

Bulletin:

Deutsche Bank's Raised Targets Reflect Continued Progress

November 17, 2025

This report does not constitute a rating action.

FRANKFURT (S&P Global Ratings) Nov. 17, 2025--S&P Global Ratings said today that Deutsche Bank's strategic update represents a logical progression following its successful transformation into a more focused, predictable, and resilient organization and does not immediately signal a significant rebalancing of the bank's operations or increased risk taking.

Deutsche Bank has raised its financial targets, now aiming for a return on tangible equity (RoTE) above 13% and a cost-to-income ratio below 60% by 2028. This is an increase from previous targets of over 10% RoTE and a cost-income ratio below 65% for this year. The bank's current performance--a reported RoTE of 10.9% and a cost-to-income ratio of 63% for the first nine months of 2025--demonstrates strong progress toward its 2025 full-year goals and bolsters management's credibility in achieving these more competitive targets closer aligned with leading European and global peers.

Key elements of Deutsche Bank's strategic update include:

- An average annual revenue growth rate of around 5% until 2028, driven by expansion across all business segments, leveraging its global franchise, strategic product repricing, and optimized capital allocation. We do not anticipate significant changes to its overall footprint, including scale of its investment banking business. At the divisional level, Deutsche Bank expects its corporate bank to be a key growth driver with an around 8% compound annual growth in revenues until 2028.
- While growth initiatives, inflation, and ongoing investments will put pressure on costs, Deutsche Bank plans to mitigate this through operational efficiencies totaling approximately €2 billion by 2028, resulting in a moderate annual cost increase of 2%, allowing for improving operating leverage. A key driver of efficiency gains will be retail activities for which Deutsche Bank aims to reduce the cost-to-income ratio to below 60% by year-end 2028 from 74% currently.
- A largely unchanged capital policy, with an unchanged guided common equity tier 1 ratio of between 13.5% and 14.0% through 2028. A slightly increased payout ratio of 60% (from 50%) will be offset by continued focus on balance sheet efficiency, including increased utilization of Significant Risk Transfer strategies.

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Overall, we believe Deutsche Bank is entering this new phase from a solid position, underpinned by a strong balance sheet, improved market standing, and a strengthened foundation of governance and controls following substantial progress in resolving legacy litigation cases. We expect its global franchise to benefit from structural trends, including increased demand for hedging and advisory services from German export-oriented companies navigating changes in trade, geopolitics, and economics.

Potential headwinds for Deutsche Bank achieving its higher targets include a challenging economic and competitive environment in Germany, a smaller scale compared with global leaders in asset and wealth management, and performance in its relatively narrow investment bank that remains, to some degree, susceptible to broader market developments outside the bank's direct influence.

Related Research

- [Update: Deutsche Bank AG](#), July 10, 2025

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