

Deutsche Bank's Performance Closing in on European Peers

Credit Comment

Deutsche Bank AG's (DB; A-/Stable) performance strongly improved in 9M25 on supportive trading and interest rate environments. This more than offset muted economic growth in Europe that weighed on client demand, and a weaker US dollar that affected the revenue growth of DB and its closest peers, eurozone-based global trading and universal banks.

A 36% rise in year-on-year operating profit, adjusted for EUR0.9 billion of Postbank-driven litigation provision in 9M24, pushed DB's annualised operating profit/risk-weighted assets (RWAs) ratio to 3.0%, the highest rise in its peer group, and a level the bank achieved only once before, in 2006, according to Fitch Ratings' data. Beside strong capital markets, this solid result also reflects DB's continued restructuring progress, cost efficiency gains and franchise stabilisation, particularly in its private bank, which improved the most from a weaker base.

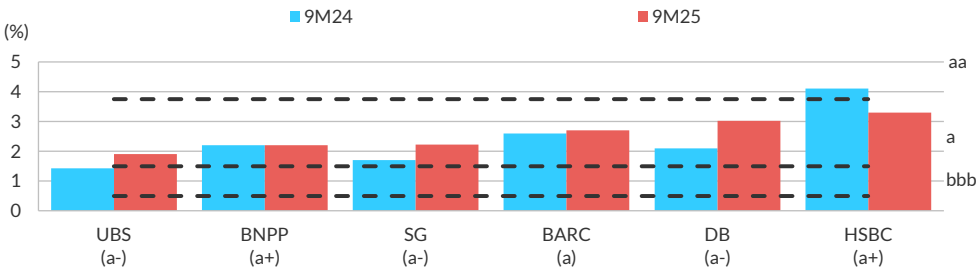
Achieving the second-highest operating profit/RWAs ratio of the peer group in 9M25, and being on track for revenue of about EUR32 billion for the first time in 10 years and a double-digit return on tangible equity (at group level and in all four divisions) for the first time in 15 years are further signs of progress after seven years of restructuring. Maintaining earnings close to this level after 2025 will increasingly rely on further structural progress in the private and corporate banks, as the exceptional trading environment is bound to eventually normalise.

DB's investment bank benefitted even more, in relative terms, than US peers from the strong environment in fixed income and currencies trading, which dominates its investment bank revenue mix.

This more than compensated for the muted performance of DB's much smaller origination and advisory franchise, although this was in line with European peers, except UBS. The results reflect that the strong 3Q25 materialisation of sizeable origination pipelines in the US, built up over the previous quarters, is yet to spill over to the European market. In addition, DB's competitive disadvantage of lacking an equities trading franchise was particularly visible in 3Q25, when US investment banks and UBS achieved exceptionally strong results on very conducive market conditions.

DB's impaired loans (3.0% at end-September 2025) and loan impairment charge (LIC; 37bp in 9M25) ratios remain on the higher side among large European banks and have barely improved since end-2024, mostly due to its weak US commercial real estate (CRE) loan portfolio, which made up over a third of total LICs in 9M25, and where no material recovery is yet in sight. However, asset quality excluding CRE remains sound, including in private credit, where DB's growth appetite has been fairly moderate compared with some peers'.

Operating Profit/Risk-Weighted Assets



Dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks. Fitch's earnings & profitability scores are shown in brackets. Source: Fitch Ratings, Fitch Solutions, DB

Ratings

Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F1
Derivative Counterparty Rating	A(dcr)

Viability Rating	a-
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Government Support Rating	ns
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Sovereign Risk (Germany)

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

Outlooks

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

Related Research

- [Fitch Affirms Deutsche Bank at 'A-/Stable; Upgrades Short-Term IDR to 'F1' \(June 2025\)](#)
- [Large European Banks Quarterly Credit Monitor \(September 2025\)](#)
- [Global Economic Outlook - September 2025 Update](#)

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