S&P Global Ratings

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Deutsche Bank AG

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Deutsche Bank AG

Ratings Score Snapshot

Global Scale Ratings
Issuer Credit Rating
A/Stable/A-1
Resolution Counterparty Rating
A+/--/A-1
Turkey National Scale
Issuer Credit Rating
trAAA/--/trA-1+

SACP: bbb+ → **Support: +2** → **Additional factors: 0**

Anchor	bbb+	
Business position	Adequate	0
Capital and earnings	Adequate	0
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		+1

ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A/Stable/A-1
Resolution counterparty rating
A+/A-1

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Broad business model serving retail, corporate, and institutional clients.	Although improving, earnings and efficiency metrics lag most rating peers.
Improving strategic execution and profitability, with a tailwind from higher interest rates.	Inherent complexity and cyclicality of the large investment bank division.
Solid capital, funding, and liquidity profiles.	Low economic growth in the bank's home market.

Deutsche Bank is strengthening its resilience and performance. We raised the rating in December 2023 because Deutsche Bank's 2019-2022 transformation program established a more focused and profitable group, and management is now focused on delivering franchise growth and operating leverage (see "Deutsche Bank Issuer Credit Ratings Raised To 'A/A-1' On Strengthening Performance And Resilience; Outlook Stable," published on Dec. 8, 2023). Achieving its 2025 financial targets would close the performance gap to most global systemically important bank

(G-SIB) peers.

Proactive risk management mitigates sectoral uncertainties. We think that Deutsche Bank has a good track record in credit and market risk management. Its lending is sectorally diversified and well-collateralized, with manageable exposures to higher risk segments including commercial real estate (CRE).

We think Deutsche Bank has supportive capitalization and loss-absorbing capacity. Our risk-adjusted capital (RAC) ratio was 10.2% at year-end 2023. Following the bank's €1.5 billion Additional Tier 1 capital issue in June 2024, we expect the ratio will stand in the 10.25%-10.75% range through year-end 2026. Nevertheless, our capital and earnings assessment is a neutral rating factor. This is because the projected ratio only moderately exceeds our 10% threshold and we consider that Deutsche Bank's capital, earnings, and financial flexibility metrics are not currently supportive of a stronger outcome. Our additional loss-absorbing capacity ratio (ALAC) is set to remain comfortably above the 6.5% threshold for a two-notch ALAC rating uplift.

Deutsche Bank's funding and liquidity profiles are neutral to the rating. The 136% liquidity coverage ratio and 123% net stable funding ratio as of March 31, 2024, were above internal targets. We view positively that 69% of the deposit base came from the bank's home market and, excluding bank deposits, 39% of the deposit base was insured.

We incorporate a positive comparable rating analysis (CRA) adjustment in the rating. The adjustment captures attributes not fully captured in our other rating factors. Specifically, we think improvements in Deutsche Bank's business position, capital and earnings, and risk position cumulatively merit a stronger rating outcome.

Outlook

The stable outlook reflects our expectation that Deutsche Bank will maintain its disciplined strategic execution and strengthen its performance toward its 2025 targets. This progress would further improve the bank's resilience to unexpected stress. It also assumes that the bank's asset quality will remain robust amid slow economic growth and geopolitical upheaval, and it will maintain sound capital and liquidity ratios in line with management's guidance.

If we were to improve our capital and earnings assessment during our two-year outlook horizon, we would likely remove the positive CRA adjustment and affirm the issuer credit and issue ratings.

Downside scenario

We could lower the ratings if Deutsche Bank fails to deliver a stronger and more consistent performance, resulting in a noteworthy repositioning of its business and operating models. An escalation of economic and geopolitical risks could also pressure the ratings if it significantly weakens the bank's prospective asset quality and earnings.

Upside scenario

An upgrade is unlikely over the outlook horizon but could occur if Deutsche Bank positions its creditworthiness closer to peers with 'a-' group stand-alone credit profiles. We would look for evidence of franchise growth, stronger and more consistent performance, balanced divisional earnings contributions, and robust balance sheet metrics.

Key Metrics

Deutsche Bank AG Key Ratios And Forecasts					
	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023a**	**2024f**	**2025f**
Growth in operating revenue	5.7	5.5	7.6	2.5-3.5	5.0-6.0
Growth in customer loans	9.9	2.7	-1.6	1.5-2.5	1.5-2.5
Net interest income/average earning assets (NIM)	1.6	1.9	1.9	1.7-1.8	1.8-1.9
Cost to income ratio	82.8	75.8	72.5	66-69	62-65
Return on average common equity	4.2	9.2	7.5	5.5-6.0	10.0-10.5
New loan loss provisions/average customer loans	0.1	0.3	0.3	0.25-0.35	0.2-0.3
Gross nonperforming assets/customer loans	2.7	2.6	2.9	3.1-3.4	3.0-3.3
Risk-adjusted capital ratio	9.9	10.1	10.2	10.25-10.75	10.25-10.75

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: Reflects Geographic Footprint And German Home Market

We use our Banking Industry Country Risk Assessment (BICRA) scores to determine the 'bbb+' anchor. The '3' weighted-average economic risk score reflects the geographic mix of total credit exposure, and the industry risk score is based solely on Deutsche Bank's home market of Germany. The stable trends on the most relevant BICRA scores indicate that the anchor is unlikely to change.

In our industry risk assessment of Germany, we consider that higher interest rates have helped boost banks' net interest margins. Yet, we expect competition will remain high and weigh on the sector's longer-term profitability. We believe German banks operate in a highly competitive and structurally overbanked market.

Business Position: Focus On Franchise And Revenue Growth

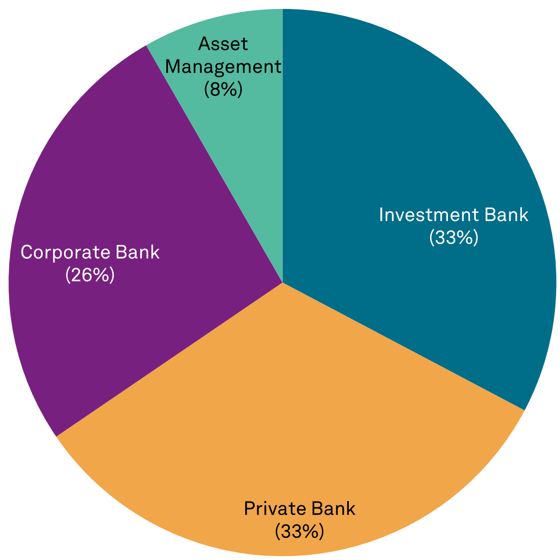
Our assessment of Deutsche Bank's business position balances its diverse franchise, clear strategy, and improving business stability with its substantial investment bank business and performance lag to many G-SIB peers. Completion of its 2019-2022 transformation delivered a more sustainable business model and enhanced the credibility of its strategy and management. Although it continues to manage costs closely, its attention has shifted from internal restructuring to franchise growth as it works toward its 2025 financial targets.

Deutsche Bank has a reasonably diverse business position (see chart 1), but higher rated peers are typically less reliant on cyclical investment banking activities. Helped by the tailwind from higher interest rates, the retail and corporate banking businesses have strengthened their performance and have considerable scope to improve cost efficiency further. We would look for consistent balance between investment banking and the more annuity-like activities before considering a stronger business position assessment.

Chart 1

Reasonably diverse revenue base

Divisional revenues in the 12 month period ending March 31, 2024



Excludes the Corporate & Other segment. Source: Deutsche Bank.

Deutsche Bank's transformation program made profound changes to its business model. It exited equities trading and prime finance, managed down other non-strategic assets, implemented significant cost-saving measures, and invested in technology and internal control enhancements. Its strategic and financial objectives through 2025 aim to build on this progress. A particular priority is to position itself as the "Global Hausbank" for corporate and institutional clients within Germany and across its international network. It accelerated the execution of its strategic plan in April 2023, including a 25% increase in its cost saving ambition to €2.5 billion.

Deutsche Bank's financial targets for 2025 include a return on tangible equity (RoTE) above 10%, a cost-to-income ratio (CIR) below 62.5%, and compounded annual revenue growth of 5.5%-6.5%. Achieving these objectives would raise Deutsche Bank's performance closer to higher-rated G-SIB peers.

We compare Deutsche Bank's business position with other universal banks headquartered in countries with similar BICRA industry risk scores as Germany. We focus particularly on national champions with diversified revenue bases, and large capital markets and corporate banking activities. They include European peers Barclays, BNP Paribas, Société Générale, UBS, and UniCredit; and U.S. peers including Goldman Sachs and Morgan Stanley. Those with a more favorable business position assessment than Deutsche Bank generally exhibit superior business stability and stronger, more consistent financial and franchise performance.

Capital And Earnings: Solid Capitalization And Improving Profitability

Deutsche Bank's capital position remained robust through its self-funded transformation program. We project that the RAC ratio will remain just above our 10% threshold as the bank distributes an increasing share of earnings to shareholders. A €1.3 billion litigation provision in respect of the Postbank takeover will absorb the majority of Deutsche Bank's underlying earnings in the second-quarter of 2024 and likely curb its 2024 share buybacks. However, it does not materially detract from our assessment of Deutsche Bank's improving performance (see "Bulletin: Deutsche Bank Has Sufficient Capital To Absorb New Litigation Provisions," published on April 29, 2024).

Deutsche Bank reported a 13.4% Common Equity Tier 1 (CET1) ratio as of March 31, 2023, which was 229 basis points (bps) above the 11.1% minimum regulatory requirement. After absorbing regulatory RWA inflation from the initial phase of Basel 3.1 implementation, the bank intends to maintain the CET1 ratio at about 13% through 2025, providing a buffer of about 200 bps above the minimum requirement. The 4.5% leverage ratio as of March 31, 2023, was also comfortably above the 3.85% minimum requirement.

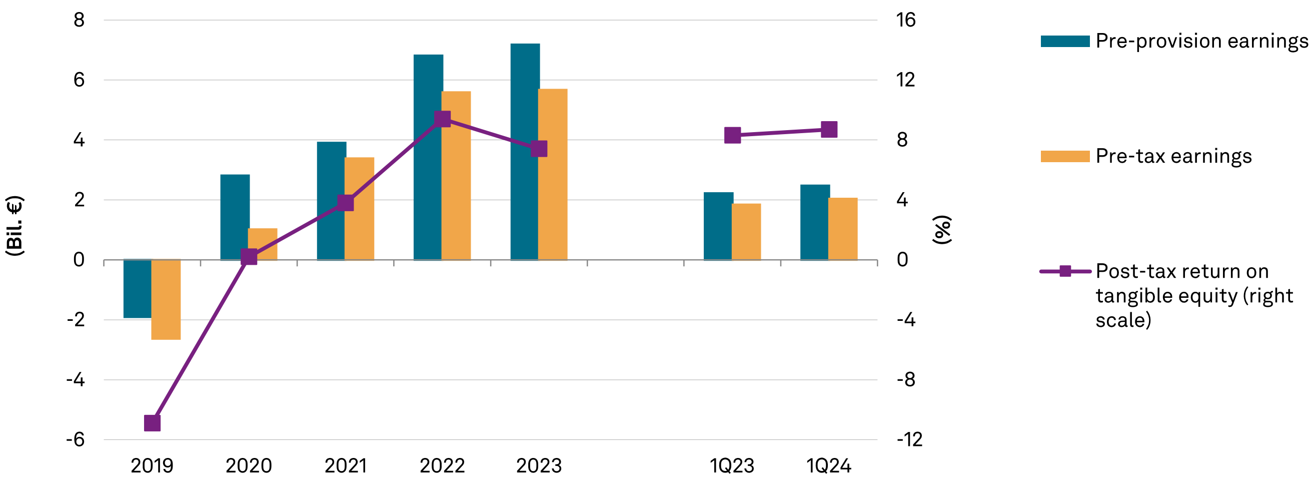
The regulatory capital and leverage ratios fully reflect market movements on securities that are fair valued through other comprehensive income. The ratios exclude movements on held-to-collect securities valued at amortized cost, but this portfolio is not material (it was €21 billion at year-end 2023) and we see the related €2 billion fair value shortfall as manageable.

Our RAC ratio was 10.2% at year-end 2023 and we expect it will stand in the 10.25%-10.75% range through year-end 2026 following the bank's June 2024 Additional Tier 1 capital issue. This projection takes into account Deutsche Bank's 2025 strategic plan, including its intention to increase shareholder distributions to 50% of earnings, and our expectations for key economic and market variables. Although the projected ratio stands above the 10% threshold, our capital and earnings assessment remains neutral to the rating. This is because the projected ratio only moderately exceeds 10% and we consider that Deutsche Bank's capital, earnings, and financial flexibility metrics are not currently supportive of a stronger outcome.

Deutsche Bank is steadily strengthening its performance as it grows its franchise and improves cost efficiency(see chart 2). Post-tax profits in 2022-2023 were additionally boosted by a writeup of U.K. and U.S. deferred tax assets, which is not a sustainable earnings source but reflects the bank's increased confidence in its prospects. Its financial targets for 2025 are demanding but achievable if it can sustain market share gains and associated revenue growth, realize targeted efficiency savings, and maintain close control of credit losses.

Chart 2

Growing earnings capacity
Trends in earnings and returns on capital



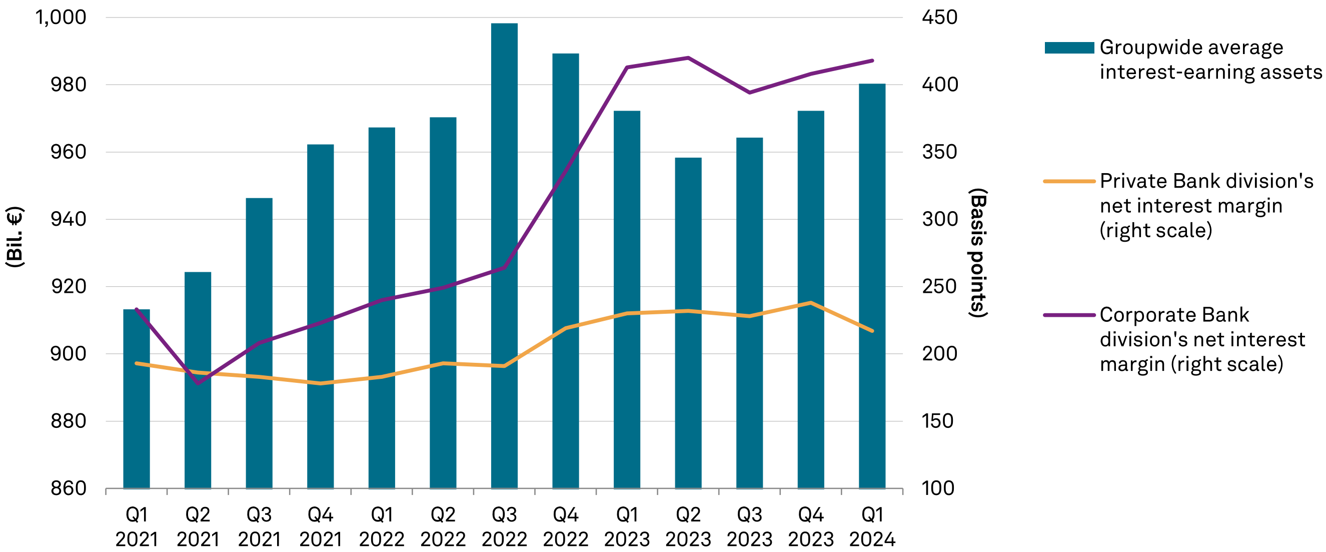
Source: Deutsche Bank.

Similar to peers, rising interest rates have provided a material boost to Deutsche Bank's margins and revenues (see chart 3). Active balance sheet hedging has lowered the bank's sensitivity to lower interest rates and will underpin net interest income as central banks loosen monetary policy.

Chart 3

Revenue tailwind from net interest income

Quarterly trend in margins and interest-earning assets



Source: Deutsche Bank.

Risk Position: Complex Business Model

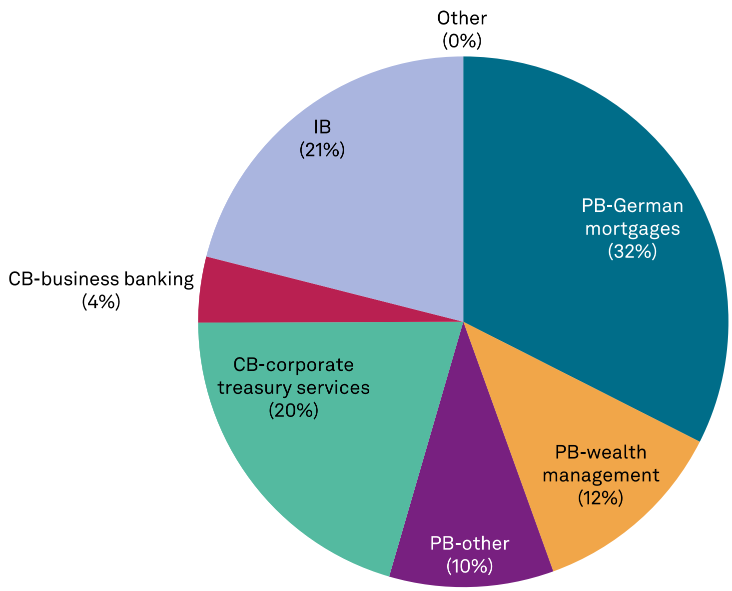
Our risk position assessment balances Deutsche Bank's solid credit and market risk management with its inherent complexity and its track record of operational risk events. Although the bank has made progress in simplifying its investment bank division and addressing legacy matters (including litigation), we continue to see its risk position as a negative rating factor.

The €480 billion gross loan portfolio as of March 31, 2024, was 1.5% smaller year-on-year due to currency movements. The private bank division represented just over one-half of the portfolio, with meaningful contributions also from the corporate bank and investment bank (see chart 4). In aggregate, about 70% of the portfolio is collateralized, guaranteed, or hedged.

Chart 4

Diverse, well-collateralized loan portfolio

Gross IFRS Loans At March 31, 2024

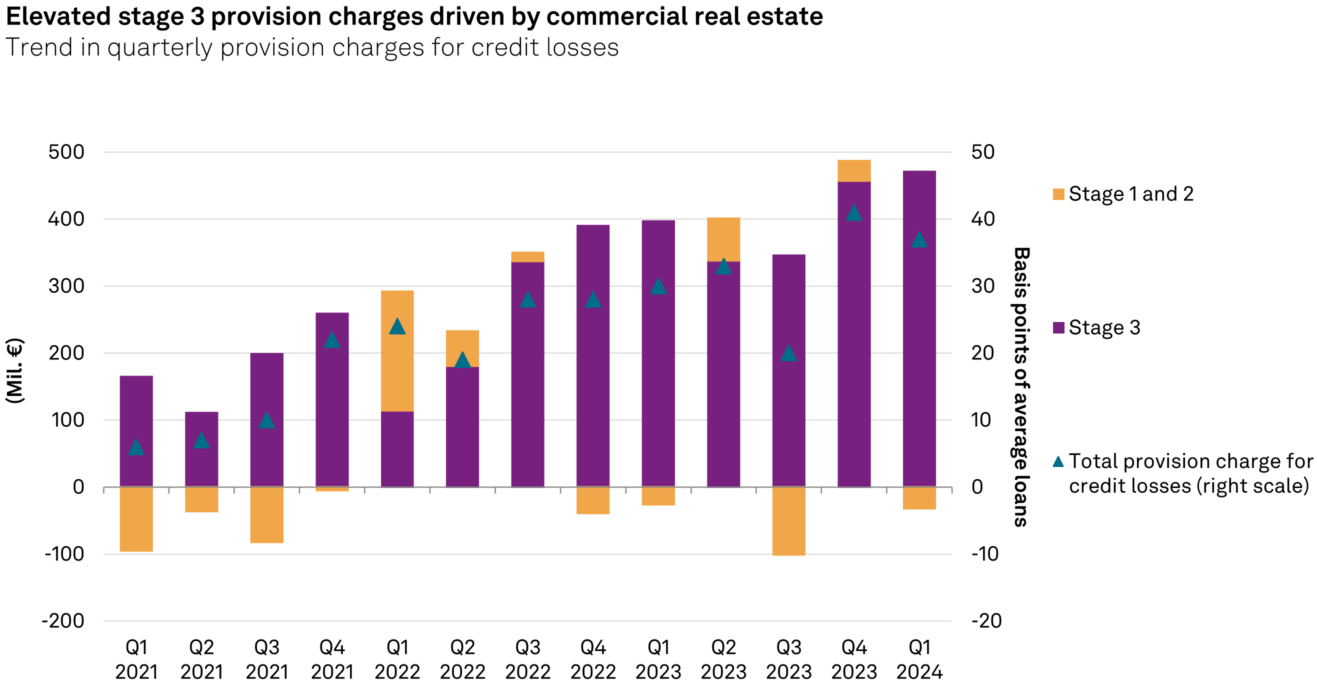


PB--Private Bank. CB--Corporate Bank. IB--Investment Bank. IFRS--International Financial Reporting Standards. Source: Deutsche Bank.

Higher risk credit exposures include €31.4 billion of non-recourse CRE lending, representing 6.5% of the total loan portfolio. The CRE exposure is relatively diverse geographically and sectorally, and equity injections by institutional sponsors have maintained Deutsche Bank's average loan-to-value (LTV) ratio at about 64%. The bank's €7 billion exposure to U.S. offices has been the weakest-performing element of its CRE exposure and has an elevated 81% average LTV and rising loan modifications. Deutsche Bank's internal stress test implies an additional €1.1 billion of credit losses on CRE over multiple years, which it could absorb within its strengthening earnings.

Increased provisioning requirements on CRE exposures have pushed up Deutsche Bank's credit loss charges in recent quarters (see chart 5). Despite higher borrowing costs and low economic growth in Germany, credit conditions in most of the loan portfolio have remained relatively benign. Deutsche Bank anticipates that stabilization in the CRE market will cause its credit loss charges to fall in the second half of 2024. Accordingly, it anticipates that these charges will be at the top end of the 25 bps-30 bps range in 2024, down from 37 bps in the first quarter.

Chart 5



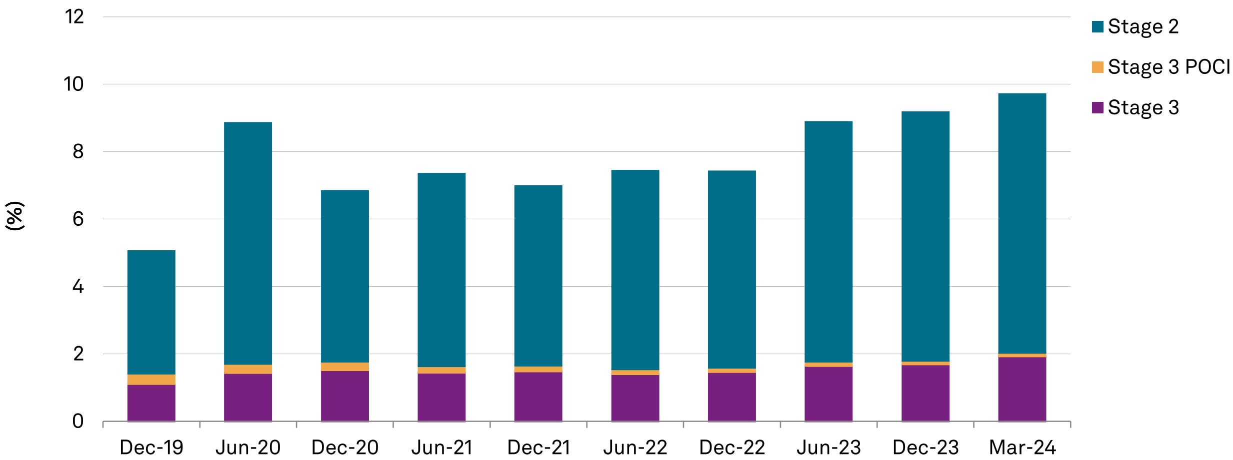
Source: Deutsche Bank.

Stress in the CRE portfolio, including loan restructurings and modifications, has caused stage 2 and 3 loans to increase moderately (see chart 6). The vast majority of stage 2 balances are fully performing and, at 3.1% of the total portfolio, stage 3 loans are at a manageable level (see chart 6).

Chart 6

Tick-up in stage 2 and 3 assets

Stage 2 and 3 balances as proportions of total amortized cost assets



POCI--Purchased or originated credit-impaired. Source: Deutsche Bank.

Deutsche Bank is active in derivatives and other traded products, which adds complexity to its risk position and results in material market and counterparty risks. Its trading value-at-risk averaged €44 million in the first quarter of 2024 based on a 99% confidence level and one-day holding period, which was modestly lower than the same period in the prior year.

Deutsche Bank reported €24 billion of level 3 assets as of March 31, 2024, primarily derivatives, loans, and debt securities. As a proportion of capital, this exposure is relatively high compared with peers'. Its regulatory capital ratios include about €0.7 billion of prudent valuation deductions on the level 3 assets, which indicates the effect of more adverse assumptions.

We see operational and other nonfinancial risks as a material component of Deutsche Bank's risk position. Importantly, its focus on cost efficiency does not appear to have squeezed necessary investments in control remediation, including its anti-financial-crime framework. The German regulator BaFin appointed a monitor to oversee the remediation of customer service issues triggered in 2023 by the transfer of the Postbank business onto Deutsche Bank's IT platform. These issues caused backlogs in the bank's service centers that have now largely cleared.

Like peers, Deutsche Bank incurred material litigation and conduct charges following the 2008 financial crisis. The major cases are now resolved, but some notable regulatory and civil actions remain outstanding. As of March 31, 2024, the bank held €1.3 billion of litigation provisions and disclosed a further €1.9 billion of contingent legal and regulatory liabilities. The Postbank takeover litigation case represented the majority of the contingent liabilities. Accordingly, Deutsche Bank has guided that the contingent litigation liabilities will fall to a pro forma €560 million when it sets aside the €1.3 billion Postbank takeover provision in its second-quarter earnings.

Funding And Liquidity: Solid Profile That Is Neutral To The Rating

Our assessment of Deutsche Bank's funding and liquidity is neutral to the rating. The downsizing and simplification of the investment bank division benefited its balance sheet stability and reduced dependence on short-term wholesale funding (see chart 7).

Chart 7

Completion of the transformation program has enhanced balance sheet resilience
Balance sheet profile as of March 31, 2024

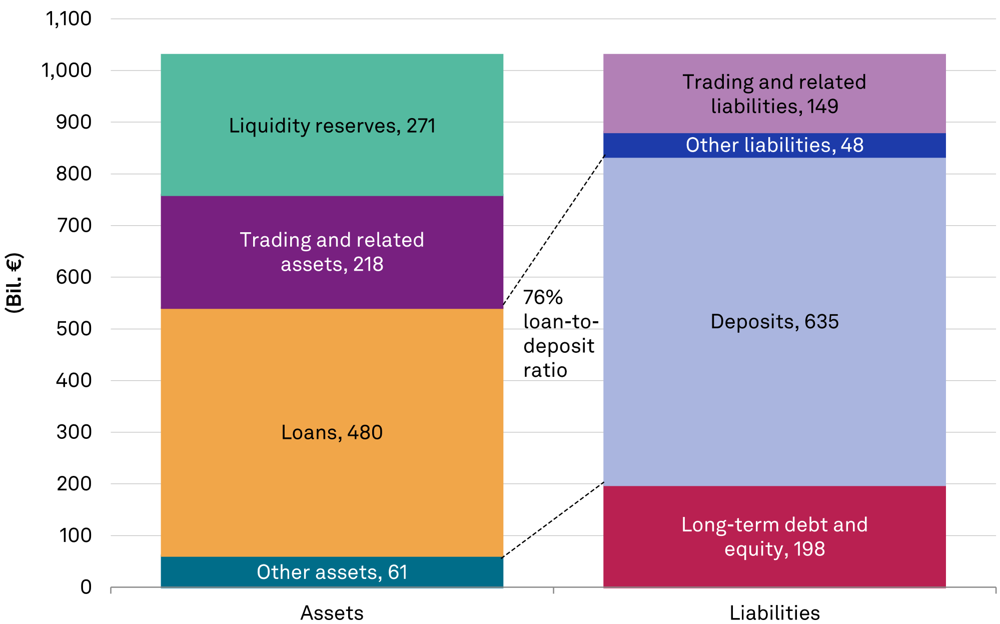


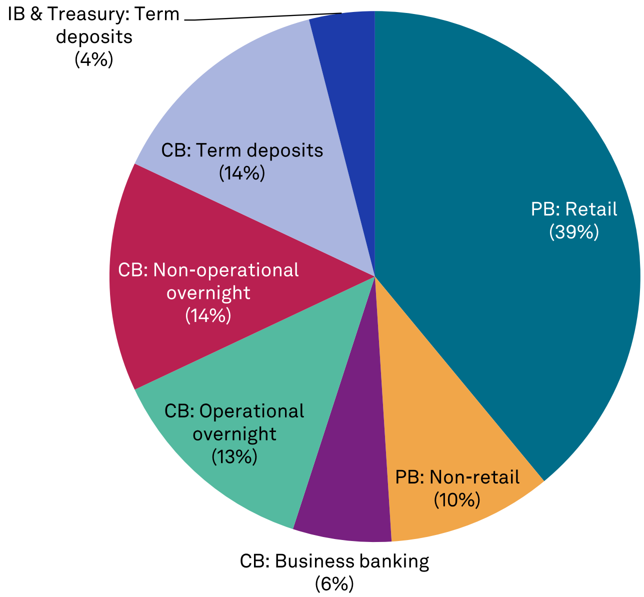
Chart shows the reported balance sheet net of IFRS accounting gross-ups. Source: Deutsche Bank.

The deposit base is anchored by retail balances, and reliance on nonoperational deposits appears manageable (see chart 8). At constant exchange rates, Deutsche Bank's €635 billion deposit base as of March 31, 2024, was 7% higher year-on-year as it rebuilt following a short-lived March 2023 outflow triggered by a selloff in the credit default swap and equity markets. We view positively that 69% of the deposit balances came from the bank's home market of Germany. Excluding bank deposits, 39% of the deposit base was insured (including 79% of German retail deposits), which is comparable with G-SIB peers that have large wholesale banking franchises.

Chart 8

Diversified deposit base

Breakdown of deposits by product as of March 31, 2024



PB--Private Bank. CB--Corporate Bank. IB--Investment Bank. Source: Deutsche Bank.

The 136% liquidity coverage ratio as of March 31, 2024, was little changed from previous quarters and consistent with Deutsche Bank's internal target of about 130%. It indicated €58 billion of surplus high-quality liquid assets relative to the 100% minimum regulatory requirement. Our other liquidity metrics also indicate a solid profile.

The 123% net stable funding ratio as of March 31, 2024, was modestly above Deutsche Bank's 115%-120% internal target range and comfortably above the 100% regulatory requirement. Its 2024 funding plan envisages €13 billion-€18 billion of wholesale debt issuance and it had completed €7 billion by March 31, 2024, including the majority of senior nonpreferred debt. It has fully repaid borrowing from the European Central Bank under the targeted longer-term refinancing operations.

Comparable Ratings Analysis: One Notch Positive Adjustment

We add a one notch CRA adjustment to arrive at the 'bbb+' group stand-alone credit profile (SACP) and 'A' long-term issuer credit rating. This adjustment is informed by peer analysis and captures attributes not fully captured in our other rating factors. Specifically, we think the improvements outlined above in Deutsche Bank's business position, capital and earnings, and risk position do not warrant a higher assessment for those individual factors but cumulatively merit a stronger rating outcome.

Support: MREL Buffer Is Consistent With Two ALAC Support Notches

Since 2015, we have regarded the prospect of extraordinary government support for German banks as uncertain in view of the well-advanced and effective resolution regime, which operates within the EU institutional and legislative frameworks. Therefore, although we consider Deutsche Bank to have high systemic importance in Germany, we do not factor potential extraordinary government support into our ratings.

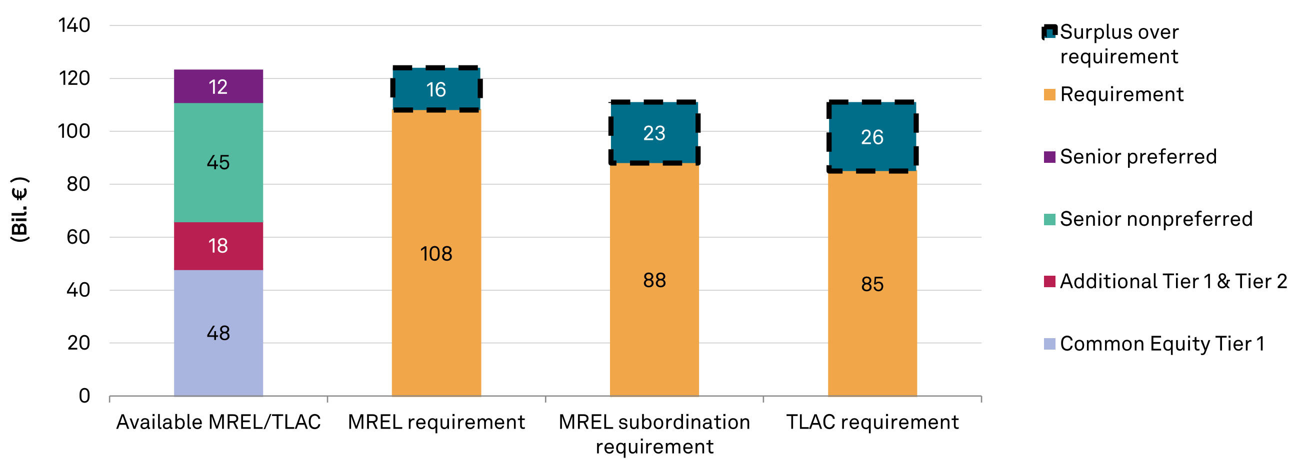
We include two notches in the group credit profile in recognition of Deutsche Bank's additional loss-absorbing capacity (ALAC). Our ALAC ratio was 9.5% at year-end 2023 and we expect it will remain comfortably above our 6.5% threshold. Similar to its internationally active peers, we raise the ALAC threshold applicable to Deutsche Bank above the standard 6.0%. This is because the bank operates through multiple regulated legal entities worldwide and prepositioning requirements might constrain the flexible deployment of ALAC in a stress scenario.

On March 31, 2024, Deutsche Bank maintained €16 billion headroom above its minimum requirement for own funds and eligible liabilities (MREL; see chart 9). This is roughly similar to the typical volume of senior nonpreferred and subordinated debt issuance in a 12-month period.

Chart 9

Comfortable surplus of loss-absorbing capacity

Loss-absorbing capacity relative to MREL and TLAC requirements as of March 31, 2024



MREL--Minimum requirement for own funds and eligible liabilities. TLAC--Total loss absorbing capacity. Source: Deutsche Bank.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of Deutsche Bank.

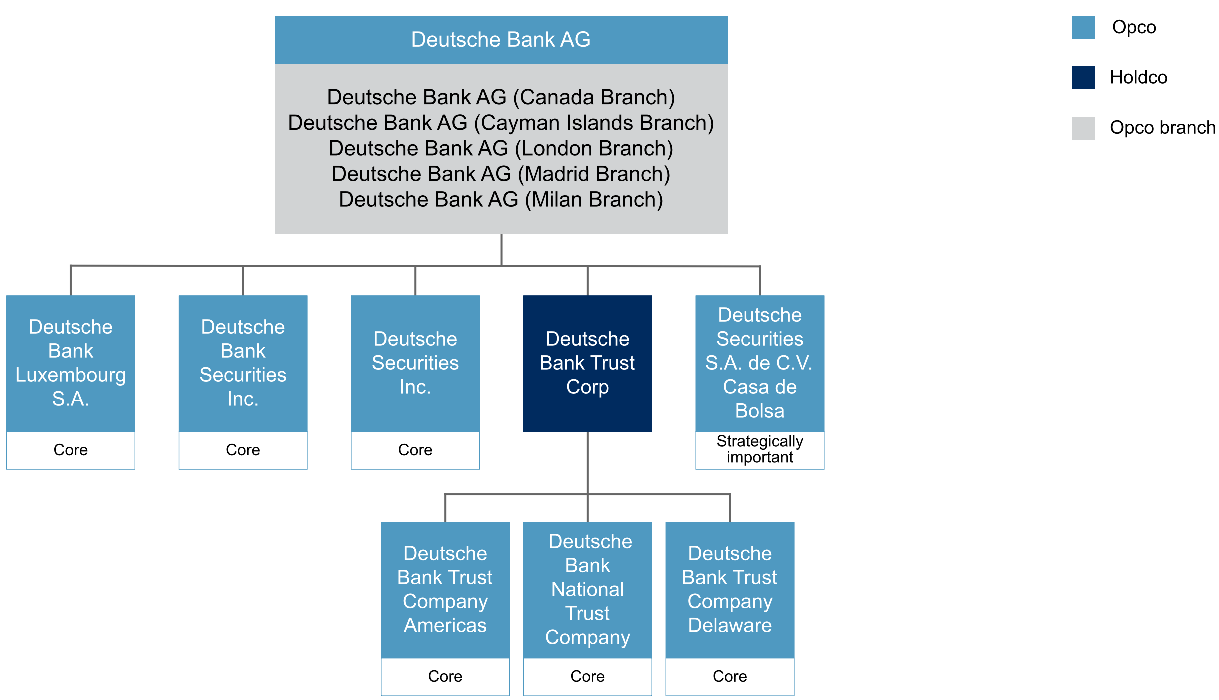
As a major corporate lender, Deutsche Bank has sizable exposures to carbon-intensive sectors. Similar to peers, we think it is making progress in quantifying its financed carbon emissions and implementing policies consistent with the 2050 net-zero agenda. It aims to provide over €500 billion of sustainable finance and investment by 2025 and had delivered €300 billion as of March 31, 2024.

Group Structure, Rated Subsidiaries, And Hybrids

Deutsche Bank heads the group and is the largest operating entity (see chart 10). Unlike certain G-SIB peers, Deutsche Bank does not have a nonoperating holding company.

Chart 10

Deutsche Bank Highly simplified organization structure



Opco--Operating company. Holdco--Holding company.

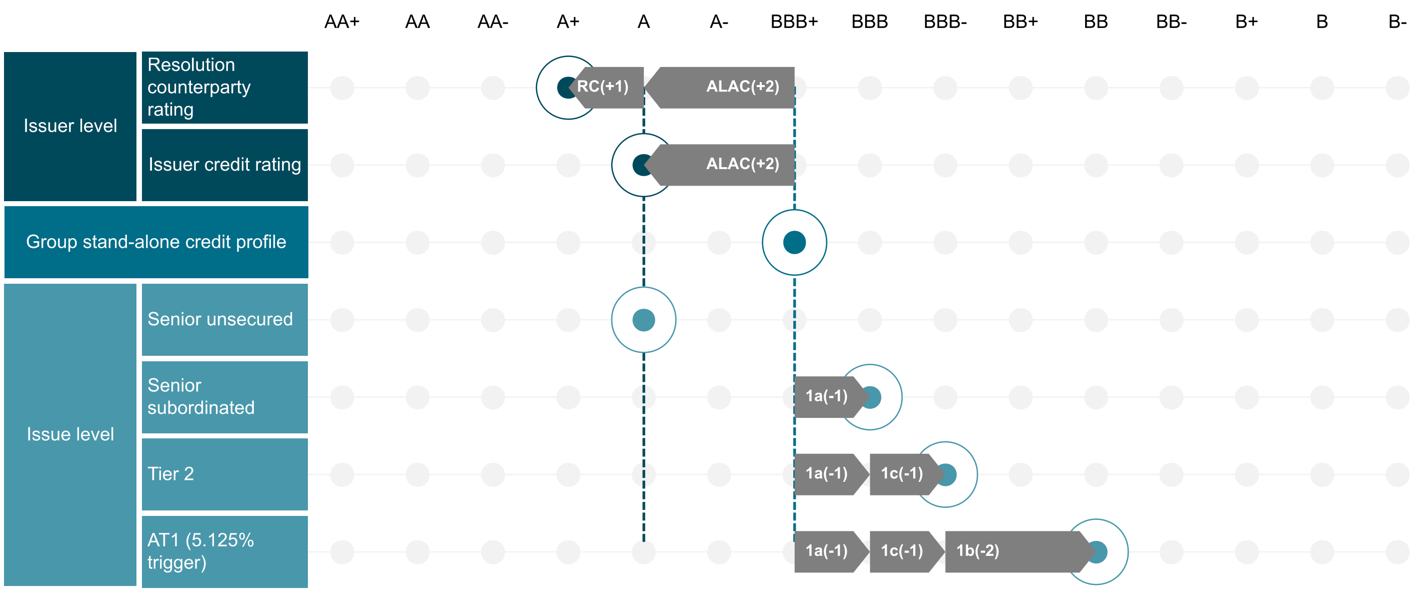
The ICRs on Deutsche Bank's rated branches are at the same level as the ICR on Deutsche Bank itself. We also rate a number of subsidiaries:

- We view six subsidiaries as core to Deutsche Bank and therefore equalize the ratings with those on their ultimate parent.

- We also equalize the ratings on U.S. nonoperating holding company Deutsche Bank Trust Corp. (DBTC) with those on Deutsche Bank because we expect that parental support for DBTC's subsidiaries would be routed through DBTC.
- We view Mexican broker subsidiary Deutsche Bank Securities, S.A. de C.V., Casa de Bolsa as strategically important.

We notch down our ratings on regulatory capital instruments and senior nonpreferred debt from the 'bbb+' Group SACP (see chart 11).

Deutsche Bank AG: Notching



Key to notching

----	Issuer credit rating
-----	Group stand-alone credit profile
RC	Resolution counterparty liabilities (senior secured debt)
ALAC	Additional loss-absorbing capacity buffer
1a	Contractual subordination
1b	Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c	Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.
The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.
AT1--Additional Tier 1.

Resolution Counterparty Ratings (RCRs)

We have assigned resolution counterparty ratings (RCRs) to Deutsche Bank, its rated branches, and its rated European and U.S. operating subsidiaries. For European entities, the long-term RCRs are one notch above the long-term ICRs, while for U.S. entities, they are in line with the ICRs. The reason for the lower RCRs on the U.S. entities is because the local resolution framework does not explicitly protect any category of liability from default. We do not assign RCRs to other subsidiaries, mainly because we regard the resolution regimes in those jurisdictions as non-effective.

Key Statistics

Table 1

Deutsche Bank AG Key Figures

		--Year-ended Dec. 31--			
(Mil. €)	**2024***	**2023**	**2022**	**2021**	**2020**
Adjusted assets	1,323,324	1,305,004	1,329,696	1,317,169	1,318,534
Customer loans (gross)	480,344	473,672	481,343	468,467	426,427
Adjusted common equity	53,694	53,381	52,509	49,643	46,141
Operating revenues	7,779	28,839	26,806	25,400	24,028
Noninterest expenses	5,042	20,897	20,327	21,030	20,527
Core earnings	1,638	5,650	5,317	2,975	1,312

*Data as of March 31.

Table 2

Deutsche Bank AG Business Position

		--Year-ended Dec. 31--			
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Total revenues from business line (currency in millions)	7,779	28,880	27,210	25,410	24,028
Commercial banking/total revenues from business line	24.1	26.7	23.3	20.3	21.4
Retail banking/total revenues from business line	30.6	33.2	33.6	32.4	33.8
Commercial & retail banking/total revenues from business line	54.7	59.9	56.9	52.7	55.2
Trading and sales income/total revenues from business line	32.7	27.6	32.8	27.8	29.5
Corporate finance/total revenues from business line	6.5	4.3	3.7	10.3	9.1
Asset management/total revenues from business line	7.9	8.3	9.6	10.7	9.3
Other revenues/total revenues from business line	(1.8)	(0.0)	(3.0)	(1.4)	(3.2)
Investment banking/total revenues from business line	39.2	31.9	36.5	38.1	38.6
Return on average common equity	8.8	7.5	9.2	4.2	N/A

*Data as of March 31. N/A--Not applicable.

Table 3

Deutsche Bank AG Capital And Earnings

		--Year-ended Dec. 31--			
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Tier 1 capital ratio	15.8	16.1	15.7	15.6	15.3
S&P Global Ratings' RAC ratio before diversification	N/A	10.2	10.1	9.9	9.4
S&P Global Ratings' RAC ratio after diversification	N/A	11.8	11.7	11.5	11.1
Adjusted common equity/total adjusted capital	86.2	86.2	86.0	84.9	87.0
Net interest income/operating revenues	40.2	47.2	50.9	43.9	48.0

Table 3

Deutsche Bank AG Capital And Earnings (cont.)

	--Year-ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Fee income/operating revenues	33.6	31.9	36.7	43.0	39.2
Market-sensitive income/operating revenues	25.2	21.0	9.8	13.4	13.0
Cost to income ratio	64.8	72.5	75.8	82.8	85.4
Preprovision operating income/average assets	0.8	0.6	0.5	0.3	N/A
Core earnings/average managed assets	0.5	0.4	0.4	0.2	N/A

*Data as of March 31. N/A--Not applicable.

Table 4

Deutsche Bank AG Risk-Adjusted Capital Framework Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	262,193	17,480	7	4,346	2
Of which regional governments and local authorities	5,614	7	0	202	4
Institutions and CCPs	55,823	9,183	16	12,804	23
Corporate	382,834	140,415	37	309,622	81
Retail	224,428	57,001	25	74,269	33
Of which mortgage	179,964	33,490	19	44,217	25
Securitization§	78,651	14,242	18	21,043	27
Other assets†	5,228	1,839	35	16,484	315
Total credit risk	1,009,157	240,159	24	438,567	43
Credit valuation adjustment					
Total credit valuation adjustment	--	5,276	--	22,392	--
Market Risk					
Equity in the banking book	6,937	13,026	188	37,652	543
Trading book market risk	--	21,507	--	29,195	--
Total market risk	--	34,533	--	66,847	--
Operational risk					
Total operational risk	--	57,153	--	80,143	--

(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	348,871	--	607,949	100
Total Diversification/ Concentration Adjustments	--	--	--	-83,620	-14
RWA after diversification	--	348,871	--	524,329	86

Table 4

Deutsche Bank AG Risk-Adjusted Capital Framework Data (cont.)

(Mil. €)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio	S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA
Capital ratio before adjustments	56,395	16.2	61,950	10.2
Capital ratio after adjustments‡	56,395	16.1	61,950	11.8

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2023, S&P Global Ratings.

Table 5

Deutsche Bank AG Risk Position

		--Year-ended Dec. 31--			
(%)	2024*	2023	2022	2021	2020
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(13.8)	(13.3)	(14.1)	(15.6)
Total managed assets/adjusted common equity (x)	24.8	24.6	25.5	26.7	28.7
New loan loss provisions/average customer loans	0.4	0.3	0.3	0.1	N/A
Net charge-offs/average customer loans	0.2	0.2	0.2	0.1	N/A
Gross nonperforming assets/customer loans + other real estate owned	3.0	2.9	2.6	2.7	2.8
Loan loss reserves/gross nonperforming assets	36.9	38.0	39.0	37.8	41.3

*Data as of March 31. N/A--Not applicable.

Table 6

Deutsche Bank AG Funding And Liquidity

		--Year-ended Dec. 31--			
(%)	2024*	2023	2022	2021	2020
Core deposits/funding base	72.0	59.9	61.7	59.7	60.0
Customer loans (net)/customer deposits	74.8	88.2	88.8	89.3	85.6
Long-term funding ratio	85.4	75.0	76.1	74.8	75.5
Stable funding ratio	90.1	91.2	93.2	94.2	104.1
Short-term wholesale funding/funding base	15.7	26.9	25.7	27.0	26.2
Regulatory net stable funding ratio	123.0	121.0	120.0	121.0	N/A
Broad liquid assets/short-term wholesale funding (x)	1.5	1.2	1.3	1.2	1.6
Broad liquid assets/total assets	15.6	21.7	21.2	22.0	26.6
Broad liquid assets/customer deposits	32.8	53.6	52.9	56.1	71.5
Net broad liquid assets/short-term customer deposits	11.1	8.8	11.4	11.0	28.2
Regulatory liquidity coverage ratio (LCR) (%)	136.0	140.0	142.0	133.0	N/A
Short-term wholesale funding/total wholesale funding	54.3	65.4	65.6	65.3	64.3
Narrow liquid assets/3-month wholesale funding (x)	1.3	1.3	1.4	1.5	2.3

*Data as of March 31. N/A--Not applicable.

Deutsche Bank AG--Rating component scores	
Issuer Credit Rating	**A/Stable/A-1**
SACP	bbb+
Anchor	bbb+
Economic risk	3
Industry risk	4
Business position	Adequate
Capital and earnings	Adequate
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	+1
Support	+2
ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Bulletin: Deutsche Bank Has Sufficient Capital To Absorb New Litigation Provisions, April 29, 2024
- Capital Markets Revenue Could Improve In 2024 On Rebounding Investment Banking, Though High Rates May Still Hamper Results, April 24, 2024

- Bulletin: Deutsche Bank 2023 Results Show Revenue Momentum And Growing Shareholder Distributions, Feb. 1, 2024
- Deutsche Bank Issuer Credit Ratings Raised To 'A/A-1' On Strengthening Performance And Resilience; Outlook Stable, Dec. 8, 2023
- Banking Industry Country Risk Assessment: Germany, June 6, 2023

Ratings Detail (As Of June 18, 2024)*		
Deutsche Bank AG		
Issuer Credit Rating		A/Stable/A-1
Turkey National Scale		trAAA/--/trA-1+
Resolution Counterparty Rating		A+/--/A-1
Certificate Of Deposit		
Foreign Currency		A/A-1/A-1
Commercial Paper		A-1
Junior Subordinated		BB
Resolution Counterparty Liability		A+
Senior Subordinated		BBB
Senior Unsecured		A
Short-Term Debt		A-1
Subordinated		BBB-
Issuer Credit Ratings History		
08-Dec-2023		A/Stable/A-1
17-May-2023		A-/Positive/A-2
09-Nov-2021		A-/Stable/A-2
26-Feb-2021		BBB+/Positive/A-2
23-Apr-2020		BBB+/Negative/A-2
28-Jun-2018	*Turkey National Scale*	trAAA/--/trA-1+
08-Jul-2016		trAAA/--/trA-1
Sovereign Rating		
Germany		AAA/Stable/A-1+
Related Entities		
Deutsche Bank AG (Canada Branch)		
Issuer Credit Rating		A/Stable/A-1
Resolution Counterparty Rating		A+/--/A-1
Deutsche Bank AG (Cayman Islands Branch)		
Issuer Credit Rating		A/Stable/A-1
Resolution Counterparty Rating		A+/--/A-1
Deutsche Bank AG (London Branch)		
Issuer Credit Rating		A/Stable/A-1
Resolution Counterparty Rating		A+/--/A-1
Resolution Counterparty Liability		A+
Senior Subordinated		BBB
Senior Unsecured		A

Ratings Detail (As Of June 18, 2024)*(cont.)	
Deutsche Bank AG (Madrid Branch)	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Deutsche Bank AG (Milan Branch)	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Deutsche Bank AG (New York branch)	
Senior Subordinated	BBB
Subordinated	BBB-
Deutsche Bank Luxembourg S.A.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Deutsche Bank National Trust Co.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A/--/A-1
Deutsche Bank Securities Inc.	
Issuer Credit Rating	
Local Currency	A/Stable/A-1
Resolution Counterparty Rating	
Local Currency	A/--/A-1
Deutsche Bank Trust Co. Americas	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A/--/A-1
Deutsche Bank Trust Co. Delaware	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A/--/A-1
Deutsche Bank Trust Corp.	
Issuer Credit Rating	A/Stable/A-1
Senior Unsecured	A-1
Deutsche Securities Inc.	
Issuer Credit Rating	A/Stable/A-1
Deutsche Securities, S.A. de C.V., Casa de Bolsa	
Issuer Credit Rating	
CaVal (Mexico) National Scale	mxAA+/Stable/mxA-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.