Rating Report
Deutsche Bank AG

DBRS Morningstar
13 July 2023

Contents

Sonja Förster
Vice President - Global FIG
+49 69 8088 3510
sonja.forster@dbrsmorningstar.com

Elisabeth Rudman
Managing Director - Head of EU FIG - Global FIG
+44 20 7855 6655
elisabeth.rudman@dbrsmorningstar.com

Ratings

Debt	Rating	Rating Action	Trend
Long-Term Issuer Rating	A	Upgraded June '23	Stable
Short-Term Issuer Rating	R-1 (low)	Confirmed June '23	Stable
Intrinsic Assessment	A	Upgraded June '23	--

Rating Drivers

Factors with Positive Rating Implications

- The ratings would be upgraded if the Bank demonstrates a sustainable and solid earnings profile and makes further progress on internal controls, while maintaining solid asset quality and capital ratios.

Factors with Negative Rating Implications

- The ratings would be downgraded in case of a sustained decline in profitability or any unexpected events that negatively impact the Bank's financial position or its reputation.

Rating Considerations

Franchise Strength (Very Strong/Strong)

- Global franchise in Investment Banking, Corporate Banking, and Asset Management combined with a sizable German Retail business and an international Private Banking business.

Earnings Power (Moderate)

- DB's profitability has been challenged in recent years, but has been on an improving trajectory helped by progress on the cost side and strong investment banking revenues, and more recently by the rebound in rates.

Risk Profile (Strong/Good)

- Relatively conservative credit risk and market risk profile. Operational risk has improved but litigation risk and AML risk management remain an ongoing issues for large complex banks.

Funding and Liquidity (Strong)

- The funding profile is diversified, underpinned by a substantial deposit base and various forms of wholesale funding. The liquidity position is strong and well-managed.

Capitalisation (Good/Moderate)

- Solid regulatory capital ratios. Internal capital generation and access to equity markets, while improved, still somewhat constrained.

2022	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	VS	S	VS/S
Earnings	M/W	G/M	M
Risk	G	S/G	S/G
Funding & Liquidity	S/G	S	S
Capitalisation	M/W	S	G/M

Overall Assessment	Intrinsic Assessment Range (IAR)	Assigned IA
S/G	['AA (low)', 'A (high)', 'A']	A

Financial Information

	For the Year Ended December 31 (IFRS)				
(In EUR Millions unless otherwise stated)	2022	2021	2020	2019	2018
Total Assets	1,336,788	1,323,993	1,325,259	1,297,674	1,348,137
Gross Loans to Customers	486,616	473,870	433,552	435,685	415,783
Income Before Provisions and Taxes (IBPT)	7,023	5,839	4,208	1,384	2,081
Net Attributable Income	5,525	2,365	495	(5,390)	267
Net Interest Margin	1.3%	1.2%	1.4%	1.6%	1.2%
Cost / Income ratio	73.8%	77.0%	82.5%	94.0%	91.6%
LLP / IBPT	17.5%	8.8%	42.6%	52.2%	25.2%
Cost of Risk	0.25%	0.12%	0.41%	0.17%	0.13%
CET1 Ratio	13.40%	13.20%	13.60%	13.60%	13.60%

Source: Morningstar Inc., Company Documents

Issuer Description

Deutsche Bank AG (DB, or the Bank) is a global financial services company with a significant international Capital Markets franchise, a Corporate Bank with a focus on German and multinational companies, an Asset Manager that maintains solid market positioning in Germany and across Europe, as well as a predominantly German Retail and a more international Private Bank.

Rating Rationale

The upgrade reflects the successful implementation of DB's strategic transformation programme, which has helped stabilise, and more recently grow the Bank's franchise, and restored profitability. At the same time, the Bank has maintained a conservative risk profile and solid capital ratios. While not entirely resolved, DBRS Morningstar also notes the progress made in addressing certain corporate governance issues, notably the Bank's Anti Money Laundering (AML) procedures.

DB's ratings are supported by the Bank's global franchise and strong position in Germany as well as its business diversification. During the past three years, DB's revenues have benefitted from above-average market volatility and the rapid rise in interest rates. Given the business momentum, the ongoing repricing of its loan portfolio to higher rates and the cost controls implemented, DBRS Morningstar expects the Bank to be able to maintain profitability levels in line with its rating also in a more steady market environment. DB has a sound funding and liquidity profile, which benefits from a large and stable deposit base mostly in Germany, supplemented by a diversified wholesale funding profile and significant liquidity cushions. While DB's profitability is still somewhat moderate when compared to global peers, the increased financial flexibility is helping the Bank to invest in growth opportunities as they arise, to take on more risk and absorb potential losses. The ratings also reflect a combination of corporate governance failures resulting in large fines and low profitability, that made DB vulnerable to a loss in market confidence in the past. As the Bank has resolved major litigation cases, strengthened internal controls and improved earnings and capital ratios, this vulnerability has declined significantly, but some issues still remain

Franchise Strength

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Very Strong	Strong	Very Strong / Strong

With total assets of EUR 1.3 trillion at end-Q1 2023, DB operates globally, but has a regional focus on Europe, and Germany in particular. The Bank offers a wide range of products and services across Investment Banking, Private Banking (including Retail), Corporate Banking and Asset Management. After the successful implementation of a strategic transformation programme, which has helped stabilise the Bank and put it on a growth path, DB has established new profitability targets for 2025, including a return on tangible equity of at least 10% and a cost/income ratio (CIR) below 62.5%. This is expected to be achieved mainly through revenue growth as the Bank has regained financial flexibility to invest. We note that the positive business momentum could be adversely affected by the current economic uncertainty, but expect the Bank to still benefit from higher interest rates over the medium term and to take advantage of its increased financial flexibility to further grow its franchise in a selective way.

The Bank's 2022 business mix results in about 36% of revenues generated within the Investment Bank (IB), 22% in the Corporate Bank (CB), 33% within Private Banking (PB), and 9% within Asset Management (AM). IB revenues have increased continually YOY since 2019, as the IB has benefitted from market volatility. Following the rise in rates, the relative contribution of the Private and Corporate Bank has started to increase, a trend that we expect to continue as IB revenues moderate and revenues from traditional lending increase

Exhibit 1 Segment Net Revenues – 2022

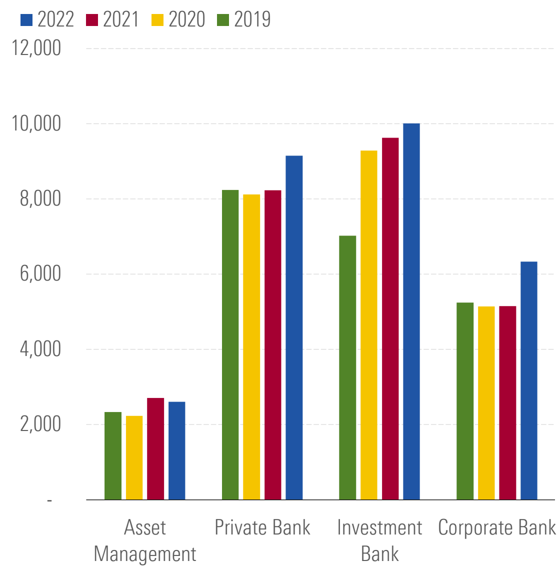
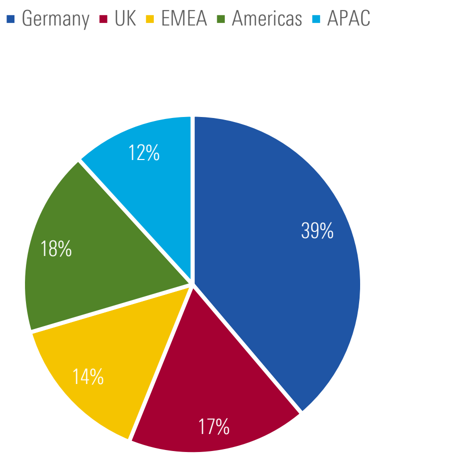


Exhibit 2 Geographic Distribution Net Revenues – 2022



Source: DBRS Morningstar, Company Documents.

Investment Bank (IB) – Net Revenues of EUR 10.0 billion in 2022

DB's global Investment Bank (IB) provides financing, market making/liquidity provision, risk management solutions, advisory, debt and equity issuance with key strengths in Fixed Income and Currency (FIC) Sales & Trading as well as Debt Origination. Contributing 36% of 2022 net revenues, the IB represents a significant part of DB's business. To counter the high dependence on FIC revenues following the exit from the scale-driven Equity Sales & Trading business and the sale of its Prime Brokerage business, DB has made targeted hires in Origination & Advisory. In April 2023, the Bank announced the acquisition of Numis, a boutique investment bank with significant market shares in the UK. In our view, this will help diversify revenues and strengthen the Bank's market position in equity capital markets and M&A, however, given the current adverse market conditions, we do not expect an immediate benefit. We note that the Bank reclaimed the number one position in its home market in M&A. In FIC the Bank is targeting a top-five position globally and a top-three position in EMEA. In Origination and Advisory DB has gained market share in 2022.

Corporate Bank (CB) - Net revenues of EUR 6.3 billion in 2022

The Corporate Bank is a leading provider of cash management, trade finance, lending, and foreign exchange for German and multinational corporate clients. The division also provides correspondent banking, trust & agency, and securities services to financial institutions. In addition, business banking services are provided to small corporates and entrepreneurs. The Bank plans to further grow all of its segments.

Private Bank (PB) – Net Revenues of EUR 9.2 billion in 2022

Within this segment the Private Bank Germany offers retail and wealth management services under the Deutsche Bank and the Postbank brand. The Retail Bank has about 19 million retail clients in Germany, benefitting from scale and increased digital investments. DB has successfully transferred all Postbank customers to the DB IT platform, which is expected to result in significant synergies. The International Private Bank offers private banking services to individuals and commercial clients. DB strives to further grow its franchise especially focusing on entrepreneurs, ultra high net worth families and globally affluent clients across Europe.

Asset Management (AM) – Net Revenues of EUR 2.6 billion in 2022

DB has a sizable Asset Management business which ranked #16 globally (ADV Ratings) as of 31 June 30 2023. Assets under management (AUM) were EUR 822 billion at end-2022, mainly managed by DWS in which DB holds an 79.5% stake. While asset management is attractive for banks due to its low capital needs, competition is strong and scale is key. DB focuses on efficiency gains through digitalisation, cost cuts, strategic alliances, while aiming to grow in the more profitable segments, Passive and Alternatives.

2025 Financial Goals

In March 2022, DB published new 2025 financial goals, including a post-tax RoTE of at least 10% and a CIR of less than 62.5%. While DB plans to realise further cost efficiencies from continued investment into technology driving further digitalisation, the goals are also based on a compound annual growth rate of 3.5 to 4.5%. This would result in revenues of at least EUR 30 billion by 2025 compared to EUR 27.2 billion in 2023. The Bank remains on track to achieve these targets with revenues in the range of EUR 28 to 29 billion expected for 2023.

Apart from the more benign interest environment, the growth is also supported by DB’s ability to invest in growth as a result of its increased financial flexibility and better client engagement. However, potential headwinds could arise from a weakening of the economic outlook, which could lead to weaker demand for financial products and services.

Earnings Power

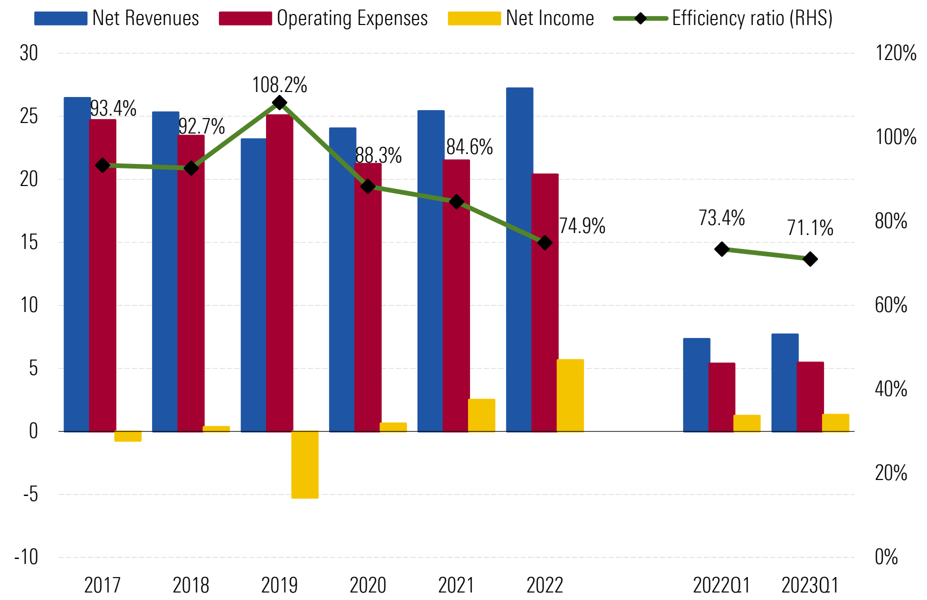
Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate / Weak	Good /Moderate	Moderate

In DBRS Morningstar's opinion DB's earnings power has improved significantly over recent years driven by the restructuring programme implemented since 2019. In addition, the Bank's investment banking operation has benefitted from the increased capital market volatility since the onset of the COVID-19 pandemic. Whereas the incremental benefit from these two factors is subsiding, tailwinds from interest rate increases that started in mid-2022 should continue to support revenues going forward.

In 2022, the Bank reported a pre-tax profit of EUR 5.6 billion up significantly from EUR 3.4 billion in 2021 and EUR 1.0 billion in 2020. The return on average equity (ROAE) was 8.4% in 2022, significantly higher than the 3.4% reported a year earlier. Results were supported by higher rates, volatility in capital markets, lower expenses as well as a valuation gain. 2022 revenues were supported by the rise in interest rates during 2022, with net interest income increasing 22% YOY to EUR 13.7 billion. Noninterest expenses also fell 5% in the year, resulting in positive operating leverage that reduced the cost-income ratio (CIR) to 75% from 85% a year earlier. After-tax results benefited from a DTA valuation adjustment of EUR 1.4 billion, reflecting positive performance in US operations.

The positive trend continued in Q1 2023 with a pre-tax profit of EUR 1.9 billion, up 12% Year-on-Year (YOY), driven by strong revenue performance. The ROAE was 7.4%, up from 7.2% in Q1 2022. Group revenues increased by 5% year-on-year (YOY) to EUR 7.7 billion, driven by 35% YOY revenue growth at the Corporate Bank, which benefitted from higher interest rates while maintaining pricing discipline, as well as business momentum in Cash Management and Corporate Trust Services. The Private Bank also benefitted from higher rates, with total revenues increasing by 10% YOY to EUR 2.4 billion and revenues in Germany increasing by 14%. Non-interest expenses increased by 1%, and as a result the cost income ratio (CIR) edged down further to 71% from 73% a year earlier. Credit costs increased by EUR 79 million YOY to EUR 372 million or 30 basis points in terms of Cost of Risk (CoR).

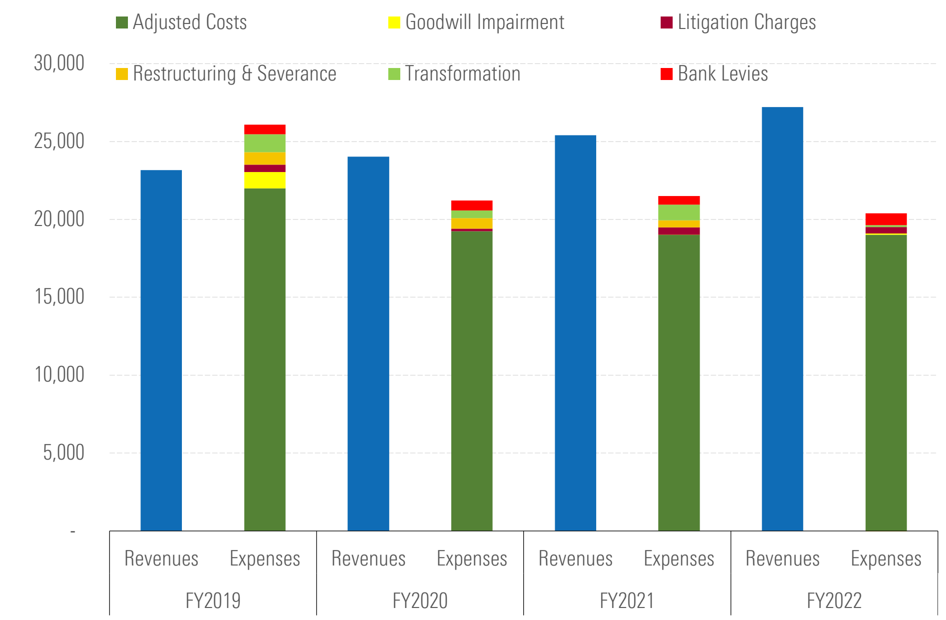
Exhibit 3 Profitability Evolution (EUR billion)



Source: DBRS Morningstar, Company Documents.

Reported 2022 non-interest expenses fell 5% YOY, while adjusted costs (see Exhibit 4) remained flat at EUR 19 billion (or down 3% YOY adjusted for FX movements). This reflects the completion of the 2019 initiatives, with transformation charges falling sharply over the year. The CIR declined to 75% from 85% a year earlier and 108% in 2019. Though still somewhat elevated, the current level of costs represents a significant improvement on historical levels. DB is aiming to further lower its cost base, with a plan of c. EUR 2.5 billion in additional cost savings, including optimization and efficiency measures. These measures include branch closures, improvements in automation, and the completion of Postbank's IT migration, amongst other items, and is expected to be completed by 2025. The Bank should also benefit from lower bank levies, however, inflationary pressure remains a headwind.

Exhibit 4 Revenue and Expense Performance (EUR million)



Source: DBRS Morningstar, Company Documents.

Credit costs increased from EUR 516 million in 2021 to EUR 1,226 million in 2022, driven by increases across all segments, reflecting the less favourable macroeconomic environment. This represents a cost of risk (CoR) of 25 basis points (bps), in line with DB's guidance. For 2023, the Bank anticipates credit losses at the lower end of a 25-30bps range, with credit losses this year more likely to be driven by losses resulting from individual credit events.

We note that the Capital Release Unit (CRU) continues to have a negative impact on results, albeit to a lesser degree than before. In 2022, the CRU reported a loss of EUR 932 million in 2022, down from EUR 1.4 billion in 2021 and EUR 2.2 billion in 2020. This was due to non-interest expense reductions, down 36% YOY, with full-year adjusted costs down 77% from 2018 levels. The division's leverage exposure was reduced by 43% over the year, to EUR 22 billion, while RWAs were reduced 13% YOY, or 63% since the inception of the CRU. This is the final year in which the CRU will be reported separately. For 2023, the loss is expected to narrow significantly and the remaining portfolio, resources, and employees will be reported under Corporate & Other.

Segment Results

In 2022, the Corporate Bank reported a strong revenue increase of 23% YOY to EUR 6.3 billion as a result of higher interest rates, higher average loan and deposit balances, while also being supported by pricing discipline, favourable FX movements, and increases in fees and commissions. Growth was strong across all three segments. In Q1 2023 the Corporate Bank registered a 35% YOY revenue growth, which benefitted from higher interest rates and business momentum in Cash Management and Corporate Trust Services.

Full-year 2022 Investment Banking revenues of EUR 10.0 billion were up 4% YOY due to strong Fixed Income & Currencies (FIC) as a result of strong performance in Rates, Emerging Market &

Foreign Exchange (FX). This offset a decline in revenues in Origination & Advisory (O&A) revenues, which were down 62% YOY at EUR 1.0 billion due to mark-to-market losses in Leveraged Debt Capital Market and the lack of activity in this market as a result of higher rates and the economic uncertainty. In Q1 2023, the revenue decline continued (-19% YOY) as O&A revenues continued to weaken. Sales and Trading revenues also experienced a decline in Q1 2023 (-17%), albeit from high 2022 levels.

In 2022, the Private Bank reported revenues of EUR 9.2 billion (+6% YOY adjusted for specific items), benefitting from higher interest rates, FX, and higher business volumes. The bottom line also benefitted from cost reductions. In Q1 2023, the Private Bank continued to benefit from higher rates, with total revenues increasing by 10% YOY and revenues in Germany increasing by 14%. However, at 5.3% the ROTE is still somewhat modest, but this division is subject to further efficiency measures.

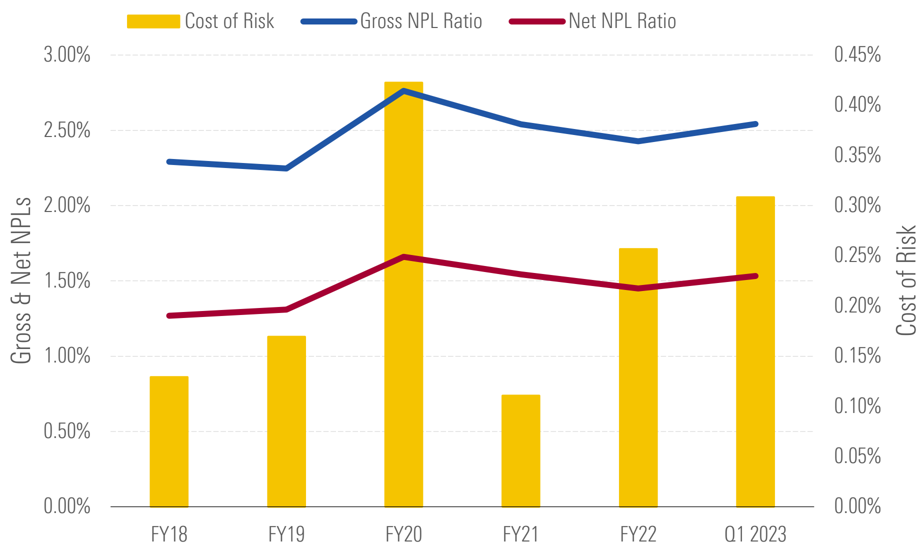
In 2022, Asset Management revenues declined 4% YOY on lower performance fees. Assets under Management declined by 11% to EUR 821 billion, mainly due to weaker capital markets. In Q1 2023, the segment reported a 14% YOY drop in revenues to EUR 589 million due to a decrease of assets under management of 7%, driven by lower market valuations and performance fees and transaction fees declined. This was only partly offset by continuous net asset inflows. We note that capital markets have since recovered.

Risk Profile

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good	Strong / Good	Strong / Good

In DBRS Morningstar's view, DB's credit risk profile is sound, benefitting from a large exposure to its stable German home market, and a diversified loan book in the rest of the world. The Bank has demonstrated good market risk management during periods of significant market volatility in recent years. Operational risk has decreased in our view, as DB has made progress in improving its anti-money laundering (AML) and other internal control procedures and has been resolving outstanding litigation cases. However, this is an ongoing process and could still result in further fines, albeit to a lesser extent than in the past. Despite a number of challenges such as the COVID-19 pandemic, the war in Ukraine, high inflation and rate hikes, asset quality metrics have remained fairly stable In Q1 2023. The Bank's Stage 3 loan ratio edged up somewhat to 2.7% from 2.5% at year-end 2022 and 2.6% at end Q1-2022. The cost of risk (CoR) was 30 basis points (bps) in line with the 25-30 bps guidance for 2023. In our view, the downside risk has increased, but should remain very manageable.

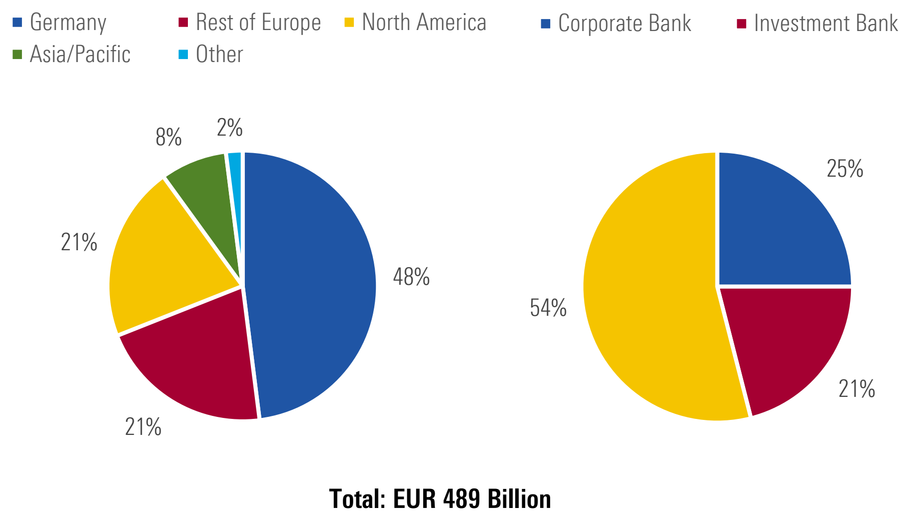
Exhibit 5 Asset Quality Metrics



Source: DBRS Morningstar, Company Documents.

Geographically, the Bank's main loan exposures are in Germany (48%), North America (21%), and Rest of Europe (21%). The Bank also has meaningful exposures in Asia Pacific. The exposure in the US is largely via the Investment Bank and loans to large multinational corporates. The credit exposure is relatively evenly distributed between the Private Bank and the Corporate and Investment Bank.

Exhibit 6 Total Loan Book Exposure by Geography & Business – FY 2022 (%)



Source: DBRS Morningstar, Company Documents.

Historically, DB's credit loss performance - as demonstrated by its low CoR - has been solid when compared to peers. In DBRS Morningstar's view, this is due to a combination of a low percentage of unsecured consumer loans, DB's resilient home market, Germany, and disciplined and prudent risk management. Since the financial crisis, risk management has further improved: systems and processes have been refined, concentration risk has declined, credit positions are typically senior, and risk is additionally mitigated with the help of collateral or hedges. Currently, borrowers are facing a number of challenges, such as a weaker global economy, higher interest rates, elevated inflation, and still ongoing supply chain disruptions. Given the loan loss provisions built in the past, we do not expect outsized provision needs, but are monitoring future developments in asset quality carefully.

In 2022, provisions for credit losses increased to EUR 1,226 million from EUR 515 million in 2021, as provisions for Stage 1 and 2 loans increased to EUR 204 million from a release of EUR 218 million in 2021, reflecting deterioration in the economic outlook. Meanwhile Stage 3 loan provisions increased from EUR 734 million to EUR 1,022 million, translating into a CoR of 25 bps. In Q1 2023, provisions were EUR 372 million or 30 basis points (bps) in terms of CoR, in line with the 25-30 bps guidance for 2023. The increase was mainly driven by higher provisions for the Private Bank and Stage 3 loans, whereas a small amount of provisions for Stage 1 and 2 loans was released.

Market risk

DB uses limits for value-at-risk (VaR), economic capital and portfolio stress tests to manage market risk in various trading books. The maximum VaR for Trading was 71.4 million in 2022, up slightliy from EUR 69 million in 2021 and was mostly driven by credit spread and interest rate risk. The sharp increase in interest rates and credit spread volatility resulted in number of outliers, where the Group's losses on a buy and hold basis exceeded the VaR of the trading books. Generally however, the models have been deemed appropriate following back testing and enhancements. Given the volatility in the capital markets in recent years, the absence of major losses demonstrate the soundness of DB's models and processes in our view.

Operational Risk

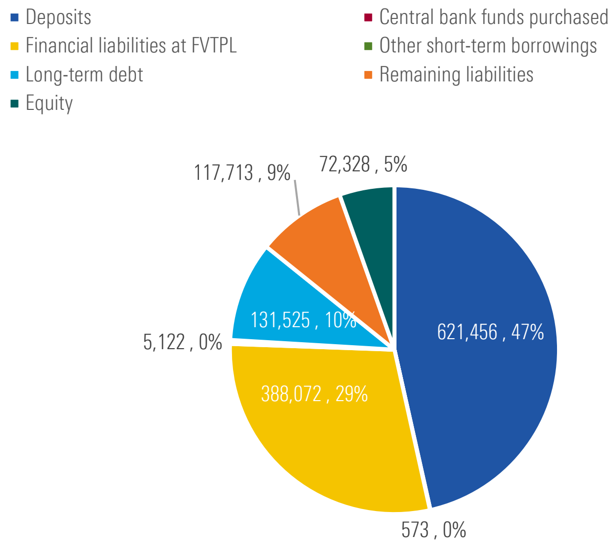
DB has been adversely affected by conduct risk issues in the past, which have had a significant financial and reputational impact. In recent years, the Bank has made considerable progress in addressing certain legal issues, which are now less material in terms of financial impact.
DB has made progress improving its anti-financial crime processes, a task that is still ongoing and subject to intense regulatory scrutiny. More recently, DB's asset manager DWS has faced allegations with regards to 'greenwashing' in the context of ESG assets. We are closely monitoring whether these issues could lead to financial or reputational risk impacting the franchise.

Funding and Liquidity

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong / Good	Strong	Strong

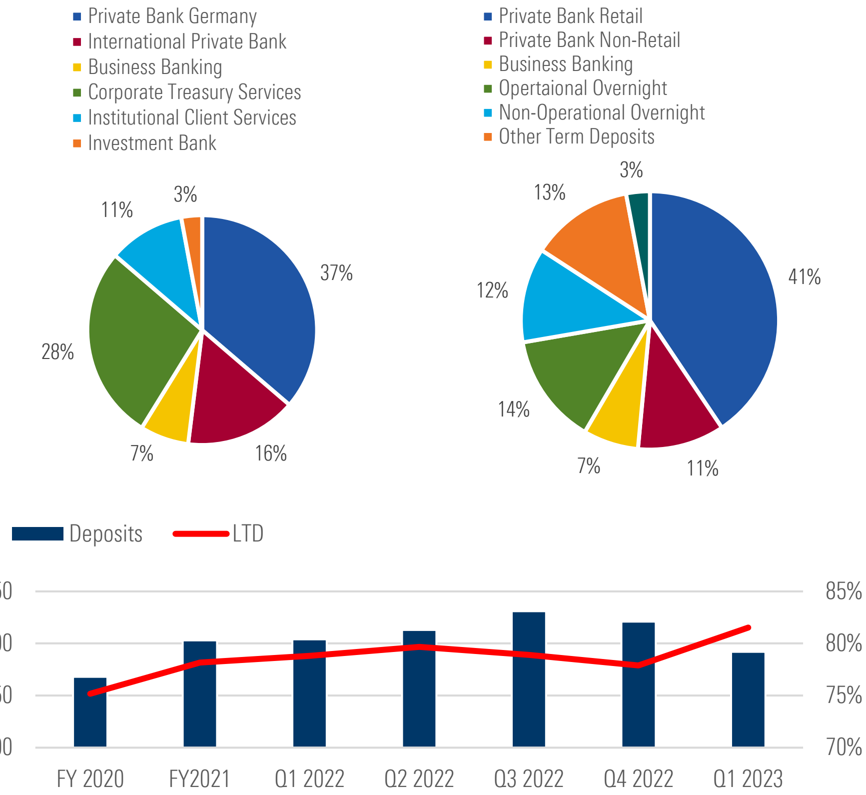
In DBRS Morningstar's view, DB has a strong and well-managed funding profile, underpinned by a large and diversified deposit franchise and a diversified wholesale funding profile. The Bank has a comprehensive framework in place to manage its liquidity. DB's deposit franchise continues to support the overall funding profile with a loan-to-deposit (LTD) ratio (based on DBRS Morningstar calculations) of 89.8% as of end-2022. Despite the turmoil in the markets following the failure of Credit Suisse in March 2023, the Bank's liquidity metrics have remained fairly stable. The Bank reported deposits of EUR 592 billion at end-Q1 2023, down from an elevated level of EUR 621 billion at end-2022 and from a peak of EUR 631 billion at end-Q3 2022, however, YOY the decline was a moderate 2%. The Liquidity Coverage Ratio (LCR) of 143% at end-Q1 2023 slightly increased from 142% at end-2022 due to active management. The Net Stable Funding Ratio (NSFR) remained stable at 120%. We note that deposits are diversified and granular, and that 73% of all deposits originate from the Bank's German home market. 77% of German retail deposits and 41% of all customer deposits are insured by the statutory guarantee scheme, with further protection provided by the voluntary guarantee scheme of German private banks.

Exhibit 7 Liability and Equity Structure - 2022



Source: DBRS Morningstar, Company Documents.

Exhibit 8 Deposit Structure - Q1 2023



Source: DBRS Morningstar, Company Documents.

At end-Q1 2023, DB had EUR 26 billion of TLTRO III funding outstanding, down from EUR 45 billon in Q3 2022, with this expected to be gradually reduced to zero by Q3 2024. In 2023 the Bank plans to issue EUR 12-15 billion in term funding across various instruments exceeding capital market maturities of EUR 11 billion. More than half of the funding has been completed during the first quarter, including all of the capital instruments and almost all of the senior non-preferred instruments.

The Bank's liquidity & funding framework covers three specific areas: i) management of intraday exposures, including daily payments, forecasting cash flows and central bank access; ii) access to secured and unsecured funding sources, and iii) the maturity profile of all assets/liabilities and issuance strategy, and is supplemented with stressed scenario analysis looking at inventory characteristics under various stress scenarios and contingent funding requirements.

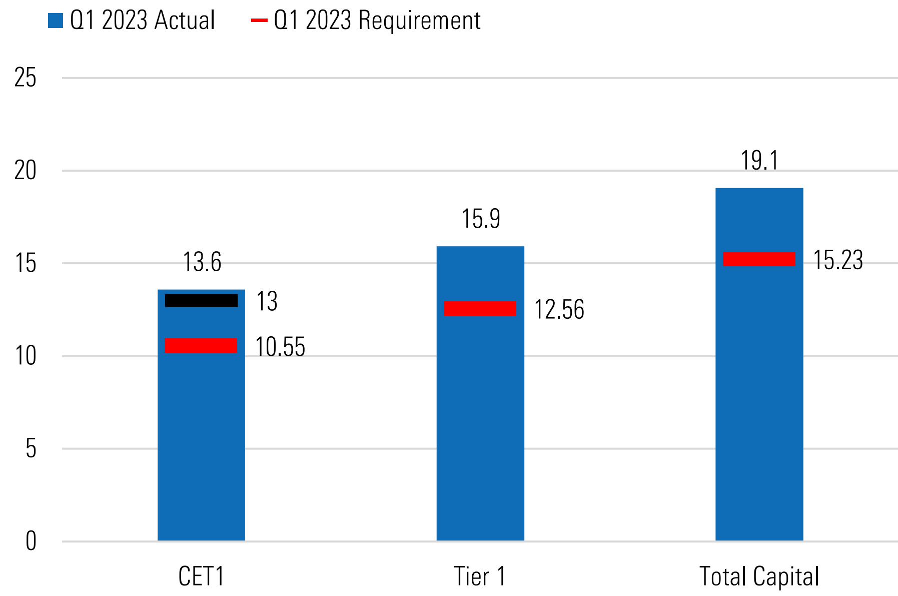
DB also calculates a stressed net liquidity position (sNLP). Key differences between this internal liquidity stress test and the LCR include a different time horizon (eight weeks versus 30 days) and different in- and outflow assumptions. As of year-end 2022, DB reported a sNLP of EUR 48.1 billion, up from EUR 43.3 billion in 2021.

Capitalisation

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate / Weak	Strong	Good /Moderate

DB's capitalisation is sound, supported by adequate cushions over minimum requirements, an improving internal capital generation capacity and continued access to capital markets. The CET1 capital ratio at end-Q1 2023 was 13.6%, up 25 basis points since year-end supported by earnings retention, partly offset by higher RWA. The buffer over minimum requirements was 251 basis points (bps), down 37 bps from end-2022 as capital requirements increased by 62 bps, due to a combination of the countercyclical and systemic risk buffers as well as higher Pillar 2 requirements. We expect the Bank to maintain a CET1 ratio of at least 13% as long as current capital requirements are in place. The leverage ratio was 4.6% at quarter-end, well above the 3.75% requirement applicable since 1 January 2023.

Exhibit 9 Capital Ratios Versus Internal Target and Requirements



Source: DBRS Morningstar, Company Documents; *Phased in CET1 Ratio

ESG Checklist

Deutsche Bank AG

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental	**Overall:**	**N**	**N**
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	N	N
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by a 2°C rise in temperature?	N	N
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
Social	**Overall:**	**N**	**N**
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services could pose a financial or regulatory risk to the issuer?	N	N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts that could result in a material financial or operational impact?	N	N
	Do violations of rights create a potential liability that could negatively affect the issuer's financial wellbeing or reputation?	N	N
	Human Capital and Human Rights:	**N**	**N**
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could result, in financial penalties or client attrition to the issuer?	N	N
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
Governance	**Overall:**	**Y**	**R**
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
	Are there any political risks that could impact the issuer's financial position or its reputation?	N	N
	Bribery, Corruption, and Political Risks:	**N**	**N**
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
Corporate / Transaction Governance	Does the issuer's corporate structure limit appropriate board and audit independence?	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	Y	R
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N
	Corporate / Transaction Governance:	**Y**	**R**
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
	Consolidated ESG Criteria Output:	**Y**	**R**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

The Environmental factor does not affect the ratings or trend assigned to Deutsche Bank. Compared to global peers, the Bank has limited exposure to oil, gas, coal and related industries. Also, the Bank has made efforts to improve its environmental impact, namely by setting out a new fossil fuel policy under which the Bank intends to end its coal mining related business activities by 2025 at the latest. Deutsche Bank is a TCFD signatory. Deutsche Bank was part of the ECB climate risk stress-test results were published on July 8, 2022. While they did not provide detailed indications on the geographies potentially affected under the selected scenarios, participating European banks were told they need to enhance their climate risk stress testing framework.

Social

None of the social factors affect the rating or trend assigned to Deutsche Bank. The Bank is making efforts to improve its social standing through the implementation of internal bank policies on social factors such as gender diversity and work/life balance. We note that since the invasion of Ukraine, there have been increased concerns of cybersecurity attacks, which could have serious effects on a bank's franchise and earnings in event of a substantial data breach or security failure.
Although, we have no knowledge of any notable data breaches, we note that the Bank's ratings could be negatively impacted by a loss of private data that significantly impacts the Bank's franchise or its financial performance.

Governance

At this point, the Governance factor does not affect the ratings or trend assigned to Deutsche Bank. However, as a result of shortcomings in the Bank's Anti-Money Laundering (AML) framework and deficiencies in the Bank's internal control issues, the Corporate Governance subfactor is considered as relevant. This has been reflected in the Bank's risk building block grades. The Bank has made progress regarding its internal controls and AML framework, but is still subject to regulatory scrutiny, which carries the potential for a financial penalties. More recently, DB's asset manager DWS has faced allegations with regards to 'greenwashing' in the context of ESG assets. An outsized fine related to AML or other could, have an impact on ratings or trend in the future.

Deutsche Bank AG

	1		2	3	4	5
Financial Data as of 2022	**Scorecard Indicator**	**Scorecard Indicator Data**	**Scorecard Indicator Assessment**	**Scorecard Building Block (BB) Assessment**	**Grids BB Assessment**	**Combined BB Assessment**
Franchise	Adjusted Assets	965	VS	**VS**	**S**	**VS/S**
	Sovereign Rating Category	20	VS			
Earnings	Return on Equity	4.11%	M/W	**M/W**	**G/M**	**M**
	Return on Assets	0.31%	G/M			
	IBPT/Avg.Assets	0.60%	M			
Risk	Net NPLs/Net Loans	1.48%	G	**G**	**S/G**	**S/G**
	Provisions/IBPT	22.02%	S/G			
Funding & Liquidity	Sovereign-Adjusted Funding Ratio	89.0%	S/G	**S/G**	**S**	**S**
Capitalisation	Sovereign-Adjusted Capital Ratio	13.40%	S	**M/W**	**S/G**	**G/M**
	NPL/[Equity + Loan Loss Reserves]	16.27%	S/G			
	5-Year Accumulated Net Income/Total Assets	0.35%	W			

6	7			8
Overall Assessment	**Intrinsic Assessment Range (IAR)**			**Assigned IA**
S/G	AA (low)	A (high)	A	**NA**

Annual Financial Information

	For the Year Ended December 31 (IFRS)				
	2022	**2021**	**2020**	**2019**	**2018**
Balance Sheet (EUR Millions)					
Cash & Cash Equivalents*	193,239	206,970	180,852	153,429	204,217
Investments in Financial Assets	451,975	451,180	525,392	520,684	542,907
Gross Loans to Customers	486,616	473,870	433,552	435,685	415,783
Loan Loss Reserves	(4,790)	(4,754)	(4,808)	(3,990)	(4,259)
Net Lending to Customers	481,826	469,116	428,744	431,695	411,524
Total Assets	1,336,788	1,323,993	1,325,259	1,297,674	1,348,137
Deposits from Customers	536,404	519,435	492,599	495,352	482,425
Debt & Capital Lease Obligations	146,879	156,717	161,386	151,747	175,016
Total Liabilities	1,264,460	1,255,962	1,263,062	1,235,514	1,279,399
Total Equity	72,328	68,031	62,197	62,160	68,738
Income Statement (EUR Millions)					
Net Interest Income	13,650	11,154	11,526	13,749	13,316
Non Interest Income	13,006	14,149	12,442	9,301	11,354
Equity Method Results	152	98	120	110	219
Total Operating Income	26,808	25,401	24,088	23,160	24,889
Total Operating Expenses	19,784	19,562	19,880	21,777	22,809
Income Before Provisions and Taxes (IBPT)	7,023	5,839	4,208	1,384	2,081
Loan Loss Provisions	1,226	515	1,792	723	525
Irregular Income/Expenses	203	1,934	1,395	3,295	226
Net Attributable Income	5,525	2,365	495	(5,390)	267
Growth (%) - YoY Change					
Net Interest Income	22.38%	-3.23%	-16.17%	3.25%	8.36%
Total Operating Income	5.54%	5.45%	4.01%	-6.95%	-4.04%
Total Operating Expenses	1.13%	-1.60%	-8.71%	-4.52%	-5.85%
IBPT	20.28%	38.76%	204.05%	-33.49%	21.55%
Net Attributable Income	133.62%	377.78%	-109.18%	-2118.73%	-135.55%
Gross Loans & Advances	2.69%	9.30%	-0.49%	4.79%	3.88%
Deposits from Customers	3.27%	5.45%	-0.56%	2.68%	-0.29%
Earnings (%)					
Net Interest Margin	1.29%	1.22%	1.42%	1.62%	1.23%
Non-Interest Income / Total Revenue	48.52%	55.70%	51.65%	40.16%	45.62%
Cost / Income ratio	73.80%	77.01%	82.53%	94.03%	91.64%
LLP / IBPT	17.46%	8.82%	42.59%	52.24%	25.23%
Return on Avg Assets (ROAA)	0.41%	0.19%	0.05%	-0.38%	0.02%
Return on Avg Equity (ROAE)	8.12%	3.73%	0.81%	-8.38%	0.40%
IBPT over Avg RWAs	1.93%	1.71%	1.28%	0.41%	0.60%
Internal Capital Generation	7.53%	3.73%	0.81%	-8.38%	0.06%
Risk Profile (%)					
Cost of Risk	0.25%	0.12%	0.41%	0.17%	0.13%
Gross NPLs over Gross Loans	2.41%	2.52%	2.73%	2.20%	2.26%
NPL Coverage Ratio	40.89%	39.87%	40.58%	41.71%	45.24%
Net NPLs over Net Loans	1.44%	1.53%	1.61%	1.27%	1.25%
NPLs to Equity and Loan Loss Reserves Ratio	16.49%	17.76%	18.11%	15.01%	13.18%
Funding & Liquidity (%)					
Net Loan to Deposit Ratio	89.8%	90.3%	87.0%	87.1%	85.3%
Liquidity Coverage Ratio	142%	133%	145%	141%	140%
Net Stable Funding Ratio	120%	121%	NA	NA	NA
Capitalization (%)					
CET1 Ratio	13.40%	13.20%	13.60%	13.60%	13.60%
Tier1 Ratio	15.70%	15.70%	15.70%	15.60%	15.70%
Total Capital Ratio	18.40%	17.80%	17.80%	17.40%	17.50%
Leverage Ratio	4.60%	4.90%	4.80%	4.30%	4.30%

Source: Morningstar Inc., Company Documents

*Includes Loans to Banks

Rating Methodology

The applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (22 June 2023), and DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (17 May 2022), which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating Action	Rating	Trend
Deutsche Bank AG	Long Term Critical Obligations Rating	Upgrade	AA (low)	Stable
Deutsche Bank AG	Long-Term Issuer Rating	Upgrade	A	Stable
Deutsche Bank AG	Long-Term Deposits	Upgrade	A	Stable
Deutsche Bank AG	Long-Term Senior Debt	Upgrade	A	Stable
Deutsche Bank AG	Senior Non-Preferred Debt	Upgrade	A (low)	Stable
Deutsche Bank AG	Short-Term Debt	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Deposits	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Issuer Rating	Confirm	R-1 (low)	Stable
Deutsche Bank AG	Short Term Critical Obligations Rating	Confirm	R-1 (middle)	Stable

Ratings History

Issuer	Obligation	Current	2022	2021	2020	2019
Deutsche Bank AG	Long Term Critical Obligations Rating	AA (low)	A (high)	A (high)	A (high)	A (high)
Deutsche Bank AG	Long-Term Issuer Rating	A	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Deposits	A	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Senior Debt	A	A (low)	A (low)	A (low)	A (low)
Deutsche Bank AG	Senior Non-Preferred Debt	A (low)	BBB (high)	BBB (high)	BBB (high)	BBB (high)
Deutsche Bank AG	Short-Term Debt	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Deposits	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Issuer Rating	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short Term Critical Obligations Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Previous Actions

- DBRS Morningstar Upgrades Deutsche Bank's Long-Term Issuer Rating to 'A', Stable trend, June 29, 2023
- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Changed to Positive, July 1, 2022
- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Changed to Stable, July 1, 2021
- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Remains Negative, July 3, 2020.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Still Negative. March 29, 2019.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Revised to Negative, May 9, 2018.
- DBRS Harmonises its Ratings Nomenclature for Banks in Europe and Asia-Pacific, July 14, 2017.
- DBRS Confirms Deutsche Bank's A (low) Issuer Rating, Trend Revised to Stable, June 7, 2017.

Related Research

- Can EU Banks Maintain Deposit Rates at Current Levels? A Test for European Banks' Structural Profitability, June 20, 2023
- European Capital Market Revenues Sound, But Lower In Q1; Debt Underwriting Recovery on Pause, May 10, 2023
- European Banks' Cost of Risk Remained Low In 2022; But With Signs of Deterioration, April 20, 2023
- 2023 European Capital Markets Outlook Unchanged; Heightened Volatility Should Boost Trading Even Further, March 23, 2023
- Credit Suisse's AT1 Controversy Unlikely Outside Switzerland, March 22, 2023

Previous Reports

- Deutsche Bank AG: Rating Report, July 19, 2022
- Deutsche Bank AG: Rating Report, July 16, 2021
- Deutsche Bank AG: Rating Report, July 20, 2020
- Deutsche Bank AG, Rating Report, May 20, 2019
- Deutsche Bank AG: Rating Report, May 21, 2018
- Deutsche Bank AG: Rating Report, June 14, 2017.

European Bank Ratios & Definitions

- Bank Ratio Definitions, 14 March 2022

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.

MORNINGSTAR | DBRS

The DBRS Morningstar group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(EU CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(UK CRA, NRSRO affiliate, DRO affiliate). DBRS Morningstar does not hold an Australian financial services license. DBRS Morningstar credit ratings, and other types of credit opinions and reports, are not intended for Australian residents or entities. DBRS Morningstar does not authorize their distribution to Australian resident individuals or entities, and accepts no responsibility or liability whatsoever for the actions of third parties in this respect. For more information on regulatory registrations, recognitions and approvals of the DBRS Morningstar group of companies, please see: https://www.dbrsmorningstar.com/research/225752/highlights.pdf.

The DBRS Morningstar group of companies are wholly-owned subsidiaries of Morningstar, Inc.