FitchRatings

Banks
Universal Commercial Banks
Germany

Deutsche Bank's Trading and Interest Income Drive Solid 1H26 Results

Credit Comment

Deutsche Bank AG's (DB) solid operating profit/risk-weighted assets (RWAs) of 3.1% in 1H26 compared well with other European global trading and universal banks (GTUBs) and is on track to match or slightly exceed our 2.8% forecast for 2026. We expect DB to continue to progress toward its 2028 targets if market conditions remain supportive. Operating profit growth remained broad-based, with the private bank (PB), investment bank (IB) and asset management (AM) all rising about 17% year-on-year. Corporate bank (CB) operating profit was down 4%.

Revenue rose 5% amid strong capital market activity and an 11% rise in net interest income (NII) in the PB, driven by a steadily improving net interest margin and moderate deposit growth. In the CB and in the IB's fixed income and currencies (FIC) financing business, robust volume growth offset moderate margin pressure. Together with the structural hedge portfolio's rising contribution driven by a favourable reinvestment rate, this drove the group's 17% NII increase.

Strong FIC Franchise Makes Up for Lack of Equity Trading and Prime Brokerage

The IB's revenue was up 8% despite DB's lack of equity and commodities trading and prime brokerage businesses, where peers performed strongly. FIC trading revenue rose 8% from a strong 1H25, as moderate volatility and exceptionally strong demand supported rates and credit trading, notably for distressed products, in 2Q26. Its FIC franchise is leading among European GTUBs, with revenue between 60% and 300% higher than those of its direct peers.

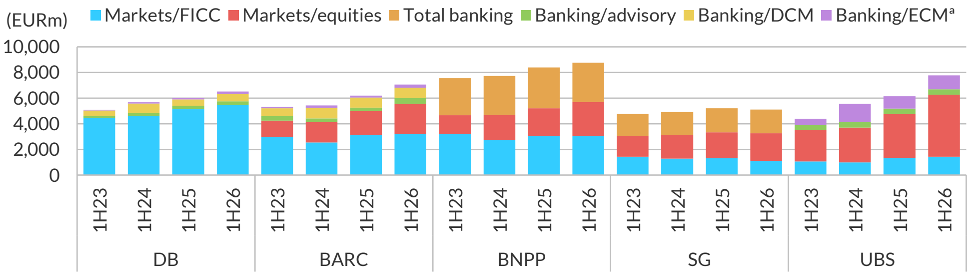
DB's smaller origination and advisory (O&A) business (16% of IB revenue) benefitted from strong primary market activities, particularly driven by large US equity origination transactions in 2Q26, in line with peers. Its leading German corporate and institutional franchise and ongoing investments in O&A should support further revenue growth, albeit on a moderate scale.

Medium-Term Revenue Growth Opportunities in Germany

The German government's plans to reform the country's pension and health insurance systems progressed significantly in the past few weeks. This should gradually provide the PB and AM with additional growth potential from 2027, while the CB and the IB should start benefitting from the macro-economic stimulus of the government's large fiscal spending programme.

Longer term, DB could be among the main beneficiaries of the European Commission's recent regulatory simplification proposals, if these are implemented, especially if RWA inflation from risk-weighting of SME lending and from the output floor are less punitive than expected so far.

DB's IB Revenue Grows in Line with Peers



[a] UBS: includes ECM and DCM
Source: Fitch Ratings, Fitch Solutions, banks

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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