

# Deutsche Bank's Solid 1Q26 Extends Earnings Recovery

## Credit Comment

Deutsche Bank AG (DB) is on track to match or exceed last year's sound performance in 2026. The bank's earnings recovery continued in 1Q26, as its operating profit/risk-weighted assets ratio of 3.4% exceeded those of most other European global trading and universal banks (GTUBs). DB's cost/income ratio fell below 60% for the first time, marking another earnings recovery milestone, with operating costs down by 2% year on year amid cost discipline.

DB's pre-tax income rose by 7% year on year, mostly driven by the private bank division, which benefitted from higher net interest income (+13% year on year) on more favourable interest rates, and effective structural interest rate hedging. The smaller asset management division also performed strongly, increasing its revenue by 10%. Corporate bank and investment bank performance was roughly flat.

All four divisions achieved double-digit returns on tangible equity. This included a rise to 12.8% at the private bank (1Q25: 8.3%), which no longer weighed on the group ratio (12.7%).

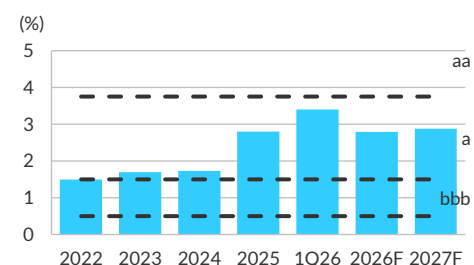
### Market Conditions Less Favourable for European GTUBs than for US Peers

In the investment bank, the dominant fixed income and currencies business (85% of investment bank revenue) continued to benefit from conducive market conditions and episodes of heightened market volatility. However, unlike US GTUBs and similarly to European peers, DB did not benefit from the surge in volatility and trading volumes in the commodities markets that followed the start of the Iran conflict in late February. This was due to DB's lack of commodities trading franchise.

DB's smaller origination and advisory (O&A) business (14% of investment bank revenue) did not benefit much from strong primary market activities. This is because these activities were concentrated in the US, especially in the technology sector and, therefore, mostly aided US GTUBs. The Iran conflict also weighed on O&A activity in Europe. However, DB and other European GTUBs should benefit from the materialisation of solid transaction pipelines when the geopolitical situation eases.

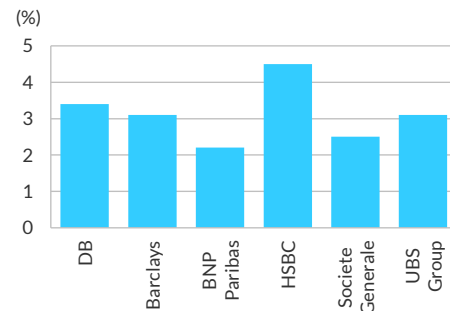
The weak US dollar weighed on DB's performance, similarly to other European GTUBs. This is because a big share of DB's investment bank revenue is US dollar-denominated, while the group reports in euros and its cost base is mostly in the eurozone.

### Operating Profit/RWAs



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

### 1Q26 Operating Profit/RWAs



Source: Fitch Ratings, Fitch Solutions, Deutsche Bank

### Ratings

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

Viability Rating	a-
Government Support Rating	ns

### Sovereign Risk (Germany)

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

### Outlooks

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

### Related Research

[Fitch Revises Deutsche Bank's Outlook to Positive; Affirms IDR at 'A-' \(April 2026\)](#)

[Fitch Takes Rating Actions on 8 German Banking Groups Following Criteria Update \(May 2026\)](#)

[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 \(March 2026\)](#)

[Global Economic Outlook \(June 2026\)](#)

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