



## **Deutsche Bank AG**

Deutsche Bank Q1 2026 Analyst Conference Call

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### **Transcript**

**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

## **QUESTIONS & ANSWERS**

Tarik El Mejjad  
(Bank of America)

Hi, good morning and thanks for taking my questions. I have two, please. The first one is regarding your revenue guidance and the mix in 2026 and during the plan. Maybe you can go a bit on more detailed outlook on each of the divisions where you see the outlook for this year and next and especially in light of the recent developments and conflicts in the Middle East impacting the German economy as a whole. And maybe you can also touch on the FX dynamics in first half versus second half.

Then the second question would be on RWA growth dynamics this quarter. If you can discuss again what would be the key areas that you think could reverse and the trajectory in the second half? And also, the implications on distribution outlook, including when is the next share buyback should be expected?



Christian Sewing

Tarik, thank you for your question. Let me start, and I'm sure Raja will add. Look, on the overall guidance for 2026, we remain absolutely confident that we can achieve the number which we have given to the market and indicated already at the end of January. The first quarter is only supporting that. We believe that the € 33 billion of revenues is absolutely achievable. And with that, what we have achieved in Q1, that makes me even more confident.

The nice thing about Q1 is the shift of or the composition of revenues, which we have seen and also in those divisional revenue split, that the momentum is actually not one only which I saw in Q1, but which is actually continuing in April.

And let me start with the asset gathering business in the Private Bank and Asset Management. I'm really happy with that performance because it had a reason why we put that as the first divisions to be presented at the IDD in November, and we can see the take-off of that business. In particular, assets under management are growing. You have seen the net inflows in the Private Bank and in Asset Management.

And that goes hand-in-hand with the investments which we have done. And therefore, this is not only a Q1 development, that is a development which we continuously see now in April, but which I expect to happen throughout the year. And it goes in line with that where we see the megatrends for the industry. And you have heard all about the discussions on the German pension reform.

You have heard me talking about the survey, which we have done in November when the Germans think about their state pension money, which is expected to come and that they actually now see the need that they need to do more. That is actually what we see day by day in the business in terms of inflows in the Personal Bank, but also obviously in Wealth Management.

In Wealth Management, it's a reflection of the investments which we have done. We told you in



November that we are investing into approximately 250 additional wealth managers. We have hired 100. I think more than 80 are, so to say, on the ground.

And to be honest, the start could have not been better. And therefore, I expect that trend to continue. And therefore, I do believe that when it comes to divisional revenue outlook, Private Bank will be clearly up year over year, 2026 over 2025.

Similar for Asset Management, nice development in Q1. But also there, again, based on the trend of our focus on the capital-light business and the asset gathering business, with all that, what Stefan Hoops is doing also in terms of new partnerships, I think we outlined that in our prepared remarks, I can see the momentum continuing.

Investment Bank, to be honest, I think a very solid development in Q1. I know that we always compare to the US banks and rightly so, that's fair. But we had obviously, the foreign exchange headwind in this regard. And secondly, the US banks, in particular, grew in two areas where we are actually not playing, i.e., Equities and Commodities.

And if I then do the real comparison, I'm very, very proud of what Ram Nayak and the team have done in the trading business. And in IBCM, we see a year-over-year increase in Q1. And to be honest, if I now see the pipeline for Q2 and Q3 filling, I'm actually quite positive about the momentum in the IBCM business. And that leads me to the belief that despite a very strong 2025 year in the Investment Bank, I think we see a year-over-year growth also in the Investment Bank.

Corporate Bank, as we said, we expect a slight increase year over year, and the real increase will be in the second half of the year. That we highlighted to the market early. And that is exactly the development which we have seen.

The nice thing about the Corporate Bank is that the lending book is increasing and obviously, based on one



of our three levers, SVA methodology, i.e., we are deploying the money there where it's value accretive. We are actually reducing the businesses in those areas in the Corporate Bank where we are not earning our SVA, where it is SVA negative. We could see actually a nice shift already in Q1. And therefore, I'm very positive in terms of the development of the Corporate Bank, but also the way we are applying SVA.

That all brings me to the clear conviction that we will achieve the € 33 billion revenues. And one last thing to the guidance, that does not include what a lot of analysts actually expect, that there may be a rate hike. To be honest, that's not something which we can take in our base case. But if this is coming, obviously, it's additional income, but that is upside. But the real drivers and also what I can see in April make me very confident.

I hope I also gave you already a little bit of guidance when it comes to the RWA increase in Q1. Please also don't forget that we had a very unusual low ending in Q4 2025. So we also need to see the increase when we compare it to the end of the quarter 2025. And again, the increase in the lending business is clearly based on SVA positive business, and that will pay out long term.

Last but not least, on capital, and I'm sure Raja will add to this. Please also look back what we have done in the past. We are now finalizing our first share buyback. I think we are approximately at 60% completion. We have always shown in the past that we are looking at our performance in Q1 and in the first half year.

That's exactly what we are doing right now. We are accruing to 60%. I'm not accruing to 60% because I don't want to pay that out. So there is a clear intention. Look at our performance right now as of today. I think we have all the best intention to go back to the market.

Raja Akram

Thanks, Christian, and hey, Tarik. I just will add a couple of things on RWA. First of all, I would comment from a CET1 ratio perspective, a drop of the CET1 was always planned and expected. We're obviously putting the FX



effects on the side on the capital. Every year's first quarter, we have some impact from equity compensation.

In terms of RWA development, the market risk and the CVA RWA obviously rebounded as expected from the very low levels at year-end as we clearly move towards our operating level. This was also partially driven by higher client activity and market volatility, which we saw in March. So depending on how this plays out, clearly has a bearing on forward-looking market risk.

On the credit risk side, Christian talked about it, we saw great opportunities to deploy this on lending, both Corporate Bank and Investment Bank. And we saw that opportunity, and we thought it was SVA accretive, and we decided that we wanted to do that.

Going forward, there are a few things that you should expect. One is we are accelerating our work around the portfolios, both in the Private Bank on mortgages, which are sub-hurdle and we are exiting them at quite a fast pace. And depending on how that goes, that gives us a lever.

In Trade Finance & Lending, we also have an SVA-negative book, which we are also executing on. Then don't forget, we also have some plans regarding SRTs later on in the year that creates the capacity to increase or further increase our lending activity without really sacrificing our CET1 level.

So, all-in-all, from my perspective, everything's in line with what we planned. And frankly speaking, honestly, pleased that the Corporate Bank lending growth that we were looking and aspiring for is beginning to happen.

On the FIC side, we are actually able to lend and didn't even see the margin compression that we were assuming would happen at least as of now. So, all in all, very productive deployment of capital. Obviously, FIC was masked a lot by the FX.



But clearly, on the Corporate Bank, as Christian said, as I look at the third and fourth quarter, I will not only have sequential growth on the back of lending and deposits, but I will also have year-on-year growth.

So at least that will put rest to this discussion. And for the most part, the FX headwinds will essentially dissipate in the second half at the same time, I think, which was the other question.

Anke Reingen  
(RBC)

Thank you very much. On costs. I think you alluded already in your remarks, but can you talk a bit about the cost trajectory in the course of the year as you talked about a step-up in Q2 versus Q1. Could that mean you overshoot your pro rata guidance for this year? And how do you balance with investments given the uncertain environment? And just to confirm, at the end of the day, I guess the target is still for the cost/income ratio to come in lower than in 2025 at below 65%.

And then just following up on capital. I guess you alluded in your Annual Report about RWA growth of which would imply like 6% to 10% for the year, running a bit higher in Q1. What should we think about? I know there's lots of moving parts, including market risk, but where should we think about RWA growth for the year? And that leads to the question about the share buyback where you said "in due course". Is "due course" already Q2 results? And would you be happy to announce a buyback if you are at the lower end of your 13.5% to 14% guidance? I know you already accrue for the 60%, but how does it all square with the RWA growth you're seeing? Thank you very much.

Raja Akram

Sure. Let me just start in order. Look, on the cost guidance, I want to just reiterate that we remain fully sure about the ambitions that we had set out. We will not overshoot our target. In fact, based on what I'm seeing in the first quarter, we may undershoot our targets, which might actually be a good problem to have.

What we're seeing is that we are able to accomplish a lot of the investments and the development work at a



lower cost than what we had envisioned when we set the investment plan together.

So from that perspective, we remain fully confident that not only will we meet or beat our expense target for the year, but also, we will deliver the cost/income ratio improvement that we had promised. So in that sense, nothing has changed. We are deploying the resources.

What we are doing is to make sure that our prioritization is right. What I mean by that is that I would like to prioritize those things that actually bring us in-year benefits on the productivity side, but at the same time, retain the benefits of the longer-term delivery.

But you also saw that the 80 bankers that we hired in Wealth Management that have not even produced at this point, the net new asset outcome, that is still to come. And so the results of the previous hiring is beginning to play out. So I don't want to sacrifice my future growth.

But that said, it's pretty clear that what we thought would cost us to get some of the things done is actually coming out better. Now obviously, this is only the first quarter, but I'm pretty bullish in terms of our ability to be a little bit more disciplined. Perhaps we were a little bit more conservative around our investment costing than where the real life is. So that's that.

In terms of the RWA growth, I think Christian talked about it. We firmly will remain within our target operating range, which we've laid out. In fact, I would like to be not towards the low end. I would like to be squarely in the middle. And the reality is that the 60% that we are accruing is with an eye towards doing a second half buyback, assuming all the normal cadence is met.

We would like to see the results of the first and the second quarter. Then obviously, we, as a bank, go through a process of our approval. And then at that point, we communicate. That's been the cadence that this bank has set up, and we intend to stick to that one.





is that the increases or decreases that we are seeing in this is on existing defaulted positions.

The new inventory or the new default pipeline has pretty much stopped at this point. So that gives me the confidence. We always assumed there will be some level of CRE-related impact in 2026. It just happens to be that it came in first quarter of 2026. But when I look at what our remaining subset of open exposures are for CRE, it gives me the confidence along with what I see is the absolute shrinkage of the underlying stress portfolio.

So between the two, the actual indicators of our CLP this quarter were actually positive in all businesses, Investment Bank, Corporate Bank and Private Bank. So in the Stage 1, Stage 2, we actually saw really good outcome.

It's just that we made a decision as a bank that we would like to be a little bit conservative on the forward-looking Middle East-related situation, and we took a correction or a top-up of a provision on an existing defaulted loan.

Christian Sewing

Let me just add because I have a little bit of history in risk management. Look, everything Raja said, I subscribe and I simply feel that given the uncertainty from the Middle East, it is the right thing to do, but we don't expect to use it.

Moreover, what is for me most important is next to all the portfolio reviews we have done over the last three months, we don't see any negative trends from a rating migration in any of those portfolios, and that is important. And I think we are very close to that. And that gives me the confidence about the resiliency of the portfolio. We have been here conservative. And therefore, I really do believe that this is a very good signal.

Secondly, also, let me be clear, and I hope I was clear at the Morgan Stanley conference, we, again, have no negative experience on the Private Credit portfolio in



Q1. And the overlay has nothing to do with that. Actually, for us, this is not a story. Raja made it very clear this morning. I made it clear in March.

We see absolutely behaving portfolios, we are happy with the diversification. And therefore, this has been taken for real conservative measures. On the rating migration, the underlying performance of the portfolio, we don't see any negative deterioration.

Nicolas Payen  
(Kepler Cheuvreux)

Good morning. Thank you for taking my questions. I have two, please. The first one would be on your use of AI. I think you mentioned the use of AI to re-engineer core processes, and you use the example of corporate credit risk. Do you have any other examples to illustrate how you're actually deploying AI within the bank? And maybe what kind of revenue opportunities or operating efficiency you can associate with these deployments? And maybe are you seeing a net benefit from AI implementation once you account for cost of AI?

And the second question would be on the Private Bank. You disclosed € 30 billion of additional client assets. Could you discuss a bit how this will help the Private Bank going forward? How does it fit into the business? And what kind of pace are you expecting on the client assets going forward? Thank you.

Christian Sewing

Let me start and Raja will add. Look, as I said in the answer to the first question, the Private Bank story makes me really happy because since over six months Claudio de Sanctis has a very, very clear strategy that investment products are the main target for the Private Bank. And what we can see is that the whole steering of our franchise, but in particular, the steering of our Private Bank divisions is taking the momentum.

The net asset under management flows in the first quarter were mostly in investment products, approximately € 10.5 billion, predominantly in discretionary portfolio management, and that's in particular in the upper Private Banking and Wealth Management and actually shows that, so to say, the



steering of Claudio is taking more and more momentum and speed.

And now with the investments we are doing, in particular, in Wealth Management, Raja just referred to that, and with people actually getting their feet under the table and doing and actively pursuing the client activities, this will further grow.

Secondly, and there is the bridge already to AI and to technology, don't underestimate the future potential and the capacity, which we already saw in Q1 in Personal Banking. Of course, you talk about lower individual amounts. But actually, the need for our clients in Personal Banking to think about their own private pension investment is higher than ever before.

The urgency, the attention of these clients actually asking for that, looking for advice is as high as I have never seen it before since I've been with Deutsche Bank. And this is exactly what we are now looking for. And this is where we are, for instance, applying technology because obviously, for 19 million personal banking clients, you can't do a one-to-one advisory in a physical way. It's impossible.

So therefore, Claudio is very much investing into technology to get the tailored advice to these clients, and we can see that this business is taking off. A good part of the growth in Personal Banking is on the back of the investment business, obviously, also in taking in deposits. But that's the strategy, and that is completely supported by AI. And therefore, AI, as I think explained it in the previous calls, is not only something where we will improve on efficiencies, but it's in particular, that we will improve the client experience.

And that is also what Claudio discussed on the 17 November. And with the investments we are doing, it's far easier, obviously, to capture the potential on the revenue side in the broad-based retail business. And hence, I expect that the momentum we have seen in Q1 will actually continue in the following quarters. But Raja, you want to add?



Raja Akram

Sure, sure. Thanks, Christian. So let me just take this point about the € 30 billion client assets, which was obviously a new target that we had set at the Investor Day, taking them from € 800 billion to € 1 trillion. Look, this is something that I am super, super passionate about personally.

I think the strategy is pretty clear for us, we want to add client relationships, whether they come from custody, whether they come from DPM or they come from advice. We want to grow our net new assets, which we've shown, and then we want to migrate to fee-based, which is really the Holy Grail. And the channels are different.

We obviously are recruiting. We talked about it. The existing advisers are becoming more productive. And the third thing, which we actually have not even harnessed yet, to be totally honest with you, is the cross-firm references and the cross-firm collaboration.

I would just want to give you one example of the success of this, that in this particular quarter, we brought € 10 billion of investment products in the Wealth Management space, in the Private Bank space. In 2025, we brought a little bit over € 10 billion in the entire year. So, what we did in first quarter, and I know it's only first quarter, was almost the same as we were able to do in the entire 2025.

So when I look at that momentum and even if I was to sustain 50% of that momentum, it makes me really, really happy that the mix shift and the velocity of attracting net new assets is actually really high, and that goes to the conviction that Christian has about the € 33 billion for 2026.

But for me, the real benefit is, if we can show 5%, 6%, 7% net new asset growth, what is the upside to the € 1 trillion client asset target that we had set up for the Investor Day.

Giulia Aurora Miotto  
(Morgan Stanley)

Hi, good morning. Thank you for taking my questions. I have two. I just want to go back quickly on the overlay,



the € 90 million. Was this taken by changing the macro assumptions or with some specific portfolios in mind? And do you have some sensitivities on the oil price specifically? Because I appreciate that if the situation gets resolved quickly, this will be reversed. But if the situation continues, you might have to take more. So it would be good to have a sense there.

And then a separate question, on Financing revenues. So I would have thought this could be perhaps a bit weaker given what's happening with, for example, Private Credit. Just thinking that if the clients that you support on the Financing side are a bit more challenged, maybe that part of the revenue is more challenged. But it doesn't look like it. And in fact, you called it out saying that there was good growth and there is momentum in the business. So can you give us an outlook on how you see Financing evolving from here also in light of more competition from US banks? Thanks.

Raja Akram

Thanks, Giulia. Raja here, I'll take the questions. Look, on the overlay, it's all macroeconomic. But I would describe it in maybe two parts. Maybe two-thirds of it are essentially changing our inputs or the macroeconomic indicators to see what they would look like if we had to catch up to what the environment looks like.

And then one-third of it is to say, okay, if there was a little bit of an energy shock, what type of clients could potentially be impacted by that. So in the sense, if the environment improves, both those pieces essentially get taken off the table, not just one of them. So it's not like one will stick and the other one will not.

In terms of the sensitivity, we looked at a couple of different scenarios. This is certainly not the most optimistic scenario when we come to the € 90 million. It was somewhat of a little bit of a protracted energy shock, which makes me comfortable that unless the environment is completely off kilter, that we have what we need.



And in fact, we may have more than what we need. But I really felt it was important for us to be a little bit forward-looking and proactive and not just looking at backward-looking indicators when we're doing our allowance. So that's a little bit on the overlay.

Giulia Aurora Miotto      What the oil price do you assume?

Christian Sewing      I think our overall assumption for the full year is now that we have an average price for the full year of approximately \$ 95, and I think it was in 2025, I think the average price was \$ 65. So we have almost priced in a 50% increase for the full year. That's the general base case expectation for the bank.

Raja Akram      Giulia, on the Financing revenue side, I think the growth is coming from our ability to deploy across the franchise, the complex, not just Private Credit. As you know, Private Credit only represents around 5% of our overall loan portfolio and a small portion of our FIC complex.

I think part of the over performance also comes from, if you remember at Investor Day, we assumed that there was going to be continued spread compression in FIC financing. Thankfully, and at least as of this quarter, we did not see the same dynamic play out.

So not only did we have healthy growth from a volume perspective, we were able to hold our own in terms of the spreads, and that led to our outperformance. As I mentioned in my prepared remarks, our Private Credit portfolio has pretty much stayed the same in terms of magnitude. So the growth that you're seeing in FIC Financing is not necessarily driven by Private Credit.

That said, the kind of sponsors and the counterparties and the funds that we deal with are high-quality people which have very little concerns raised about them. So they continue to do operate their business.

And we are actually, in this environment, able to be even more selective of who we choose to do business with, what kind of structural protections we can enhance and frankly speaking, what pricing we want.



So in that, all in all, I think the FIC Financing story is a good one because no compromise on underwriting standards, no spread compression and being able to choose where we play.

Kian Abouhossein  
(JP Morgan)

Thanks for taking my questions. And the first one is just wanted to see your view on the balance sheet growth we see in the US, your competitors in the US on the IB side, on the financing side, on the corporate side. You're the Hausbank for Germany, how do you see that impacting you? Considering when I look at your balance sheet, it's pretty well maintained. You have clearly not as much growth, and I assume not as much growth as what we are expecting from some of the US players. But I just want to see the competitive dynamic, how you see that playing out over the next 12, 18 months?

And then secondly, I wanted to just hear a bit more around private credit. You have the € 25.9 billion, which you gave at the year-end. We had some disclosure from the US peers, which look a bit higher relative to some of your peers, I would say, but there might be definitional issues. So maybe you can highlight what maybe the definitional differences are against US peers. And I was wondering also, as we get disclosures from some peers on BDCs, if you could tell me how much that is? And lastly, how much is actually the undrawn commitments because I think the € 25.9 is drawn. Thank you.

Christian Sewing

Thank you, Kian. Let me start on the broader competitiveness question. Look, I think, Kian, if you look back for the last seven years, our strategy was to play there where we can add value and where we have our place.

And I really do believe also, again, looking at Q1, but also looking at the pipeline and the mandates we are talking about, the financing requests we get and we are working on that this was the right decision.

And therefore, I'm not that worried about the competitiveness going forward. Obviously, I can see that there may be an advantage on the US side from a capital point of view, from a balance sheet expansion.



But to be honest, if you look at our market standing and the way we are doing our business, it has a tremendous advantage that we are one of the very few European banks which can play globally.

And in this geopolitical situation where we are, the call for a European bank when it comes to strategic advice, when it comes to global risk management, when it comes to network banking in the Corporate Bank, our clients around the world would like to have a European bank at the table.

And this is exactly where we see our opportunity. And therefore, that despite the competition of the American banks and clearly great banks, we can see that this is our spot and that we can actually deliver there.

Now what is most important for us is that we are not compromising. And therefore, I just want to reiterate what Raja just said. We were very open with you on 17 November, that we said one of the reasons why we only see limited growth on the FIC side is that we don't want to compromise on margins, and we won't do it.

And if we start seeing that, I don't think that we will play the game because we have a clear SVA-driven methodology. We haven't seen that in Q1, and therefore, we could obviously also expand in that business.

But I think the market position of Deutsche Bank with our capabilities and being a European player in an environment where people would like to have a European alternative at the table when it comes to risk management advisory is a fantastic opportunity. And that is for me the reason why we can grow.

And if we stay focused and don't do everything what others are doing, and we keep investing into those businesses where we have a market-leading business, then I'm not worried at all about the competition.

Last but not least, but I think Raja can explain that better, I'm glad you asked about the definition of Private Credit because obviously, we did some work on



this one, and it shows you that I think we have a little bit of a broader definition. But Raja will talk about that.

Raja Akram

Sure, Kian. Again, as you know, we were the first ones to put out pretty detailed disclosure on Private Credit, both in terms of magnitude, the structural protections, how we do business, why we feel comfortable. And I'm actually super happy that to be the trendsetter here because now we are seeing almost all of our US peers follow our practice this quarter.

And it's become pretty abundantly clear to me that in the absence of a universal definition, our definition was slightly broader than at least most of our peers.

What I mean by that is most people seem to have focused on lender finance portfolio, not other things around it. And if you were to take that definition for us, it will be around 75% of our disclosed number.

Now look, I think at the end of the day, we have to risk manage things regardless of what you call them. So calling it one thing versus the other, from my perspective, doesn't change the focus and the attention we have. But there's clearly definitional differences between banks. And presumably at some point, there will be some alignment.

In terms of your question on BDCs, we focus on large BDCs and therefore, pretty comfortable. We are usually senior in their capital structure. At the end of the day, our exposure to BDCs is approximately € 0.5 billion. So it's a very, very small exposure in that sense.

And the unfunded exposure again on the BDCs is around € 2.5 billion. But as I mentioned, it's essentially senior in the structure, and we don't really deal with small BDCs. We are with the large cap ones. So hopefully, that's helpful.

Chris Hallam  
(Goldman Sachs)

Morning. Just two from me. So first, on the € 100 million of investment spend in the first quarter, could you give an indication on how you'd expect the outstanding € 800 million to phase through the rest of this year? So if we assume € 200 million to € 300 million



per quarter going forward, can we also carry that run rate into next year, into 2027 and then the € 1.5 billion is largely done by the end of the first half? And perhaps you could just remind me on whether all of the € 900 million this year and indeed all of the € 1.5 billion is cash spend or is some of that capitalized? I think you might have confirmed that at the IDD, but I just couldn't find it.

And then another follow-up on costs. Raja, you said that you thought you could undershoot on costs and also on the cost/income ratio. Is it fair to say that because you're saying that on both absolute cost and on cost/income, that isn't a comment around FX tailwinds on costs, i.e., you're talking about organic cost improvement? Thank you.

Raja Akram

Yes. Thanks. Look, we've been pretty transparent that FX was clearly a tailwind for us on expenses, but actually a much bigger headwind on revenue. So all in all, FX actually played against us from a PBT perspective. So not counting on FX to basically be the main driver of the undershoot.

I think the main driver of the undershoot is just my conviction around the fact that some of the things that we thought we would do, actually, the pacing may be a little bit different, but also it actually is costing us less to some of the development work that we were doing.

And partly, that is probably driven by AI and partly our ability to actually do a much better job of figuring out what we have in the bank that we can leverage rather than starting it from scratch. So that's where my conviction comes from on the cost side. And obviously, that helps with.

In terms of your other question, clearly, what is in our plan is to have a slow ramp-up because we want to be disciplined as for the reason that I mentioned to you. We do see some opportunities in the second quarter to accelerate some of the productivity-related benefits that especially come from the Private Bank that we want to have an in-year benefit.



That means that we will potentially need to take some restructuring and severance charges in the second quarter, along with the other tech development work. So that will basically mean that we will have a second quarter run rate that is in excess of the first quarter.

And my intention is to actually manage it pretty tightly and prudently and so that we don't see spikes up or down through the rest of the year. But as Christian said, we have to look at the environment, but I also have to look at where I have the highest conviction of the spend, and that will allow me to pace it.

Remember, our investment plan was a three-year investment plan, which is gradually going down over the years. And the € 900 million number that you talk about, it is actually a P&L number because obviously, we also have the tech development as part of that.

So all in all, I think the fact that we have been able to start at a measured pace and still be able to do what we wanted to do. We already hired 80 bankers in Wealth Management, and they're already productive.

And the fact that I think it's coming out that we can actually do some of the things much more economically than what we had assumed when we put the plan together, it gives me a little bit more surety around being able to manage the 21-plus number for the year, no matter where FX is.

Stefan Stalman  
(Autonomous)

Good morning. I have two questions on numbers, please. The first one on your provision for credit losses, the € 519 million in the first quarter. Can you tell us how much of that was actually Stage 3 related?

And I also wanted to talk about the revenue in the Private Bank that is not NII. You mentioned in the other income part, some valuation effects on guaranteed products. Could you add a little bit more color on what that relates to or the size of that commitment is. That would be very helpful.

And also in the Private Bank on the same vein, I noticed that your AuM are growing very nicely, plus 10% year



on year, but your net commission income is only plus 2%. Is there anything in the mix or anything else that holds back the growth of net commission income, please? Thank you.

Raja Akram

Just to give you some clarity, as Christian mentioned, the underlying portfolio migrations in Stage 1 and 2 are developing super nicely for us, which is really, really promising. Almost all of the provision this quarter in the € 500 million is related to Stage 3, which is what I mentioned.

In essence, what we're seeing is a true-up of reserves on existing defaulted positions rather than new things migrating towards that. And obviously, we have then the overlay of the € 90 million or so that we have parked in Stage 1 and 2 because that's not name specific. So for the most part, the provision number is driven by Stage 3.

And in terms of Private Bank AuM, there's always going to be a lag in terms of when you bring the clients, when you onboard them and when you start to move them into discretionary portfolios or fee-based businesses.

So I would think that that's the hypothesis that I was talking about that if we can increase our capacity of taking more and more assets, eventually, they move to advice and the advice moves to fee-based, and that's what gives me a lot of confidence. I think the valuation piece that you mentioned, that wasn't really a big driver. I believe it was in Asset Management and not Wealth Management.

Flora Bocahut  
(Barclays)

Thank you. I'd like to come back on two elements that have been discussed before, the RWA and then the investments that you are doing this year.

On the RWA, maybe let me ask you the question a bit differently. At the Capital Market Day in November, I think you guided for RWAs in 2028 to be € 385 billion. That was post FRTB, which looks like it will be delayed by another three years. So let's call it € 378 billion ex-FRTB. In other words, for you to meet that target, you



need RWA growth over the next three years pretty much to be the same as what you just did in one single quarter here in Q1. So can you help us understand why you think this will be achievable?

And then on the investments, can you talk again about what exactly you are planning to do with the € 900 million investments? I understand you've hired bankers in Wealth Management. I understand the points you just made that maybe you can do those investments in a more economical way. But can you remind us exactly what you have in mind there and how you think this is going to help your revenue base? Thank you.

Raja Akram

Thank you. All fair questions. On the RWA, I would mention that I think it's hard to extrapolate the first quarter to twelve quarters because obviously, we have dynamics between market risk, credit risk, we talk about the growth and also something on operational risk, which obviously is not something that happens every quarter. It's done as part of a refinement of the methodology.

I have to give you two main things that we also discussed at the Investor Day. One was our increase of our SRTs by approximately 20%, which we have just begun to execute, and it's mostly that program is going to be executed over 2026 and 2027, number one.

Number two, if you remember, we were only 40% in SVA accretive businesses at the end of 2025. And our goal is to get to 70%. Now a lot of that is going to come from us doing better on pricing, being more efficient, more productive but we also have portfolios that are consuming RWAs without bringing us the returns that we want. And the two best examples of that is the mortgage business inside Private Bank, where we're continuing to derisk and reallocate resources.

And the second one being Trade Finance & Lending, where we also are beginning to exit. And obviously, not all those actions are either visible or done at the end of this quarter. So, I would say it's a function of us being



prudently managing out unproductive RWA and redeploying it to productive RWA.

It's the use of good tools like SRTs. And then the third thing which makes me really comfortable is our focus on asset-light businesses. If we do this thing right, we don't need the RWA growth to deliver the € 37 billion that we promised on Investor Day.

Our Private Bank and our Asset Management businesses, which consume very little RWA, should essentially fill the hole for the lack of consumption of RWA. But we're just starting our journey on this mix shift. It's already visible. So, I feel confident that on the RWA side, if we are able to do what we want to do on our Wealth Management and Asset Management, it's not going to be an issue.

Christian Sewing

And a bit more transparency on the € 900 million in investments. Look, we talked about the hiring in Wealth Management. There will be some selective hiring in IBCM because we want to close the gaps we have in order to provide the coverage which we need. And to be honest, also there, we are making good progress. I talked about that. The real investments will be obviously focusing on technology in the Private Bank, but also in some of our back offices.

Private Bank, I just said in one of my answers when we are coming to the investment process that we need a front-to-back process. This is exactly what we are applying and what we are building for Personal Banking. That will obviously cost certain investments, but we think that this will further not only increase the efficiency of the bank, but the client experience will go up.

Secondly, we have been always very open about that what we have done over the last five years in terms of regulatory remediation, in particular, in areas of AFC, compliance, know-your-client. We are now at the place where I think we have done good progress on regulatory remediation. Now we are actually thinking about how can we further automate these processes?



And that is, in particular, affecting AFC, compliance, where we are putting a lot of technology at work. These are the main areas actually and obviously bring run-the-bank down in TDI, where we are putting technology to work, where we are putting the investments with all the efficiency gains, which we then see over the next three years.

Raja Akram

Thanks, Christian. One thought, it was in my prepared remarks, but it's very clear that the investments that we are making in AI or we're beginning to make in AI that have an impact on our cost structure above and beyond what we had envisioned at the Investor Day.

If you remember the Investor Day, Christian had laid out some levers to our upside of the 13% RoTE. It's become abundantly clear that once we deploy AI pervasively across the bank that we can potentially do much better than what we had assumed for our 2028 plan, especially on the cost side.

So that investment is also part of our € 900 million, but the benefits of that are actually much more exponential than both Christian and I had assumed in November. And that is giving me a lot of confidence that no matter the economic environment in 2028, the upside for our structural cost efficiencies actually is greater than what we had planned for or had assumed.

Mate Nemes  
(UBS)

Good morning and thank you for taking my questions. I have two of them, please. The first one would be the reduction of the SVA sub-hurdle loans. I think both of you mentioned that this process is accelerating in the Personal Banking, and then you also clearly see opportunities in Trade Finance in Corporate Bank.

Could you give us just a sense of where exactly you are in that process? I understand that's still relatively early, but any numbers, any color you can give on that would be helpful. Also, just to put lending growth into context, can you give us a sense how new lending on an underlying basis would look different if you excluded the sub-hurdle loan reduction? So that's the first question.



The second question would be one on Corporate & Other. I think you were guiding to roughly € 200 million negative in pretax contribution per quarter at the beginning of the year. Q1 clearly better. I think the guidance for the remaining quarters remains unchanged. To what extent do you see a possibility of continued outperformance on that side? And what could drive that?

Raja Akram

Sure. Thanks. Let me take the first question first on the SVA actions. Just to give you some perspective that we assume that our mortgage lending would potentially be down by almost € 14 billion over the next three years. That's the size and scale of the actions that have to be taken. Obviously, it's going to be over a period of next three years, but that just gives you a sense of the potential capital relief we get.

But at the same time, we believe that our Wealth Management low capital-intensive Lombard lending will be going up by almost 2x that. So basically, we'll be able to re-optimize our balance sheet at a much higher return with much less RWA consumption. So that process is ongoing.

And for Private Bank, we actually had growth in net new lending, which is being masked by the € 4 billion or so of reduction that we just did in this particular quarter. So just to give you a sense of the pace of that. And I think we can do a much better job and much faster job there, but that obviously is a plan that we're looking at over the 2028.

Same thing on Trade Finance & Lending, we have been able to take the low-margin business and substitute with the actual Trade Finance high-yield business that is much more accretive to us. So again, we are the first quarter into our journey. But just to give you a sense of the magnitude, at least on the mortgage book, it's a pretty sizable reduction.

In terms of C&O, look, it is always the one that is harder to predict. Most of the gain this quarter was from Valuation & Timing in terms of pull to par. In some



companies or some banks, this activity actually sits with the business and is reflected in the business results. In our case, it actually is in our C&O. At this point, where I sit today, without having a crystal ball, I would think the best estimate is still for us to get to the negative € 200 million per quarter for the rest of the year.

Jeremy Sigee  
(Exane BNP Paribas)

Good morning, thank you. This is just circling back on a couple of topics. One is the IBCM pipeline, which you said is very robust for Q2 and Q3, which echoes what we've heard from some of the US firms. I wondered if you could give us a more European perspective on that. Do you see the same resilience of dealmaking in Europe, obviously being geographically and economically closer to some of the risk issues in the Middle East conflict? Do you see the same resilience in Europe that US firms have already commented on in the US context on the primary IB side?

And then my second question, another kind of growth area. You're showing a bit of loan growth in Corporate Bank here, and you mentioned Trade Finance. I just wondered, which industry sectors that's coming in and how you see that linking to some of the stimulus themes that we've been discussing for a few quarters now?

Christian Sewing

Thank you. Let me start. Look, on the IBCM pipeline, I think it's also a little bit of a specific Deutsche Bank story because you know that Fabrizio Campelli and Alison Harding-Jones actually changed the focus of the IBCM business over the last twelve months. We are now focusing far more on the corporate advisory business. You know that we are very strong in the financial sponsor business before that strategy has been changed.

Here, we started to also specifically hire people. We strengthen our M&A sector. We strengthened our ECM sector. And therefore, what you see now in terms of pipeline is also the result of the continuous work which Alison and Fabrizio have done over the last twelve months to reposition Deutsche Bank in this. And hence,



it's not all about the market development, but it's also the way we have reset up this business, and I'm really glad about this progress I can see there.

Secondly, from a market volume point of view. Look, I think it also explains a little bit the different numbers between European and US houses in Q1, but also in 2025, to be honest, we have seen a stronger IBCM business in the US.

Actually, one can see that finally, we see movement also in Europe. And that combined with the investments we have done, with the focus we have given this business, is actually showing now in strong pipelines in mandates.

And in particular, in our home market, I'm really happy about that what we can capture and what we have captured. And hence, I'm actually quite positive on the outlook of this business. But I would say it's more about the right re-positioning of Deutsche Bank.

With regard to your second question, and Raja may want to add. Look, there is not the specific sector within the Corporate Bank. I think it's pretty broad-based. But in your side question or in the side remark, you also looked at the stimulus program.

It was actually quite encouraging what we have seen in December, January, February, we could see that the demand for financing also in Germany is taking up speed, in particular, in areas which are close to the infrastructure spending, in particular, in areas you see to the defense.

I'll think in our prepared remarks, we also made reference to one defense financing, which we have participated in and which we are doing. It's just one example out of a lot. And the way Germany works, if it starts with the larger projects, you then see the headline, so to say, on the DAX companies.

But in particular, in defense, there are so many sub suppliers in the family-owned and mid-cap areas. And



there, we can see that business is starting to really increase. And therefore the stimulus has its impact.

The conflict in the Iran obviously is not helpful. And therefore, I think it's right that for conservative reasons, we have taken down overall our economic growth assumption for Germany in 2026, but it will not impact our overall three-year plan because I do believe that this growth is coming back. And I'm actually quite encouraged of what I've seen in December, January and February, and that's seen in the portfolio.

Raja Akram

Thanks, Christian. I just wanted to highlight on Corporate Bank. Obviously, we're very happy with the progress of this segment. The reported loan growth of 6% year over year is actually close to 8%, if you were to FX adjust it, not that withstanding, we also optimized € 3 billion of the loan portfolio in lending. So, the actual underlying loan growth in this business has been € 12 billion.

So, if you think the dynamic of that and what's encouraging is that this is just not pure lending that brings NII, it actually is the business that also attracts a large amount of net fee and commission income. And you will have seen we also grew net fee and commission income 5% again, ex FX year-over-year. So that is the level of activity that we're seeing.

Going to the first question that we were asked on why we are so confident in Corporate Bank showing sequential and year-over-year growth starting the second half, it is these kind of volumes that we are seeing that kind of come through. while we are actually reducing the non-value-add portfolio.

Matthew Clark  
(Mediobanca)

Good morning. Some more questions on risk-weighted assets, please. So, the 6% to 10% risk-weighted asset growth for the full year is quite a broad range still. Can you give us any guidance within that, which end you expect to end up at? And if not, could you maybe outline what scenarios might lead you to be at one end rather than the other?



And then a second question on the first-quarter Investment Bank loan growth. Was this more drawdown of existing approvals, albeit you said it was profitable value-accretive lending? Or was it driven more by new approvals of new applications? Thank you.

Raja Akram

Sure. I think the 6% to 10% growth rate obviously was done in the context of our starting point, which Christian talked about was quite low to begin with at the end of 2025. Look, a couple of things that could impact this. One is obviously the absolute demand and what we see we can use our balance sheet for that's very accretive and SVA positive. But putting the demand piece aside, the market risk environment obviously will have an impact on are we operating in volatile markets where the CVA is contributing it.

Credit risk is a little bit harder to predict even in the short term because entering into a calmer period of economic development may also have some bearing on how the RWA operates. So at this point, I think this is still a pretty good range. I think if we are in an environment where the economic activity is robust and risk is manageable, you could probably see on the higher end of the range.

If we don't see demand and we don't see the spreads developing the way we would like to, then it might be on the lower end of the range. So it's hard to pin down just in April, where this will go given the uncertainty of the environment. We have a pretty good handle of our pipeline.

In terms of what's going to consume RWA, clearly, we have a few dynamics going on. We are redeploying our RWAs from mortgages to Wealth Management. In Corporate Bank, again, we are deprioritizing certain portfolios. And on the FIC side, we are clearly seeing great activity both on the existing draws, but also on new growth.

So all in all, if the first quarter is to be an indicator, we think that the activity will be robust, and we're going to continue to bring in more clients and continue to



optimize the balance sheet by taking out things quicker, hopefully, to make room for that.

Matthew Clark

Can I just follow up quickly? The subtext of that is that for you, the best outcome is that it is at the higher end of that range commensurate with higher demand and stronger economic activity. So you're almost hoping that it's at the top end of that.

Raja Akram

No, we obviously always want to operate in the operating range that we've laid out, and we want to operate comfortably within that operating range, even though there's two segments for that.

But I do think for me, the most important part is what type of activity are we using the RWA for? If it's SVA accretive, and it's shifting the franchise mix to the one that we want, I would gladly take it. But if not, then we don't have a compulsion to because, frankly speaking, if my asset gathering businesses continue to outperform, then there's even less of a need to actually load up things on your balance sheet.

So I just think that at this point, in April, we are comfortably within the range that we communicated and the market factors will determine a little bit about where we end up.

Andrew Coombs  
(Citibank)

Hi there. If I could possibly come back to capital. I guess, three parts to the question. The first is Slide 26. If I look at the average 1-day VaR, it's lower quarter on quarter. The 10-day SVaR is flat on average quarter on quarter, but there was a spike at quarter end. So just trying to work out to what extent that informed the € 2 billion increase in the market risk RWAs and whether you'd expect that to moderate next quarter?

Second question, just on the 60% payout. Have you provided a split of your thought process between dividend and buyback on that 60%.

And then I guess my third question would be, you previously alluded to potentially topping up the buybacks if you were to go above a 14% CET1 ratio. But looking at this quarter, you're running well above



your 2% loan CAGR guidance just on this quarter alone. So is it a case that you'd rather deploy it into more loan growth rather than topping up the buybacks? Thank you.

Raja Akram

Thanks, Andrew. I think it's not unusual for you to see a quarter end spike in VaR given the way we hedge our exposure. So you could expect that to be back in the range. And we actually already have seen that. If you look at the history, it's not that unusual.

In terms of your question on the mix of the 60% payout. I think we had guided at the Investor Day that we will continue to increase our dividend consistently, but probably not at the same magnitude that we had been doing previously, which was around 50% every year.

So we have not provided that split yet, but you can assume that it's going to be more heavily weighted towards buybacks versus dividend increase. And when we communicate the timeline, we will obviously provide more information about the mix as well.

In terms of your RWA question, look, I think it's clear for us that we want to do both. We want to walk and chew gum at the same time. We want to do loan growth. We also want to make sure that the shareholders get their capital back at the pace that they expect.

In the discussion that we had, and depending on how the environment evolves, for this year and next year, that will then determine our ability to be sustainably above 14% and then have the conversation about the excess buybacks.

Tom Hallett  
(KBW)

Hi thanks for taking my questions. I've got a couple. I'm just wondering if there's any prospect of your 2% domestic buffer within your SREP guidance reducing anytime soon? There was some news yesterday, and I thought it might have some read across to you guys.

And then secondly, on the Corporate Bank and Private Bank, could you give us a sense of the trajectory of the next couple of quarters on NII because it felt like there



was quite a slow progress there given the hedge benefits that should be coming through. Thank you.

Raja Akram

So let me start with the trajectory of the Corporate Bank and the Private Bank. It is positive as we continue to replace the existing hedges and we continue to grow our underlying deposit and loan portfolio, the trajectory is positive. And as I mentioned, we still believe that our € 14 billion overall NII guidance is fairly within reach.

And depending on what happens with the interest rate hikes in Europe, it also has some positive impact on 2026, obviously, a lot more on a long-term basis, but we do have some short-term exposure there as well.

So that is all promising. But yes, the expectation is that both Private Bank and Corporate Bank will continue to show improvement on their NII trajectory, and we feel very comfortable about our overall € 14 billion.

Tom Hallett

So you're expecting a slow tick up in NII over the next couple of quarters? And then I was just going to come back to the domestic buffer on your SREP guidance.

Raja Akram

Yes. So let me just, before I address the SREP guidance, I just want to make sure that I share, because that question has come up a couple of times.

Our second buyback for the year is not dependent on us being above 14% CET1 ratio because we have already adjusted for that 60% payout in our ratios. The 14% comment was solely in relation to excess share buybacks. So I just want to make sure that everybody understood that, that comment was not in reference to 14%.

In terms of SREP, look, I would love to say that this is in the bag. There's certainly upside. There is no downside for us because we actually are above where we should be. And if the regulatory authorities actually go by the math, we could probably see a benefit. But obviously, that has not been communicated to us. The national authorities still have to decide based on the back of the ECB news. But the good part is there's nothing but upside based on the news that we saw yesterday.



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