FitchRatings

Banks
Universal Commercial Banks
Germany

Deutsche Bank AG

Key Rating Drivers

Restructured Global Universal Bank: Deutsche Bank AG's ratings reflect its restructured, fairly diversified business model, albeit with a still significant contribution from more volatile trading and capital market activities and lack of domestic pricing power compared with higher-rated global trading and universal bank (GTUB) peers. The bank's sound risk appetite, asset quality, funding and liquidity support the ratings.

Fitch Ratings expects profitability to continue to improve on the back of consistent strategic execution in the next two years, but to remain below the peer average in the near term. Weaker, albeit improving, internal capital generation and tighter buffers over regulatory requirements than most large European banks result in capitalisation being only adequate.

Fairly Balanced Business Profile: Deutsche Bank has a fairly diversified business model focused on four businesses: the Investment Bank (IB), which usually remains the largest revenue and profit contributor, the Corporate Bank (CB), the Private Bank (PB) and Asset Management (AM). The revenue contribution and cost/income ratios of the CB and PB have substantially improved. Together with AM, they accounted on average for about two-thirds of total revenue in the past two years.

Improving Risk Controls: Litigation costs and regulatory fines are materially above peer average. Large investments have improved anti-financial crime controls since 2019, but we believe that Deutsche Bank's business model is intrinsically exposed to these risks. At the same time, the bank has a good record of managing credit and counterparty risk in most businesses. Appetite for market risk is fairly limited despite sizeable trading operations.

Resilient Asset Quality: We expect Deutsche Bank's impaired loan ratio to remain above 3% in the next two years on the back of commercial real estate defaults, to which the bank has larger relative exposure than large European banks. The bank's large exposure to Germany, good record of managing credit risk and adequate collateralisation mitigate lower loan loss allowance coverage compared with peers. Non-loan assets are generally of good credit quality and are neutral to our asset-quality assessment.

Growing Earnings: The bank's operating profit/risk-weighted assets (RWAs) steadily improved to an adequate 1.7% in 2023. We expect revenue from the bank's hedge portfolio to mitigate the decline in deposit margins and stabilise net interest income (NII) only marginally below the 2023 level. The bank has potential to grow its net fee and commission income. Combined with tight cost management and broadly stable credit losses, the bank's operating profit/RWAs should rise to above 2%, excluding the Postbank-related litigation charges in 2024.

Adequate Capitalisation: Capitalisation is adequate in light of completion of the bank's restructuring and benefits from improving internal capital generation. High regulatory capital and leverage requirements result in lower maximum distributable amounts than most European peers. We expect the common equity Tier 1 (CET1) capital ratio and the Basel leverage ratio to remain above 13% and close to 4.5%, respectively, in the next two years, as capital retention should offset regulatory RWA inflation.

Diversified Funding; Sound Liquidity: We expect the bank to take measures to maintain its solid deposit franchise, limiting its reliance on market funding in the next two years. The latter is well-diversified but remains more confidence-sensitive than GTUB peers, as evidenced by the sharper fall of Deutsche Bank's bond prices in late March 2023. We expect liquidity to remain sound and loan and deposit balances to remain broadly in line with end-2023 levels.

Ratings

Deutsche Bank AG

Long-Term IDR	A-
Short-Term IDR	F2
Derivative Counterparty Rating	A(dcr)
Viability Rating	a-
Government Support Rating	ns

Sovereign Risk (Germany)

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks

Long-Term IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (March 2024)

Non-Bank Financial Institutions Rating Criteria (January 2024)

Related Research

Fitch Affirms Deutsche Bank at 'A-'; Outlook Stable (June 2024)

Large European Banks' Net Interest Margins Likely to Have Peaked (June 2024)

Global Economic Outlook - June 2024

Large European Banks' Commercial Real Estate: No Outsized Credit Losses Expected (May 2024)

Postbank Takeover Litigation Costs Will Be Neutral to Deutsche Bank's Credit Profile (April 2024)

German Banks' Commercial Real Estate: Credit Losses to Stay High (February 2024)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The ratings could come under pressure if the bank fails to at least stabilise its cost-efficiency, revenue significantly declines or franchise erosion in core businesses relative to its peers, leading to operating profit/RWAs durably below 1.5%. Rating pressure would also arise if a global deterioration of credit conditions hinders adequate operating profits, for example, by triggering persistently higher loan impairment charges (LICs) than our current expectations and durably eroding the CET1 ratio below 13%.

We could also downgrade the ratings if the bank's liquidity metrics fall more than expected, leading to loss of market confidence, without swift recovery prospects or following significantly higher than anticipated operational losses, for example, from civil litigation or regulatory fines.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade would require further strengthening of the bank's business model and franchise growth in stable and profitable businesses. This would have to result in a more balanced revenue profile and reduced operating profit variability, as seen at higher-rated peers, sound internal capital generation, substantially better cost-efficiency along with and operating profit/RWAs sustainably at 2% or above. An upgrade would also require clear evidence of lower confidence sensitivity in the bank's funding and liquidity, while maintaining sound risk appetite and asset quality.

Other Debt and Issuer Ratings

	Deutsche Bank AG	Deutsche Bank AG, London Branch	Deutsche Bank Trust Corporation	Deutsche Bank Securities, Inc.	Deutsche Bank Trust Company Americas	Deutsche Bank National Trust Company
IDRs	A-/Stable/F2	A-/Stable/F2	A-/Stable/F2	A-/Stable/F2	A-/Stable/F2	A-/Stable/F2
Viability Rating	a-					
Government Support Rating	ns					
Shareholder Support Rating			a-	a-	a-	a-
Derivative Counterparty Rating	A(dcr)	A(dcr)		A(dcr)		
Deposits	A/F1	A/F1			A/F1	
Senior preferred debt	A/F1	A/F1				
Senior non-preferred debt	A-	A-				
Guaranteed debt	AA-					
Subordinated Tier 2 notes	BBB	BBB				
Hybrid Tier 1 notes	BB+					
State-guaranteed notes	AA-					

Source: Fitch Ratings

Deutsche Bank's funding and liquidity score of 'a-' constrains the bank's Short-Term IDR at 'F2', the lower of two options mapping to the Long-Term IDR of 'A-'.

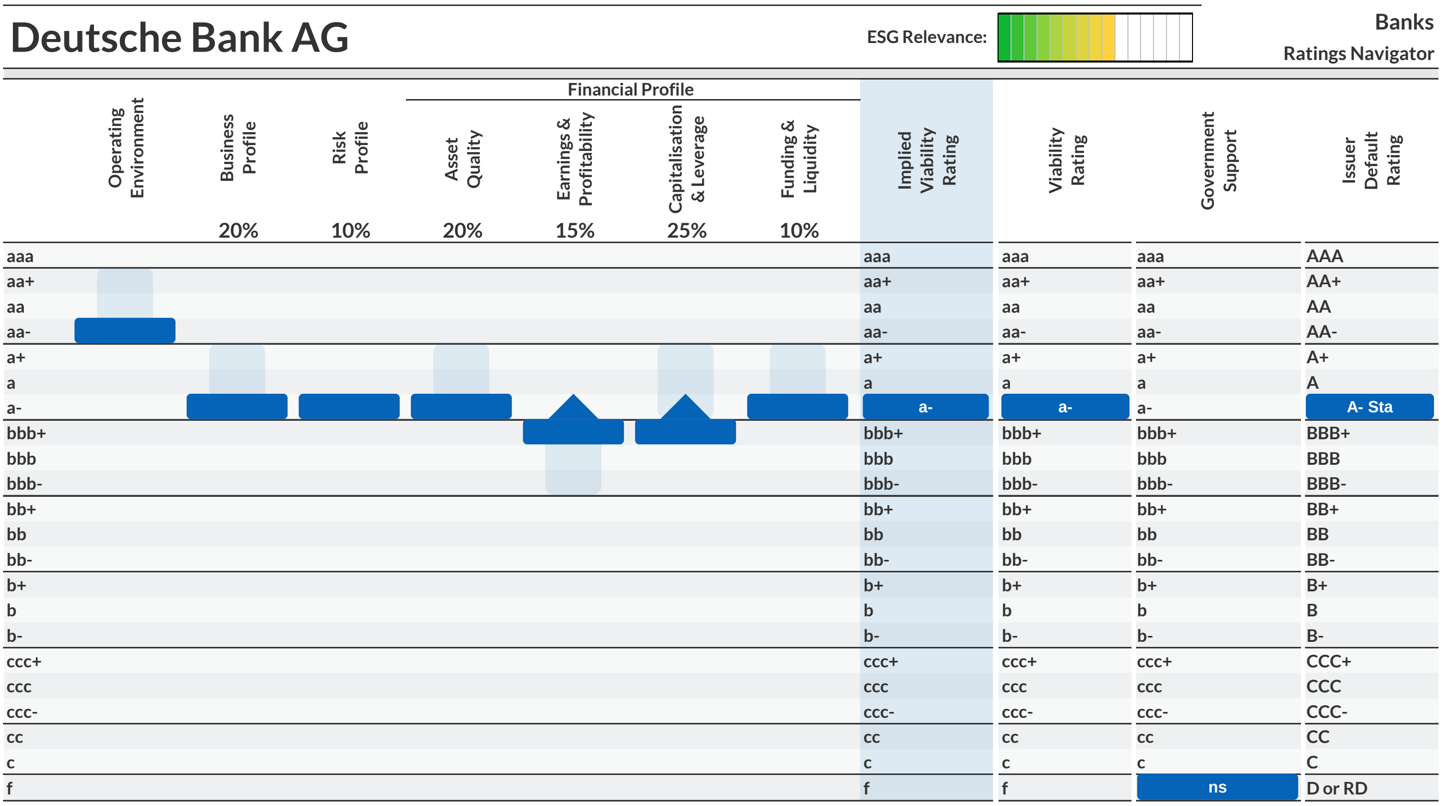
Deutsche Bank's Derivative Counterparty Rating (DCR), long-term deposit and senior preferred (SP) debt ratings are one notch above its Long-Term IDR, and the senior non-preferred (SNP) debt rating is aligned with the Long-Term IDR. This reflects the protection of SP creditors by large SNP and junior debt buffers (17.7% of RWAs at end-March 2024). The buffers are underpinned by the bank's subordinated minimum requirement for own funds and eligible liabilities (MREL) of 24.7% of RWAs, which is higher than its total loss-absorbing capacity requirement of 23.2%.

Deutsche Bank's short-term deposit and senior preferred debt ratings of 'F1' are rated above the Short-Term IDR but at the lower of two options mapping to the long-term debt ratings of 'A', as Deutsche Bank's funding and liquidity score is below the required threshold for a higher short-term rating.

We rate the Tier 2 notes two notches below the VR to reflect the poor recovery prospects of these instruments. We rate Deutsche Bank's additional Tier 1 (AT1) notes and legacy Tier 1 notes issued by Deutsche Postbank Funding Trust I and III four notches below the VR (two notches for poor recovery prospects and two notches for non-performance risk). The bank had a broadly stable and sufficient buffer of 229bp over the minimum required to pay coupons on its AT1s at end-March 2024.

Senior and Tier 2 bonds issued by DSL Bank are notched up three times from Deutsche Bank's Long-Term IDR, reflecting their outstanding recovery prospects. The German government (AAA/Stable), which guarantees these bonds until maturity, is extremely likely to fully reimburse the grandfathered creditors if Deutsche Bank defaults. However, we see no certainty that a reimbursement would be on a timely basis as the DSL Transformation Act from 1999, on which the state guarantee is based, does not oblige the government to honour the guarantee on first demand.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The capitalisation and leverage score of 'bbb+' is below the 'a' category implied score, due to the following adjustment reason: internal capital generation and growth (negative).

Company Summary and Key Qualitative Factors

Business Profile

Deutsche Bank, Germany's largest bank and a global systemically important bank, has a large presence in Europe, the US and Asia. The restructuring it started in 2019 to lift its profitability and capitalisation after a decade of weak earnings and declining market share was largely completed in 2022. Key improvements include sizeable cost reduction and a run-down of less profitable, capital-intensive non-core IB businesses. The bank's four segments - IB, CB, PB and AM - focus on key strengths and more predictable revenue.

The IB's relative weight remains large and at the upper end of the peer group. It accounted for about one-third of the group's revenue and pre-tax profit in 2023. IB sales and trading focuses on businesses where Deutsche Bank has top five positions globally, such as foreign exchange, rates, flows in credit products and emerging markets. IB financing provides lending, structuring, underwriting, syndication and securitisation of asset-backed securities, commercial real estate (CRE), project and equity financing and delivers broadly stable revenue. Primary market debt underwriting and advisory, which includes a large franchise in leveraged finance, are also strategic.

Deutsche Bank disposed of its prime brokerage and electronic equity trading business in 2019, making its IB less diversified - but more focused - than global industry leaders. The IB has strengthened its franchise in the past three years through market shares gains and investments in origination and advisory, notably the acquisition of the UK broker and advisory firm Numis in 2023.

The CB has become increasingly important under Deutsche Bank's more balanced business model and contributed close to half of pre-tax profit in 2023. Its comprehensive and sophisticated product suite and global network add modest pricing power in the German market, which is characterised by intense price competition. The bank is a leading euro-clearer, and in trade finance it is well positioned to serve its large base of export-driven German corporate clients. The CB also offers trust and securities services and lending to corporate and institutional clients, as well as business banking for SMEs. The bank plans to increase the scale of its cash management and payments, institutional business and ESG transition offerings by 2025, with a credible fee growth path.

The PB, which includes Personal Banking and Wealth Management & Private Banking, generates about 60% of the revenue in Germany. It became the largest revenue contributor in 2023 benefiting from higher interest rates. Personal Banking caters to retail clients and small businesses in Germany, and has modest franchises in Italy, Spain and Belgium. The bank plans to improve the profitability of its domestic business by closing branches, digitalising its products and differentiating its retail brands, with the aim of targeting high-end customers while gradually shifting mass retail clients to mobile solutions.

Wealth Management & Private Banking (EUR325 billion assets under management (AuM) at end-March 2024) focuses on private banking, high- and ultra-high-net-worth individuals globally and on mid-caps in Italy, Spain and Belgium. Deutsche Bank plans to strengthen the business globally with a focus on growth in south-east Asia and the Middle East.

DWS, the bank's 79.5%-owned AM business with EUR941 billion AuM at end-March 2024 (including EUR114 billion lower margin cash and advisory services), is a reliable but relatively small revenue contributor. It has good market shares in Germany, where it is a leading provider of retail funds, and to a lesser extent, in Europe, where it is a top-three provider of retail exchange-traded funds. DWS aims to become a top-10 asset manager globally to expand its international reach, particularly in Asia, and targets annual average growth in passive and alternative investments of 12% and 10%, respectively.

Risk Profile

Deutsche Bank's business model results in material exposure to operational, reputational, market and counterparty risk. The bank also remains exposed to several legal and regulatory proceedings, most of which are related to its pre-restructuring legacy. In April 2024, Deutsche Bank announced it will make EUR1.3 billion provisions (64% of 1Q24 pre-tax profit) to offset possible litigation claims related to its voluntary takeover offer of Postbank in 2010. As a result, contingent liabilities for civil litigation and regulatory enforcement should decline to below EUR600 million (1% of CET1 capital) all else equal and if crystallised should not materially drag on the bank's future profits.

Non-financial risk controls still lag those of peers but EUR5 billion in investments since 2019, tight scrutiny from regulators and consistent management focus on strengthening anti-financial crime controls have brought significant improvements and the bank faces fewer new legal claims and demands from regulators for remediation than it did a few years ago. In July 2023, the Federal Reserve Board announced two enforcement actions against Deutsche Bank, pointing out deficiencies in anti-money laundering controls, governance processes and risk management. In 3Q23, the

German supervisor BaFin ordered Deutsche Bank to take specific measures to improve anti-money laundering (AML) processes and imposed a fine for the delayed reporting of suspicious transactions.

Strengthening AML and know-your-customer (KYC) controls remain a priority, for which the bank has significantly increased its technical capabilities and resource allocation. However, progress in these areas remains slow, with 40% of the risk environment targets and 75% of AML and KYC remediation targets achieved in 2023. We believe that Deutsche Bank's business model along with an increasingly complex and far-reaching sanction regime will continue to expose it to this type of risks.

Appetite for market risk is fairly limited, despite sizeable trading operations (trading assets and derivatives account for close to a third of total assets). Value at risk (VaR; 99%, one-day) and stressed VaR (99%, 10 days) averaged EUR44 million and EUR121 million in 1Q24, respectively, broadly in line with the levels in 2023.

Interest-rate risk in the banking book is largely hedged. A 200bp upward parallel shift of the yield curve would have reduced the economic value of the bank's equity by EUR5.1 billion at end-2023, equivalent to 9% of Tier 1 equity. The same upward parallel shift would have augmented the NII by EUR0.3 billion, assuming a static balance sheet and constant exchange rates. Based on January 2024 forward rates, the bank expects NII to decline by about 5% yoy in 2024 as higher deposit costs prevail before increasing by 2% in 2025 on the back of higher revenue from hedges. 1Q24 NII figures suggest Deutsche Bank could outperform this guidance as market expectations regarding rate cuts did not fully materialise and deposit betas increased more slowly than expected.

Financial Profile

Asset Quality

Defaults in the CRE and wealth management portfolios drove Deutsche Bank's LICs up to 31bp of average gross loans in 2023 (2022: 25bp). We expect LICs to marginally exceed the bank's guidance of 25bp-30bp of gross loans in 2024, driven by new defaults in the CRE loan book.

Deutsche Bank's asset quality benefits from its fairly conservative credit risk management globally and its large exposure to Germany. German residential mortgage loans (almost one-third of total loans, 1.5% are impaired) are low-risk, considering the country's strong labour market, their long-term fixed-rate nature and adequate collateralisation. The small international retail mortgage book is somewhat weaker (3.7% impaired) and concentrated in Italy and Spain, with a higher proportion of variable interest rates loans. Consumer loans, which account for only 5% of total loans and had a 100bp LICs/gross loans ratio in 2023, are mainly amortising and to a lesser extent, credit cards.

Wealth management (12% of total loans) includes mainly structured loans and mortgage loans with a lower proportion of highly collateralised Lombard loans. The impaired loans ratio of 3.8% in Wealth Management reflects a higher coverage of non-lombard business and is therefore materially higher than peers. Due to single name concentrations in this business, DB saw elevated loan loss provisions in 2023.

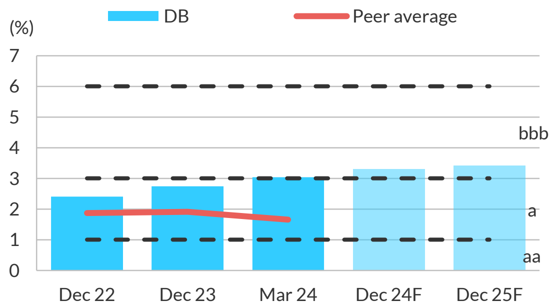
The CB's and IB's credit quality is adequate, with more than two thirds of the exposure rated investment-grade and well-diversified, with extensive risk mitigation. The majority of corporate loans are to multinationals and mid-caps, most of which have global production facilities and clients and are less affected by the high energy prices and lower demand in Germany. This has resulted in a low number of defaults in this segment year to date.

Deutsche Bank's EUR38 billion non-recourse CRE portfolio (8% of gross loans) remains exposed to refinancing risk and has recently been one of the main drivers of LICs for the group. It is primarily originated in the US (56%), and includes a comparatively large US office book of EUR7 billion. The loans are typically secured by first-lien mortgage loans with LTV ratios of generally less than 75% at origination. Of the loans, 8.4% were impaired at end-March 2024 and the portfolio caused around EUR0.5 billion LICs in 12 months, three-quarters of which were booked on US properties. We believe provisions are likely to remain high in the coming quarters, driven by declining property valuations and debt service coverage ratios on the back of persisting high interest rates and structural changes in the office segment.

At the same time, we expect the bank to be able to absorb losses through its improved earnings generation. This view is underpinned by the bank's disclosure that applying a stress scenario to its entire higher-risk CRE portfolio at end-2023, with haircuts ranging from 3% to 18% depending on property type and location, would result in credit losses of about EUR1.1 billion spread over multiple years, of which EUR0.5 billion was already covered by provisions at end-1Q24.

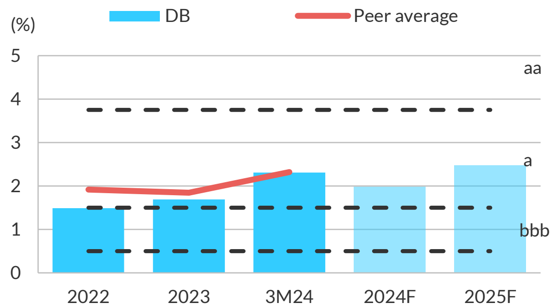
We view the quality of Deutsche Bank's non-loan assets as satisfactory. Risks on its large derivative trading assets exposure is greatly mitigated by master netting agreements and collateral received. Deutsche Bank also hedges its net derivatives trading exposure to further reduce the economic risk. The bank's exposure to level 3 fair-valued assets (50% of CET1 capital at end-March 2024) remains large compared with peers and includes complex derivatives, illiquid trading securities and other illiquid assets such as leveraged loans and distressed debt. However, the bank's earnings sensitivity from potential fair-value changes is contained due to regulatory capital deductions for prudent valuation of level 3 assets, exchange of collateral and hedges of the uncertain valuation inputs.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Deutsche Bank's profitability has lagged that of higher-rated peers in the past decade, but has steadily improved since 2019. The operating profit/RWAs ratio reached 1.7% in 2023, which we view as adequate and materially above the bank's historical average. Expenses were slightly higher than expected, and mainly resulted from the Numis goodwill impairment and new restructuring charges. The strong revenue growth in CB and PB in 2023, due mainly to higher interest rates, supported Deutsche Bank's profits and contributed to a more balanced revenue mix. Revenue from fixed income sales and trading and origination and advisory, which we view as more volatile, declined by 11% yoy, broadly in line with peers, following a normalisation in trading volumes and weak capital market activities.

The better revenue backdrop since 2021 led the group to raise its revenue growth guidance to 5.5%–6.5% a year over 2021–2025. The bank now guides for EUR30 billion and over EUR32 billion revenue in 2024 and 2025, respectively. The roll-over of long-term deposit hedges should substantially mitigate the negative effect of deposit repricing in CB and PB, which continues to lag expectations. This should stabilise NII only marginally below the 2023 level.

We also expect Deutsche Bank to execute its net fee and commission income growth strategy by gaining market share in corporate cash management and payments, expanding its business with institutional clients, growing fees from investment products in the PB and further grow passive and alternative AuM in AM. The bank plans even faster growth in IB, where it expects to reap the benefits from its recent hires in origination and advisory and the acquisition of Numis and from strengthening its global market position in flow trading. Altogether, this should drive the return on tangible equity in line with the bank's 10% target in 2025.

The bank's large restructuring and transformation charges since 2019 contributed to reduce non-interest expenses to EUR21.7 billion in 2023. We expect non-interest expense, net of EUR1.4 billion litigation charges related to the Postbank takeover, which we view as non-operating, to decrease in 2024, driven by reduced bank levies and goodwill impairment as well as lower restructuring charges. Deutsche Bank also plans to achieve EUR2.5 billion cost savings by 2025, 60% of which it had already implemented in 1Q24.

Efficiency measures include reducing the number of branches by about one quarter, cutting about 3,500 jobs, decommissioning legacy applications and migration to the cloud, front-to-back process automation, deployment of artificial intelligence and machine learning. The achievement of these savings will be key to offsetting volume-driven incremental costs, reinvestments and inflation. Non-interest expense in 2025 should also benefit from a reduction in litigation costs from legal cases other than Postbank. However, we believe that execution risks for the cost-cutting plan remain high. We therefore view the bank's 62.5% cost-income ratio target for 2025 as very ambitious (2023: 75%).

Capitalisation and Leverage

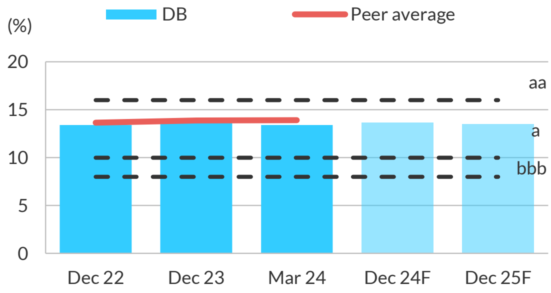
Deutsche Bank's capitalisation is adequate in light of the progress in reducing legacy portfolios as well as still modest but improved capital generation relative to GTUB peers. Its CET1 ratio of 13.4% at end-March 2024 is broadly in line with management's target of around 13% and offers satisfactory headroom over regulatory requirements. The regulatory CET1 ratio requirement remained broadly unchanged at 11.18% in 2024, but remains higher than peers.

The expected impact of the provision for the litigation related to the Postbank takeover on Deutsche Bank's CET1 and leverage ratios is about 20bp and less than 10bp, respectively, and would have resulted in a pro-forma CET1 ratio of 13.25% at end-March 2024. The effect on the leverage ratio was offset by a EUR1.5 billion AT1 issuance in June.

Increasing shareholder remuneration is a priority for Deutsche Bank. It committed to distribute over EUR8 billion in respect of the financial years 2021 to 2025 through progressive dividends and share buybacks, of which EUR3.3 billion have already been distributed. It also expected the implementation of Basel III end-game rules to inflate its RWAs by EUR15 billion in 2025, which Fitch estimates to represent around 100bp negative impact to the CET1 ratio, before the go live of the of the Fundamental Review of the Trading Book was postponed to 2026. To mitigate this impact and free capital for distribution, Deutsche Bank targets to reduce RWAs by another EUR10 billion-EUR15 billion from 1Q24 to end-2025.

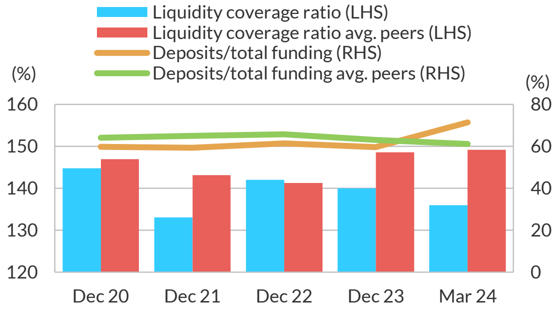
The leverage ratio was 4.5% at end-March 2024, in line with the targeted floor and offers adequate headroom over Deutsche Bank's 3.85% regulatory requirement, resulting in a Tier 1 buffer over minimum distributable amounts of EUR8 billion. About 45% of the leverage exposure was tied up in the IB at end-March 2024. We expect the leverage ratio to slightly increase over the next two years as capital retention is likely to offset modest growth in leverage exposure.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Funding & Liquidity vs Peers



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Deutsche Bank's funding benefits from a well-established retail deposit base mostly sourced in Germany, which accounted for 45% of the bank's customer deposits at end-2023. Deposits from customer and banks accounted for about 72% of total funding, excluding derivatives, at end-March 2024; 79% of German retail deposits (39% of total deposits excluding bank deposits) are insured by the statutory deposit protection scheme. Wealth management accounts for only 10% of deposits. The remaining customer deposits are mainly from large corporates.

About 70% of deposits in the CB are from small businesses, operational or term deposits with a six-month weighted-average maturity, providing some funding stability to the CB operations. Customer deposits declined by only 1% yoy at end-2023 because outflows of retail deposits (-5%) were mitigated by inflows in corporate deposits (+2%). We expect customer deposits to slightly grow in the next two years, driven by market share gains in corporate cash and wealth management. German clients' high saving rates should cushion potential deposit outflows driven by branch closures, the shift towards investment products and competitors' higher remuneration of online deposits.

The sharper fall of Deutsche Bank's bond prices in late March 2023 than that of industry peers shows that its market funding remains more confidence sensitive. Wholesale funding is nevertheless well diversified by investors, products and currencies and the debt maturity profile is comfortable. Short-term unsecured wholesale funding increased by 41% yoy at end-2023 but remains modest at 5% of total funding excluding derivatives. Deutsche Bank's annual debt issuance needs of EUR10 billion–EUR20 billion are also moderate and the bank exploited tighter issuance spreads to pre-fund more than half of its full-year target of EUR13 billion-EUR18 billion in 1H24.

Deutsche Bank's eligible debt buffer exceeded by a comfortable EUR16 billion its MREL of 30.36% of RWAs at end-March 2024. We expect the bank to increase the issuance of senior non-preferred debt in the next two years to offset the impact of higher Basel III driven RWAs and maturing senior non-preferred legacy bonds on its buffer over MREL.

The bank's liquidity coverage ratio (LCR) slightly decreased to 136% at end-March 2024 from 140% at end-2023, mainly as the result of the repayment of the last EUR15 billion outstanding central bank tenders (TLTRO). We expect the LCR to remain above management's target of 130% in the coming quarters. The LCR target is calibrated based on internal stress tests and warrants an adequate level of liquidity reserves.

The TLTRO repayment in 2023 and 1Q24 did not lower the net stable funding ratio (NSFR) below the bank's 115%-120% target because about three-quarters of the stable funding is from deposits and long-term funding and part of the high-quality liquid collateral encumbered by the TLTRO was placed against new long-term funding.

Financials

Financial Statements

	31 Mar 24		31 Dec 23	31 Dec 22	31 Dec 21
	1st quarter (USDm)	1st quarter (EURm)	12 months (EURm)	12 months (EURm)	12 months (EURm)
Summary income statement					
Net interest and dividend income	3,363	3,129	13,602	13,650	11,155
Net fees and commissions	2,808	2,612	9,205	9,838	10,934
Other operating income	2,191	2,038	6,071	3,534	3,322
Total operating income	8,362	7,779	28,878	27,022	25,411
Operating costs	5,700	5,303	21,464	20,439	21,523
Pre-impairment operating profit	2,661	2,476	7,414	6,583	3,888
Loan and other impairment charges	472	439	1,505	1,226	493
Operating profit	2,190	2,037	5,909	5,357	3,395
Other non-operating items (net)	-1	-1	-231	237	-5
Tax	629	585	786	-65	880
Net income	1,560	1,451	4,892	5,659	2,510
Other comprehensive income	236	220	-637	-267	1,334
Fitch comprehensive income	1,796	1,671	4,255	5,392	3,844
Summary balance sheet					
Assets					
Gross loans	516,322	480,344	487,662	486,616	476,074
– Of which impaired	15,678	14,586	13,382	11,713	11,925
Loan loss allowances	5,794	5,390	5,170	4,790	4,754
Net loans	510,528	474,954	482,492	481,826	471,320
Interbank	8,710	8,103	11,342	14,343	7,342
Derivatives	248,502	231,186	252,745	301,103	299,732
Other securities and earning assets	316,493	294,439	250,822	221,698	230,001
Total earning assets	1,084,232	1,008,682	997,401	1,018,970	1,008,395
Cash and due from banks	159,341	148,238	178,416	178,896	192,021
Other assets	186,888	173,865	136,514	138,922	123,577
Total assets	1,430,461	1,330,785	1,312,331	1,336,788	1,323,993
Liabilities					
Customer deposits	682,215	634,678	531,002	536,403	519,435
Interbank and other short-term funding	11,752	10,933	176,072	139,278	142,484
Other long-term funding	205,001	190,716	130,740	138,112	150,149
Trading liabilities and derivatives	279,550	260,071	282,517	333,756	341,826
Total funding and derivatives	1,178,518	1,096,398	1,120,331	1,147,549	1,153,894
Other liabilities	170,057	158,207	116,893	116,411	101,541
Preference shares and hybrid capital	9,525	8,861	8,858	9,078	8,833
Total equity	72,361	67,319	66,249	63,750	59,725
Total liabilities and equity	1,430,461	1,330,785	1,312,331	1,336,788	1,323,993
Exchange rate		USD1 = EUR0.930319	USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173

Source: Fitch Ratings, Fitch Solutions , Deutsche Bank AG

Key Ratios

	31 Mar 24	31 Dec 23	31 Dec 22	31 Dec 21
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.3	1.7	1.5	1.0
Net interest income/average earning assets	1.3	1.4	1.3	1.1
Non-interest expense/gross revenue	68.2	74.2	76.1	85.0
Net income/average equity	8.7	7.5	9.2	4.3
Asset quality				
Impaired loans ratio	3.0	2.7	2.4	2.5
Growth in gross loans	-1.5	0.2	2.2	10.3
Loan loss allowances/impaired loans	37.0	38.6	40.9	39.9
Loan impairment charges/average gross loans	0.4	0.3	0.2	0.1
Capitalisation				
Common equity Tier 1 ratio	13.4	13.7	13.4	13.2
Tangible common equity/tangible assets	4.0	4.0	4.0	3.9
Basel leverage ratio	4.5	4.5	4.6	4.9
Net impaired loans/common equity Tier 1	19.3	17.1	14.4	15.4
Funding and liquidity				
Gross loans/customer deposits	75.7	91.8	90.7	91.7
Gross loans/customer deposits + covered bonds	—	88.8	88.0	89.2
Liquidity coverage ratio	136.0	140.0	142.0	133.1
Customer deposits/total non-equity funding	71.3	59.6	61.4	59.3
Net stable funding ratio	123.0	121.0	120.0	121.0

Source: Fitch Ratings, Fitch Solutions, Deutsche Bank AG

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a+ to a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AAA/ Stable
Size of banking system	Negative
Structure of banking system	Neutral
Sovereign financial flexibility (for rating level)	Positive
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Negative
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

Deutsche Bank's Government Support Rating of 'no support' reflects our view that, due to German resolution legislation, senior creditors cannot rely on receiving full extraordinary state support if the bank becomes non-viable.

Subsidiaries and Affiliates

Deutsche Bank AG, London Branch's ratings are equalised with Deutsche Bank's as they refer to the same legal entity.

The IDRs of Deutsche Bank's US subsidiaries Deutsche Bank Securities, Inc., Deutsche Bank Trust Corporation, Deutsche Bank Trust Company Americas (DBTCA) and Deutsche Bank National Trust Company are based on their Shareholder Support Ratings of 'a-', which are aligned with Deutsche Bank's Long-Term IDR. This reflects the subsidiaries' high integration and core roles in supporting the group's US operations.

DBTCA's long-term deposit rating and Deutsche Bank Securities Inc.'s DCR are one notch above their respective Long-Term IDRs because Fitch expects DBTCA's depositors and Deutsche Bank Securities Inc.'s derivative counterparties to be protected by junior and senior non-preferred debt and equity buffers that Deutsche Bank AG has pre-placed at its intermediate holding company DB USA Corporation and that depositor preference in the US would result in good recovery prospects.

The 'F1' rating of DBTCA's short-term deposits is the lower of the two short-term ratings mapping to the 'A' long-term rating to reflect our assessment of the ultimate parent's funding and liquidity.

The ratings of the above entities are primarily sensitive to Deutsche Bank's IDRs, from which they are derived. The subsidiaries' ratings are also sensitive to a perceived decline in their strategic importance to the group.

Environmental, Social and Governance Considerations

FitchRatings **Deutsche Bank AG**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

				ESG Relevance to Credit Rating
Deutsche Bank AG has 5 ESG potential rating drivers Deutsche Bank AG has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating. Governance is minimally relevant to the rating and is not currently a driver.	key driver	0	issues	5
	driver	0	issues	4
	potential driver	5	issues	3
	not a rating driver	4	issues	2
		5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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