Rating Report
Deutsche Bank AG

DBRS Morningstar
19 July 2022

Contents

Sonja Förster
Vice President - Global FIG
+49 69 8088 3510
sonja.forster@dbrsmorningstar.com

Elisabeth Rudman
Managing Director - Head of EU FIG - Global FIG
+44 20 7855 6655
elisabeth.rudman@dbrsmorningstar.com

Ratings

Debt	Rating	Rating Action	Trend
Long-Term Issuer Rating	A (low)	Trend Changed July '22	Positive
Short-Term Issuer Rating	R-1 (low)	Confirmed July '22	Stable
Intrinsic Assessment	A (low)	Confirmed July '22	--

Rating Drivers

Factors with Positive Rating Implications

- The ratings would be upgraded if the Bank continues to on its trajectory of higher and more sustainable profitability, while further strengthening its corporate governance functions.

Factors with Negative Rating Implications

- The ratings would be downgraded in case of a sustained revenue decline or material market share losses in the Bank's core businesses. Also, any unexpected events that negatively impact the Bank's financial position or its reputation could also lead to a negative rating action.

Rating Considerations

Franchise Strength (Strong)

- Global franchise in Investment Banking, Corporate Banking, and Asset Management combined with a sizable German Retail business and an international Private Banking business.

Earnings Power (Moderate/Weak)

- DB's profitability has been challenged in recent years, but has been on an improving trajectory helped by progress on the cost side and strong investment banking revenues, partly offset by pressure from negative rates and elevated provisioning needs.

Risk Profile (Strong/Good)

- Relatively conservative credit risk and market risk profile. Operational risk has improved with finalisation of settlements and better controls, but litigation risk remains an ongoing issue and DB has to demonstrate more progress in its AML risk management in particular.

Funding and Liquidity (Strong)

- The funding profile is diversified, underpinned by a substantial deposit base and various forms of wholesale funding. The liquidity position is strong and well-managed.

Capitalisation (Moderate)

- Solid regulatory capital ratios. Internal capital generation and access to equity markets, while improved, still somewhat constrained.

2021	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	VS	S/G	S
Earnings	W/VW	G/M	M/W
Risk	G	S/G	S/G
Funding & Liquidity	S/G	S	S
Capitalisation	W/VW	G	M

Overall Assessment	Intrinsic Assessment Range (IAR)	Assigned IA
G	[AL-AH]	A (low)

Financial Information

	For the Year Ended December 31 (IFRS)				
(In EUR Millions unless otherwise stated)	2021	2020	2019	2018	2017
Total Assets	1,323,993	1,325,259	1,297,674	1,348,137	1,474,732
Gross Loans to Customers	469,501	428,917	430,811	406,432	393,663
Income Before Provisions and Taxes (IBPT)	6,315	4,307	1,861	2,081	1,712
Net Attributable Income	2,365	495	(5,390)	267	(751)
Net Interest Margin	1.2%	1.4%	1.6%	1.2%	1.0%
Cost / Income ratio	75.1%	82.1%	92.0%	91.6%	93.4%
LLP / IBPT	8.2%	41.6%	38.9%	25.2%	31.1%
Cost of Risk	0.12%	0.41%	0.17%	0.13%	0.13%
CET1 Ratio	13.20%	13.60%	13.60%	13.60%	14.80%

Source: Morningstar Inc., Company Documents

Issuer Description

Deutsche Bank AG (DB, or the Bank) is a global financial services company with a significant international Capital Markets franchise, a Corporate Bank with a focus on German and multinational companies, an Asset Manager that maintains solid market positioning in Germany and across Europe, as well as a predominantly German Retail and a more international Private Bank.

Rating Rationale

The trend change to Positive from Stable reflects the significant progress DB has made in executing its transformation programme, which in DBRS Morningstar's view has strengthened the Bank's franchise and started to lead to higher and more sustainable profitability, while still maintaining solid capital ratios and a well-managed risk profile. The Positive trend is also supported by DBRS Morningstar's expectation that DB will continue to improve profitability as restructuring and transformation costs have now been absorbed and the benefits of the cost reduction measures will be visible in a lower cost base going forward.

DB's ratings continue to reflect the Bank's global franchise and strong position in Germany. DB's diversified business model helped the Bank navigate recent years when strong investment banking results have offset pressure on net interest income and certain fee income categories. However, the ratings are constrained by DB's moderate profitability compared to its global universal banking peers, as well as by the Bank's need to further improve internal controls and processes, most notably related to Anti Money Laundering Issues (AML). The Bank is also facing an investigation by U.S. and German authorities regarding potential 'greenwashing' at its asset management division

DWS. In addition, the uncertainty related to the current global economic environment could have a detrimental effect on DB's credit metrics.

Franchise Strength

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Very Strong	Strong / Good	Strong

DB is one of the largest financial institutions globally with total assets of EUR 1.3 trillion at end-Q1 2022. The Bank offers a wide range of products and services across its well established franchises in Investment Banking, Private Banking (including Retail), Corporate Banking and Asset Management. In July 2019, DB announced a strategic transformation programme, which has been successfully executed, so far. In our view DB has become more focused, more stable, and more profitable. In March 2022, the Bank established new profitability targets for 2025, including a return on tangible equity of at least 10% and a cost/income ratio (CIR) below 62.5%. This is expected to be achieved mainly through revenue growth as the Bank has regained financial flexibility to invest. While we note the disciplined execution and the positive business momentum, the current economic uncertainty, especially high energy prices and global measures to fight inflation, could adversely affect growth perspectives.

The Bank's 2021 business mix results in about 38% of revenues generated within the Investment Bank (IB), 20% in the Corporate Bank (CB), 32% within Private Banking (PB), and 11% within Asset Management (AM). IB revenues have increased in 2020 and 2021. Over time, as rates rise we expect the Private and the Corporate Bank's revenue shares to gradually increase.

Exhibit 1 Segment Net Revenues - 2021

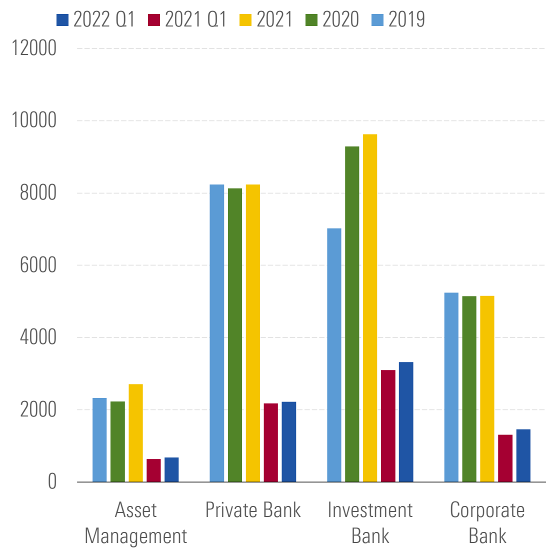
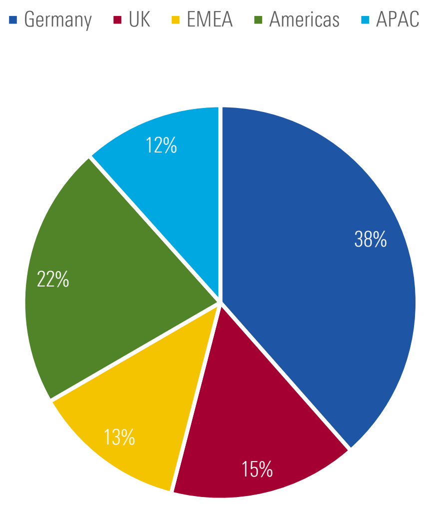


Exhibit 2 Geographic Distribution Net Revenues - 2021



Source: DBRS Morningstar, Company Documents.
Exhibit 1 sources: Q1 2021 Financial Supplement Excels, « Total Net Revenue » lines in « AM », « PB », « IB », and "CB" tabs

Investment Bank (IB) – Net Revenues of EUR 9.6 billion in 2021

DB's franchise is supported by a global Investment Bank (IB) with key strengths in fixed income and currency (FIC) sales and trading as well as debt underwriting. Contributing 38% of 2021 net revenues, the IB represents a significant part of DB's business. In 2019, the IB business underwent a major strategic repositioning, including a more focused business profile, enhanced risk management, cost cutting and technology investments. In particular, DB exited the scale-driven Equity Sales &Trading business and put its Prime Brokerage business up for sale in order to focus on its core Fixed Income franchise. Other non-core businesses slated for wind-down were transferred to the 'Capital Release Unit' (CRU). DB also tightened its risk management and costs controls. FIC is DB's most important revenue contributor in the IB and the Bank is targeting a top-five position globally and a top-three position in EMEA. According to 2021 Coalition data, DB held a top 4-6 position globally and the number 2 position EMEA. In Origination and Advisory DB has gained market share in 2021,

Corporate Bank (CB) - Net revenues of EUR 5.2 billion in 2021

The Corporate Bank includes DB's Global Transaction (GTB) Banking as well as Commercial Banking. GTB is a leading provider of cash management, trade finance and securities services globally to corporates and financial institutions, including domestic and cross-border payments, risk mitigation, international trade finance as well as trust, agency, depositary, custody and related services. In its Commercial Bank, the focus is on Germany, where DB services clients from large multinationals to SMEs.

Private Bank (PB) – Net Revenues of EUR 8.2 billion in 2021

The Private Bank includes German Retail Banking under the Deutsche Bank and the Postbank brand, and the Private and Commercial Business International as well as Wealth Management, which serves domestic and international customers. DB has a Private & Commercial banking presence in Italy, Spain, Belgium, Portugal and India. DB is in the process of integrating Postbank systems into its Retail Bank, with expected synergies of EUR 900 million annually by 2022. The Retail Bank has about 19 million retail clients in Germany, benefitting from scale and increased digital investments. Within its Wealth Management business, DB serves wealthy, high-net-worth and ultra-high-net-worth individuals and families. Services include wealth structuring, wealth transfer, philanthropy services, customized investment solutions, investment advice, and financing solutions.

Asset Management (AM) - Net Revenues of EUR 2.7 billion in 2021

DB has a sizable Asset Management business which ranked #16 globally as of 31 March 2022. With EUR 902 billion in assets under management (AUM) at end-Q1 2021, AM remains a core business for the Bank. Traditionally, asset management was a stable, high margin business with low capital needs. However, in recent years, competitive pressure has increased and the industry has experienced margin erosion. As a result, efficiency gains through digitalisation, cost cuts, strategic alliances and mergers have become a common industry theme. In March 2018, AM completed its initial public offering, branded as DWS, and is now listed on the Frankfurt stock exchange. While DBRS Morningstar views the partial IPO as ceding a portion of earnings and adding complexity to the structure, it also provides the business with greater strategic options.

2019 Strategic goals

In the aftermath of the financial crisis regulatory changes, high litigation costs and declining interest rates created challenges for DB's capitalisation and profitability. DB faced the challenge of cutting costs and increasing capital, while also investing in the franchise. In July 2019, the Bank announced far-reaching strategic changes with the following key highlights:

- Exit of the Equities Sales & Trading business.
- Creation of a 'Capital Release Unit' (CRU) to which the Bank transferred EUR 74 billion euros of risk weighted assets (RWA) for wind-down or disposal.
- Maintaining a minimum Common Equity Tier 1 ratio of 12.5%.
- Leverage ratio to increase to 4.5% in 2020 and approximately 5% from 2022 onwards
- Revenues of EUR 25 billion by 2022.
- Reduction of adjusted costs by 2022 by approximately EUR 6 billion to EUR 17 billion.
- Target Return on Tangible Equity of 8% and CIR below 70% by 2022.

Management laid out clear interim targets and has executed on these targets. 97% of transformation costs were absorbed by end-2021, the Bank has exited the Equity Sales and Trading business and RWAs at the CRU reached EUR 25 billion at end-Q1 2022. Economic developments since the introduction of the 2019 programme have led to higher than expected revenues and expenses. Overall, we view the Bank to be broadly on track to meet its financial goals by year-end given the positive momentum for revenues and costs.

2025 Goals

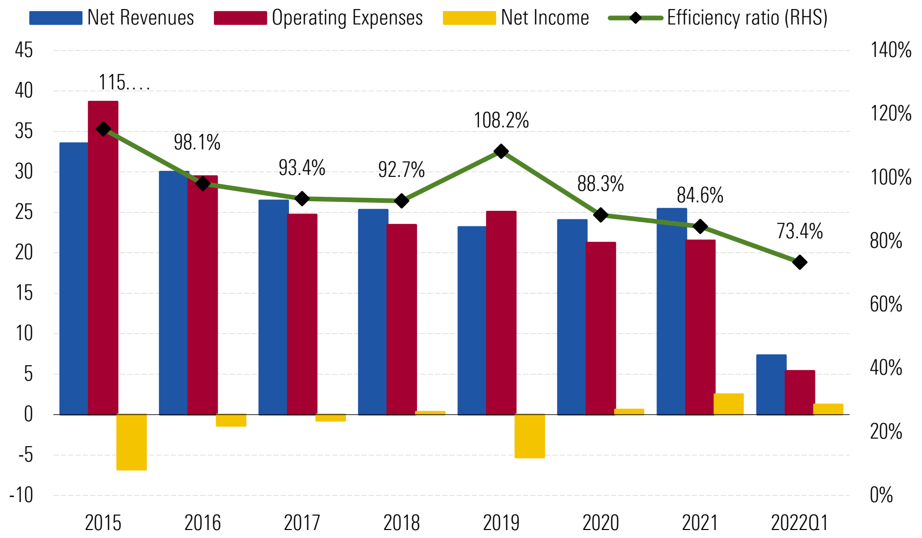
In March 2022, DB published new 2025 financial goals, including a post-tax RoTE of at least 10% and a CIR of less than 62.5%. While DB plans to realise further cost efficiencies from continued investment into technology driving further digitalisation, the goals are also based on a compound annual growth rate of 3.5 to 4.5%. Part of this will come from DB's ability to invest in growth as a result of its increased financial flexibility and better client engagement, but part is also based on a benign economic environment going forward. In our view, the environment has changed rapidly since the announcement of the strategy, with inflation and interest rates higher and GDP growth lower than the assumptions. We expect the rise in rates to be supportive of revenues, but also see downside risks to revenues and earnings from weaker demand and deteriorating asset quality.

Earnings Power

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Weak / Very Weak	Good /Moderate	Moderate / Weak

In DBRS Morningstar's opinion DB has made significant progress on its path to higher and more sustainable earnings, albeit still at lower levels compared to other global banking peers. DB reported a full-year 2021 pre-tax profit of EUR 3.4 billion and an after-tax profit of EUR 2.5 billion, up significantly from EUR 1.0 billion and EUR 0.6 billion respectively in the previous year. The improvement was due to a variety of factors such as a positive operating environment for the Investment Bank and Asset Management in particular, the increased benefits from the Bank's restructuring program, success in deposit repricing and a benign credit environment. The return on average tangible equity (ROATE) was 3.8%, still low but up from 0.2% a year earlier. The positive trend continued in Q1 2022, with a cost/income ratio of 73% down from 77% in Q1 2021, and an ROATE of 8.1%, up from 7.4% a year earlier. We anticipate some headwinds due to factors such as a likely slowdown in economic activity and inflation, but also see support from continued capital market volatility, higher interest rates and a declining cost base as transformation-related costs have now been absorbed and previous cost cutting measures are taking hold (see Exhibit 4).

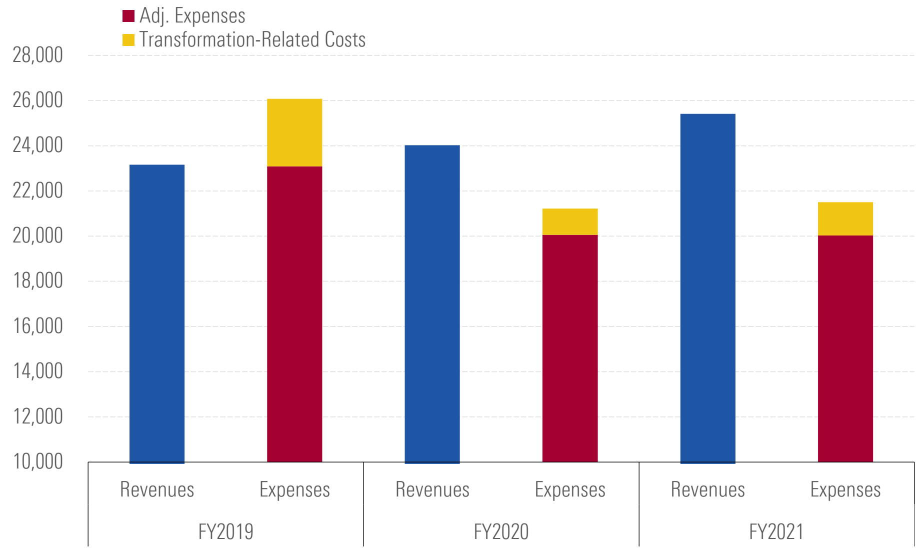
Exhibit 3 Profitability Evolution (EUR billion)



Source: DBRS Morningstar, Company Documents.

In Q1 2022, pre-tax profit was EUR 1.7 billion, up 4% YoY and net profit was EUR 1.2 billion, up 18% YoY. The improvement was due to strong revenue performance and a fall in costs as a result of previously implemented cost cuts, partly offset by a moderate increase in credit costs. Revenue growth was strong not only at the Investment Bank, which benefited from the volatile capital markets environment, but also at the Corporate Bank and in Asset Management. Business growth, deposit repricing and TLTRO benefits, contributed to offset interest rate headwinds.

Exhibit 4 Revenue and Expense Performance (EUR million)



Source: DBRS Morningstar, Company Documents. Transformation-related expenses including impairments of goodwill and other intangible assets and restructuring & severance, but excluding litigation.

In our view the results show that DB has managed to stabilise its franchise and we consider some of the revenue improvement to be sustainable for the Bank. Going forward, we expect the current market volatility to support Sales and Trading revenues in IB, whereas the increase in uncertainty and higher rates will have an adverse effect on Origination and Advisory revenues. While the ECB so far has kept short-term rates low, the rest of the yield curve has risen significantly, which we expect to be supportive of DB's net interest income. Once the ECB rate hikes are implemented in July and September we expect additional support, partly mitigated by the phasing out of the additional TLTRO III benefit. This should benefit the Private and the Corporate Bank in particular. Asset Management revenues by contrast could soften given the decline in market valuations.

Despite an increase in variable compensation in Q4 2021, non-interest income increased only by 1% YoY for all of 2021, while adjusted costs ex-transformation charges declined by 2%. 97% of transformation costs had been absorbed by year-end. The CIR declined to 85% from 88% a year earlier and 108% in 2019. Though still elevated, we expect further improvement in 2022 as the benefits from the measures implemented during 2021 will affect the P&L. Noninterest expenses declined in Q1 2022 by 4% YoY to EUR 5.4 billion, or 5% excluding transformation charges, bank levies and FX effects, as the benefits from the transformation program and a release of a restructuring reserve were only partially offset by higher bank levies, investments in growth areas and payroll inflation.

Cost reductions have been a core component of the 2019 Strategic Programme. In our view DB has executed on its plans in a disciplined way. We expect the benefits from the measures implemented during 2021 to materialise in 2022. Combined with the absence of major transformation costs incurred over the past three years this should lead to significantly lower costs for 2022. However, there are also headwinds such as higher than expected regulatory costs and inflationary pressure on wages. In addition, revenue opportunities also led to an increase in incentive compensation.

Given these developments, DB may miss its cost targets in absolute terms and may also somewhat exceed its 70% CIR target for end-2022. However, we expect the Bank to come close to this number which represents a significant improvement compared to historical numbers.

Credit costs were significantly lower in 2021 declining by 71% to EUR 515 billion YoY translating into a cost of risk (CoR) of 12 basis points. This trend reversed somewhat in Q1 2022 when provisions for credit losses increased to EUR 292 million in Q1 2022 from EUR 69 million in Q1 2021, as provisions for Stage 1 and 2 loans increased to EUR 178 million from a release of EUR 95 million in the year-ago quarter, reflecting rating migration and macroeconomic uncertainties. Given the weakening economic environment we expect increased credit costs in 2022 compared to 2021.

We note that the Capital Release Unit (CRU) continues to have a significant negative impact on results, albeit to a lesser degree. The CRU reported a loss of EUR 1.4 billion in 2021, down from EUR 2.2 billion in 2020 and EUR 3.2 billion in 2019. The Prime Finance and Electronic Equity businesses have now been fully transferred to BNP Paribas, removing any remaining risks associated with this business. In Q1 2022, the loss at the Capital Release Unit (CRU) narrowed by EUR 70 million YoY and EUR 13 million QoQ to EUR 339 million in Q1 2022 as administrative expenses reduced YoY. Risk-weighted assets (RWA) decreased to EUR 25 billion from EUR 34 billion a year earlier and EUR 28 billion in the previous quarter due to lower operational risk and de-risking.

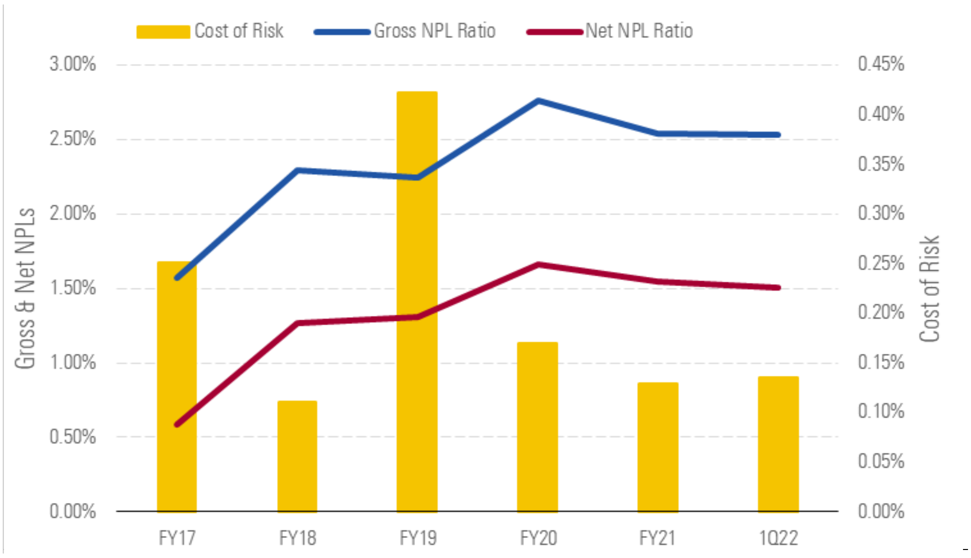
Risk Profile

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good /Moderate	Strong / Good	Good

In DBRS Morningstar's view, DB has maintained a good credit risk profile and has managed its market risk well, although operational risk issues persist. Given the likelihood of a delayed impact from the COVID-19 pandemic on asset quality as well as the current war in Ukraine, we continue to monitor DB's credit risk. Following years of de-risking, DB's market risks and operational risk have declined. However, in volatile markets market risk can still potentially cause significant disruptions to investment banks. There has also been ongoing scrutiny by DB's regulators in relation to Anti Money Laundering (AML) processes. While progress has been made, more efforts are required. More recently, DB's asset manager DWS has faced allegations with regards to 'greenwashing' in the context of ESG assets. We are closely monitoring whether these issues could lead to financial or reputational risk impacting the franchise.

In 2020 DB experienced an increase in its gross NPL ratio (Stage 3 loans to total customer loans) to 2.8% from 2.3% a year earlier driven by increases across various segments as a result of the COVID-19 pandemic. In 2021, the ratio improved to 2.5%, as increase in the Private Bank due to the new EBA definition of default and new defaults in the Investment Bank were offset by the reductions in the POCI loan portfolio, the Corporate Bank and the Capital Release Unit as well as loan growth.

Exhibit 5 Asset Quality Metrics

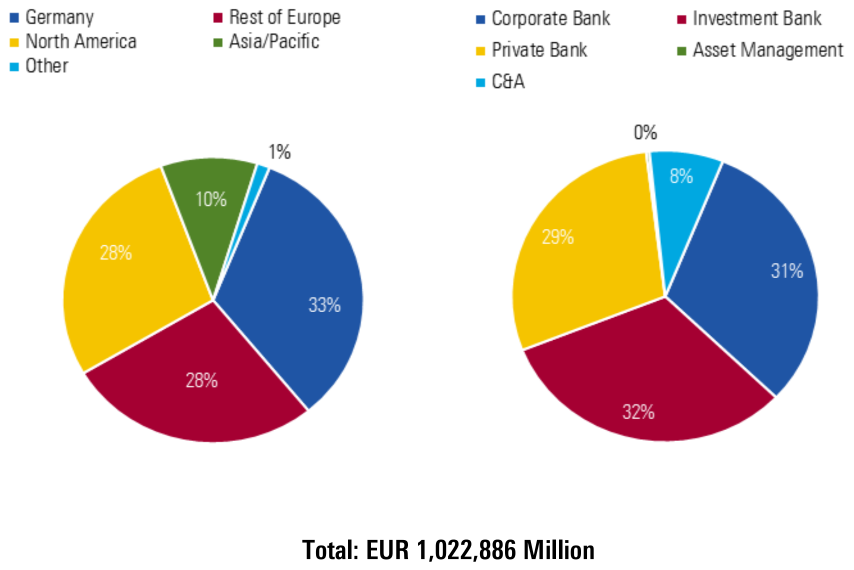


Source: DBRS Morningstar, Company Documents.

Historically, DB's credit loss performance - as demonstrated by its low Cost of Risk (COR) - has been solid when compared to peers. In DBRS Morningstar's view, this is due to a combination of a low percentage of unsecured consumer loans, DB's resilient home market, Germany, and disciplined and prudent risk management. Since the financial crisis, risk management has further improved: systems and processes have been refined, concentration risk has declined, credit positions are typically senior, and risk is additionally mitigated with the help of collateral or hedges. Through the Postbank acquisition, the Bank has also added a large proportion of low risk German residential mortgage loans to the portfolio. At a time when the impact from the COVID-19 pandemic is still ongoing, bank customers are facing new challenges following Russia's invasion of Ukraine. As energy prices and availability could weaken certain customer segments and lead to a weaker economic outlook, we continue to monitor DB's credit risk.

Geographically, the Bank's credit exposures are in Germany (33%), North America (28%), and Rest of Europe (28%). The Bank also has meaningful exposures in Asia Pacific. The exposure in the US is largely via the Investment Bank and loans to large multinational corporates. The credit exposure is relatively evenly distributed by business line as shown in the exhibit below.

Exhibit 6 Total Credit Exposure by Geography & Business – FY 2021 (%)



Source: DBRS Morningstar, Company Documents.

Market risk

DB uses limits for value-at-risk (VaR), economic capital and portfolio stress tests to manage market risk in various trading books. While VAR increased in 2020, reaching a high of EUR 133 million at the peak, reflecting the impact of the COVID-19 pandemic, the maximum reached in 2021 declined to EUR 69 million. Given the volatility in capital markets and the increase in interest rates we view market risk as higher in 2022. However, we note that DB has not reported any major market risk failures in recent years. In addition, DB's prime brokerage business, a segment that we view as risky, has now been fully transferred to BNP Paribas.

Operational Risk

DB has been adversely affected by conduct risk issues in the past, which have had a significant financial and reputational impact. In recent years, the Bank has made considerable progress in addressing certain legal issues, which are now less material in terms of financial impact. However, operational risks remains a concern, given the more limited flexibility the Bank has compared to peers to absorb these risks due to more moderate profitability.

In our view, compliance with anti-financial crime requirements remains the biggest outstanding task with regulators in the US, the UK and Germany. The Bank has invested considerable amounts of resources in technology and staff, significantly increasing the number of names screened and conversations monitored on a daily basis. However, regulators particularly in Germany and the US expect more and faster progress, which has led to a recent reorganisation of anti-financial crime responsibilities within the Bank. DB was also found to have violated the terms of a deferred prosecution agreement with the US Department of Justice by failing to flag a whistleblower complaint about greenwashing allegations at its asset manager DWS in a timely manner. This has been reflected in the Bank's risk building block grades. An outsized fine related to AML or other could, however, have an impact on ratings or trend in the future.

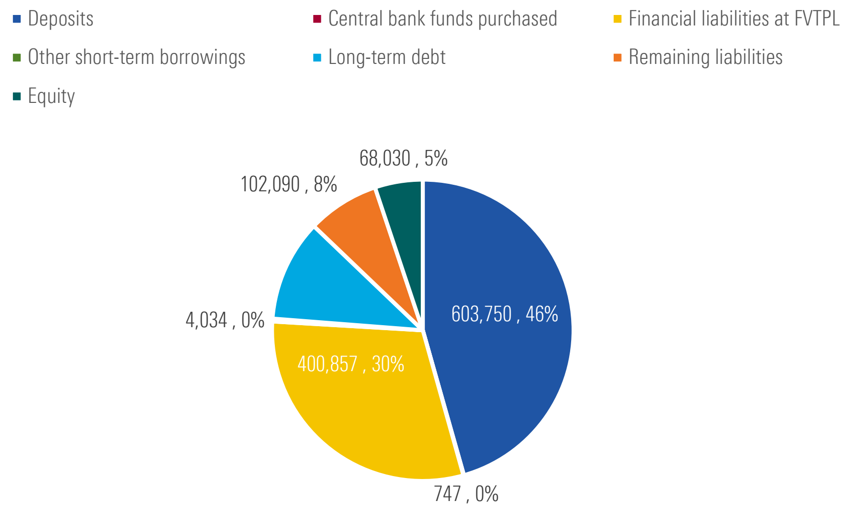
Funding and Liquidity

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong / Good	Strong	Strong

DBRS Morningstar considers DB's funding profile as sound, supported by a strong deposit franchise and a diversified wholesale funding profile. The Bank has a comprehensive framework in place to manage its liquidity. DB's deposit franchise continues to support the overall funding profile, with EUR 519 billion of deposits from customers and a loan-to-deposit ratio (based on DBRS Morningstar methodology) of 89.5% as of end-2021. The Bank reported liquidity reserves of EUR 241 billion at end-2021, stable against the EUR 243 billion at end-2020. The liquidity coverage ratio (LCR) was 142% and the net stable funding ratio (NSFR) was 121%, both comfortably above the 100% minimum requirement.

The Bank's liquidity & funding framework covers three specific areas: i) management of intraday exposures, including daily payments, forecasting cash flows and central bank access; ii) access to secured and unsecured funding sources, and iii) the maturity profile of all assets/liabilities and issuance strategy, and is supplemented with stressed scenario analysis looking at inventory characteristics under various stress scenarios and contingent funding requirements. In the recent past, DB has improved its stress test methodology, rolled out a company-wide funds transfer pricing model to optimise allocation decisions and is running daily T+1 liquidity risk and LCR reporting.

Exhibit 7 Liability Structure - 2021



Source: DBRS Morningstar, Company Documents.

DB also calculates a stressed net liquidity position (sNLP). Key differences between this internal liquidity stress test and the LCR include a different time horizon (eight weeks versus 30 days) and different in- and outflow assumptions. As of year-end 2021, DB reported a sNLP of EUR 47.6 billion, up from EUR 43 billion in 2020, due to changes in calculation. Without these changes sNLP would have been EUR 32 billion, still well above the minimum risk appetite of EUR 10.0 billion.

In response to the COVID-19 pandemic the ECB has made available various low rate funding options to Eurozone banks. At end-2021, DB participated in approximately EUR 45 billion of the current TLTRO III programme. In 2021 the Bank also issued EUR 19.7 billion in term funding across various instruments. For 2022 the planned issuance volume is EUR 15-20 billion comprising various capital and debt instruments, exceeding capital market maturities of EUR 12 billion.

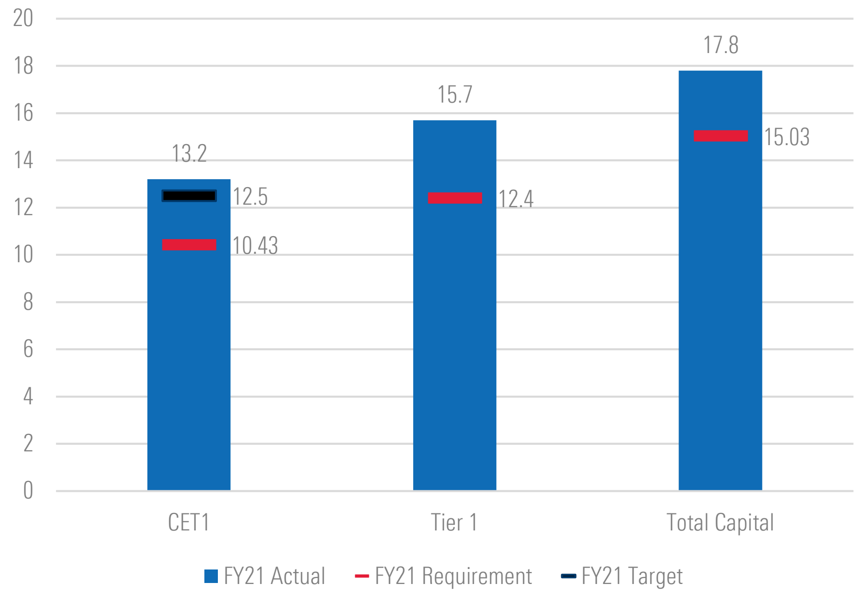
Capitalisation

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Weak / Very Weak	Good	Moderate

DBRS Morningstar views DB’s capitalisation as providing a sufficient cushion to absorb potential losses, changes to risk weighted assets (RWAs) and new regulatory requirements. While DB’s capital generation capacity has improved since the Bank has returned to profitability, it is still somewhat constrained when compared to peers. At end-Q1 2022, DB's CET1 ratio was 12.8% compared to 13.7% a year earlier and 13.2% at end-2021, but still comfortably above the minimum regulatory requirement of 10.43%. Most of the decline was attributable to the ECB-mandated model adjustments, higher risk weights on Russia-related exposures, and business growth. The Bank estimates the impact of the Russia-Ukraine conflict on its CET1 ratio at 17 basis points, as a result of higher risk weights on Russia-related exposures, among other effects. The Bank’s fully-loaded leverage ratio was 4.6% (or 4.3% excluding funds held at the ECB) at end-Q1 2022, compared to the required minimum of 3.0% and the Bank’s goal of around 4.5% for end-2022.

By February 1, 2023 banks operating in Germany have to fully comply with a countercyclical buffer of 0.75% of risk-weighted German receivables and sectoral systemic risk buffer of 2.0% of risk-weighted German receivables backed by residential real estate which is expected to add approximately 50 basis points to capital requirements. We expect the Bank to maintain a cushion of at least 200 bps above minimum capital requirements. For year-end 2022 management anticipates a CET1 ratio of around 13%, with increased organic capital generation offsetting RWA growth and negative pressure from distributions. Higher RWA are expected to result from asset growth and regulatory decisions, partly offset by continued reductions in the Capital Release Unit (CRU) and lower Operational Risk RWA.

Exhibit 8 Capital Ratios Versus Internal Target and Requirements



Source: DBRS Morningstar, Company Documents; *Phased in CET1 Ratio

ESG Checklist

Deutsche Bank AG

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental	**Overall:**	**N**	**N**
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	N	N
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by a 2°C rise in temperature?	N	N
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
Social	**Overall:**	**N**	**N**
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services could pose a financial or regulatory risk to the issuer?	N	N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts that could result in a material financial or operational impact?	N	N
	Do violations of rights create a potential liability that could negatively affect the issuer's financial wellbeing or reputation?	N	N
	Human Capital and Human Rights:	**N**	**N**
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could result, in financial penalties or client attrition to the issuer?	N	N
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
Governance	**Overall:**	**Y**	**R**
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
	Are there any political risks that could impact the issuer's financial position or its reputation?	N	N
	Bribery, Corruption, and Political Risks:	**N**	**N**
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
Corporate / Transaction Governance	Does the issuer's corporate structure limit appropriate board and audit independence?	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	Y	R
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N
	Corporate / Transaction Governance:	**Y**	**R**
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
	Consolidated ESG Criteria Output:	**Y**	**R**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

The Environmental factor does not affect the ratings or trend assigned to Deutsche Bank. Compared to global peers, the Bank has limited exposure to oil, gas, coal and related industries. Also, the Bank has made efforts to improve its environmental impact, namely by setting out a new fossil fuel policy under which the bank intend to end its coal mining related business activities by 2025 at the latest. Deutsche Bank is a TCFD signatory

.

Social

None of the social factors affect the rating or trend assigned to Deutsche Bank. The Bank is making efforts to improve their social standing through the implementation of internal bank policies on social factors such as gender diversity and work/life balance. We note that since the invasion of Ukraine, there has been increased concerns of cybersecurity attacks, which could have serious effects on a bank's franchise and earnings in event of a substantial data breach or security failure.

Governance

At this point, the Governance factor does not affect the ratings or trend assigned to Deutsche Bank. However, as a result of shortcomings in the Bank's Anti-Money Laundering (AML) framework , the Corporate Governance subfactor is considered as relevant. In the past, the Bank had been involved in various high-profile and costly cases, which have been resolved. Currently, the Bank is still subject to scrutiny regarding their Anti-Money Laundering (AML) framework, which carries the potential for a financial penalties. This has been reflected in the bank's risk building block grades. DB was also found to have violated the terms of a deferred prosecution agreement with the US Department of Justice by failing to flag a whistleblower complaint about greenwashing allegations at its asset manager DWS in a timely manner. Given DB's moderate profitability, any outsized fine related to AML or other could, however, have an impact on ratings or trend in the future.

Deutsche Bank AG

2021	1 Scorecard Indicator	1 Scorecard Indicator Data	2 Scorecard Indicator Assessment	3 Scorecard Building Block (BB) Assessment	4 Grids BB Assessment	5 Combined BB Assessment
Franchise	Adjusted Assets	984	VS	**VS**	**S/G**	**S**
	Sovereign Rating	20	VS			
Earnings	Return on Equity	0.01%	W/VW	**W/VW**	**G/M**	**M/W**
	Return on Assets	0.01%	W/VW			
	IBPT/Avg.Assets	0.48%	M/W			
Risk	Net NPLs/Net Loans	1.50%	G/M	**G/M**	**S/G**	**G**
	Provisions/IBPT	26.33%	S/G			
Funding & Liquidity	Sovereign-Adjusted Funding Ratio	85.3%	S/G	**S/G**	**S**	**S**
Capitalisation	Sovereign-Adjusted Capital Ratio	13.50%	S	**W/VW**	**G**	**M**
	NPL/Equity + Loan Loss Reserves	16.23%	S/G			
	5-Year Accumulated Net Income/Total Assets	-0.32%	W/VW			

6 Overall Assessment	7 Intrinsic Assessment Range (IAR)			8 Assigned IA
G	A (high)	A	A (low)	**A (low)**

Notes: (1) based on financial data as of xxx. (2) For more information see Global Methodology for Rating Banks and Banking Organisations published on 19 July 2021.

Annual Financial Information

	For the Year Ended December 31 (IFRS)				
	2021	**2020**	**2019**	**2018**	**2017**
Balance Sheet (EUR Millions)					
Cash & Cash Equivalents*	206,970	180,852	153,429	204,217	234,920
Investments in Financial Assets	451,180	525,392	520,684	542,907	604,817
Gross Loans to Customers	469,501	428,917	430,811	406,432	393,663
Loan Loss Reserves	(4,754)	(4,808)	4,093	4,259	(3,921)
Net Lending to Customers	464,747	424,109	434,904	410,691	389,742
Total Assets	1,323,993	1,325,259	1,297,674	1,348,137	1,474,732
Deposits from Customers	519,435	492,599	495,352	482,425	483,832
Debt & Capital Lease Obligations	156,717	161,386	151,747	175,016	190,063
Total Liabilities	1,255,962	1,263,062	1,235,514	1,279,399	1,406,633
Total Equity	68,031	62,197	62,160	68,738	68,099
Income Statement (EUR Millions)					
Net Interest Income	11,154	11,526	13,749	13,316	12,289
Non Interest Income	14,159	12,383	9,305	11,354	13,512
Equity Method Results	98	120	110	219	137
Total Operating Income	25,411	24,029	23,164	24,889	25,938
Total Operating Expenses	19,096	19,722	21,304	22,809	24,225
Income Before Provisions and Taxes (IBPT)	6,315	4,307	1,861	2,081	1,712
Loan Loss Provisions	515	1,792	723	525	533
Irregular Income/Expenses	1,944	1,336	3,299	226	(49)
Net Attributable Income	2,365	495	(5,390)	267	(751)
Growth (%) - YoY Change					
Net Interest Income	-3.23%	-16.17%	3.25%	8.36%	-15.25%
Total Operating Income	5.75%	3.73%	-6.93%	-4.04%	-12.53%
Total Operating Expenses	-1.60%	-8.71%	-4.52%	-5.85%	-3.52%
IBPT	46.62%	131.43%	-10.57%	21.55%	-65.22%
Net Attributable Income	377.78%	-109.18%	-2118.73%	-135.55%	-46.43%
Gross Loans & Advances	9.46%	-0.44%	6.00%	-1.03%	0.74%
Deposits from Customers	5.45%	-0.56%	2.68%	-0.29%	11.45%
Earnings (%)					
Net Interest Margin	1.22%	1.42%	1.63%	1.24%	1.04%
Non-Interest Income / Total Revenue	55.72%	51.53%	40.17%	45.62%	52.09%
Cost / Income ratio	75.15%	82.08%	91.97%	91.64%	93.40%
LLP / IBPT	8.16%	41.61%	38.85%	25.23%	31.13%
Return on Avg Assets (ROAA)	0.19%	0.05%	-0.38%	0.02%	-0.05%
Return on Avg Equity (ROAE)	3.73%	0.81%	-8.38%	0.40%	-1.11%
IBPT over Avg RWAs	1.85%	1.31%	0.55%	0.60%	0.49%
Internal Capital Generation	3.73%	0.81%	-8.38%	0.06%	-1.11%
Risk Profile (%)					
Cost of Risk	0.12%	0.41%	0.17%	0.13%	0.13%
Gross NPLs over Gross Loans	2.54%	2.76%	2.25%	2.32%	1.52%
NPL Coverage Ratio	39.87%	40.58%	42.28%	45.24%	62.90%
Net NPLs over Net Loans	1.75%	1.66%	1.28%	1.26%	0.59%
NPLs to Equity and Loan Loss Reserves Ratio	16.78%	18.93%	15.01%	14.02%	8.69%
Funding & Liquidity (%)					
Net Loan to Deposit Ratio	89.5%	86.10%	86.17%	84.25%	84.02%
Liquidity Coverage Ratio	133%	145%	141%	145%	140%
Net Stable Funding Ratio	120%	NA	NA	NA	NA
Capitalization (%)					
CET1 Ratio	13.20%	13.60%	13.60%	13.60%	14.80%
Tier1 Ratio	15.70%	15.70%	15.60%	15.70%	16.80%
Total Capital Ratio	17.80%	17.80%	17.40%	17.50%	18.60%
Leverage Ratio	NA	4.8%	4.3%	4.3%	4.1%

Source: Morningstar Inc., Company Documents

*Includes Loans to Banks

Rating Methodology

The applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (23 June 2022), and DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (17 May 2022), which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating action	Rating	Trend
Deutsche Bank AG	Long Term Critical Obligations Rating	Trend Change	A (high)	Positive
Deutsche Bank AG	Long-Term Issuer Rating	Trend Change	A (low)	Positive
Deutsche Bank AG	Long-Term Deposits	Trend Change	A (low)	Positive
Deutsche Bank AG	Long-Term Senior Debt	Trend Change	A (low)	Positive
Deutsche Bank AG	Senior Non-Preferred Debt	Trend Change	BBB (high)	Positive
Deutsche Bank AG	Short-Term Debt	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Deposits	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Issuer Rating	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short Term Critical Obligations Rating	Confirm	R-1 (middle)	Stable

Ratings History

Issuer	Obligation	Current	2021	2020	2019	2018
Deutsche Bank AG	Long Term Critical Obligations Rating	A (high)	A (high)	A (high)	A (high)	A (high)
Deutsche Bank AG	Long-Term Issuer Rating	A (low)	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Deposits	A (low)	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Senior Debt	A (low)	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Senior Non-Preferred Debt	BBB (high)	BBB (high)	BBB (high)	BBB (high)	BBB (high)
Deutsche Bank AG	Short-Term Debt	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Deposits	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Issuer Rating	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short Term Critical Obligations Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Previous Actions

- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Changed to Positive, July 1, 2022
- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Changed to Stable, July 1, 2021
- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Remains Negative, July 3, 2020.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Still Negative. March 29, 2019.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Revised to Negative, May 9, 2018.
- DBRS Harmonises its Ratings Nomenclature for Banks in Europe and Asia-Pacific, July 14, 2017.
- DBRS Confirms Deutsche Bank's A (low) Issuer Rating, Trend Revised to Stable, June 7, 2017.

Related Research

- European Banks' Q1 2022 Cost of Risk Remains Low; Lower Loan Loss Reversals, June 7, 2022
- European Firms' Q1 Capital Markets Revenues Supported by Strong Trading Activity, May 11, 2022
- SPACs One Year Later: A Bust for Investors and A Boon for Banks, March 28, 2022
- European Banks: Lower Cost of Risk in FY21; However, Likely to Worsen After Ukraine War, March 22, 2022
- European Banks' Direct Exposure to Russia and Ukraine Is Manageable, But Risks Have Increased, March 16, 2022
- European Firms' Capital Markets Revenues Slowed in Q4; A Stronger FY 2021 Overall, March 7, 2022
- European Firms' Capital Markets Revenues: What To Expect From the Russia-Ukraine Conflict, March 7, 2022
- European Banks' Exposure to Potential Russia-Ukraine Conflict, February 2, 2022
- European Banks: Rating Outlook Stable for 2022, January 27, 2022

Previous Reports

- Deutsche Bank AG: Rating Report, July 16, 2021
- Deutsche Bank AG: Rating Report, July 20, 2020
- Deutsche Bank AG, Rating Report, May 20, 2019
- Deutsche Bank AG: Rating Report, May 21, 2018
- Deutsche Bank AG: Rating Report, June 14, 2017.

Bank Ratios & Definitions

- Bank Ratio Definitions, March 14, 2022

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.

MORNINGSTAR | DBRS

The DBRS Morningstar group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(EU CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(UK CRA, NRSRO affiliate, DRO affiliate). For more information on regulatory registrations, recognitions and approvals of the DBRS Morningstar group of companies, please see: https://www.dbrsmorningstar.com/research/225752/highlights.pdf.

The DBRS Morningstar group of companies are wholly-owned subsidiaries of Morningstar, Inc.