

RATING ACTION COMMENTARY

Fitch Revises Deutsche Bank's Outlook to Positive; Affirms IDR at 'A-'

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Fitch Ratings - Paris - 30 Apr 2026: Fitch Ratings has revised Deutsche Bank AG's Outlook to Positive from Stable, while affirming its Long-Term Issuer Default Rating (IDR) at 'A-' and Viability Rating (VR) at 'a-'. A full list of rating actions is below.

The Outlook revision considers Deutsche Bank's progress in establishing a more balanced earnings profile by increasing the profitability of more stable activities. Fitch believes this progress will sustainably improve operating performance, increase resilience and support capital generation. The operating profit/risk-weighted assets (RWAs) ratio of 2.8% for 2025, which marks the return to sound profitability, is close to the median of the 20 largest European banks and European global trading and universal banks (GTUBs). The bank had long been a negative outlier.

The Positive Outlook also reflects the delivery of the 2023-2025 strategic plan's key financial objectives, through disciplined restructuring, cost efficiency and, especially in the private bank (PB), franchise stabilisation, lending credibility to the new 2028 targets.

KEY RATING DRIVERS

Improved Performance and Resilience: Deutsche Bank's ratings reflect global operations and a fairly diversified business model, with large contributions from more volatile trading revenue and limited domestic pricing power compared with higher-rated GTUB peers. Risk appetite, asset quality and liquidity are sound, despite economic uncertainty, and funding is less sensitive to investor confidence than in the past.

Fitch expects strategic execution to underpin sound profitability in 2026 amid a supportive market environment. This is likely to support solid recurring internal capital generation, which is important in light of high regulatory requirements that result in tighter buffers than at most large European banks.

Fairly Balanced Business Model: The investment bank (IB) division is the largest revenue and profit contributor amid strong market conditions. The corporate bank (CB) division delivers risk-adjusted profits in line with IB. PB, which includes retail banking and wealth management (WM), consumes the most capital after IB and has strongly improved its profitability after years of muted performance.

Asset management (AM) is the smallest division, but its performance has improved significantly. PB has substantially improved its revenue contribution and cost/income ratios in the past five years. CB, PB and AM accounted for two-thirds of total revenue on average in the past three years.

Enhanced Risk Controls: Litigation costs and regulatory fines have historically been materially above peers'. Most legacy legal cases were resolved, and anti-financial crime controls were strengthened, but we believe the bank's business model remains intrinsically exposed to these risks, similar to GTUB peers. The bank has a good record of managing credit and counterparty risk in most businesses. Appetite for market risk is fairly limited, despite sizeable trading operations.

Prudent Credit Risk Management: Loan quality benefits from extensive credit risk mitigation. We expect the impaired loans ratio to remain close to 3% in 2026, above the sector's and Deutsche Bank's long-term average, due to higher corporate defaults and pressure on US commercial real estate, to which the bank has larger exposure than European peers. Adequate collateralisation of impaired loans and lower precautionary provisions result in lower loan loss allowance coverage than at peers. Non-loan assets are generally of good credit quality.

Structurally Improving Earnings: Operating profitability recovered strongly in 2025, supported by strong market conditions in IB and, more structurally, improved revenue generation in PB, as well as better cost control. We expect the structural hedge portfolio to maintain net interest income and net interest margins well above the long-term historical averages, while the bank has scope to increase trading and fee income. We expect these developments, combined with moderate litigation and restructuring costs, to maintain the operating profit/RWAs ratio close to the solid 2.8% achieved in 2025.

Adequate Capitalisation: Capitalisation is adequate, considering the bank's high regulatory capital and leverage requirements. Distance to regulatory minimum requirements has improved compared with large European peers. Internal capital generation has also sustainably increased. We expect the common equity Tier 1 (CET1) capital ratio and the Basel leverage ratio to remain at least 13.5% and 4.5%, respectively, in the next two years, as internal capital generation should offset regulatory-driven RWAs growth.

Diversified Funding, Sound Liquidity: Funding and liquidity have benefited in recent years from improved investor confidence and proven resilience to market stress. The solid deposit franchise limits reliance on market funding. We also expect liquidity to remain sound and loan and deposit balances to remain broadly stable.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

We could revise the Outlook on the Long-Term IDR back to Stable if we expect deteriorating operating conditions to result in a material negative deviation from the main targets of the 2028 strategic plan.

Deutsche Bank has significant rating headroom, but the ratings could come under pressure from a deterioration of credit conditions, weaker cost-efficiency or a loss in market share resulting in operating profit durably below 1.5% of RWAs. Rating pressure would also arise if the CET1 ratio fell consistently below 13%, due to for instance, weakening internal capital generation or Deutsche Bank materially increasing shareholder distributions.

We could also downgrade the ratings if the liquidity metrics are significantly eroded, leading to loss of market confidence, without swift recovery prospects or following considerably larger-than-anticipated operational losses, for example, from litigation or regulatory fines.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade would require a longer record of a strengthened business model and improved performance of the domestic retail business, supporting an operating profit/RWAs ratio in PB that is durably more in line with the rest of the group and closer to international peers. This would result in a more balanced earnings profile, reduced operating profit variability and better cost-efficiency. An upgrade would also require an operating profit/RWAs ratio sustainably above 2%, a CET1 ratio of at least 13.5% and an impaired loans ratio of below 3%, while maintaining a sound risk appetite.

Fitch notes that the ratings of banks operating in developed resolution regimes could be affected if the rating agency's 'Exposure Draft: Bank Rating Criteria' is implemented as proposed upon conversion into final criteria.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

The 'F1' Short-Term IDR is the higher of the two possible options mapping to the Long-Term IDR of 'A-'. This reflects its 'a' funding and liquidity score.

The Derivative Counterparty Rating (DCR), long-term deposit and senior preferred (SP) debt ratings are one notch above the Long-Term IDR, and the senior non-preferred (SNP) debt rating is aligned with the Long-Term IDR. This reflects the protection of SP creditors provided by large SNP and junior debt buffers (21.8% of RWAs at end-2025, based on the nominal value of resolution debt instruments).

The 'F1' short-term deposit and SP debt ratings are the lower of the two options mapping to the their respective long-term ratings of 'A', as the funding and liquidity score is below the required threshold for a higher short-term rating.

We rate the Tier 2 notes two notches below the VR to reflect the poor recovery prospects of these instruments. We rate Deutsche Bank's additional Tier 1 (AT1) notes and legacy Tier 1 notes issued by Deutsche Postbank Funding Trust I and III four notches below the VR (two notches for poor recovery prospects and two notches for non-performance risk). The bank increased its buffer above the mandatory AT1 coupon omission threshold to 293bp (about EUR10 billion) at end-2025 (end-2024: 260bp).

The senior and Tier 2 bonds issued by the former DSL Bank (now a branch of Deutsche Bank) are rated three notches above Deutsche Bank's Long-Term IDR, reflecting their outstanding recovery prospects. The German government (AAA/Stable) guarantees these bonds until maturity and is extremely likely to fully reimburse the grandfathered creditors if Deutsche Bank defaults. However, it is not certain that a reimbursement would be on a timely basis as the DSL Transformation Act from 1999, on which the state guarantee is based, does not oblige the government to honour the guarantee on first demand.

No Government Support: Deutsche Bank's Government Support Rating (GSR) of 'no support' reflects our view that due to the resolution legislation in place in Germany since 2015, senior creditors cannot rely on full extraordinary support from the sovereign if the bank becomes non-viable.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

The Short-Term IDR would be downgraded if the funding and liquidity score was revised to below 'a'. An upgrade of the Short-Term IDR would require an upgrade of the Long-Term IDR and a funding and liquidity score of at least 'aa-'.

The DCR, long-term deposit and senior debt ratings are primarily sensitive to changes in the Long-Term IDR. The DCR, long-term deposit and SP debt ratings could also be

downgraded if the buffer of subordinated and SNP debt falls below 10% of RWAs, which we do not expect.

The ratings of the AT1 and Tier 2 notes are primarily sensitive to changes in the VR. In addition, the AT1 debt could be downgraded to five notches below the VR, including three notches for non-performance, if we no longer expect the bank to maintain a buffer of over 100bp over distribution-relevant requirements.

The ratings of the state-guaranteed bonds issued by the former DSL Bank are primarily sensitive to changes in Deutsche Bank's Long-Term IDR, and to the timely execution of the guarantee by the sovereign, should the bank be unable to honour its obligations.

An upgrade of the GSR would require a positive change in the sovereign's propensity to support the bank's senior creditors, although this is highly unlikely, in our view.

SUBSIDIARIES & AFFILIATES: KEY RATING DRIVERS

Deutsche Bank AG, London Branch's and Deutsche Bank AG, New York Branch's ratings are equalised with those of Deutsche Bank as they refer to the same legal entity.

The IDRs of Deutsche Bank's US subsidiaries - Deutsche Bank Securities, Inc., Deutsche Bank Trust Corporation, Deutsche Bank Trust Company Americas (DBTCA) and Deutsche Bank National Trust Company - are based on their Shareholder Support Ratings of 'a-', which are aligned with Deutsche Bank's Long-Term IDR. This reflects the subsidiaries' high integration and core role in supporting the group's US operations.

The Positive Outlooks on the Long-Term IDRs of Deutsche Bank AG, London Branch and of the US subsidiaries mirror those of the parent.

DBTCA's long-term deposit rating and Deutsche Bank Securities Inc.'s DCR are one notch above their respective Long-Term IDRs because Fitch expects DBTCA's depositors and Deutsche Bank Securities Inc.'s derivative counterparties to be protected by the junior and SNP debt and equity buffers that Deutsche Bank has pre-placed at its intermediate holding company DB USA Corporation and that depositor preference in the US would result in good recovery prospects.

The 'F1' rating of DBTCA's short-term deposits is the lower of the two options mapping to the 'A' long-term rating, reflecting our assessment of the ultimate parent's funding and liquidity.

SUBSIDIARIES AND AFFILIATES: RATING SENSITIVITIES

The ratings of the above entities are primarily sensitive to Deutsche Bank's IDRs, from which they are derived. The subsidiaries' ratings are also sensitive to a perceived decline in their strategic importance to the group.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The IDRs of Deutsche Bank Securities, Inc., Deutsche Bank Trust Corporation, DBTCA and Deutsche Bank National Trust Company are linked to Deutsche Bank's Long-Term IDRs.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

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RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
Deutsche Bank AG	LT IDR	A- Rating Outlook Positive		A- Rating Outlook Stable
		Affirmed		
	ST IDR	F1	Affirmed	F1
	Viability	a-	Affirmed	a-
	DCR	A(dcr)	Affirmed	A(dcr)

	Government Support	ns	Affirmed	ns
Senior non-preferred	LT	A-	Affirmed	A-
Senior preferred	LT	A	Affirmed	A
subordinated	LT	BBB	Affirmed	BBB
subordinated	LT	BB+	Affirmed	BB+
long-term deposits	LT	A	Affirmed	A

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Non-Bank Financial Institutions Rating Criteria \(pub. 31 Jan 2025\) \(including rating assumption sensitivity\)](#)

[Bank Rating Criteria \(pub. 21 Mar 2025\) \(including rating assumption sensitivity\)](#)

[Financial Institutions Climate Vulnerability Rating Criteria \(pub. 08 Dec 2025\)](#)

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Deutsche Bank AG	EU Issued, UK Endorsed
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Deutsche Bank AG, New York Branch	EU Issued, UK Endorsed
Deutsche Bank National Trust Company	EU Issued, UK Endorsed
Deutsche Bank Securities, Inc.	EU Issued, UK Endorsed
Deutsche Bank Trust Company Americas	EU Issued, UK Endorsed
Deutsche Bank Trust Corporation	EU Issued, UK Endorsed
Deutsche Postbank Funding Trust I	EU Issued, UK Endorsed
Deutsche Postbank Funding Trust III	EU Issued, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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