

**DEUTSCHE BANK REPORTS SECOND QUARTER 2009 NET INCOME OF EUR 1.1 BILLION**

- *Net revenues of EUR 7.9 billion*
- *Income before income taxes of EUR 1.3 billion*
- *Tier 1 capital ratio of 11.0%*
- *Risk-weighted assets reduced by EUR 21 billion, or 7%, to EUR 295 billion*
- *Balance sheet reduced by 6% during quarter and by 31% since 30 June 2008 (U.S. GAAP pro-forma)*
- *Level 3 assets reduced by EUR 16 billion, or 20%, during the quarter*
- *Leverage ratio, per target definition, further reduced to 24*

FRANKFURT AM MAIN, 28 July 2009 – Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) today reported results for the second quarter and first half of 2009. Net income for the quarter was EUR 1.1 billion, up 67% versus EUR 645 million in the second quarter 2008. Diluted earnings per share were EUR 1.64, versus EUR 1.27 in the prior year quarter. Income before income taxes was EUR 1.3 billion, up 105% versus EUR 642 million in the prior year quarter. The current quarter result was affected by the absorption of EUR 1.4 billion of specific charges, mainly in noninterest expenses and provision for credit losses, which were in part counterbalanced by EUR 758 million of specific positive revenue effects. Pre-tax return on average active equity, on a reported basis was 15%, and as per the bank's target definition, which excludes significant gains and charges, was 16%.

For the first six months of 2009, net income was EUR 2.3 billion, versus EUR 504 million in the first six months of 2008. Income before income taxes was EUR 3.1 billion, versus EUR 388 million. Pre-tax return on average active equity was 19%, versus 3%, while per the firm's target definition, pre-tax return on average active equity was 20%, versus negative 4%. Diluted earnings per share were EUR 3.53, versus EUR 1.01 in the first six months of 2008.

Dr. Josef Ackermann, Chairman of the Management Board, said: *"In conditions which contained both opportunities and challenges, Deutsche Bank turned in very satisfactory results. The outlook for the remainder of 2009 is strongly influenced by progress in the global economy. In an uncertain environment, Deutsche Bank is well prepared. We have taken good advantage of improved conditions on financial markets, but we have also reduced costs and balance sheet risks, and strengthened our capital and liquidity base, all of which leaves us well-placed to confront near-term challenges. Whilst we continue to maintain strict balance sheet discipline, we also remain committed to supporting customers in a difficult credit environment. For private customers of Deutsche Bank branches in Germany, new mortgage lending is up by over 50% since a year ago, and our volume of loans to 'Mittelstand' companies is now around EUR 3 billion higher than at the onset of the crisis in late 2007."*

Ackermann added: *"We have witnessed stabilization of the world's banking industry and financial markets. Increased liquidity and lower volatility in financial markets are both supportive for our business. Our strategic focus and proven business model, our leading franchises in critical areas, and our financial strength, all position us well to take full advantage of opportunities, as and when business conditions improve."*

## **Group Highlights**

Net revenues for the quarter were EUR 7.9 billion, up 46% versus EUR 5.4 billion, after mark-downs of EUR 2.3 billion, in the second quarter of 2008. Net revenues in the current quarter included EUR 176 million of fair value losses on Deutsche Bank's own debt, compared with a fair value gain of EUR 15 million in the prior year quarter.

In the Corporate and Investment Bank (CIB), net revenues for the quarter were EUR 5.3 billion, up 84% versus the second quarter of 2008.

In Corporate Banking & Securities (CB&S), net revenues for the quarter were EUR 4.6 billion, up 110% versus the prior year quarter, driven predominantly by revenues in Sales & Trading, which were EUR 3.5 billion, compared to revenues of EUR 1.4 billion, after EUR 2.1 billion of mark-downs, in the prior year quarter. Revenues in Sales & Trading (debt and other products) were EUR 2.6 billion, reflecting substantial year-on-year growth in 'flow' products, including interest rate trading and money markets, and significant year-on-year gains in emerging markets debt trading. In credit trading, losses from legacy proprietary trading positions were significantly reduced versus the first quarter of 2009. In Sales & Trading (equity), revenues were EUR 903 million, the highest level for the last six quarters, and compared to EUR 830 million in the prior year quarter. This development primarily reflects a significant year-on-year improvement in equity derivatives trading, mainly in European flow and structured products, and solid volumes in cash equity trading, in an environment of rallying equity indices and increasing primary equity issuance during the quarter. Revenues in Origination were EUR 654 million, versus EUR 266 million in the prior year quarter, driven in part by increased volumes of both debt and equity issuance, an improving market environment for high-yield debt origination, and the non-recurrence of mark-downs of EUR 204 million related to leveraged loans and loan commitments in the second quarter 2008. Advisory revenues were EUR 72 million, down from EUR 125 million in the prior year quarter, against a backdrop of the lowest quarterly market volumes of global M&A activity since the third quarter 2004.

In Global Transaction Banking (GTB), net revenues were EUR 653 million, down 3% versus the prior year quarter. This development reflects the negative impact of lower interest rates, partly counterbalanced by a positive impact of EUR 55 million from a revision of the bank's risk-based funding framework and market share gains in key product areas. Revenues grew in Trade Finance year-on-year despite lower volumes of world trade in more difficult economic conditions.

In Private Clients and Asset Management (PCAM), net revenues were EUR 2.0 billion, down 17% versus the prior year quarter.

In Asset and Wealth Management (AWM), net revenues were EUR 618 million, versus EUR 962 million in the prior year quarter. This development reflects reduced revenues in both brokerage and portfolio/fund management due to lower market valuations and lower levels of investor activity. Net revenues also absorbed impairment charges of EUR 110 million, reflecting declining real estate valuations in AWM's Alternative Asset Management business, which are included in the aforementioned specific charges.

In Private & Business Clients (PBC), net revenues were EUR 1.4 billion, down 4% versus the prior year quarter. This development reflects lower revenues in brokerage, resulting from lower levels of activity on the part of retail clients. This effect more than counterbalanced year-on-year improvements in revenues from loan and deposit products.

Revenues in Corporate Investments (CI) were EUR 660 million versus EUR 296 million in the prior year quarter. Revenues in the current quarter included gains of EUR 234 million from derivatives related to the acquisition of Deutsche Postbank AG shares, as well as gains of EUR 132 million arising from the sale of industrial holdings, both of which are included in the aforementioned specific positive effects. CI revenues were also positively impacted by the bank's investment in Deutsche Postbank AG, including the bank's put/call options to increase its investment.

In Consolidation & Adjustments (C&A), revenues in the quarter included a specific positive effect of EUR 392 million arising from the hedging of restricted equity units related to employee compensation, which was offset by negative effects from different accounting methods used for management reporting and IFRS for economically hedged short positions.

For the first six months of 2009, Group net revenues were EUR 15.2 billion, up 51% versus EUR 10.1 billion for the first six months of 2008.

Provision for credit losses was EUR 1.0 billion, versus EUR 135 million in the second quarter 2008. In CIB, provision for credit losses was EUR 779 million, versus a credit of EUR 9 million in the second quarter 2008. The current quarter included EUR 508 million of provisions for assets reclassified in accordance with IAS 39, of which EUR 433 million related to two specific counterparties, which are included in the aforementioned specific charges. The overall increase also reflects the generally weaker credit environment. In PCAM, provision for credit losses was EUR 221 million, versus EUR 145 million in the second quarter 2008, predominantly reflecting higher provisions in PBC despite the effect of EUR 30 million lower provisions in relation to

revised parameter and model assumptions. For the first six months of 2009, provision for credit losses was EUR 1.5 billion, versus EUR 249 million in the first six months of 2008. Provision for credit losses in the first six months included EUR 726 million related to assets reclassified in accordance with IAS 39.

Noninterest expenses were EUR 5.6 billion in the quarter, up 21% versus the second quarter 2008. In the current quarter, noninterest expenses included a total of EUR 831 million of specific charges, related to severance payments and other efficiency measures, a legal settlement and a goodwill impairment. Compensation and benefits were EUR 3.1 billion, up 17% versus the prior year quarter, primarily reflecting higher accruals for performance-related compensation and severance payments of EUR 321 million, compared to EUR 79 million in the prior year quarter. The ratio of compensation and benefits to revenues was 40%, versus 49% in the prior year quarter. General and administrative expenses were EUR 2.2 billion, up 19% compared to the second quarter 2008. The current quarter included a EUR 316 million charge from a legal settlement with Huntsman Corp. as well as EUR 43 million one-time exit costs related to bank-occupied buildings, arising as a result of efficiency measures. Other non-compensation expenses included a goodwill impairment charge of EUR 151 million resulting from the bank's investment in Maher Terminals LLC due to a negative outlook for business volumes.

For the first six months of 2009, noninterest expenses were EUR 10.5 billion, up 12% versus the first six months of 2008. Compensation and benefits were EUR 6.1 billion, up 9% versus the prior year period, while General and Administrative expenses were EUR 4.2 billion, up 10%. Other non-compensation expenses included impairment charges of EUR 157 million, and EUR 64 million of policyholder benefits and claims expenses.

Income before income taxes was EUR 1.3 billion for the quarter, up 105% versus EUR 642 million in the second quarter 2008. Pre-tax return on average active equity on a reported basis was 15%, and per the Group's target definition was 16%, versus 8% on a reported basis, and 5% per target definition, in the prior year quarter. In the prior year quarter, pre-tax return on average active equity per target definition excluded gains of EUR 242 million from industrial holdings. For the first six months of 2009, income before income taxes was EUR 3.1 billion, versus EUR 388 million for the first six months of 2008. Pre-tax return on average active equity was 19%, versus 3% in the prior year period. Per target definition, pre-tax return on average active equity was 20%, versus 4% negative in the prior year period.

Net income for the quarter was EUR 1.1 billion, up 67% versus EUR 645 million in the second quarter 2008. On a diluted basis, earnings per share were EUR 1.64, versus EUR 1.27 in the prior year period. The tax expense of EUR 242 million recorded for the second quarter 2009 (versus a tax benefit of EUR 3 million in the prior year quarter) benefited from significant tax exempt income. For the first six months of 2009, net income was EUR 2.3 billion, versus EUR 504 million in the first six months of 2008. Diluted earnings per share were EUR 3.53, versus EUR 1.01 in the prior year period.

Total assets, on a reported (IFRS) basis, were EUR 1,733 billion at the end of the quarter, down 18% versus EUR 2,103 billion at the end of the first quarter 2009, and down 13% versus 1,992 billion as per 30 June 2008. On a pro-forma U.S. GAAP

basis, which permits netting of derivatives and certain other trading instruments, total assets were EUR 928 billion, down 6% versus the end of the first quarter 2009 and down 31% versus EUR 1,338 billion as per 30 June 2008. Level 3 assets declined by EUR 16 billion, or 20%, to EUR 64 billion during the quarter. For the first six months of 2009, Level 3 assets were reduced by EUR 24 billion, or 28%. The leverage ratio, per target definition, was 24 at the end of the quarter, compared to 25 at the end of the first quarter 2009 and 38 as per 30 June 2008.

The Tier 1 capital ratio was 11.0% at the end of the quarter, up from 10.2% at the end of the first quarter 2009, and above the bank's published target of 10%. The core Tier 1 ratio, which excludes hybrid instruments, was 7.8% at the end of the quarter, up from 7.1% at the end of the prior quarter. Tier 1 capital at the end of the quarter was EUR 32.5 billion, up by EUR 0.2 billion from the end of the first quarter 2009. Tier 1 capital increased primarily due to net income which was largely off-set by actuarial losses related to the bank's defined benefit plans and higher capital deductions. Risk-weighted assets were EUR 295 billion at the end of the quarter, down EUR 21 billion versus the end of the first quarter 2009. This reduction resulted from a number of factors, including mark-to-market movements and exchange rate effects, lower risk-weighted assets as more exposures became impaired, improved netting and collateral recognition as well as hedging, restructuring, cancellation and asset sales. These reductions were partly offset by the effect of rating downgrades on certain assets and EUR 6 billion higher risk-weighted assets resulting from an increase in the regulatory capital multiplier for market risk imposed by the German Financial Supervisory Authority (BaFin) in the second quarter.

## **Business Segment Review**

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

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

Sales & Trading (Debt and other products) generated revenues of EUR 2.6 billion in the second quarter, an increase of EUR 2.0 billion compared to the second quarter 2008. This increase was driven by a continued strong performance in flow products and the absence of significant mark-downs compared with the previous year. Interest rate trading experienced one of the best quarters ever, mainly driven by both cash and flow business, while foreign exchange and money markets continued to perform strongly, albeit at a lower level than in the first quarter 2009. Deutsche Bank was voted no. 1 in the Euromoney FX poll for the fifth consecutive year, with a 21% market share. There were solid performances across all other products, including credit and emerging markets. Net mark-downs were EUR 108 million (therein commercial real estate loans EUR 198 million and European residential mortgage-backed securities EUR 29 million, offset in part by a net release against monoline insurers of EUR 119 million), compared to net mark-downs of EUR 2.1 billion in the prior year quarter (therein residential mortgage-backed securities EUR 1.0 billion, provisions against monoline insurers EUR 530 million, commercial real estate loans EUR 309 million and impairment losses on available for sale positions EUR 203 million).

Sales & Trading (Equity) generated revenues of EUR 903 million, EUR 73 million, or 9%, higher than the second quarter 2008. The increase reflects improved performance in Equity Derivatives, primarily in European flow and structured products, the latter having been significantly de-risked compared to the previous year quarter. There were strong results in equity trading, especially in North America. Deutsche Bank was also voted the world's best prime broker for the second year by hedge funds in the Global Custodian 2009 Prime Brokerage Survey. Equity proprietary trading also performed well despite significant risk reduction compared to the prior year quarter.

Origination and Advisory generated revenues of EUR 727 million in the second quarter 2009, an increase of EUR 336 million, or 86%, compared to the second quarter 2008. The growth in revenues over the prior year quarter was mainly attributable to mark-to-market movements in the Leveraged Finance business. In the second quarter 2009, revenues included mark-to-market gains of EUR 97 million related to leveraged finance loans and loan commitments, compared with a loss of EUR 204 million in the prior year quarter. In Debt Origination, High Yield was involved in significant transactions which resulted in gains in fee share and rank, moving to first in EMEA and nine positions to fourth globally. Equity Origination saw revived deal activity, and in Asia-/Pacific (excluding Japan) Deutsche Bank moved to second position, based on market fee share. (Source for all rankings: Dealogic).

Loan products revenues were EUR 319 million for the second quarter 2009, a decrease of EUR 26 million, or 8%, from the same period last year. The decrease was driven by mark-to-market losses on loans held at fair value, largely offset by increased revenues on narrowing credit spreads within the investment grade loan and hedge portfolio where the fair value option has been applied.

Other products revenues were EUR 125 million in the second quarter, an increase of EUR 77 million, or 164%, compared to the prior year quarter. This mainly resulted from mark-to-market gains on investments held to back insurance policyholder claims in Abbey Life. This effect was partially offset in noninterest expenses.

In provision for credit losses, CB&S recorded a net charge of EUR 771 million in the second quarter 2009, compared to a net release of EUR 14 million in the prior year quarter. The increase was primarily attributable to provisions for credit losses of EUR 508 million related to assets which had been reclassified in accordance with IAS 39, mainly driven by provisions taken against two specific counterparties which are included in the aforementioned specific charges. The remaining increase reflects impairment charges taken on a number of our counterparty exposures in the Americas and Europe, on the back of an overall deteriorating credit environment, as well as EUR 71 million higher charges taken against our collectively assessed credit exposures in CB&S.

Noninterest expenses of EUR 3.1 billion in the second quarter 2009 were EUR 516 million, or 20%, higher than the second quarter 2008, primarily reflecting a EUR 316 million legal settlement with Huntsman Corp. in the current quarter and higher performance-related compensation expenses reflecting improved business results.

Income (loss) before income taxes was income of EUR 828 million in the second quarter 2009, compared to a loss of EUR 311 million in the prior year quarter.

## Global Transaction Banking (GTB)

GTB net revenues were EUR 653 million in the second quarter 2009, a decline of EUR 17 million, or 3%, versus than the second quarter 2008. The decline reflects the impact of low interest rates on revenues across all products and regions, which was partly offset by a positive impact of EUR 55 million related to a revision of our risk-based funding framework. While revenues in the domestic custody business were also negatively affected by lower asset values, revenues in the other businesses were stable. Trade Finance benefited from new financing products in Europe and Asia, and gained market share in U.S. dollar clearing while maintaining a strong position in euro clearing.

In provision for credit losses, a net charge of EUR 8 million was recorded in the second quarter 2009, compared with a net charge of EUR 4 million in the prior year quarter.

Noninterest expenses were EUR 464 million in the second quarter 2009, up EUR 82 million, or 21%, compared to the second quarter 2008. This increase reflects higher transaction-related costs, increased staff levels across all business lines to support business growth and the formation of Deutsche Card Services GmbH in the fourth quarter 2008.

Income before income taxes was EUR 181 million for the second quarter, a decrease of EUR 103 million, or 36%, compared to the prior year quarter.

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

### Asset and Wealth Management (AWM)

AWM reported net revenues of EUR 618 million in the second quarter 2009, a decrease of EUR 345 million, or 36%, compared to the same period in 2008. Portfolio/fund management revenues decreased by EUR 163 million, or 32%, in Asset Management (AM) and by EUR 10 million, or 12%, in Private Wealth Management (PWM). The declines in both business divisions were mainly the result of the sustained market-driven lower asset valuations and net invested assets outflows during 2008 and the first quarter 2009. This adversely affected both asset-based fees and performance fees. Brokerage revenues of EUR 184 million were down by EUR 58 million, or 24%, mainly reflecting lower customer activity driven by the uncertainties in the international securities markets. Revenues from loan/deposit products of EUR 87 million increased by EUR 29 million, or 50%, primarily attributable to a positive impact from the revision of Deutsche Bank's risk-based funding framework and to higher deposit volumes. Revenues from other products were negative EUR 85 million, compared to positive EUR 58 million in the same period last year. The second quarter 2009 included impairment charges of EUR 110 million related to RREEF investments. The prior year quarter included gains on sales of certain European business activities of AM.

Noninterest expenses in the second quarter 2009 were EUR 700 million, a decrease of EUR 20 million, or 3%. The reduction reflects the impact of cost containment initiatives on non-compensation costs and lower performance-related compensation expenses, and was achieved despite higher severance payments related to efficiency measures.

AWM recorded a loss before income taxes of EUR 85 million compared to income before income taxes of EUR 242 million in the second quarter last year.

Invested assets in AWM increased EUR 5 billion to EUR 632 billion in the second quarter of 2009. Net new money inflows of EUR 1 billion in PWM and positive performance effects were partly offset by net outflows of EUR 3 billion in AM and negative foreign exchange rate effects.

### Private & Business Clients (PBC)

Net revenues in the second quarter 2009 in PBC were EUR 1.4 billion, down EUR 64 million, or 4%, compared to the second quarter 2008. Brokerage revenues decreased EUR 119 million, or 40%, compared to the second quarter 2008, reflecting lower levels of client activity. Revenues from payments, account & remaining financial services decreased by EUR 20 million, or 7%. This decline was mainly due to lower revenues related to insurance products sales. Loan/deposit revenues increased by EUR 49 million, or 6%, compared to the prior year quarter. Lower margins on deposits were more than offset by higher loan and deposit volumes and by higher loan margins. Revenues from Portfolio / Fund Management increased by EUR 12 million, or 21%, compared to the second quarter 2008, predominantly driven by a successful product campaign in Germany. Revenues from other products increased by EUR 14 million, or 13%, compared to the prior year quarter. This development was mainly driven by PBC's asset and liability management function.

Provision for credit losses was EUR 217 million in the second quarter 2009, up EUR 73 million, or 51%, compared to the same quarter last year. This development particularly reflects a continued deterioration of the credit environment in Spain, higher credit costs in the other regions, partly offset by lower provisions of EUR 30 million in relation to revised parameter and model assumptions.

Noninterest expenses were EUR 1.1 billion in the second quarter 2009, an increase of EUR 136 million, or 13%, compared to the second quarter 2008. The increase reflects severance payments totalling EUR 150 million, including EUR 115 million in PBC and allocated severance payments of EUR 35 million from centralized service functions. These severance payments are related to measures to improve the platform efficiency. Excluding severance payments, noninterest expenses were essentially unchanged versus the prior year quarter.

Income before income taxes was EUR 55 million in the second quarter 2009 compared to EUR 328 million in the second quarter 2008, primarily reflecting the aforementioned severance payments and a more challenging market environment after September 2008. The decline of EUR 151 million compared to income before income taxes of EUR 206 million in the first quarter 2009 was predominantly



attributable to the aforementioned severance payments related to our efficiency measures.

Invested assets increased by EUR 6 billion to EUR 189 billion in the second quarter 2009, primarily due to market appreciation.

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

Income before income taxes in CI was EUR 377 million in the second quarter 2009, compared to EUR 275 million in the second quarter 2008. The current quarter included specific positive impacts: gains of EUR 234 million from derivatives related to the acquisition of Deutsche Postbank AG shares, as well as gains of EUR 132 million arising from the sale of industrial holdings, mainly related to the further reduction of our stake in Daimler AG and the disposal of our remaining stake in Linde AG. Further contributing to the result were net revenues from our investment in Deutsche Postbank AG (including gains from the put/call options to increase the bank's investment) as well as gains from our option to increase Deutsche Bank's share in Hua Xia Bank Co. Ltd. These developments were partly offset by a goodwill impairment charge of EUR 151 million on the bank's investment in Maher Terminals LLC resulting from the negative outlook for business volumes. The second quarter 2008 included gains of EUR 145 million from the industrial holdings portfolio related to Allianz SE and Daimler AG, a gain of EUR 96 million related to the disposal of an investment in Arcor AG & Co. KG and dividend income of EUR 111 million, partly offset by mark-downs, including that on the bank's Hua Xia Bank option.

### **Consolidation & Adjustments (C&A)**

Loss before income taxes in C&A was EUR 41 million in the second quarter 2009 compared to a loss of EUR 176 million in the prior year quarter. The second quarter 2009 was significantly influenced by two largely offsetting effects. Gains of EUR 392 million from derivative contracts used to hedge effects on shareholders' equity, resulting from obligations under share-based compensation plans were offset by negative effects from different accounting methods used for management reporting and IFRS for economically hedged short-term positions, mainly driven by both Euro and U.S. dollar interest rate curves steepening during the quarter. The latter effect also negatively impacted the prior year quarter.

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 24 March 2009 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 2Q2009 Financial Data Supplement, which is available at [www.deutsche-bank.com/ir](http://www.deutsche-bank.com/ir).