

Deutsche Bank Restores Sound Profitability as Business Profile Strengthens

Credit Comment

Deutsche Bank AG's (DB) operating profit/risk-weighted assets ratio of 2.7% for 2025 marks the bank's return to sound profitability, which Fitch Ratings expects to be sustained. The 2025 ratio is likely to be close to the median of the 20 largest European banks and European global trading and universal banks (GTUBs), DB having long been a clear negative outlier. The performance recovery and fulfilment of the 2023–2025 strategic plan's key financial targets through disciplined restructuring, cost efficiency gains and – especially in its private bank (PB) – franchise stabilisation, lend credibility to its [2028 strategic targets](#).

Business Profile Benefits from More Balanced Earnings Composition

Performance improved considerably in all four divisions in 2025. The strong recovery in PB resulted in more balanced divisional profit generation that better reflects the diversified business mix. We expect DB to continue this improved earnings diversification in 2026. This will rely on a consolidation of the structural progress in PB and in the corporate bank (CB). This would benefit its business profile, which we have viewed as weaker than the other GTUBs' and has so far constrained DB's ratings due to the history of subpar earnings levels and composition.

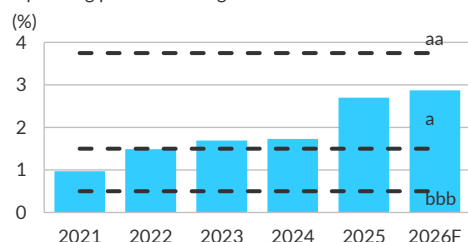
DB improved its earnings mix despite continued strong performance in its investment bank (IB) on very favourable market conditions, especially in fixed-income and currencies trading. The IB's pre-tax profit rose by 20%, but its contribution to the group's pre-tax profit (excluding corporate centre) declined to 40% from almost 50% on average in the previous four years.

Further reducing the IB's relative weight will notably depend on the ability of the German government's fiscal stimulus programmes to spur demand from domestic CB and PB clients and support their credit quality. The latter will be key to protecting DB's asset quality, which, after several years of sluggish economic growth in Germany and weak developments in US commercial real estate, is adequate (with a Stage 3 ratio slightly above 3% and loan impairment charges/total loans of 36bp in 2025) but remains at the weaker end of the bank's peer group.

Performance in 2025 benefitted from the absence of sizeable restructuring or litigation costs, unlike in previous years. We believe this indicates a normalisation of execution risk after several years of intense restructuring and remediation costs. However, the recent raid by German prosecutors on DB's offices in an anti-money laundering case demonstrates that sizeable litigation risk can materialise long after the underlying business activities were discontinued.

Adequate Earnings Restored

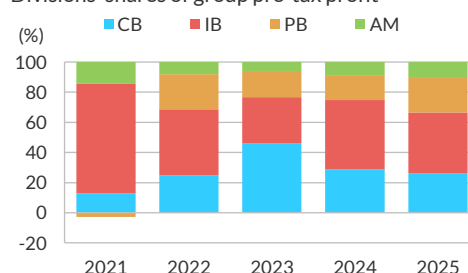
Operating profit/risk-weighted assets



Dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks. Source: Fitch Ratings, Fitch Solutions, DB

Improved Profit Diversification

Divisions' shares of group pre-tax profit^a



^aExcluding corporate centre 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' \(June 2025\)](#)
[Deutsche Bank 2028 Strategic Plan Is Rating Positive if Well Executed \(November 2025\)](#)
[Global Trading and Universal Banks - Peer Credit Analysis \(December 2025\)](#)
[Large European Banks Quarterly Credit Monitor \(December 2025\)](#)
[Global Economic Outlook \(December 2025\)](#)

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