



Deutsche Bank AG

Deutsche Bank Q1 2026 Analyst Conference Call

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Prepared remarks CEO and CFO

Speakers:

Christian Sewing, Chief Executive Officer

Raja Akram, Chief Financial Officer

Ioana Patrniche, Head of Investor Relations



CHRISTIAN SEWING

Slide 2 – Strong Q1 2026 results demonstrate franchise resilience

- Thank you, Ioana, and good morning from me
- We are very pleased with our first quarter performance. We proved our resilience in an environment of heightened uncertainty, and delivered record net profits as we continue to build on our strong foundations
- Our financial strength enabled us to support clients, to make a very solid start to this phase of our strategy and to create value for our shareholders
- Both our key metrics improved over the already-strong prior year quarter. Post-tax return on tangible equity rose to 12.7% and our cost/income ratio improved to below 59%
- This gives us a strong start on our path towards our targets
- We generated revenues of 8.7 billion euros, up 2% or 6% excluding FX impacts even against the strong performance in the prior year quarter, driven by focused growth areas and improving business mix
- Costs reflect disciplined execution of our strategy. We self-funded investments by realizing efficiencies as planned
- Our capital position is solid. We finished the quarter with a CET1 ratio of 13.8%, well within our operating range of 13.5% to 14%
- Strong organic capital generation enabled us to support both business growth and deductions for distributions, which are in line with our new payout ratio of 60%
- We also made good progress on the 1-billion-euro share buyback we announced last quarter; around 60% is already completed and we will update the market on the next distribution, in respect of 2026, in due course
- Let me now turn to the progress we made on Scaling the Global Hausbank, on slide 3

Slide 3 – Results show clear progress on Scaling the Global Hausbank

- We see tangible progress across all three levers we outlined at the Investor Deep Dive last November



- In respect of focused growth, in our asset gathering businesses, we see clear momentum in both revenues and assets under management, driven by continued net inflows from clients
- Strict capital discipline enabled us to deliver positive SVA in the quarter. We continued to reduce sub-hurdle mortgages in the Private Bank and re-deploy resources to Wealth Management and within corporate lending
- We also made progress on a scalable operating model, particularly in the Private Bank and Corporate Bank
- We're using AI to accelerate core processes, for example to significantly accelerate the credit process in the Corporate Bank, thus improving client experience, supporting growth and taking out costs
- The franchise performance indicators we discussed in November are also demonstrating progress
- Assets under management increased nearly 9% to 1.8 trillion euros year on year or 1% during the quarter, as we attracted net flows of 22 billion euros with around 11 billion euros each in Private Bank and Asset Management
- Loans grew to 486 billion euros, up by around 4 billion euros since a year ago or 7 billion euros since last quarter
- Deposits were 687 billion euros, up by 22 billion euros, or 3%, since the first quarter last year and were broadly stable compared to the prior quarter
- These developments were accompanied by strong performance across our businesses, as you can see on slide 4

Slide 4 – All divisions achieved a RoTE near or above 13%

- Looking at our divisional performance, two points are clear
- First, earnings mix and balance are improving. Our non-investment banking businesses, with more predictable earnings streams, account for a larger share of Group profits compared to the same quarter last year
- Second, we have delivered strength across the board with all businesses firing on all cylinders. All four divisions achieved a return on tangible equity of either close to or well above 13%
- In the Private Bank, we made strong progress on our transformation agenda. We hired about 100 coverage staff, with 80 already on board,



and we are ahead of schedule on branch closures, with around 75% completed for 2026

- The Private Bank increased client assets by 30 billion euros since the start of the year with net AuM inflows of 11 billion euros, primarily driven by investment products
- Asset Management achieved 11 billion euros of total net flows, mainly in Passive and Cash
- And DWS agreed to acquire a 40% minority stake in Nippon Life India Alternative Investment Fund, reinforcing our asset gathering capacity
- Corporate Bank saw sustained momentum in growing business volumes year on year, with loans up 6% and deposits up 2%
- Investment Bank performance was again very solid this quarter
- We continued to support our clients in volatile markets, with client activity up 8% despite a very strong prior year
- And we are pushing forward the Investment Bank's commitment to innovative tech-led solutions. We launched a partnership with BlackRock, integrating our multi-award-winning HausFX technology suite into their Aladdin platform
- This collaboration represents a significant step forward in delivering automated and cost-efficient FX solutions to the global asset management industry

Slide 5 – Reaffirming strategic direction in dynamic environment

- Before I hand over to Raja, I want to share my thoughts on our strategic direction in a dynamic operating environment, where recent geopolitical developments continue to underscore the importance of resilience and disciplined execution, but also underline our Global Hausbank strategy
- While the outlook for the global economy might be uncertain, the current conflict underlines Europe's need for self-reliance and strategic autonomy, and investment in defense and other capabilities
- When it comes to Germany, we want to reiterate that despite lower growth estimates in 2026, our medium-term view is unchanged, as there are tailwinds from fiscal stimulus and we see scope for further measures going beyond the reform framework announced earlier this month
- And we will continue to actively leverage our leadership position in Germany. As we explained in November, we see significant growth



opportunities, including private sector investments and reforms, and defense and infrastructure plans

- For example, Deutsche Bank is part of a 150-million-euro long-term financing package for Quantum systems, a Munich-based aerial defense systems company
- We remain focused on supporting our clients in this dynamic environment. The strength of our balance sheet, combined with our service capabilities and strategic positioning, means we are best placed to advise clients at European and global levels
- From a risk perspective, we have very limited direct exposure to the Middle East and our portfolio performance remains well within our expectations and we continue to monitor clients across industries
- And in line with our disciplined risk framework, we put in place a management overlay to reflect broader macroeconomic uncertainties
- Looking ahead, we reaffirm our confidence in reaching our strategic goals and 2028 financial targets
- Our first quarter results, with returns of 12.7%, show the strength of our strategy
- And much of the upside we talked about in November is already visible, providing operational flexibility to reach our financial plan and create potential for further outperformance
- We are encouraged by the progress made across our levers and the enhanced collaboration across our divisions
- AI is advancing rapidly and we are working closely across businesses and functions to make sure we deliver maximum productivity and enhance client experience
- We see positive momentum in our operating environment
- For example, EU policymakers continue to focus on European and banking competitiveness, including a more integrated capital market that would be very beneficial for European banks and in particular Deutsche Bank
- To sum up, we are strongly positioned to execute our Scaling the Global Hausbank strategy and deliver on our targets
- With that, let me hand over to Raja



RAJA AKRAM

Slide 7 – Q1 2026 highlights

- Thank you, Christian
- It feels great to be beginning my role as CFO with such strong results
- It comes as we move into the next phase of our strategy and I'm excited to be part of this journey
- Before I turn to the financials, a few comments on our revamped earnings deck
- You will see some changes to the presentation format today, reflecting alignment with the strategy we outlined at our investor day and highlighting clear focus on execution, delivery, and accountability, as we shift gears to Scaling the Global Hausbank
- We promised in November that we will give you regular updates on our performance indicators over the next three years and that is what we are doing today
- Let me now turn to the performance for the quarter
- We delivered a solid first quarter with net revenues of 8.7 billion euros, a return on tangible equity of 12.7%, while maintaining a strong CET1 ratio of 13.8%
- Profit before tax increased 7% year on year, with broad-based contributions across the divisions
- I am particularly pleased with the performance in the asset gathering businesses and the corresponding greater pre-tax profit contributions of the Private Bank and Asset Management, both of which saw strong growth
- The Corporate Bank return on tangible equity and performance indicators demonstrate visible underlying momentum, while the Investment Bank performance was solid against a strong prior year quarter
- We showed discipline on cost with the cost/income ratio improving to 58.9%
- FX had a continued negative impact on revenues and a positive effect on expenses this quarter. On a net basis, these movements had a negative impact on profitability
- We are introducing new disclosure on appendix slide 23, which provides transparency on FX translation impacts for select P&L and



balance sheet items to highlight how these impact operating performance

- Overall, notwithstanding the FX headwinds and against a dynamic backdrop, revenues continue to grow faster than costs, reflecting disciplined execution against our strategy
- Let me now turn to revenues in more detail, starting on slide 8

Slide 8 – Revenue performance

- Net revenues were slightly higher year on year at 8.7 billion euros, up 6% if adjusted for FX, reflecting growth across the franchise
- We saw strong growth in the Private Bank, underpinned by both Personal Banking and Wealth Management. Asset Management was also up and benefited from higher performance fees related to an infrastructure fund
- Corporate Bank revenues were impacted, as expected, by FX and interest rate headwinds compared with the prior year period, which are already beginning to subside. Underlying business momentum is encouraging, with an increase in both loans and deposits year on year
- First-quarter Investment Bank revenues were broadly flat year on year despite significant market volatility and FX headwinds. FIC revenues were essentially flat compared to a record prior year quarter, with IBCM slightly higher from improved Debt and Equity Origination performance
- Looking at revenue composition, net interest income year-on-year revenue trends were impacted by accounting asymmetries, which benefited net interest income and offset trading and other revenues. Even adjusting for this, net interest income still saw a solid increase driven by volume growth and hedge roll-overs, with trading and other income broadly flat year on year
- Net commission and fee income performance showed continued strength, also benefiting from the higher performance fee in Asset Management
- Overall, I'm very happy with the evolution of our revenues. Our non-investment banking businesses now contribute over 61% to our revenue mix
- Let me now move to NII on slide 9



Slide 9 – Net interest income (NII) and net interest margin (NIM)

- NII was strong at 3.5 billion euros in the key banking book segments and other funding
- Deposit-related NII has been stable over the past year as we have successfully offset the headwinds from interest rates with volume growth and our hedge portfolio and anticipate tailwinds going forward
- Looking at the divisions, the Private Bank continued to show steady margin progression, driven by increasing deposit revenues in both Personal Banking and Wealth Management
- The Corporate Bank net interest income was stable, with clear signs of the rate headwinds on deposit NII diminishing compared to the prior quarter
- In FIC Financing, revenues remain strong, supported by ongoing loan growth
- For the full year 2026, we expect NII across key banking book segments and other funding to increase to around 14 billion euros
- The performance in the first quarter and the current view for long-term rates gives us conviction for the 2028 targets we outlined at the IDD
- You can find details on the benefit from the long-term hedge portfolio roll-over on slide 25 of the appendix

Slide 10 – Noninterest expenses

- While turning to slide 10, you will notice two changes
- First, we're focusing on noninterest expenses rather than adjusted costs, as we said we would at the investor day
- Second, we're presenting noninterest expenses using the same categories as at the investor day
- On that basis, noninterest expenses were down 2% year on year at around 5.1 billion euros
- Incremental investments, particularly in technology and hiring across Wealth Management and IBCM, were largely offset by operating efficiencies while volume-related growth and inflation-driven expenses were the other main drivers
- Importantly, we delivered operating efficiencies of around 100 million euros in the first quarter already, supporting our multi-year efficiency



ambition. These included headcount and target operating model measures, alongside non-comp optimization

- In short, this reflects our disciplined cost and investment culture, keeping plans aligned with the external environment, focusing on execution, and developing capabilities to deliver our long-term targets
- With that, let me turn to provision for credit losses on slide 11

Slide 11 – Provision for credit losses

- Starting with asset quality, overall portfolio performance remains strong
- Provision for credit losses was 519 million euros, reflecting additional reserves on a single-name CRE exposure in the Investment Bank. In addition, we took a decision to take a macroeconomic management overlay
- Excluding the single-name item, CRE provisions would have been materially lower quarter on quarter
- Our higher risk CRE portfolio has materially reduced since 2022 with remaining risks focused on a small subset of existing defaults, which reinforces our confidence in the headwinds subsiding
- As I mentioned, first-quarter provisions include a 90-million-euro management overlay reflecting a forward-looking approach in a dynamic macroeconomic environment, in light of the Middle East conflict
- Adjusted for these effects, underlying portfolio performance is in line with expectations and supporting a normalized average run rate for provisions of roughly 30 basis points through 2028, as discussed at the investor day
- And within Private Credit, performance is stable, with no losses, and the portfolio is broadly unchanged. We take a highly selective approach to new business and continue to apply disciplined underwriting standards
- The early transparency we provided last year and in our recent Annual Report came from a position of confidence in our portfolio

Slide 12 – Capital metrics

- Turning to capital on slide 12
- As with costs, you will see a change in the presentation on this slide



- We are putting greater focus on the CET1 ratio itself and the underlying drivers, with risk-weighted assets shown as a key input given our growth agenda
- Starting with the CET1 ratio, we ended the quarter at 13.8%, down 38 basis points compared to the fourth quarter but squarely in line with our target operating range
- Net income net of deductions for AT1 coupons contributed 53 basis points, reflecting strong first quarter earnings while deductions for distributions of 32 basis points represent the 60% payout ratio from 2026
- Other deductions of 11 basis points mainly relate to equity compensation, partly offset by reduced capital deduction items
- Turning to risk-weighted assets, RWAs increased by 12 billion euros, excluding FX effects of 2 billion euros
- This was driven mainly by 6 billion euros of business growth in credit risk RWA, notably in loans in the Corporate Bank and Investment Bank, but also from derivatives and secured financing transactions. Market risk contributed additional 2 billion euros of RWA
- Other includes changes in operational risk RWAs and smaller effects from updates to existing models
- As mentioned earlier, and building on performance indicators introduced at the IDD in November, we have also refined the divisional pages to sharpen the focus on execution and provide a clearer view of our strategic progress
- Let's now turn to divisional performance, starting with the Private Bank on slide 14

Slide 14 – Private Bank

- The Private Bank delivered a strong first quarter performance, with profit before tax up 39% year on year and a 7% operating leverage
- We're very pleased with the trajectory of revenues, expenses and attracting new client assets, a key goal for us
- Client assets increased by 4% sequentially to 821 billion euros or by 6% excluding market and FX impacts, of which 694 billion euros were assets under management, which marks the highest level ever



- Client activity remained strong, with net assets under management inflows of 11 billion euros, predominantly into higher fee investment products
- Record revenues of 2.6 billion euros, up 5% year on year, were driven by a 13% increase in net interest income and slightly higher net commission and fee income
- Personal Banking revenues increased by 5% mainly from deposit revenue growth, partly offset by lower revenues from other banking services
- Wealth Management revenues grew by 5%, driven by higher deposit revenues and continued growth in discretionary mandates and capital markets products, despite elevated market volatility late in the quarter
- Noninterest expenses are slightly down 1%, mainly reflecting ongoing cost discipline, lower severances as well as select targeted investments. The cost/income ratio improved by four percentage points to 67% for the quarter
- We will continue with our investment initiatives in the Private Bank throughout the year, including hiring in Wealth Management
- Lower provision for credit losses reflects improved credit quality
- Let me also add that over the past two years, the Private Bank has more than doubled its return on tangible equity and reduced its cost/income ratio by 15 percentage points
- Over the same period, client assets grew by 20%, driven in particular by a 24% increase in investment products. In this first quarter alone, Wealth Management generated more than 9 billion euros of investment product inflows, setting us up for a beat of 2025 inflows nearly matching the full 2025 inflows in just the first quarter
- These results underscore the strength of the business and its significant growth potential

Slide 15 – Asset Management

- Turning to slide 15 to Deutsche Bank's Asset Management segment
- Return on tangible equity improved by 27 percentage points to 50%, with profit before tax increasing by 37% year on year, driven by higher revenues and lower costs



- As a reminder and as outlined at our investor day, the return on tangible equity calculation now reflects the full allocation of the regulatory capital minority interest benefit to the Asset Management segment
- Revenues rose by 10% versus the prior year quarter as performance fees increased significantly, primarily due to the earlier-than-anticipated recognition of significant fees from an infrastructure fund. This was supported by higher management fees reflecting an increase in average assets under management
- Other revenues declined year on year, mainly reflecting valuation of guaranteed products
- Noninterest expenses decreased by 5%, mainly due to lower variable compensation, and a reduction in non-compensation costs, including litigation. The combination of higher revenues and lower costs resulted in a cost income ratio of 55.5%, an improvement of almost 9 percentage points compared to the prior year
- Turning to flows, quarterly net inflows amounted to 11 billion euros, with long-term flows of around 7 billion remaining a key growth driver, especially flows in Passive Products, including Xtrackers. Cash had positive inflows of approximately 5 billion euros, as clients became more risk averse due to the dynamic macro backdrop
- Total assets under management increased further, driven by net inflows of 11 billion euros and positive FX effects of 8 billion euros, partially offset by negative market impacts of 10 billion euros, primarily related to the recent market volatility
- For further details please see DWS's disclosure on their Investor Relations website
- Let's move to the Corporate Bank on slide 16 before closing with the Investment Bank

Slide 16 – Corporate Bank

- The Corporate Bank started the year with a strong return on tangible equity of 14.8%, up compared to the prior year quarter, and a cost/income ratio of 63%
- As previously discussed, Corporate Bank revenues will be impacted by FX and interest rate headwinds in the first half of the year, but the end to that is clearly in sight
- On a reported basis, revenues in the first quarter were down 3% versus the prior year period



- Adjusted for FX movements, Corporate Bank revenues were up 1% year on year, with 5% growth in net commission and fee income and 2% growth in net interest income, offset by a mark-to-market adjustment on an investment. This mark has already partially reversed in April given improved market conditions
- In terms of business performance, Corporate Treasury Services and Business Banking benefited from interest rate hedges and higher business volumes, while Institutional Client Services revenues were lower, driven by FX movements and the aforementioned mark-to-market
- Business volumes were strong, with average deposits and loans both higher year-on-year and sequentially, and spot deposit balances normalizing from the elevated levels at the year-end. Compared to the prior year and adjusted for FX movements, deposits increased by 5% on a spot and 8% on an average basis, primarily driven by higher sight deposits in Corporate Cash Management, and loans were up by 8% with strong growth in Trade Finance
- Noninterest expenses were essentially flat as volume-related growth and investments into our platforms were offset by FX movements
- Provision for credit losses was lower during the quarter despite the management overlay, reflecting the quality of our loan book
- Looking ahead, we expect revenues to improve sequentially from here with an expected revenue growth rate in the mid-single digits on a reported basis, as we exit the year supported by both fee and NII income
- I'll now turn to the Investment Bank on slide 17

Slide 17 – Investment Bank

- Revenues for the first quarter were essentially flat year on year despite the impact of macroeconomic and significant FX headwinds and against a record first quarter of 2025 in FIC
- FIC Markets was slightly lower year on year due to reduced revenues in Rates, partially mitigated by strength in Foreign Exchange. Overall, the business demonstrated resilient performance in volatile markets
- FIC Financing continued to grow year on year, with revenues increasing 7%
- Moving to IBCM, revenues were slightly higher, driven by improved performance in Debt and Equity Origination. The prior year was



impacted by a loss on the sale and markdown of a specific loan in LDCM

- We continued to see strength in Investment Grade debt, with the business increasing market share by 50 basis points compared to the full year 2025
- While the business did see a clear impact to capital markets issuance activity in the last few weeks of the quarter, as a result of the Middle East conflict, market sentiment has improved in April, with the pipeline for the second quarter pointing towards revenue growth year on year
- Noninterest expenses were essentially flat year on year, with targeted investments and higher other expenses offset by favorable FX impacts
- Provision for credit losses was 290 million euros, driven by the larger single-name exposure and the management overlay I mentioned earlier
- With that, I'll turn to the outlook on slide 18

Slide 18 – Outlook

- Looking ahead, I'd like to close with the following
- First, we are confident in our revenue ambition of around 33 billion euros, supported by key banking book NII and other funding growing to around 14 billion euros, as well as growth in net commission and fee income. The expectations around interest rates are a tailwind and adding to our conviction around this number
- Second, as demonstrated, we remain firmly committed to disciplined strategy execution
- On costs and our investment plans, we confirm our expense guidance for 2026 and expect a gradual increase throughout the year, in line with what we said at the investor day, while retaining flexibility
- In the second quarter, we expect increases in expenses including from restructuring and severance costs in the Private Bank, to support our business-led front-to-back optimization agenda and generate in-year efficiencies, as well as hiring across divisions
- Third, we reiterate our guidance for provision for credit losses for 2026. Asset quality remains strong and portfolios are performing in line with expectations. We remain vigilant given the evolving macroeconomic environment and took a management overlay which may not be eventually needed when the Middle East situation normalizes



- Fourth, we are comfortable with the trajectory in profitability and continue to expect strong operating performance in 2026
- And finally, we want to deliver attractive capital returns going forward, which is why we increased our payout ratio to 60% and started to make deductions in CET1 capital to this ratio already in the first quarter
- As we move through the year, we are intensifying our focus on a scalable operating model, carefully phasing investments with clear emphasis on accelerating structural efficiencies and disciplined cost control. This further strengthens our intent to deliver productivity and efficiency beyond the commitments we made for 2028
- As I finish my first quarter as CFO with a better view of the capabilities and opportunities since the investor day and taken together with our first-quarter performance, I remain confident that with the strength of our franchise, the discipline of our execution, and the resilience of our business model we are in a good place
- From my perspective, we are just getting started. We have everything we need to deliver. I am exceptionally pleased that the business mix shift we had envisioned and planned for is already becoming visible
- And with that, we look forward to your questions

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This transcript also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this transcript, refer to the Q1 2026 Preliminary Financial Data Supplement, which is available at investor-relations.db.com.



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