S&P Global
Ratings

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Deutsche Bank AG

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Deutsche Bank AG

Ratings Score Snapshot

Global Scale Ratings
Issuer Credit Rating
A-/Positive/A-2
Resolution Counterparty Rating
A/--/A-1
Turkey National Scale
Issuer Credit Rating
trAAA/--/trA-1+

SACP: bbb → **Support: +2** → **Additional factors: 0**

SACP: bbb		
Anchor	bbb+	
Business position	Adequate	0
Capital and earnings	Adequate	0
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +2	
ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0

Additional factors: 0
Issuer credit rating
A-/Positive/A-2
Resolution counterparty rating
A/A-1

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Diversified franchise serving retail, corporate, and institutional clients.	Although improving, earnings and efficiency metrics lag many peers.
Improving strategic execution and earnings, with a tailwind from higher interest rates.	Inherent complexity and cyclicality of the large investment bank activities.
Solid capital, funding, and liquidity profiles.	Modest economic growth and higher interest rates squeeze marginal borrowers.

Deutsche Bank is strengthening its resilience and performance. We revised the outlook to positive from stable in May 2023 because Deutsche Bank's 2019-2022 transformation program refocused its business model, strengthened earnings, and laid the foundations for further progress (see Deutsche Bank Outlook Revised To Positive On Strengthening Resilience And Performance; Ratings Affirmed, published on May 17, 2023). Achieving its financial targets would close the performance gap to global systemically important bank (G-SIB) peers.

Solid funding and liquidity profiles. Deutsche Bank's liquidity was tested in March 2023 by short selling of its shares, and its diversified deposit base and reduced reliance on short-term wholesale funding enabled it to navigate this stress. The 143% liquidity coverage ratio and 120% net stable funding ratio at March 31, 2023, were solid and consistent with internal targets.

Proactive risk management mitigates economic uncertainties. We think that Deutsche Bank has a good track record in credit and market risk management. Its lending is sectorally diversified and well-collateralized, with contained exposures to higher risk segments including commercial real estate (CRE).

Supportive capitalization. We expect our risk-adjusted capital (RAC) ratio will be 10.0%-10.5% at year-end 2025. This assumes that Deutsche Bank will steadily grow its capital base to absorb regulatory risk-weighted asset (RWA) inflation, which does not affect the RAC ratio denominator, and moderate asset growth. Nevertheless, our capital and earnings assessment remains neutral to the rating. This is because the projected ratio only marginally exceeds the 10% threshold and we consider that Deutsche Bank's capital, earnings, and financial flexibility metrics are not currently supportive of a stronger outcome.

Outlook

The positive outlook indicates that we could raise the ratings in the next 12 months if Deutsche Bank maintains its strategic discipline and earnings momentum. Progress in these areas would narrow the gap to global corporate and investment bank peers.

If we raise the long-term issuer credit ratings on Deutsche Bank AG and its core subsidiaries to 'A', we would also raise the long-term resolution counterparty ratings and the long-term issue ratings on all debt types by one notch. In addition, we would raise the short-term issuer credit ratings and the short-term issue credit ratings on Deutsche Bank AG's senior preferred obligations (including commercial paper) to 'A-1'.

Upside scenario We could raise the ratings if Deutsche Bank makes continued progress against its strategic priorities and financial targets for 2025. A positive rating action would also depend on the bank maintaining solid asset quality, capital, and liquidity metrics, in line with management guidance. A positive comparable rating adjustment is a potential route to a higher group stand-alone credit profile and issuer credit rating, but an improved capital and earnings assessment is also possible.

Downside scenario We could revise the outlook to stable if Deutsche Bank falters in the execution of its strategic plan or if adverse macroeconomic and geopolitical developments materially weaken asset quality and earnings.

Key Metrics

Deutsche Bank AG--Key ratios and forecasts					
	--Fiscal year ended Dec. 31--				
(%)	2021a	2022a	2023f	2024f	2025f
Growth in operating revenue	5.7	5.5	4.5-5.5	3.5-4.5	0.5-1.0
Growth in customer loans	9.9	2.7	2.0-3.0	2.0-3.0	2.5-3.5
Net interest income/average earning assets (NIM)	1.6	1.9	2.0-2.2	2.1-2.3	2.0-2.2
Cost to income ratio	82.8	75.8	71-74	69-72	69-72
Return on average common equity	4.2	9.2	7.0-8.0	7.5-8.5	7.5-8.5
New loan loss provisions/average customer loans	0.1	0.3	0.3-0.4	0.3-0.4	0.2-0.3
Gross nonperforming assets/customer loans	2.7	2.6	2.5-2.8	2.4-2.7	2.2-2.5
Risk-adjusted capital ratio	9.9	10.1	10.0-10.5	10.0-10.5	10.0-10.5

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: Reflects Geographic Footprint And German Home Market

We use our Banking Industry Country Risk Assessment (BICRA) scores to determine the 'bbb+' anchor. The '3' weighted-average economic risk score reflects the geographic mix of total credit exposure, and the industry risk score is based solely on Deutsche Bank's home market of Germany. The stable trends on the most relevant BICRA scores indicate that the anchor is unlikely to change.

We lowered the BICRA economic risk score for Germany to '2' in February 2023 due to the effects of geopolitical events including the Russia-Ukraine conflict (see Bulletin: Robust German Banking Industry Weathers Increased Geopolitical Economic Risk, published on Feb. 16, 2023). This did not change the weighted-average economic risk score for Deutsche Bank but raised our measure of RWAs on its domestic exposures.

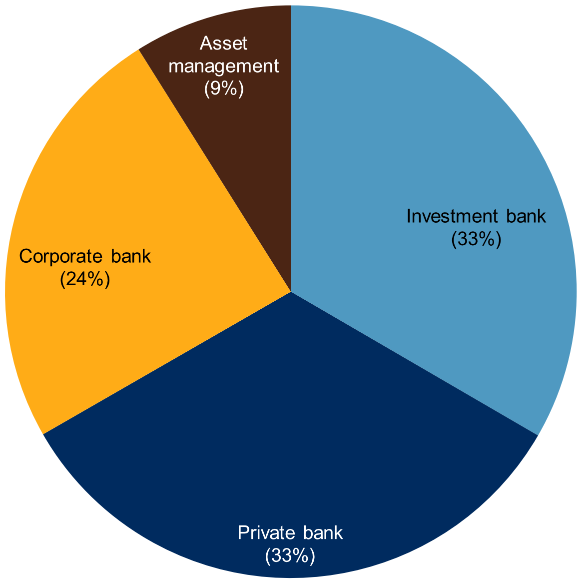
Business Position: Focus Shifted From Internal Restructuring To Franchise Growth

Our assessment of Deutsche Bank's business position balances its diverse franchise, clear strategy, and improving business stability with its substantial investment bank business and performance lag to many G-SIB peers. Completion of its transformation program at year-end 2022 delivered a more sustainable business model and enhanced the credibility of its strategy and management. Although it continues to manage costs closely, its attention has shifted from internal restructuring to franchise growth as it works toward its 2025 financial targets.

Deutsche Bank has a reasonably diverse business position (see chart 1), but higher rated peers are typically less reliant on cyclical investment banking activities. Helped by the tailwind from higher interest rates, the retail and corporate banking businesses have strengthened their performance and have considerable scope to improve cost efficiency further. We would look for consistent balance between investment banking and the more annuity-like activities before considering a stronger business position assessment. The agreed bolt-on acquisition of U.K. corporate broker Numis does not materially affect our view of Deutsche Bank's business diversification due to Numis' small size and focus on capital-light activities.

Chart 1

Reasonably diverse revenue base
Divisional revenues in the 12 month period ending March 31, 2023



Excludes the corporate and other segment. Source: Deutsche Bank.
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Deutsche Bank's 2019-2022 transformation program made profound changes to its business model. It exited equities trading and prime finance, managed down other non-strategic assets, implemented significant cost-saving measures, and invested in technology and internal control enhancements. Its strategic and financial objectives through 2025 aim to build on this progress. A particular priority is to position itself as the "Global Hausbank" for corporate and institutional clients within Germany and across its international network. It announced in April 2023 that it will accelerate execution of its strategic plan, including a 25% increase in its cost saving ambition to €2.5 billion.

Deutsche Bank's financial targets for 2025 include a return on tangible equity (RoTE) above 10%, a cost-to-income ratio (CIR) below 62.5%, and compounded revenue growth of 3.5%-4.5%. Achieving these objectives would raise Deutsche Bank's performance closer to higher-rated G-SIB peers.

We compare Deutsche Bank's business position with other universal banks headquartered in countries with similar BICRA industry risk scores as Germany. We focus particularly on national champions with diversified revenue bases, and large capital markets and corporate banking activities. They include European peers Barclays, BNP Paribas, Société Générale, UBS, and UniCredit; and U.S. peers including Goldman Sachs and Morgan Stanley. Those with a more favorable business position assessment than Deutsche Bank generally exhibit superior business stability and stronger, more consistent financial and franchise performance.

Capital And Earnings: Solid Capitalization And Improving Profitability Partly Mitigate A Complex Risk Profile

Deutsche Bank's capital position remained robust through its self-funded transformation program. Its financial targets imply that the RAC ratio will increase moderately and it will distribute an increasing share of earnings to shareholders.

Deutsche Bank reported a 13.6% Common Equity Tier 1 (CET1) ratio as of March 31, 2023, which was 251 basis points (bps) above the 11.1% minimum regulatory requirement. It intends to maintain the CET1 ratio at about 13% through 2025 after absorbing regulatory RWA inflation from the initial phase of Basel 3.1 implementation. The leverage ratio was 4.6% as of March 31, 2023, comfortably above the 3.75% minimum requirement. The next call date on its Additional Tier 1 instruments is in April 2025.

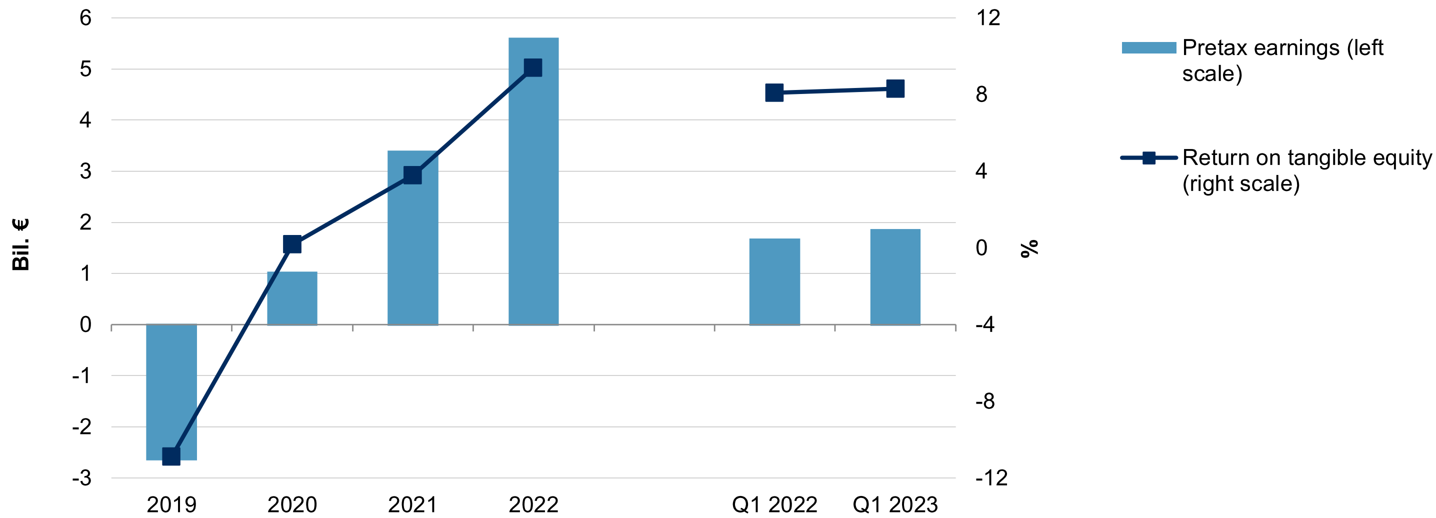
The regulatory capital and leverage ratios fully reflect market movements on securities that are fair valued through other comprehensive income. The ratios exclude movements on held-to-collect securities valued at amortized cost, but this portfolio is not material (it was €25.5 billion at year-end 2022) and we see the related fair value shortfall as manageable.

Our RAC ratio was 10.1% at year-end 2022, but the February 2023 change in the BICRA economic risk score for Germany lowered it by 21 bps on a pro forma basis. We expect the ratio will rise moderately to 10.0%-10.5% at year-end 2025. This projection takes into account Deutsche Bank's 2025 strategic plan, including its intention to increase shareholder distributions to 50% of earnings, and our expectations for key economic and market variables. Although the projected ratio stands above the 10% threshold, our capital and earnings assessment remains neutral to the rating. This is because the projected ratio only marginally exceeds 10% and we consider that Deutsche Bank's capital, earnings, and financial flexibility metrics are not currently supportive of a stronger outcome.

Deutsche Bank steadily strengthened its performance as it executed the transformation program (see chart 2). Associated restructuring charges were largely completed by year-end 2021, and the non-recurrence of these costs was a tailwind to subsequent profitability alongside rising interest rates, franchise growth, and improving cost efficiency. Post-tax profits for 2022 were additionally boosted by a writeup of U.S. deferred tax assets, which is not a sustainable earnings source but reflects the bank's increased confidence in its prospects. Its RoTE and CIR targets for 2025 are demanding but achievable if it can sustain market share gains and associated revenue growth, realize targeted efficiency savings, and maintain close control of credit losses.

Chart 2

Strengthened earnings under the transformation program
Trends in pretax earnings and post-tax returns on tangible equity



Q1--First quarter. Source: Deutsche Bank.

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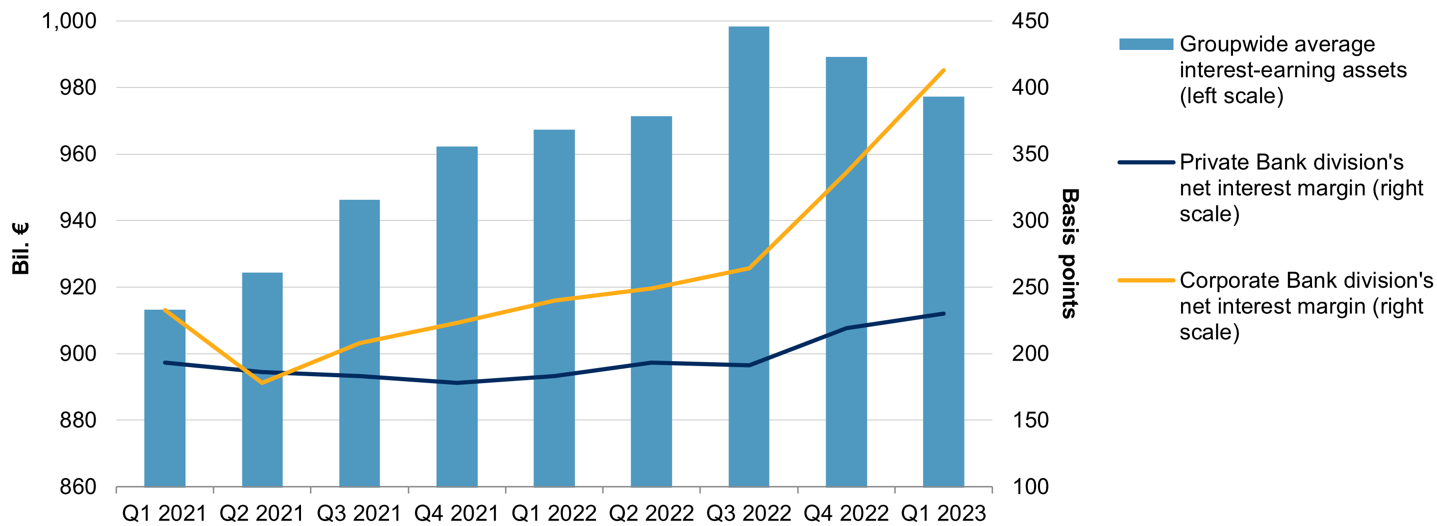
Similar to peers, rising interest rates provide a material boost to Deutsche Bank's margins and revenues (see chart 3). We expect this effect will tail off as deposit betas rise and central banks pause monetary tightening. Interest-earning assets declined in recent quarters, mostly due to prepayments of borrowing from the European Central Bank's targeted longer-term refinancing operations (TLTROs), but remain above the 2020-2021 levels.

Chart 3

Revenue tailwind from net interest income
Quarterly trend in margins and interest-earning assets



Q1--First quarter. Source: Deutsche Bank.

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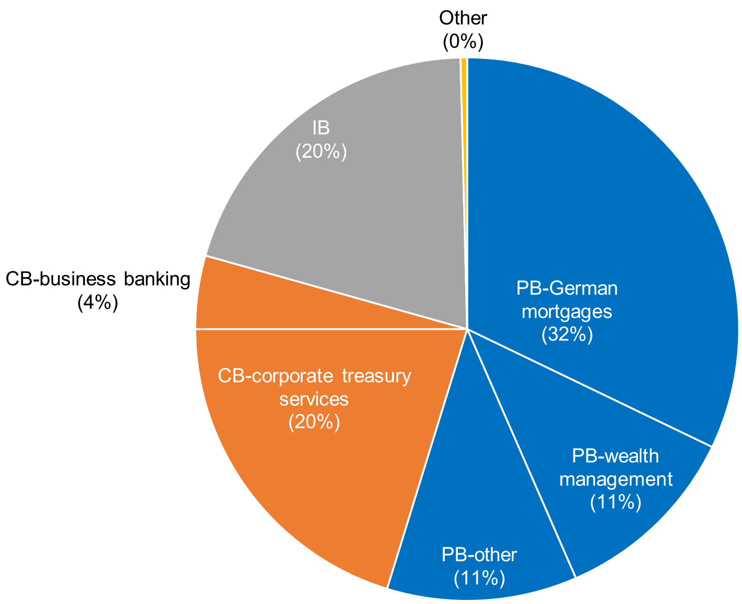
Risk Position: Solid Risk Management Mitigates Economic Uncertainties

Our risk position assessment balances Deutsche Bank's solid credit and market risk management with its inherent complexity and its track record of operational risk events. Although the bank has made progress in simplifying and de-risking its investment bank division, we continue to see its risk position as a negative rating factor. While a stronger and more consistent financial performance is the main trigger for a positive rating action, we would also look for evidence of ongoing control remediation and maintenance of robust credit and market risk profiles.

The gross loan portfolio grew 1% year-on-year to €488 billion of March 31, 2023. Geographically, 48% was in Germany, with 21% in the rest of EMEA and a further 21% in North America. The private bank division represented just over one-half of the portfolio, with meaningful contributions also from the corporate bank and investment bank (see chart 4). In aggregate, about 70% of the portfolio is collateralized, guaranteed, or hedged. At year-end 2022, Deutsche Bank disclosed that it held €39 billion of synthetic credit hedges on about 2,000 counterparties to reduce single name concentrations.

Chart 4

Diverse, well-collateralized loan portfolio
Gross IFRS loans at March 31, 2023



PB--Private Bank. CB--Corporate Bank. IB--Investment Bank. IFRS--International Financial Reporting Standards. Source: Deutsche Bank.
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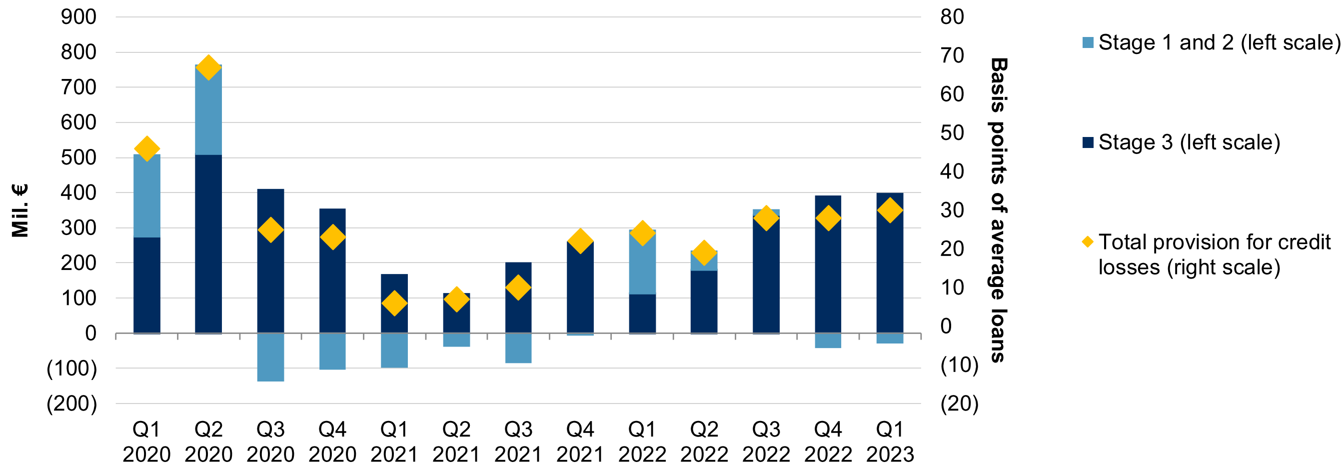
Higher risk credit exposures include €33 billion of non-recourse CRE lending, representing 7% of the total loan portfolio, and €4 billion of leveraged debt capital markets (LDCM) exposure, representing 1%. The CRE exposure is relatively diverse geographically and sectorally, and significant equity investments by institutional sponsors maintain Deutsche Bank's loan-to-value (LTV) ratios at moderate levels. Within the non-recourse CRE loans, the investment bank's loans to U.S. offices were €4.5 billion with an average LTV of about 64%, and about 80% of this exposure is to class A properties. Deutsche Bank has materially downsized and derisked its LDCM pipeline and the residual exposure appears manageable.

Like peers', Deutsche Bank's recent loss experience has been relatively benign despite subdued economic growth (see chart 5). Germany has diversified its energy supply away from Russian gas effectively with few credit issues. Rising interest rates and inflation are likely to trigger an increase in the default rate but we do not expect a significant asset quality deterioration. Deutsche Bank anticipates a 25 bps-30 bps credit loss charge in 2023 and it was 30 bps in the first quarter, driven by idiosyncratic losses in the international private bank business that look unlikely to persist.

Chart 5

Relatively benign credit loss charges
Trend in quarterly provision charges for credit losses



Q1--First quarter. Source: Deutsche Bank.
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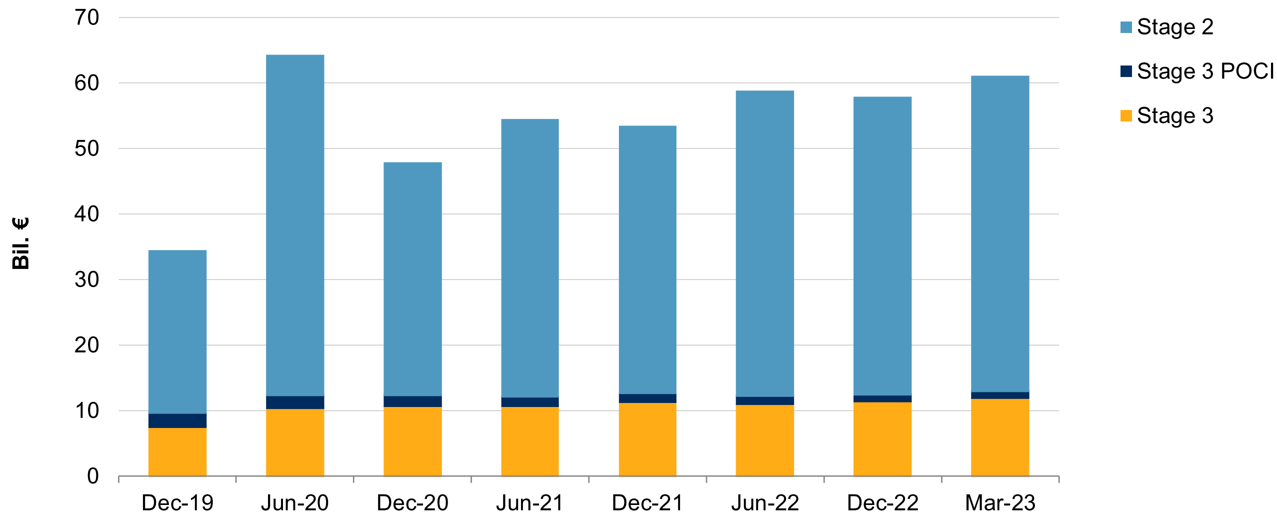
Stage 2 and 3 loans have ticked up modestly but the vast majority of stage 2 balances are fully performing and, at 2.5% of the total portfolio, stage 3 balances are not outsized (see chart 6).

Chart 6

Tick-up in stage 2 and 3 balances
Trend in stage 2 and 3 assets held at amortized cost



POCI--Purchased or originated credit-impaired. Source: Deutsche Bank.
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Deutsche Bank is active in derivatives and other traded products, which adds complexity to its risk position and results in material market and counterparty risks. Reflecting market volatility, its value-at-risk (VaR), stressed VaR, and backtesting exceptions have been elevated since early 2022.

Deutsche Bank reported €26 billion of level 3 assets as of March 31, 2023, primarily derivatives, loans, and debt securities. As a proportion of capital, this exposure is relatively high compared with peers'. Its regulatory capital ratios include about €0.8 billion of prudent valuation deductions on the level 3 assets, which indicates the effect of more adverse assumptions.

We see operational and other nonfinancial risks as a material component of Deutsche Bank's risk position. Importantly, its focus on cost efficiency does not appear to have squeezed necessary investments in control remediation, including its anti-financial-crime framework. However, we note that the German regulator BaFin announced in September 2022 that Deutsche Bank must take specific measures to strengthen its controls further or face financial penalties.

Like peers, Deutsche Bank incurred material litigation and conduct charges following the 2008 financial crisis. The major cases are now resolved, but some notable regulatory and civil actions remain outstanding. As of March 31, 2023, it held €1.2 billion of litigation provisions and disclosed a further €1.9 billion of contingent legal and regulatory liabilities.

Funding And Liquidity: Solid Profile That Is Neutral To The Rating

Our assessment of Deutsche Bank's funding and liquidity is neutral to the rating. The downsizing and simplification of the investment bank division benefited its balance sheet stability and reduced dependence on short-term wholesale funding (see chart 7). This solid profile enabled it to withstand the severe but relatively short-lived stress that followed a March 2023 selloff in the credit default swap and equity markets.

Chart 7

Completion of the transformation program has enhanced balance sheet resilience
Balance sheet profile as of March 31, 2023

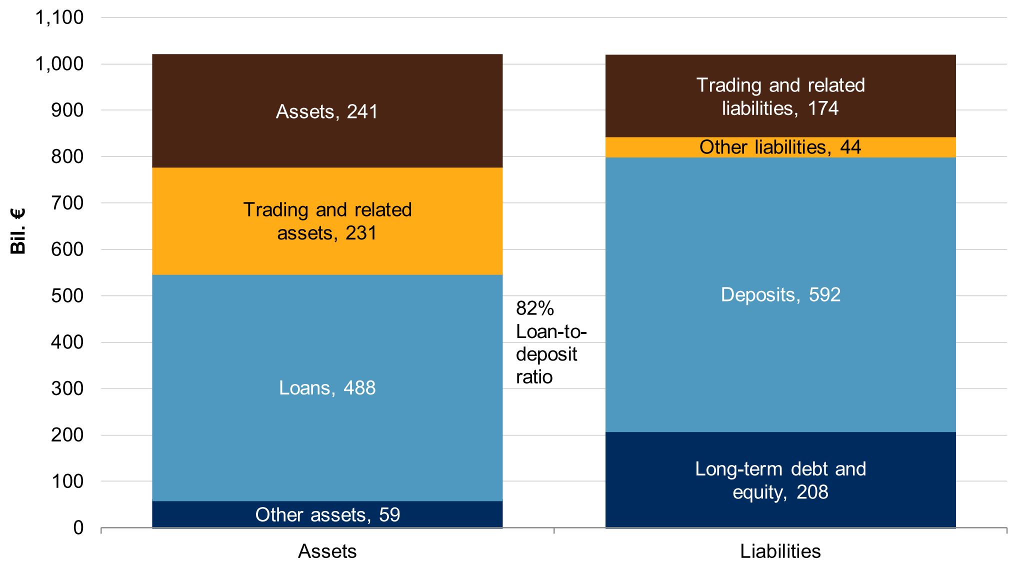

Chart shows the reported balance sheet net of IFRS accounting gross-ups. Source: Deutsche Bank.
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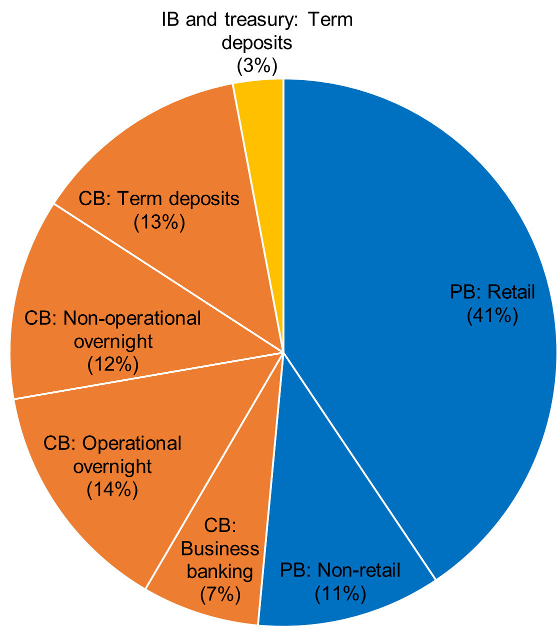
The deposit base is anchored by retail balances, and reliance on nonoperational deposits appears manageable (see chart 8). We view positively that 73% of the deposit base as of March 31, 2023, came from Deutsche Bank's home market of Germany. Excluding bank deposits, 41% of the deposit base was insured (including 77% of German retail deposits), which is comparable with G-SIB peers that have large wholesale banking franchises. Deutsche Bank's total deposit balances declined by 4% during the first quarter of 2023, of which about two-thirds occurred before the short-selling episode due to seasonal factors and price competition.

Chart 8

Diversified deposit base

Breakdown of deposits by product as of March 31, 2023



PB--Private Bank. CB--Corporate Bank. IB--Investment Bank. Source: Deutsche Bank.

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The 143% liquidity coverage ratio as of March 31, 2023, was little changed from year-end 2022 and stood comfortably above the 130% internal target. It indicated €63 billion of surplus high-quality liquid assets relative to the minimum regulatory requirement. Our other liquidity metrics also indicate a solid profile.

The 120% net stable funding ratio as of March 31, 2023, stood at the upper end of Deutsche Bank's 115%-120% target range and comfortably above the 100% regulatory requirement. Its latest 2023 funding plan envisages €12 billion-€15 billion of wholesale debt issuance and it had completed €8 billion by March 31, 2023, including all regulatory capital instruments and the majority of senior nonpreferred debt. Its outstanding TLTRO balance fell to €26 billion as of March 31, 2023, from a peak of €45 billion during 2022. It forecasts that the TLTROs will be fully repaid by September 2024.

Support: MREL Buffer Is Consistent With Two ALAC Support Notches

Since 2015, we have regarded the prospect of extraordinary government support for German banks as uncertain in view of the well-advanced and effective resolution regime, which operates within the EU institutional and legislative frameworks. Therefore, although we consider Deutsche Bank to have high systemic importance in Germany, we do not factor potential extraordinary government support into our ratings.

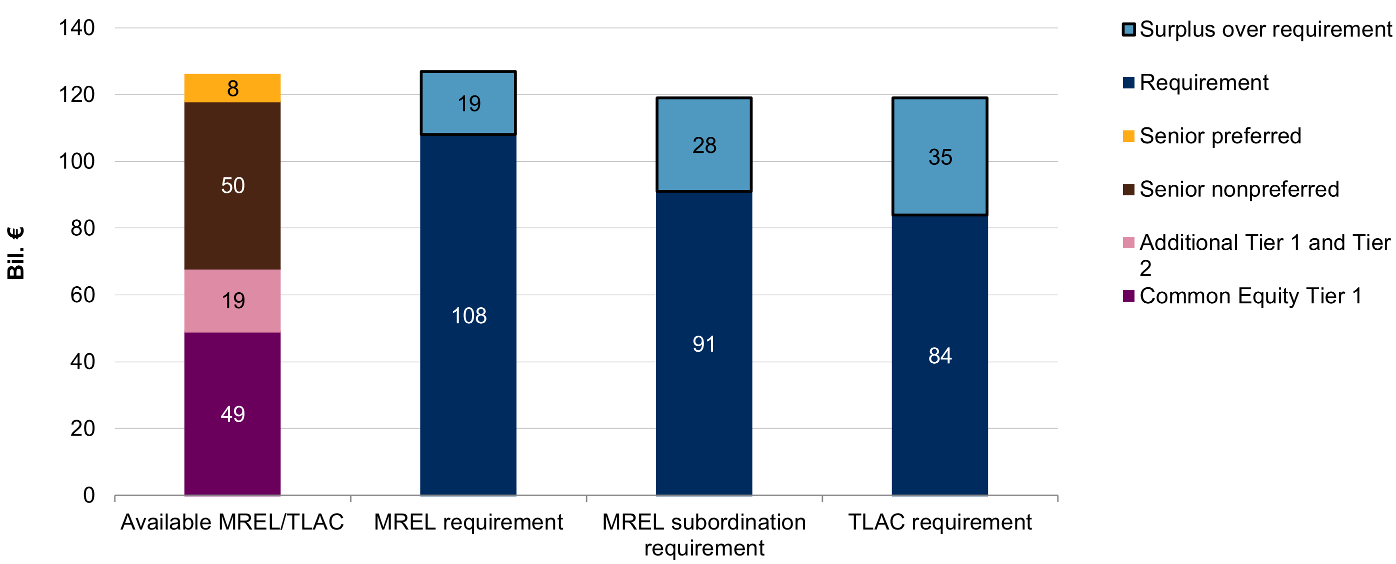
We include two notches in the group credit profile in recognition of Deutsche Bank's additional loss-absorbing capacity (ALAC). Our ALAC ratio was 9.6% at year-end 2022, or 9.4% on a pro forma basis after reflecting the February 2023 change in the BICRA economic risk score for Germany. We expect the ratio will remain comfortably above our 6.5% threshold, but it will probably fall modestly by year-end 2023 because Deutsche Bank has decided to substitute some planned senior nonpreferred issuance with senior preferred. Similar to its internationally active peers, we raise the ALAC threshold applicable to Deutsche Bank above the standard 6.0%. This is because the bank operates through multiple regulated legal entities worldwide and prepositioning requirements might constrain the flexible deployment of ALAC in a stress scenario.

On March 31, 2023, Deutsche Bank maintained €19 billion headroom above its minimum requirement for own funds and eligible liabilities (MREL; see chart 9). This is roughly similar to the typical volume of senior nonpreferred and subordinated debt issuance in a 12-month period. It expects the headroom to fall by about €3 billion in the second quarter of 2023.

Chart 9

Comfortable surplus of loss-absorbing capacity

Loss-absorbing capacity relative to MREL and TLAC requirements as of March 31, 2023



MREL--Minimum requirement for own funds and eligible liabilities. TLAC--Total loss absorbing capacity.
Source: Deutsche Bank.
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Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

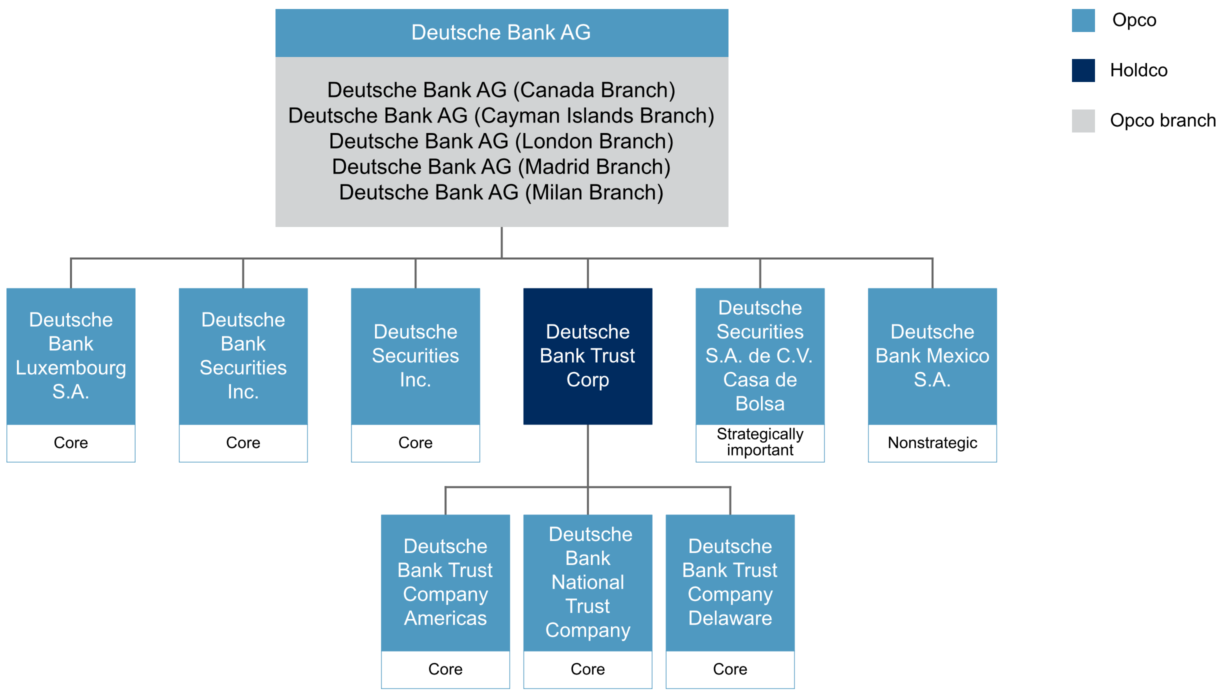
We improved the governance indicator to G-2 from G-3 in May 2023. Although its control remediation program is not yet complete, we think Deutsche Bank has made material progress in strengthening its nonfinancial risk management, culture, and oversight. The 'G-2' indicator denotes that governance is, on a net basis, a neutral consideration in our rating analysis, in line with our assessments of environmental and social credit factors.

Similar to peers, we see Deutsche Bank making progress in quantifying its financed carbon emissions and implementing sectoral policies consistent with the 2050 net-zero agenda. It aims to provide over €500 billion of sustainable finance and investment by 2025 and had delivered €238 billion as of March 31, 2023.

Group Structure, Rated Subsidiaries, And Hybrids

Deutsche Bank heads the group and is the largest operating entity (see chart 10). Unlike certain G-SIB peers, Deutsche Bank does not have a nonoperating holding company.

Deutsche Bank Highly Simplified Organization Structure



Opco--Operating company. Holdco--Holding company.
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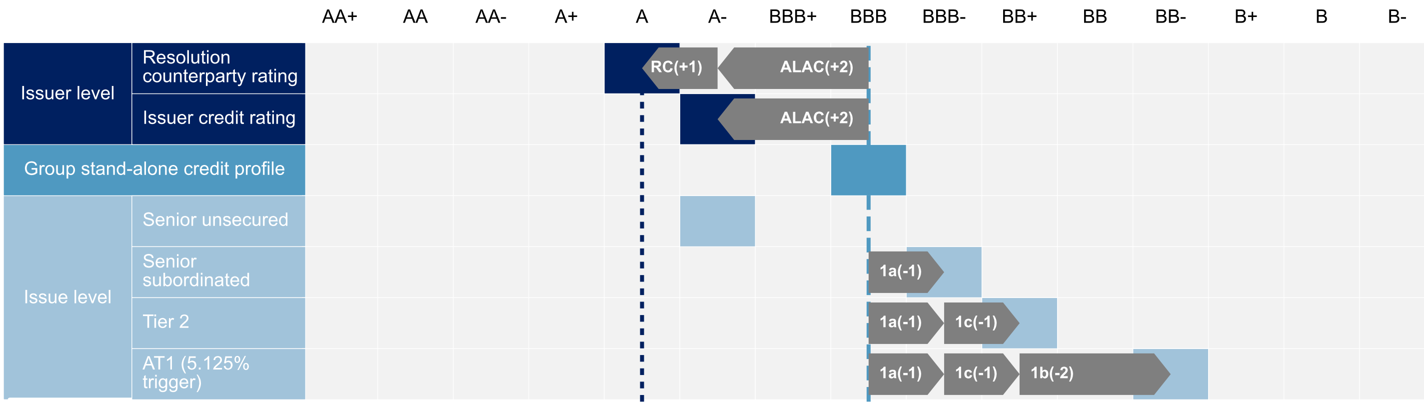
The ICRs on Deutsche Bank's rated branches are at the same level as the ICR on Deutsche Bank itself. We also rate a number of subsidiaries:

- We view six subsidiaries as core to Deutsche Bank and therefore equalize the ratings with those on their ultimate parent.
- We also equalize the ratings on U.S. nonoperating holding company Deutsche Bank Trust Corp. (DBTC) with those on Deutsche Bank because we expect that parental support for DBTC's subsidiaries would be routed through DBTC.
- We view Mexican broker subsidiary Deutsche Bank Securities, S.A. de C.V., Casa de Bolsa as strategically important and Deutsche Bank Mexico S.A. as nonstrategic.

We notch down our ratings on regulatory capital instruments and senior nonpreferred debt from the 'bbb' Group SACP (see chart 11).

Deutsche Bank AG: Notching



Key to notching

- - - - - Group stand-alone credit profile
- - - - - Issuer credit rating

RC	Resolution counterparty liabilities (senior secured debt)
ALAC	Additional loss-absorbing capacity buffer
1a	Contractual subordination
1b	Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c	Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.
AT1--Additional Tier 1.

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Resolution Counterparty Ratings (RCRs)

We have assigned resolution counterparty ratings (RCRs) to Deutsche Bank, its rated branches, and its rated European and U.S. operating subsidiaries. For European entities, the long-term RCRs are one notch above the long-term ICRs, while for U.S. entities, they are in line with the ICRs. The lower RCRs on the U.S. entities is because the local resolution framework does not explicitly protect any category of liability from default. We do not assign RCRs to other subsidiaries, mainly because we regard the resolution regimes in those jurisdictions as non-effective.

Key Statistics

Table 1

Deutsche Bank AG--Key figures

	--Year ended Dec. 31--				
(Mil. €)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	1,299,689.0	1,329,696.0	1,317,169.0	1,318,534.0	1,290,645.0
Customer loans (gross)	487,636.0	481,343.0	468,467.0	426,427.0	427,733.0
Adjusted common equity	52,420.0	52,508.6	49,643.3	46,140.6	47,160.4
Operating revenues	7,681.0	26,806.0	25,400.0	24,028.0	23,163.0

Table 1

Deutsche Bank AG--Key figures (cont.)

	--Year ended Dec. 31--				
(Mil. €)	**2023***	**2022**	**2021**	**2020**	**2019**
Noninterest expenses	5,368.0	20,327.0	21,030.0	20,527.0	23,233.0
Core earnings	1,410.0	5,317.0	2,975.0	1,312.0	(3,423.0)

*Data as of March 31.

Table 2

Deutsche Bank AG-- Business position

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	7,681.0	27,210.0	25,410.0	24,028.0	23,163.0
Commercial banking/total revenues from business line	25.7	23.3	20.3	21.4	22.7
Retail banking/total revenues from business line	31.7	33.6	32.4	33.8	35.6
Commercial & retail banking/total revenues from business line	57.4	56.9	52.7	55.2	58.3
Trading and sales income/total revenues from business line	35.0	36.8	37.9	38.6	30.1
Asset management/total revenues from business line	7.7	9.6	10.7	9.3	10.1
Other revenues/total revenues from business line	(0.1)	(3.3)	(1.2)	(3.1)	1.6
Investment banking/total revenues from business line	35.0	36.8	37.9	38.6	30.1
Return on average common equity	8.3	9.2	4.2	0.9	(9.1)

*Data as of March 31.

Table 3

Deutsche Bank AG--Capital and earnings

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	15.9	15.7	15.6	15.3	15.0
S&P Global Ratings' RAC ratio before diversification	N/A	10.1	9.9	9.4	9.4
S&P Global Ratings' RAC ratio after diversification	N/A	11.7	11.5	11.1	11.1
Adjusted common equity/total adjusted capital	86.0	86.0	84.9	86.9	87.9
Net interest income/operating revenues	44.6	50.9	43.9	48.0	59.4
Fee income/operating revenues	30.6	36.7	43.0	39.2	41.1
Market-sensitive income/operating revenues	21.4	9.8	13.4	13.0	2.0
Cost to income ratio	69.9	75.8	82.8	85.4	100.3
Preprovision operating income/average assets	0.7	0.5	0.3	0.3	(0.0)
Core earnings/average managed assets	0.4	0.4	0.2	0.1	(0.3)

*Data as of March 31. N/A--Not applicable. Rac--Risk-adjusted capital.

Table 4

Deutsche Bank AG--Risk-adjusted capital framework data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	267,580.0	16,672.8	6.2	4,362.9	1.6
Of which regional governments and local authorities	6,642.0	10.0	0.2	241.2	3.6
Institutions and CCPs	60,726.0	8,677.3	14.3	14,313.6	23.6
Corporate	386,161.0	145,178.7	37.6	307,039.0	79.5
Retail	236,417.0	60,499.8	25.6	74,161.7	31.4
Of which mortgage	186,833.0	36,724.0	19.7	41,773.4	22.4
Securitization§	71,168.0	13,092.0	18.4	20,228.8	28.4
Other assets†	5,287.0	1,251.5	23.7	17,590.6	332.7
Total credit risk	1,027,339.0	245,372.1	23.9	437,696.7	42.6
Credit valuation adjustment					
Total credit valuation adjustment	--	6,184.0	--	24,819.2	--
Market Risk					
Equity in the banking book	6,208.0	13,021.0	209.7	32,503.3	523.6
Trading book market risk	--	26,132.0	--	36,508.0	--
Total market risk	--	39,153.0	--	69,011.2	--
Operational risk					
Total operational risk	--	58,349.0	--	70,765.6	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	362,183.1	--	602,292.8	100.0
Total diversification/ concentration adjustments	--	--	--	(79,903.6)	(13.3)
RWA after diversification	--	362,183.1	--	522,389.2	86.7
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		56,616.0	15.6	61,086.6	10.1
Capital ratio after adjustments‡		56,616.0	15.7	61,086.6	11.7

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. Sources: Company data as of Dec. 31, 2022, S&P Global Ratings.

Table 5

Deutsche Bank AG-Risk position

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	5.2	2.7	9.9	(0.3)	7.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(13.3)	(14.1)	(15.6)	(15.2)
Total managed assets/adjusted common equity (x)	24.9	25.5	26.7	28.7	27.5
New loan loss provisions/average customer loans	0.3	0.3	0.1	0.4	0.2
Net charge-offs/average customer loans	0.2	0.2	0.1	0.2	0.2
Gross nonperforming assets/customer loans + other real estate owned	2.5	2.6	2.7	2.8	2.2
Loan loss reserves/gross nonperforming assets	40.3	39.0	37.8	41.3	42.6

*Data as of March 31. N/A--Not applicable. RWA--Risk-weighted assets.

Table 6

Deutsche Bank AG--Funding and liquidity

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	68.5	61.7	59.7	60.0	61.3
Customer loans (net)/customer deposits	81.5	88.8	89.3	85.6	85.5
Long-term funding ratio	84.6	76.1	74.8	75.5	77.6
Stable funding ratio	91.6	93.2	94.2	104.1	105.3
Short-term wholesale funding/funding base	16.6	25.7	27.0	26.2	24.0
Regulatory net stable funding ratio	120.0	120.0	121.0	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.5	1.3	1.2	1.6	1.7
Broad liquid assets/total assets	16.1	21.2	22.0	26.6	25.7
Broad liquid assets/customer deposits	35.6	52.9	56.1	71.5	67.3
Net broad liquid assets/short-term customer deposits	11.5	11.4	11.0	28.2	28.7
Regulatory liquidity coverage ratio (LCR) (x)	143.0	142.0	133.0	N/A	N/A
Short-term wholesale funding/total wholesale funding	51.2	65.6	65.3	64.3	60.8
Narrow liquid assets/3-month wholesale funding (x)	1.1	1.4	1.5	2.3	2.0

*Data as of March 31. N/A--Not applicable.

Deutsche Bank AG--Rating component scores

Issuer Credit Rating	**A-/Positive/A-2**
SACP	bbb
Anchor	bbb+
Economic risk	3
Industry risk	4
Business position	Adequate
Capital and earnings	Adequate
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0

Deutsche Bank AG--Rating component scores (cont.)	
Issuer Credit Rating	**A-/Positive/A-2**
Support	+2
ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Financial Institutions Rating Methodology, Dec. 9, 2021
- Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Group Rating Methodology, July 1, 2019
- Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Risk-Adjusted Capital Framework Methodology, July 20, 2017
- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Deutsche Bank Outlook Revised To Positive On Strengthening Resilience And Performance; Ratings Affirmed, May 17, 2023
- Bulletin: Deutsche Bank's First Quarter Earnings Show Resilience To Sector Volatility, April 27, 2023
- European Banks' Asset Quality: Tougher Times Ahead Require Extra Caution, April 20, 2023
- Crisis Management Observations From Recent European And U.S. Banking Sector Volatility, April 19, 2023
- Bulletin: Robust German Banking Industry Weathers Increased Geopolitical Economic Risk, Feb. 16, 2023
- Bulletin: Deutsche Bank AG Meets Its 2022 Earnings Target And Eyes Further Progress, Feb. 2, 2023

Ratings Detail (As Of May 31, 2023)*	
Deutsche Bank AG	
Issuer Credit Rating	A-/Positive/A-2
Turkey National Scale	trAAA/--/trA-1+
Resolution Counterparty Rating	A/--/A-1

Ratings Detail (As Of May 31, 2023)*(cont.)		
Certificate Of Deposit		
Foreign Currency		A-/A-2/A-2
Commercial Paper		A-2
Junior Subordinated		BB-
Senior Subordinated		BBB-
Senior Unsecured		A-
Short-Term Debt		A-2
Subordinated		BB+
Issuer Credit Ratings History		
17-May-2023		A-/Positive/A-2
09-Nov-2021		A-/Stable/A-2
26-Feb-2021		BBB+/Positive/A-2
23-Apr-2020		BBB+/Negative/A-2
01-Jun-2018		BBB+/Stable/A-2
28-Jun-2018	*Turkey National Scale*	trAAA/--/trA-1+
08-Jul-2016		trAAA/--/trA-1
Sovereign Rating		
Germany		AAA/Stable/A-1+
Related Entities		
Deutsche Bank AG (Canada Branch)		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Deutsche Bank AG (Cayman Islands Branch)		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Deutsche Bank AG (London Branch)		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Resolution Counterparty Liability		A
Senior Subordinated		BBB-
Senior Unsecured		A-
Deutsche Bank AG (Madrid Branch)		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Deutsche Bank AG (Milan Branch)		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Deutsche Bank Luxembourg S.A.		
Issuer Credit Rating		A-/Positive/A-2
Resolution Counterparty Rating		A/--/A-1
Deutsche Bank Mexico S.A.		
Issuer Credit Rating		
CaVal (Mexico) National Scale		mxBBB/Stable/mxA-2

Ratings Detail (As Of May 31, 2023)*(cont.)	
Deutsche Bank National Trust Co.	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
Deutsche Bank Securities Inc.	
Issuer Credit Rating	
Local Currency	A-/Positive/A-2
Resolution Counterparty Rating	
Local Currency	A-/--/A-2
Deutsche Bank Trust Co. Americas	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
Deutsche Bank Trust Co. Delaware	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
Deutsche Bank Trust Corp.	
Issuer Credit Rating	A-/Positive/A-2
Senior Unsecured	A-2
Deutsche Securities Inc.	
Issuer Credit Rating	A-/Positive/A-2
Deutsche Securities, S.A. de C.V., Casa de Bolsa	
Issuer Credit Rating	
CaVal (Mexico) National Scale	mxAA+/Stable/mxA-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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