	87
Total assets (in € bn) ¹	246	235	11	5	246	235	11	5
Loans (gross of allowance for loan losses, in € bn) ¹	115	120	(5)	(4)	115	120	(5)	(4)
Employees (full-time equivalent) ¹	7,572	7,819	(248)	(3)	7,572	7,819	(248)	(3)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end.

Investment Bank

Third-quarter net revenues were 2.4 billion euros, a 43% increase from the prior year period. Growth in net revenues was driven by ongoing client re-engagement around Deutsche Bank's refocused strategy, supported by strong market conditions and strong client flows.

Fixed Income & Currency (FIC) Sales & Trading net revenues of 1.8 billion euros increased by 47%. Net revenues in Rates more than doubled versus the prior year quarter while Credit Trading net revenues were significantly higher, on increased client activity. FX net revenues were also significantly higher and benefited from higher market volatility. Emerging Markets also increased versus a weak prior year quarter, driven by strength in CEEMEA and Latin America. Financing net revenues were broadly flat excluding the impact of FX translation and were supported by higher primary market issuance activity in asset-backed securities.

Origination & Advisory net revenues of 567 million euros increased by 15% driven by significantly higher Equity Origination net revenues principally on market share gains in a record fee pool environment (Source: *Dealogic*), with specific strength in Special Purpose Acquisition Companies. Debt origination net revenues also increased reflecting market share gains across both Investment Grade Debt and Leveraged Finance (Source: *Dealogic*). Advisory net revenues were significantly lower against a strong prior year and in line with industry performance.

Noninterest expenses declined by 14% compared to the prior year period to 1.4 billion euros in part reflecting lower restructuring and severance costs as well as lower adjusted costs. **Adjusted costs excluding transformation charges** declined by 5% principally driven by disciplined expense management.

Provision for credit losses was 52 million euros, or 29 basis points of loans, reflecting the impact of the improved macroeconomic outlook partly offset by further COVID-19 related impairments.

Profit before tax was 957 million euros in the quarter with a post-tax return on tangible equity¹ of 11.6%. In the prior year period profit before tax was 64 million euros with a post-tax return on tangible equity¹ of 0.2%.

For the **first nine months of 2020**, the Investment Bank reported **profit before tax** of 2.6 billion euros compared to 562 million euros in the prior year period. **Adjusted profit before tax¹** was 2.6 billion euros compared to 785 million euros in the first nine months of 2019. The increase was driven by significantly higher net revenues and lower adjusted costs than in the prior year period, partly offset by higher provision for credit losses resulting from COVID-19.

Investment Bank results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues:								
Fixed Income, Currency (FIC) Sales & Trading	1,802	1,227	575	47	5,706	4,344	1,362	31
Equity Origination	100	39	60	153	240	105	135	130
Debt Origination	387	322	64	20	1,225	858	367	43
Advisory	81	132	(51)	(39)	201	325	(125)	(38)
Origination & Advisory	567	494	73	15	1,666	1,288	378	29
Other	(4)	(63)	60	(94)	24	(138)	162	N/M
Total net revenues	2,365	1,658	707	43	7,396	5,494	1,902	35
Provision for credit losses	52	20	32	159	658	71	587	N/M
Noninterest expenses:								
Compensation and benefits	519	495	24	5	1,478	1,479	(1)	(0)
General and administrative expenses	833	994	(161)	(16)	2,662	3,259	(597)	(18)
Impairment of goodwill and other intangible assets	0	0	0	N/M	0	0	0	N/M
Restructuring activities	4	84	(79)	(95)	19	104	(85)	(82)
Total noninterest expenses	1,356	1,573	(216)	(14)	4,158	4,842	(684)	(14)
Noncontrolling interests	(0)	1	(1)	N/M	5	19	(15)	(75)
Profit (loss) before tax	957	64	892	N/M	2,575	562	2,013	N/M
Total assets (in € bn) ¹	592	584	8	1	592	584	8	1
Loans (gross of allowance for loan losses, in € bn) ¹	73	74	(1)	(1)	73	74	(1)	(1)
Employees (full-time equivalent) ¹	4,106	4,489	(383)	(9)	4,106	4,489	(383)	(9)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end.

Private Bank

Third-quarter net revenues of 2.0 billion euros were flat versus the prior year. Growth in business volumes offset negative impacts from continued deposit margin compression and from lower client activity and reduced average assets under management resulting from the COVID-19 pandemic. In the third quarter, the Private Bank attracted net inflows into investment products of 3 billion euros and grew net new client loans by 5 billion euros.

Net revenues in the **Private Bank Germany** of 1.3 billion euros increased by 1% compared to the prior year quarter. Growth in lending net revenues, higher fee income from investment products as well as higher episodic insurance revenues offset the ongoing headwinds from deposit margin compression and the COVID-19 pandemic. Private Bank Germany grew net new client loans by 3 billion euros and attracted 1 billion euros of net inflows in investment products during the quarter.

In the **International Private Bank**, net revenues of 755 million euros declined by 2% compared to the prior year quarter, or by 1% if adjusted for net revenues relating to Sal. Oppenheim workout activities which were lower than in the prior year period. Net revenues in Private Banking and Wealth Management of 542 million euros decreased by 3% due to lower net revenues from Sal. Oppenheim workout activities and FX translation impacts. Volume growth reflecting targeted hiring broadly offset deposit margin compression and COVID-19 effects on average assets under management. Net revenues in Personal Banking of 213 million euros declined by 1%, as the negative impacts of COVID-19 and continued deposit margin compression were partly offset by positive impacts from valuation adjustments of an investment.

The International Private Bank attracted net inflows of 2 billion euros in investment products across all regions and grew lending volumes, with net new client loans of 2 billion euros in the quarter.

Assets under management in the Private Bank increased by 5 billion euros in the quarter, driven by net inflows of 5 billion euros and market appreciation, partially offset by the negative impact of currency translation effects. Net inflows in investment products were 3 billion euros.

Noninterest expenses of 1.9 billion euros were broadly stable compared to the prior year. Noninterest expenses in the third quarter of 2020 included 183 million euros of restructuring and severance costs primarily for the head office and branch network restructuring compared to 9 million euros in the prior year period.

Adjusted costs excluding transformation charges were 1.7 billion euros, down 10% year-on-year. The decline mainly reflected lower non-compensation costs including reduced internal service allocations, as the prior year period included a true up due to allocation changes subsequent to the implementation of the Group's new corporate structure. Compensation costs also declined due to workforce reductions. The Private Bank Germany achieved approximately 115 million euros of merger related cost synergies in the quarter and approximately 260 million euros in the first nine months of the year.

Provision for credit losses was 174 million euros or 30 basis points of loans reflecting negative impacts from the COVID-19 pandemic, up from 55 million euros in the prior year quarter which was positively impacted by benefits of model recalibrations.

Loss before tax was 4 million euros, compared to a profit before tax of 121 million euros in the third quarter of 2019. **Adjusted profit before tax¹** was 180 million euros, up 55% compared to 117 million euros in the prior year period.

For the **first nine months of 2020**, the Private Bank reported a **loss before tax** of 133 million euros compared to a loss before tax of 18 million euros in the prior year period. **Adjusted profit before tax¹** was 277 million euros compared to an adjusted profit before tax of 442 million euros in the first nine months of 2019. The decline was primarily due to higher provision for credit losses and higher litigation charges in the current year, partly offset by reductions in adjusted costs.

Private Bank results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues:								
Private Bank Germany	1,278	1,269	9	1	3,801	3,845	(44)	(1)
International Private Bank	755	772	(17)	(2)	2,343	2,358	(15)	(1)
IPB Personal Banking ¹	213	215	(2)	(1)	622	655	(33)	(5)
IPB Private Banking and Wealth Management ²	542	557	(15)	(3)	1,721	1,703	18	1
Total net revenues	2,033	2,041	(9)	(0)	6,144	6,203	(59)	(1)
Of which:								
Net interest income	1,184	1,201	(17)	(1)	3,488	3,657	(169)	(5)
Commissions and fee income	739	696	44	6	2,262	2,133	129	6
Remaining income	110	145	(35)	(24)	394	413	(19)	(5)
Provision for credit losses	174	55	119	N/M	538	224	314	140
Noninterest expenses:								
Compensation and benefits	734	752	(19)	(2)	2,210	2,252	(42)	(2)
General and administrative expenses	977	1,113	(136)	(12)	3,211	3,239	(28)	(1)
Impairment of goodwill and other intangible assets	0	0	(0)	N/M	0	545	(545)	N/M
Restructuring activities	151	(1)	152	N/M	318	(39)	357	N/M
Total noninterest expenses	1,862	1,864	(2)	(0)	5,739	5,997	(258)	(4)
Noncontrolling interests	0	0	(0)	(46)	0	0	0	N/M
Profit (loss) before tax	(4)	121	(125)	N/M	(133)	(18)	(115)	N/M
Total assets (in € bn)³	283	277	6	2	283	277	6	2
Loans (gross of allowance for loan losses, in € bn)³	234	223	10	5	234	223	10	5
Assets under Management (in € bn)³	477	481	(5)	(1)	477	481	(5)	(1)
Net flows (in € bn)	5	(1)	6	N/M	11	10	2	15
Employees (full-time equivalent)³	30,872	32,283	(1,411)	(4)	30,872	32,283	(1,411)	(4)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ Including small business in Italy, Spain and India.

² Including small & mid caps in Italy, Spain and India.

³ As of quarter end.

Asset Management

Third-quarter net revenues of 563 million euros were 4% higher compared to the prior year period principally reflecting a positive change in the fair value of guarantees and lower funding cost allocations. Net revenues were up 3% versus the second quarter, driven by higher management fees.

Net inflows were 11 billion euros in the **third quarter**, demonstrating the strength of the diversified DWS business model. Net inflows were driven by Passive, and further supported by Cash, Fixed Income and Alternatives. ESG-dedicated funds accounted for more than one third of the total net inflows of 17 billion euros in the first nine months of 2020.

Assets under management of 759 billion euros increased by 14 billion euros, or 2%, compared to the prior quarter, mainly driven by the positive market development and strong net inflows, partly offset by the negative impact of exchange rate movements.

Noninterest expenses of 354 million euros declined by 12% compared to the prior year period. **Adjusted costs excluding transformation charges** declined by 11% reflecting ongoing efficiency initiatives.

Reflecting both the growth in net revenues and lower costs, the Asset Management **cost income ratio** of 63% improved by 12 percentage points compared to the prior year period.

Profit before tax of 163 million euros in the third quarter, increased by 56% from the prior year period. For the **first nine months of 2020**, Asset Management reported a **profit before tax** of 387 million euros versus 291 million euros for the first nine months in 2019. The increase was driven by the significantly reduced cost base.

Asset Management results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues:								
Management Fees	524	540	(16)	(3)	1,585	1,588	(3)	(0)
Performance and transaction fees	20	21	(1)	(6)	57	98	(41)	(42)
Other	18	(18)	37	N/M	(12)	(24)	13	(52)
Total net revenues	563	543	20	4	1,631	1,662	(31)	(2)
Provision for credit losses	2	0	2	N/M	2	0	1	N/M
Noninterest expenses:								
Compensation and benefits	182	194	(12)	(6)	558	622	(64)	(10)
General and administrative expenses	173	209	(36)	(17)	559	621	(62)	(10)
Impairment of goodwill and other intangible assets	0	0	0	N/M	0	0	0	N/M
Restructuring activities	(1)	1	(2)	N/M	10	30	(20)	(67)
Total noninterest expenses	354	404	(50)	(12)	1,128	1,273	(146)	(11)
Noncontrolling interests	44	34	10	30	114	98	17	17
Profit (loss) before tax	163	105	58	56	387	291	96	33
Total assets (in € bn) ¹	10	10	(0)	(2)	10	10	(0)	(2)
Assets under Management (in € bn) ¹	759	754	6	1	759	754	6	1
Net flows (in € bn)	11	6	4	N/M	17	13	4	N/M
Employees (full-time equivalent) ¹	3,882	3,994	(112)	(3)	3,882	3,994	(112)	(3)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end.

Corporate & Other (C&O)

Corporate & Other reported a pre-tax loss of 396 million euros in the third quarter 2020, compared to a pre-tax loss of 176 million euros in the prior year period.

Net revenues were negative 240 million euros compared to negative 84 million euros in the third quarter of 2019 principally driven by a negative contribution from valuation and timing differences after gains in the prior year quarter. Funding and liquidity charges decreased versus the prior year quarter, which was impacted by the implementation of the bank's new funds transfer pricing framework and methodology changes.

Noninterest expenses were 204 million euros, compared to 129 million euros in the third quarter of 2019. This development was driven by transformation charges reflecting the bank's accelerated rationalisation of its New York real estate footprint, and higher than planned infrastructure expenses where the difference is retained in Corporate & Other. Shareholder expenses decreased compared to the prior year quarter.

For the first nine months of 2020 Corporate & Other recorded a loss before tax of 597 million euros compared to a loss before tax of 76 million euros in the prior year period. The increased loss was principally driven by negative movements in valuation and timing differences, higher than planned infrastructure expenses where the difference is retained in Corporate & Other, and higher funding and liquidity charges. Shareholder expenses declined versus the first nine months of 2019.

Corporate & Other results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues	(240)	(84)	(156)	187	(350)	103	(453)	N/M
Provision for credit losses	(5)	(1)	(4)	N/M	(0)	1	(2)	N/M
Noninterest expenses:								
Compensation and benefits	916	973	(57)	(6)	2,812	2,984	(173)	(6)
General and administrative expenses	(715)	(884)	170	(19)	(2,447)	(2,728)	281	(10)
Impairment of goodwill and other intangible assets	0	0	0	N/M	0	0	0	N/M
Restructuring activities	3	40	(37)	(93)	3	40	(37)	(93)
Total noninterest expenses	204	129	75	58	367	296	71	24
Noncontrolling interests	(44)	(36)	(8)	23	(119)	(118)	(1)	1
Profit (loss) before tax	(396)	(176)	(219)	124	(597)	(76)	(521)	N/M
Employees (full-time equivalent) ¹	40,049	40,610	(561)	(1)	40,049	40,610	(561)	(1)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end.

Capital Release Unit

Net revenues in the third quarter of 2020 were negative 36 million euros. Net revenues were impacted by de-risking and hedging costs and funding charges that were partly offset by the reimbursement of eligible expenses related to Prime Finance and positive effects from valuation adjustments. Net revenues in the prior year period were negative 220 million euros. The year-on-year improvement reflects impacts from certain negative valuation adjustments and risk management losses in the prior year quarter which did not recur in the third quarter of 2020.

Noninterest expenses were 384 million euros in the third quarter of 2020 compared to 766 million euros in the prior year period. Noninterest expenses in the third quarter of 2020 included transformation charges, litigation and

restructuring & severance of 48 million euros in total, compared to a total of 209 million euros in the prior year period.

Adjusted costs excluding transformation charges were 335 million euros in the third quarter of 2020 and declined by 40% from the prior year quarter. The reductions were driven by lower internal service cost allocations and lower compensation costs, reflecting headcount reductions, as well as lower non-compensation costs such as Professional fees, Market Data, and other items.

Loss before tax was 427 million euros in the quarter compared to a loss of 1.0 billion euros in the prior year period. The improvement in loss before tax reflected the reduction in noninterest expenses described above and an improvement in net revenues year-on-year.

RWAs were 39 billion euros at the end of the third quarter of 2020, 3 billion euros lower than in the prior quarter. **Leverage exposure** of 90 billion euros declined by 12 billion euros from 102 billion euros in the prior quarter. Since the second quarter of 2019, the Capital Release Unit has reduced RWAs by 25 billion euros and cut leverage exposure by 159 billion euros.

For the first nine months of 2020, the Capital Release Unit reported a **loss before tax** of 1.8 billion euros compared to a loss before tax of 2.3 billion euros in the first nine months of 2019. The improvement reflects the reduction in noninterest expenses partly offset by lower net revenues.

Capital Release Unit results at a glance

in € m (unless stated otherwise)	Three months ended				Nine months ended			
	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %	Sep 30, 2020	Sep 30, 2019	Absolute Change	Change in %
Net revenues	(36)	(220)	184	(84)	(159)	396	(556)	N/M
Provision for credit losses	7	26	(19)	(72)	50	(0)	50	N/M
Noninterest expenses:								
Compensation and benefits	43	97	(54)	(56)	140	318	(178)	(56)
General and administrative expenses	339	575	(237)	(41)	1,431	2,287	(855)	(37)
Impairment of goodwill and other intangible assets	0	0	(0)	N/M	0	0	0	N/M
Restructuring activities	2	94	(92)	(98)	3	104	(101)	(97)
Total noninterest expenses	384	766	(382)	(50)	1,574	2,708	(1,134)	(42)
Noncontrolling interests	0	1	(1)	N/M	(0)	1	(1)	N/M
Profit (loss) before tax	(427)	(1,014)	587	(58)	(1,784)	(2,313)	529	(23)
Total assets (in € bn) ¹	238	359	(121)	(34)	238	359	(121)	(34)
Employees (full-time equivalent) ¹	503	763	(260)	(34)	503	763	(260)	(34)

N/M – Not meaningful

Prior year segmental information have been restated to the current structure.

¹ As of quarter end

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Investor and analyst call

An investor and analyst call to discuss third-quarter 2020 financial results will take place at 13:00 CET 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, October 30, 2020, at 15.00 CET. 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 20 March 2020 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 endorsed by the European Union, 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”). For the three-month period ended September 30, 2020, application of the EU carve out had a negative impact of 12 million euros on profit before taxes and of 9 million euros on profit. For the nine-month period ended September 30, 2020, application of the EU carve out had a positive impact of 65 million euros on profit before taxes and of 38 million euros on profit post taxes. 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 positive impact of about 1 basis point as of September 30, 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
Net income attributable to Deutsche Bank shareholders	Net income
Revenues excluding specific items	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
Adjusted profit before tax	Profit before tax

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 Net income attributable to Deutsche Bank shareholders)	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.

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 amortization 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