Rating Report
Deutsche Bank AG

DBRS Morningstar
20 July 2020

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 (low)	Confirmed July '20	Negative
Short-Term Issuer Rating	R-1 (low)	Confirmed July '20	Stable
Intrinsic Assessment	A (low)	Confirmed July '20	--

Rating Drivers

Factors with Positive Rating Implications

- Given the uncertainty created by the COVID-19 pandemic, a rating upgrade is unlikely. A trend reversal to Stable would require the Bank to demonstrate continued progress in executing the transformation plan, including further improvement in internal controls and a return to sustainable profitability.

Factors with Negative Rating Implications

- The ratings would be downgraded in case of a sustained revenue decline or material market share losses in the Bank's core businesses, or materially higher than anticipated credit losses. Significant challenges in executing the strategy within the indicated time-frame, or any unexpected events that negatively impact the Bank's financial position or its reputation could also lead to a downgrade.

Rating Considerations

Franchise Strength (Good)

- The franchise combines three global businesses, the Investment Bank, the Corporate Bank, and Asset Management with a sizable German Retail business.

Earnings Power (Moderate)

- DB's profitability has been challenged in recent years. While progress has been made on the cost side, earnings pressure is expected to continue over the near to medium-term due to the low rate environment, and, more recently, COVID-19 related effects.

Risk Profile (Good)

- DBRS Morningstar generally views the credit risk and market risk management as conservative. Operational risk has improved with settlements and improving controls, but several cases are still pending and the Bank has to demonstrate more progress in its AML risk management.

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)

- The regulatory risk-adjusted capital is solid. However, limited internal capital generation is a constraining factor.

Financial Information

Deutsche Bank AG	2019Y	2018Y	2017Y	2016Y	2015Y
EUR Millions					
Total Assets	1,297,674	1,348,137	1,474,732	1,590,546	1,629,130
Equity Attributable to Parent	60,522	67,170	67,849	64,502	67,353
Income Before Provisions and Taxes (IBPT)	173	1,905	1,872	1,168	957
Net Attributable Income	(5,390)	267	(751)	(1,402)	(6,794)
IBPT over Avg RWAs (%)	0.05	0.55	0.53	0.30	0.23
Cost / Income ratio (%)	99.25	92.47	92.93	95.95	97.13
Return on Avg Equity (ROAE) (%)	-8.36	0.40	-1.10	-2.11	-9.31
Gross NPLs over Gross Loans (%)	2.16	2.20	1.52	1.76	1.81
CET1 Ratio (Fully-Loaded) (%)	13.60	13.60	14.03	11.80	11.12

Source: DBRS Morningstar Analysis; Copyright © 2020, S&P Global Market Intelligence.

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

DB's ratings take into consideration Deutsche Bank's global franchise, including a strong position within Germany, its well managed credit and market risk profiles, and solid balance sheet fundamentals. It also incorporates the progress made in de-risking the Bank in recent years. The ratings are constrained by DB's still very weak profitability, the remaining work required in completing the Bank's ambitious transformation plan, and the Bank's need to further improve internal controls and processes.

The Negative trend reflects DBRS Morningstar's view that the wide scale of economic disruption caused by the Coronavirus (COVID-19) pandemic is negatively affecting the Bank's operating environment, and this is likely to adversely affect the Bank's earnings generation and risk profile.

Franchise Strength

Grid Grade: Good

With total assets of EUR 1.5 trillion at end-Q1 2020, DB is one of the largest financial institutions globally and has a well-established global franchise across diverse products and geographies. In July 2019 DB announced a strategic transformation programme, which DBRS Morningstar considers to be a continuation of the Bank's existing efforts to become a smaller, more focused, less risky and more efficient bank, albeit at a faster pace. With the Investment Bank shrinking further, and the revenue contribution from traditional banking in Germany increasing proportionately, we expect the Bank to report more stable earnings going forward.

DB has been shifting focus toward being a more European-focused Investment Bank (IB) with key strengths in rates, foreign exchange markets and debt underwriting as well as a Corporate Bank (CB), with a strong competitive position in global transaction banking among others, combined with a Private Bank (PB) and a leading asset manager. The Bank's current business mix results in about 37% of revenues generated within the IB, 21% in the Corporate Bank (CB), 40% within PB, and 8% within Asset Management (AM) (see Exhibit 1).

Exhibit 1 Segment Net Revenues - 2019

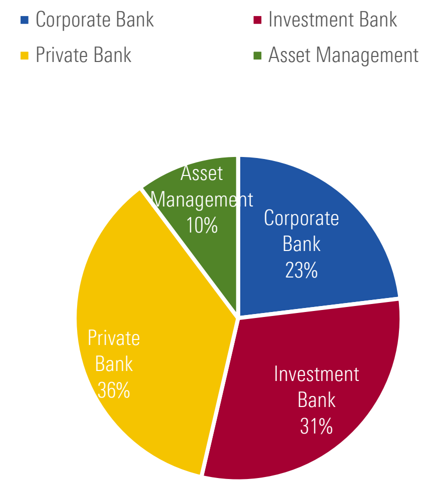
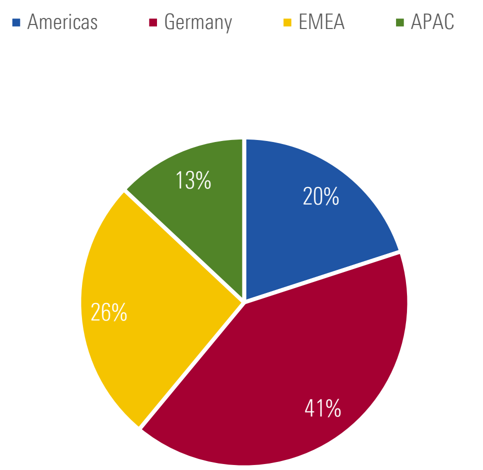


Exhibit 2 Geographic Distribution Net Revenues - 2019



Source: DBRS Morningstar, Company Documents.

In the aftermath of the financial crisis, DB has been facing the challenge of balancing the need to de-risk its balance sheet and improve profitability, while also investing in the franchise. However, progress has been slow especially with regards to profitability, and the Bank's competitive position in the Investment Bank was eroding. In response, in July 2019 the Bank announced far-reaching strategic changes with the following key highlights:

- Creation of a separate 'Corporate Bank' by combining the Global Transaction Bank and the German Commercial Banking business.
- Exit of the Equities Sales & Trading business and reduction of the amount of capital used by the Fixed-Income Sales & Trading business, in particular Rates.
- Creation of a 'Capital Release Unit' (CRU) to which the Bank initially transferred approximately EUR 288 billion of non-core assets, or about 20% of DB's leverage exposure, and 74 billion euros of risk weighted assets (RWA) for wind-down or disposal.
- Funding the transformation mainly through the capital release as the CRU is winding down and maintain a minimum Common Equity Tier 1 ratio of 12.5%.
- Leverage ratio to increase to 4.5% in 2020 and approximately 5% from 2022 onwards.
- Reduction of adjusted costs by 2022 by approximately EUR 6 billion to EUR 17 billion.
- Target Return on Tangible Equity of 8% by 2022.
- Investments of EUR 13 billion in technology by 2022, to improve efficiency and products and services.

Over the past 12 months DB has laid out clear interim targets and has executed on these targets. Due to COVID-19, near-term profitability targets will be missed as a result of higher provision needs. The Bank also expects to temporarily dip below it internal CET1 ratio target of 12.5%. However, DBRS Morningstar does not view the restructuring programme itself to be in jeopardy, and believes that DB is better positioned to face the current crisis as a result of the restructuring efforts to date.

Investment Bank (IB) – Net Revenues of EUR 7.0 billion in 2019

Contributing 37% of 2019 net revenues, the IB is a sizable and important global business for DB. In 2019, the IB business underwent a major strategic repositioning, including a more focused business profile, enhanced risk management, cost cutting and technology investments. In an unprecedented move by a full-service investment bank, DB exited the scale-driven Equity Sales & Trading business and put its Prime Brokerage business up for sale in order to focus on its core fixed income franchise. DB also tightened its risk management in Fixed Income Currency Sales & Trading (FIC) as well as its costs controls. FIC is DB's most important revenue contributor in the IB and the Bank is targeting a top-five position globally and a top-three position in EMEA. This will require continuous investment in technology. DBRS Morningstar is carefully monitoring the Bank's revenue and market share performance in this segment. In Origination and Advisory the Bank's goal is to increase its market share in Debt Origination in 2020.

Corporate Bank (CB) - Net revenues of EUR 5.3 billion in 2019

Following the strategic transformation announcement in July 2019, DB created a separate corporate banking segment, which consolidated various client-facing coverage and service units into one. This includes DB's Global Transaction Banking as well as Commercial Banking. GTB is a leading provider of cash management, trade finance and securities services globally to corporates and financial institutions, including domestic and cross-border payments, risk mitigation, international trade finance as well as trust, agency, depositary, custody and related services. In its Commercial Bank, the focus is on Germany, where DB services 900,000 clients from large multinationals to SMEs.

Private Bank (PB) – Net Revenues of EUR 8.2 billion in 2019

PB includes German Retail Banking under the Deutsche Bank and the Postbank brand, the Private and Commercial Business International as well as Wealth Management, which serves domestic and international customers. DB has a Private & Commercial banking presence in Italy, Spain, Belgium, Portugal and India. The Private Bank accounted for 36% of 2019 consolidated net revenues. DB is in the process of integrating Postbank into its Retail Bank, with expected synergies of EUR 900 million annually by 2022. The Retail Bank has 19 million retail clients in Germany, benefitting from scale and increased digital investments. Within its Wealth Management business, DB serves wealthy, high-net-worth and ultra-high-net-worth individuals and families. Services include wealth structuring, wealth transfer, philanthropy services, customized investment solutions, investment advice, and financing solutions. DB can also meet a client's institutional and corporate needs in collaboration with the Investment Bank.

Asset Management (AM) - Net Revenues of EUR 2.3 billion in 2019

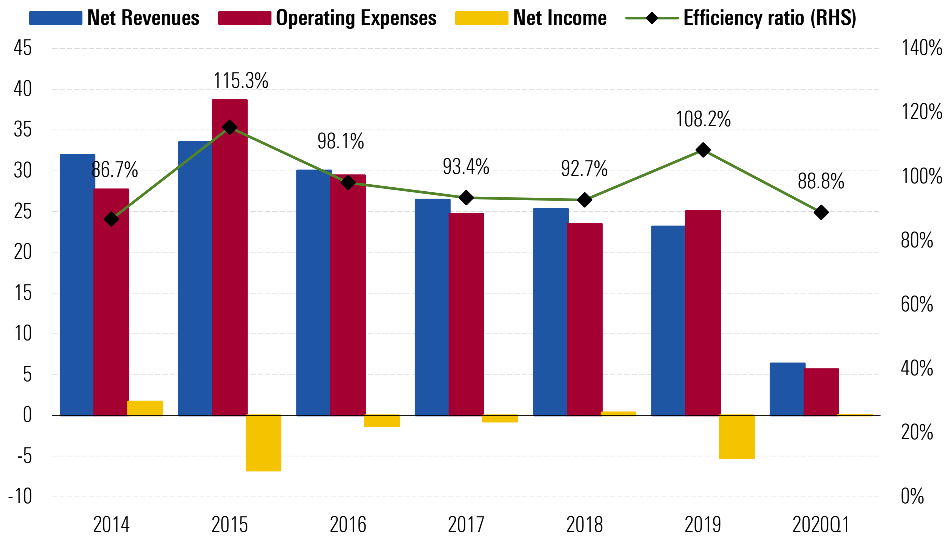
DB has a sizable Asset Management business which ranked #17 globally as of 2019. With EUR 768 billion in assets under management (AUM) at the end of 2019, AM remains a core business for the Bank. Traditionally, asset management had been a stable, high margin business with low capital needs. However, in recent years, competitive pressure has increased and the industry has experienced margin erosion. As a result, efficiency gains through digitalisation, cost cuts and strategic alliances are being pursued by this division. In March 2018, AM completed its initial public offering, branded as DWS, and is now listed on the Frankfurt stock exchange. While DBRS Morningstar views the partial IPO as ceding a portion of earnings and adding complexity to the structure, it also provides the business with greater strategic options.

Earnings Power

Grid Grade: Good/Moderate

DB's profitability has been significantly challenged in recent years. Revenues have been adversely affected by the low interest rate environment, low levels of client activity, and the refocusing of businesses. Constrained by heavy fines and low capital levels, DB has also had less flexibility to invest in its franchise compared to peers. This, as well as doubts about the viability of the business model, resulted in a loss of market share, notably in the investment bank. For a long time, expense reductions were the main driver in the effort to restore profitability. The restructuring plan announced in July 2019 along with a clear path on how to finance it, appears to have restored confidence in DB's strategy and first results point to a stabilisation of revenues and client relationships.

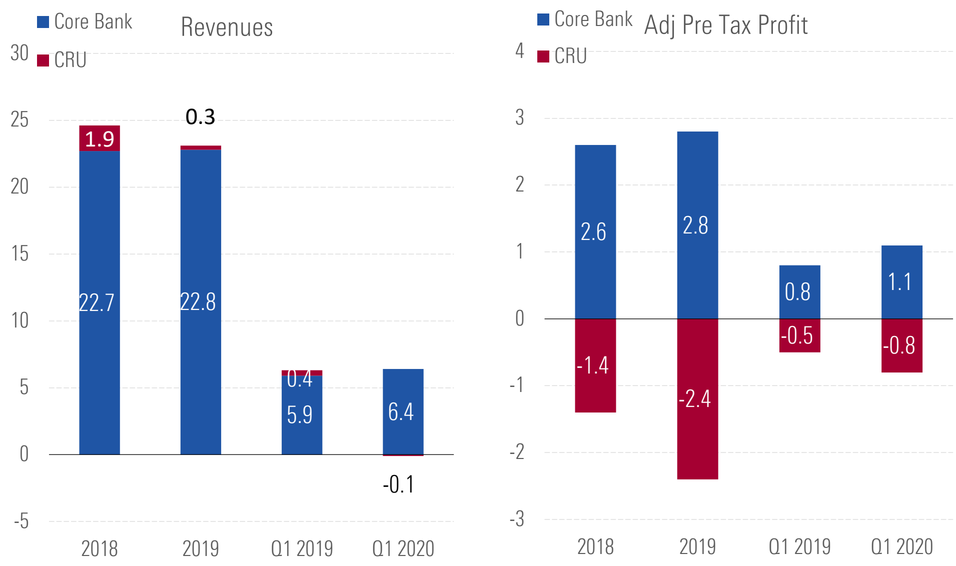
Exhibit 3 Profitability Evolution (EUR billion)



Source: DBRS Morningstar, Company Documents.

Given that EUR 250 billion in assets (19% of leverage exposure) were transferred to the CRU and the substantial transformation costs that are being incurred, DB breaks out core banking results (excluding CRU and transformation costs). The capital impact from the transformation costs is expected to be largely funded through the capital release as the CRU is being wound down. For the core bank, DB had laid out an expected revenue growth path for each business segment. However, due to the challenges from COVID-19 revenues and profits are likely to be affected in different ways. At this point there is too much uncertainly to predict a clear trajectory. Therefore, when evaluating profitability, DBRS Morningstar will take into consideration DB's performance relative to peers as well as areas that the Bank has more control over, such as progress in general cost cutting and the wind-down of the CRU.

Exhibit 4 Core Banking Performance (EUR billion)

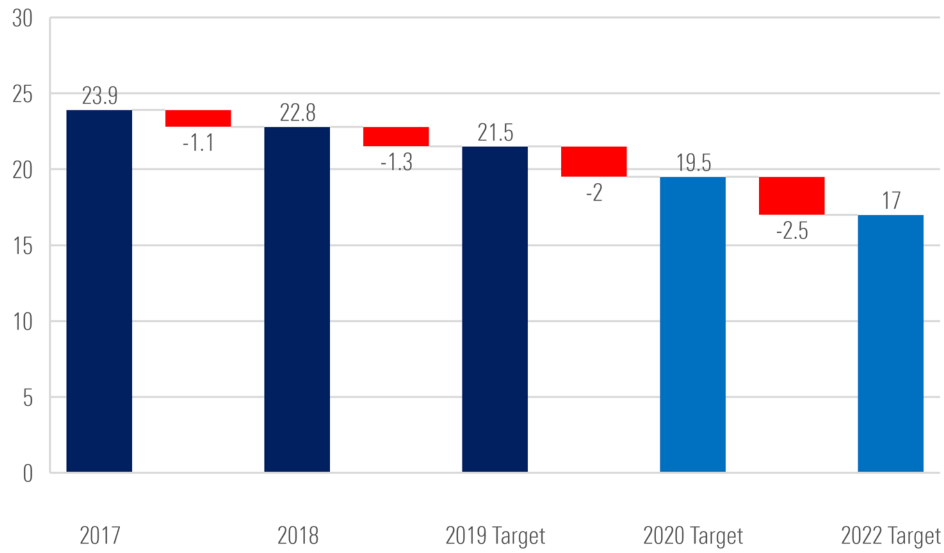


Source: DBRS Morningstar, Company Documents.

In Q1 2020, DB reported a small profit of EUR 66 million as a result of strong performance at the Investment Bank, offset by higher provisioning needs and restructuring costs. The impact from COVID-19 on first quarter earnings has been mainly in the form of higher trading and debt origination revenues, higher loan loss provisions as well as balance sheet expansion resulting in a decline in liquidity and capital metrics. Q1 2020 core revenues (excluding the Capital Release Unit) increased by 7% YoY to EUR 6.4 billion, adjusted profit before tax was EUR 303 million for the quarter, up 13% YoY (reported profit before tax: EUR 206 million). The higher revenues were driven by a 15% increase in the Investment Bank (excluding specific items), which benefited from the volatility in the FX and rates markets, partly offset by weakness in credit trading. On the cost side, the Bank remained on track, reducing adjusted costs by 4% YoY to EUR 4.8 billion. The Bank provisioned EUR 506 million for credit losses or 0.44% of total loans (annualised), up from 0.17% a year earlier, of which approximately 50% was due to COVID-19.

Cost control has been a key focus for Deutsche Bank. Despite a continuous reduction in adjusted costs, the efficiency ratio is still very high as shown in Exhibit 3, as 2019 and Q1 2019 results have been negatively affected by transformation charges. However, at this point 73% of transformation-related expenses have been absorbed. In terms of adjusted costs, around half of the 2020 cost target can be achieved through measures taken in 2019 and further headcount reductions are being implemented. DBRS Morningstar does not anticipate major disruptions from COVID-19, as a significant amount of reductions had been pre-negotiated with DB's works council. The current headcount stands at 86,667 compared to the 2022 goal of 74,000.

Exhibit 5 Adjusted Costs ex Transformation Charges (EUR billion)



Source: DBRS Morningstar, Company Documents.

DBRS Morningstar expects the economic impact from COVID-19 to become more visible in coming quarters, affecting each segment differently. At this point, DB expects full-year 2020 revenues to be roughly flat YoY, as weaker revenues in the second half of the year, especially in the Corporate and the Private Bank, are likely to offset the stronger results from the Investment Bank during the first two quarters. In terms of loan loss provisions, DB reiterated its guidance of 35 to 45 basis points (bps) of total loans, with a peak of approximately EUR 800 million in Q2 2020.

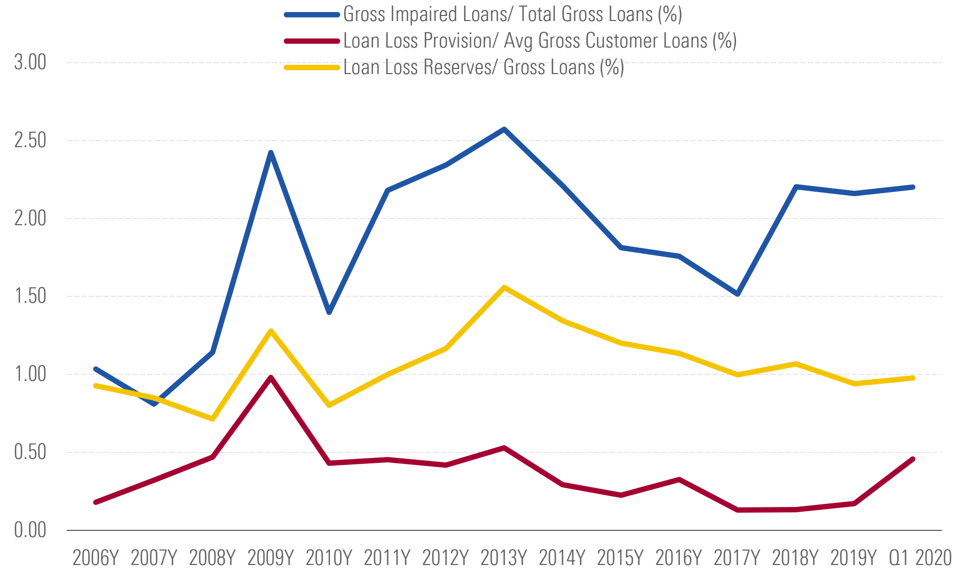
Risk Profile

Grid Grade: Good

In DBRS Morningstar’s view, DB has maintained a good credit risk profile and managed its market risk well, although operational risk issues persist. Following years of de-risking, DB's market risks and operational risk have declined relative to credit risk. Both operational risk and market risk can still potentially cause significant disruptions, however, the current COVID-19 pandemic is more likely to increase credit risk over the short- and medium-term. At the end of Q1 2020, credit risk weighted assets (RWAs) were EUR 238 billion compared to total RWSs of EUR 341 billion.

Historically, DB's credit performance has been strong 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. Through the Postbank acquisition, the Bank has also added a large proportion of low risk German residential mortgage loans to the portfolio.

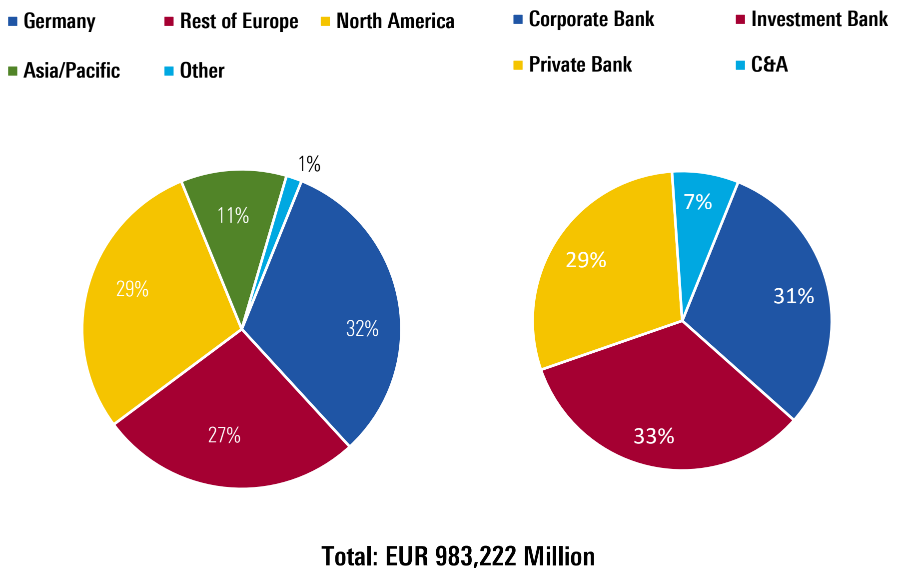
Exhibit 6 Credit Risk - 2006 - Q1 2020



Source: DBRS Morningstar, S&P Global Market Intelligence

Geographically, the Bank's credit exposures are in Germany (32%), North America (29%), and Rest of Europe (27%). 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 by credit line as shown in the exhibit below.

Exhibit 7 Total Credit Exposure by Geography & Business - FY2019 (%)



Source: DBRS Morningstar, Company Documents.

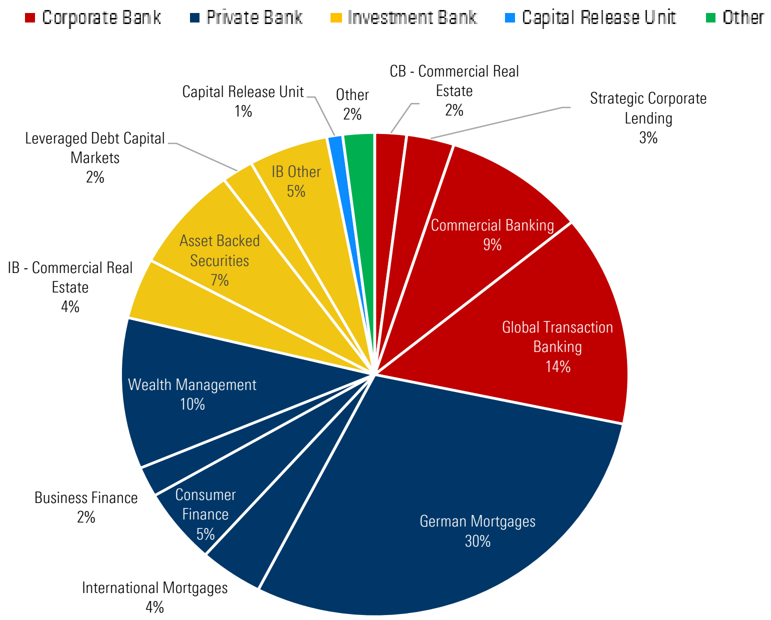
Given the global reach of the pandemic and the large scale of the real economy affected, DBRS Morningstar expects banks' asset quality to deteriorate. However, diversification, tight underwriting standards, risk mitigation measures as well as government programmes should help mitigate some of the impact.

The German government, corporations and consumers have all entered the crisis in good financial health as demonstrated by relatively low debt levels in all three sectors of the economy. Government measures supporting corporations and private households have been implemented swiftly. However, for some sectors the recovery will be more challenging. We also note, that the German economy is highly export dependent and therefore affected by supply chain disruptions and demand in foreign markets.

At the end of Q1 2020, DB's loans at amortised costs were EUR 459 billion, up from EUR 434 billion in Q4 2019, as commercial customers drew on their credit lines. Some of these lines have been refinanced in the interim. As shown in the chart below, DB's portfolio is highly granular. In addition, there are a number of risk mitigating measures such as collateralisation and hedges in place, which according to the bank cover 68% of the loan exposure. Approximately 11% of DB's loan book pertains to sectors that could be experiencing increased stress as a result of COVID-19. CRE constitutes the biggest sub-segment at EUR 33 billion or 6% of total loans. Exposure to hotels is EUR 5 billion and according to the Bank mitigated by low LTVs and strong sponsors. In oil and gas, the Bank sees its EUR 8 billion exposure mitigated by a focus on major investment grade companies and limited exposure to high cost producers. Similarly, in retail DB concentrates on investment grade names with limited exposure to non-food.

Other areas that could experience increased credit risk are the Bank's ABS portfolio, leveraged loans, the underwriting pipeline and consumer loans. The ABS portfolio is EUR 31 billion and the leveraged debt capital markets (LDCM) portfolio is EUR 11 billion (2% of loans), consisting of unfunded commitments to a broad set of clients (mainly cash flow based lending in 1st lien senior secured or super senior positions). DB, like other investment banks also has a significant underwriting pipeline of EUR 19 billion, mostly in corporate investment grade debt (EUR 8.4 billion), CRE (EUR 3.4 billion) and leveraged debt (EUR 4 billion), The portfolio is largely hedged against market risk, but the Bank has noted there could be some delays in selling down certain positions in CRE and LDCM due to COVID-19. The Bank also has a EUR 7 billion consumer loan book in Northern Italy. While this is the wealthier part of Italy, it has also been most affected by COVID-19.

Exhibit 8 Loan Portfolio Breakdown - Q1 2020



Source: DBRS Morningstar, Company Documents.

In Q1 2020 DB provisioned EUR 506 million for credit losses, or 44 bps (annualised) of total loans, up significantly from 13 bps a year earlier. During the first quarter, provisioning was mainly related to a general deterioration of the economic environment. The Bank expects to see a more noticeable increase in Stage 3 loans in coming quarters and has guided towards EUR 800 million of credit provisions for 2Q 2020. The second quarter is expected to represent a peak, and the overall guidance for the year is 35-45 bps of total loans. At the end of Q1 2020 the loan loss reserves represented 0.98% of total loans. While provisioning appears lower at Deutsche Bank than its peers, we note that it is in line with their historical loss experience and comparable to banks with similar small exposures to unsecured consumer lending.

Market risk

In late 2018 and early 2019 DB underperformed its peers in sales and trading (S&T), among others due to weaknesses in Equities and its Rates business. The Bank has since discontinued Equites S&T and has addressed deficiencies in its FICC business. For Q1 2020 the Bank noted some negative valuation adjustments to credit positions due to COVID-19 related market disruptions, but overall, DBRS Morningstar believes that market risk has been well managed. As to be expected in a volatile market environment, VAR has increased since the onset of COVID-19, but stayed well below the Bank's stressed scenarios.

Operational Risk

DB has been adversely impacted by conduct risk issues, which have had a significant financial and reputational impact. Over the past years, the Bank has made considerable progress in addressing these issues and remaining legal issues are less material in terms of financial impact than in the past. However, operational risks remains a concern, given the limited flexibility the Bank has to absorb these risk due to its low profitability.

Currently, compliance with anti-financial crime appears to be biggest outstanding task with regulators in the US, the UK and Germany. The Bank has invested considerable amounts of resources in technology and staff, significantly increasing the number of names screened and conversations monitored on a daily basis. However, more work needs to be done on collecting necessary data from individual clients.

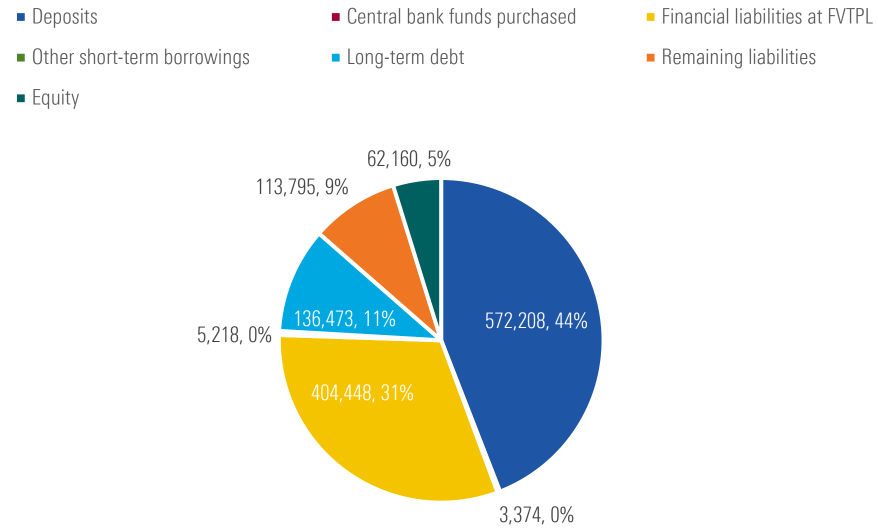
Funding and Liquidity

Grid Grade: Strong

DB maintains a sound liquidity profile and has a comprehensive framework in place to manage its liquidity and funding needs. This 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. In the recent past, DB has improved its stress test methodology, rolled out a company-wide funds transfer pricing model to optimise allocation decisions and is running daily T+1 liquidity risk and LCR reporting.

The Bank's deposit franchise continues to support the funding profile, with EUR 572 billion of deposits as of end-2019. The Bank's organic deposit customer growth has been solid in recent years and core deposits fund the Bank's entire loan portfolio. Deposits are sourced through the Private Bank, including Postbank and wealth management, as well as through transaction banking. Given the negative interest rates, the Bank has tried to slow down deposit growth, by passing on the negative rates to customers, mostly corporate deposits, but also on large balances of select retail clients.

Exhibit 9 Liability Structure - 2019



Source: DBRS Morningstar, Company Documents.

The Bank reported liquidity reserves of EUR 222 billion at the end of 2019 and a strong liquidity coverage ratio (LCR) of 141%. Due to COVID-19 related drawdowns during Q1 2020 these numbers dropped to EUR 205 billion and 133% respectively. The LCR ratio was still comfortably above the 100% minimum and compares favorably to peers. Due to the higher loan demand, the Bank has temporarily lowered its internal targets of above EUR 200 billion for its liquidity reserve and 130% for its LCR ratio. The liquidity impact from drawdowns was lower than internal stress model predicted and many customers have refinanced their credit lines.

DB also calculates a stressed net liquidity position (sNLP). Key differences between this internal liquidity stress test and LCR include a different time horizon (eight weeks versus 30 days) and different in- and outflow assumptions. As of year-end 2019, DB reported a sNLP of EUR 28.1 billion, down from EUR 48.1 billion in 2018, but well above the minimum risk appetite of EUR 10.0 billion and in line with its desire to lower excess liquidity.

In response to COVID-19 the ECB has made available various low rate funding options to Euro zone banks. DB has taken advantage of Targeted Long-Term Refinancing Operation (TLTRO) options in the past, and so far, has participated with EUR 30 billion in the current TLTRO III programme.

Capitalisation

Grid Grade: Good/Moderate

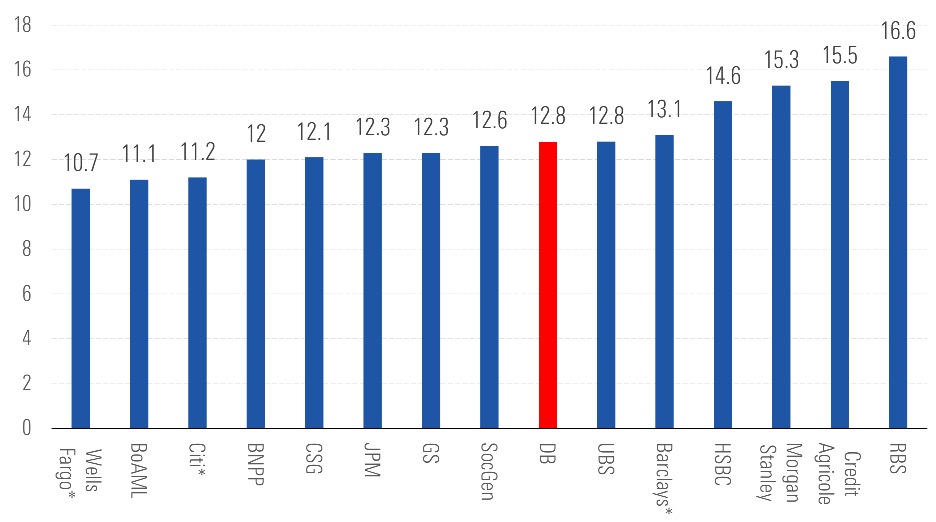
DBRS Morningstar views DB's capitalisation as providing a sufficient cushion to absorb potential losses and changes to risk weighted assets (RWAs). While the Bank's fully-loaded Common Equity Tier 1 (CET1) ratio is comparable to larger global peers, its leverage ratio remains at the lower end of the peer group (see Exhibit 10 and 11). DBRS Morningstar sees DB’s ability to generate capital internally as constrained due to its profitability challenges. DBRS Morningstar also sees the Bank as having limited flexibility to further raise capital externally given three capital raises in past years (EUR 2.8 billion in April 2013, EUR 8.5 billion in June 2014, and EUR 8 billion in April 2017) and the Bank's weak stock performance.

Similar to other banks, DB's capital ratios declined during the quarter, with the CET1 ratio dropping by 79 bps (basis points) to 12.8%. About 30 bps was due to the new securitisation framework, 10 bps due to regular business growth and 40 bps due to COVID-19, which the bank attributed to drawdowns on credit facilities, an increase in capital deductions from Prudent Valuation adjustments and higher credit RWAs for derivatives. Regulators have lowered capital requirements for banks in order to facilitate continued lending during the COVID-19 crisis. For DB, the temporary capital relief is 114pbs, resulting in a 240 bps buffer above regulatory requirements. Given the current challenges DBRS Morningstar views a buffer of 240 bps as appropriate.

The Bank’s fully-loaded leverage ratio was low at 4.0%, and declined 20 basis points (bps) QoQ and 10 bps YoY, although it remains above the regulatory minimum requirement by around 100 bps. During Q1 2020, the total capital ratio dropped by 85 bps, reducing the buffer to 155 bps and prompting the Bank to issue EUR 2.0 billion in Tier 2 capital. Following the issuance the pro-forma buffer for Q1 2020 increased to 192 bps.

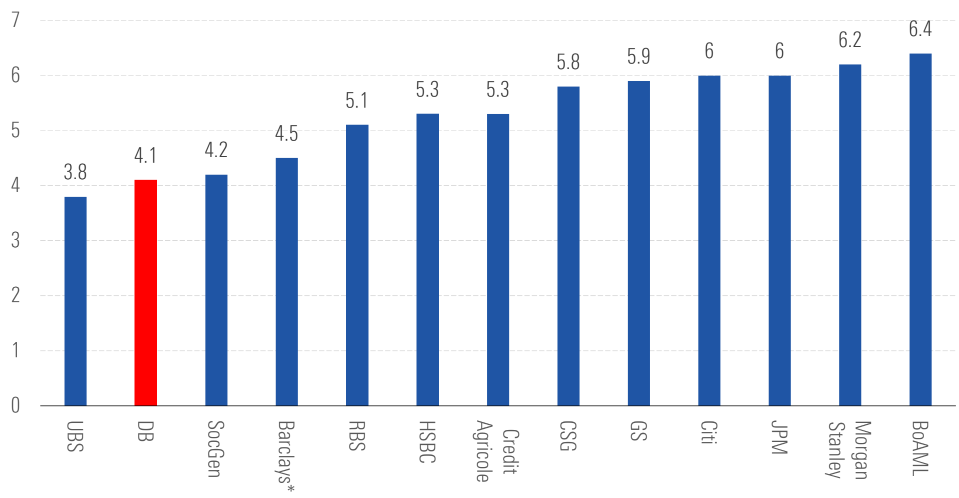
As a result of the COVID-19 pandemic, DB announced that it might temporarily dip below 2020 targets for both CET1 and leverage ratios, which were originally 12.5% and 4.5%, respectively. The Bank has, however, reaffirmed its CET 1 and Leverage ratio targets of at least 12.5 % and ~5 % in 2022. As of Q1 2020, DB had a EUR 18 billion buffer over its EUR 95 billion minimum requirement for own funds and eligible liabilities (MREL) requirements and a EUR 34 billion buffer over its EUR 75 billion total loss absorbing (TLAC) requirement.

Exhibit 10 Fully Loaded CET1 Versus Peers Ratio (%) - Q1 2020



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

Exhibit 11 Leverage Ratios Versus Peers (%) - Q1 2020



Source: DBRS Morningstar, Company Documents; *UK Leverage Ratio.

	Deutsche Bank AG	**Deutsche Bank AG**	**Deutsche Bank AG**	**Deutsche Bank AG**	**Deutsche Bank AG**
EUR Millions	2020Q1	2019Y	2018Y	2017Y	2016Y
Balance Sheet	31/03/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Cash and Deposits with Central Banks	135,417	147,228	197,612	234,920	192,970
Lending to/Deposits with Credit Institutions	NA	6,201	6,605	12,838	13,276
Financial Securities	690,793	237,106	286,792	336,845	330,974
Financial Derivatives Instruments	NA	335,711	323,086	364,185	488,666
Net Lending to Customers	454,518	444,048	422,986	407,225	419,090
- Gross Lending to Customers	459,000	448,066	427,233	411,146	423,636
- Loan Loss Reserves	4,482	4,018	4,247	3,921	4,546
Investment in Associates or Subsidiaries	916	929	879	866	1,027
Total Intangible Assets	6,997	7,029	9,141	8,839	8,982
Fixed Assets	4,802	4,930	2,421	2,663	2,804
Insurance Assets	NA	NA	NA	NA	NA
Other Assets (including DTAs)	197,760	114,492	98,615	106,351	132,757
Assets	1,491,203	1,297,674	1,348,137	1,474,732	1,590,546
Deposits from Banks	NA	76,856	81,980	98,041	NA
Deposits from Central Banks	NA	NA	NA	NA	NA
Deposits from Credit Institutions	NA	NA	NA	NA	NA
Deposits from Customers	NA	495,352	482,425	483,832	NA
Issued Debt Securities	NA	225,275	278,813	326,254	324,690
Issued Subordinated Debt	9,588	9,280	10,312	13,590	14,135
Financial Derivatives Instruments	NA	317,937	303,409	344,020	468,451
Insurance Liabilities	464	544	512	574	592
Other Liabilities	1,417,791	110,271	121,949	140,322	717,859
Equity Attributable to Parent	61,725	60,522	67,170	67,849	64,502
Minority Interests	1,635	1,638	1,568	250	316
Liabilities & Equity	1,491,203	1,297,675	1,348,137	1,474,732	1,590,546

	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG
EUR Millions	2020Q1	2019Y	2018Y	2017Y	2016Y
Income Statement	31/03/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Interest Income	5,467	25,149	24,793	23,542	25,143
Interest Expenses	2,216	11,400	11,601	11,164	10,436
Net Interest Income	3,251	13,749	13,192	12,378	14,707
Net Fees and Commissions	2,439	9,520	10,039	11,002	11,744
Results from Financial Operations	580	-179	1,148	2,852	744
Equity Method Results	15	110	219	137	455
Net Income from Insurance Operations	NA	3	3	4	-285
Other Operating Income	65	-40	713	111	1,462
Total Operating Income	6,350	23,163	25,314	26,484	28,827
Staff Costs	2,689	11,142	11,814	12,253	11,874
Other Operating Costs	2,932	9,543	10,070	10,983	14,525
Depreciation/Amortisation	NA	2,305	1,525	1,376	1,260
Total Operating Expenses	5,621	22,990	23,409	24,612	27,659
Income Before Provisions and Taxes (IBPT)	729	173	1,905	1,872	1,168
Loan Loss Provisions	506	723	525	525	1,383
Securities & Other Financial Assets Impairmen	0	0	0	37	42
Other Impairments	NA	2,086	51	82	1,409
Other Non-Operating Income (Net)	-17	2	1	0	856
Income Before Taxes (IBT)	206	-2,634	1,330	1,228	-810
Tax on Profit	141	2,630	989	1,963	546
Discontinued Operations	0	0	0	0	0
Other After-tax Items	0	0	0	0	0
Minority Interest	23	125	75	15	45
Net Attributable Income	43	-5,390	267	-751	-1,402

Source: DBRS Morningstar Analysis, Copyright © 2020, S&P Global Market Intelligence.

.

	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG
	2020Q1	2019Y	2018Y	2017Y	2016Y
Earnings Power					
Earnings					
Net Interest Margin (%)	1.06	1.08	1.03	0.89	0.96
Yield on Average Earning Assets (%)	1.78	1.98	1.93	1.69	1.64
Cost of Interest Bearing Liabilities (%)	0.75	0.94	0.97	0.86	0.73
IBPT over Avg Assets (%)	0.21	0.01	0.13	0.12	0.07
IBPT over Avg RWAs (%)	0.88	0.05	0.55	0.53	0.30
Expenses					
Cost / Income ratio (%)	88.52	99.25	92.47	92.93	95.95
Operating Expenses by Employee	259,430	262,452	255,175	252,340	277,300
LLP / IBPT (%)	69.41	417.92	27.56	28.04	118.41
Profitability Returns					
Return on Avg Equity (ROAE) (%)	0.28	-8.36	0.40	-1.10	-2.11
Return on Avg Assets (ROAA) (%)	0.02	-0.37	0.02	-0.05	-0.08
Return on Avg RWAs (%)	0.08	-1.53	0.10	-0.21	-0.35
Dividend Payout Ratio (%)	0.00	-4.22	85.09	-52.28	0.00
Internal Capital Generation (%)	0.29	-8.57	0.06	-1.96	-2.31
Risk Profile					
Gross NPLs over Gross Loans (%)	2.20	2.16	2.20	1.52	1.76
Net NPLs over Net Loans (%)	1.24	1.28	1.22	0.57	0.69
NPL Coverage Ratio (%)	44.37	41.50	45.11	62.90	61.04
Net NPLs over IBPT (%)	192.73	3,273.41	271.29	123.56	248.37
Net NPLs over CET1 (%)	12.86	12.83	10.88	4.55	6.07
Texas Ratio (%)	14.89	14.63	12.90	8.66	10.74
Cost of Risk (%)	0.46	0.17	0.13	0.13	0.31
Level 2 Assets/ Total Assets (%)	NA	36.80	35.34	34.80	39.79
Level 3 Assets/ Total Assets (%)	NA	1.88	1.83	1.49	1.65
Funding and Liquidity					
Bank Deposits over Funding (%)	NA	9.50	9.57	10.57	NA
- Interbank over Funding (%)	NA	NA	NA	NA	NA
- Central Bank over Funding (%)	NA	NA	NA	NA	NA
Customer Deposits over Funding (%)	NA	61.25	56.31	52.18	NA
Wholesale Funding over Funding (%)	NA	29.25	34.12	37.24	NA
- Debt Securities over Funding (%)	NA	27.85	32.55	35.19	NA
- Subordinated Debt over Funding (%)	NA	1.40	1.57	2.06	NA
Liquid Assets over Assets (%)	55.41	30.10	36.42	39.64	33.78
Non-Deposit Funding Ratio (%)	NA	59.91	62.29	65.60	NA
Net Loan to Deposit Ratio (%)	NA	89.64	87.68	84.17	NA
LCR (Phased-in) (%)	133.00	144.16	150.58	162.79	127.22
NSFR (%)	NA	NA	NA	NA	NA
Capitalisation					
CET1 Ratio (Phased-In) (%)	12.83	13.63	13.55	14.80	13.41
CET1 Ratio (Fully-Loaded) (%)	12.80	13.60	13.60	14.03	11.80
Tier 1 Capital Ratio (Phased-In) (%)	14.84	15.60	15.72	16.79	15.58
Total Capital Ratio (Phased-In) (%)	16.59	17.44	17.49	18.65	17.45
Tang. Equity / Tang. Assets (%)	3.80	4.27	4.45	4.04	3.53
Leverage Ratio (DBRS) (%)	NA	4.54	4.59	4.53	4.29
Growth					
Net Attributable Income YoY (%)	NA	NA	NA	NA	NA
Net Fees and Commissions YoY (%)	4.3	-5.2	-8.8	-6.3	-8.0
Total Operating Expenses YoY (%)	-4.3	-1.8	-4.9	-11.0	-14.7
IBPT YoY (%)	NA	-90.9	1.8	60.3	22.0
Assets YoY (%)	14.9	-3.7	-8.6	-7.3	-2.4
Gross Lending to Customers YoY (%)	2.4	4.9	3.9	-2.9	-5.8
Net Lending to Customers YoY (%)	9.4	5.0	3.9	-2.8	-5.7
Loan Loss Provisions YoY (%)	104.9	37.7	0.0	-62.0	44.7
Deposits from Customers YoY (%)	NA	2.7	-0.3	NA	NA

Source: DBRS Morningstar Analysis, Copyright © 2020, S&P Global Market Intelligence.

Rating Methodology

The applicable methodology is the *Global Methodology for Rating Banks and Banking Organisations* (8 June 2020), which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating Action	Rating	Trend
Deutsche Bank AG	Long-Term Issuer Rating	Confirmed	A (low)	Negative
Deutsche Bank AG	Long-Term Senior Debt	Confirmed	A (low)	Negative
Deutsche Bank AG	Long-Term Deposits	Confirmed	A (low)	Negative
Deutsche Bank AG	Short-Term Issuer Rating	Confirmed	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Debt	Confirmed	R-1 (low)	Stable
Deutsche Bank AG	Short-Term Deposits	Confirmed	R-1 (low)	Stable
Deutsche Bank AG	Senior Non-Preferred Debt	Confirmed	BBB (high)	Negative
Deutsche Bank AG	Long Term Critical Obligations Rating	Confirmed	A (high)	Negative
Deutsche Bank AG	Short Term Critical Obligations Rating	Confirmed	R-1 (middle)	Negative

Ratings History

Debt	Obligation	Current	2019	2018
Deutsche Bank AG	Long-Term Issuer Rating	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Senior Debt	A (low)	A (low)	A (low)
Deutsche Bank AG	Long-Term Deposits	A (low)	A (low)	A (low)
Deutsche Bank AG	Short-Term Issuer Rating	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Debt	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Short-Term Deposits	R-1 (low)	R-1 (low)	R-1 (low)
Deutsche Bank AG	Senior Non-Preferred Debt	BBB (high)	BBB (high)	BBB (high)
Deutsche Bank AG	Long Term Critical Obligations Rating	A (high)	A (high)	A (high)
Deutsche Bank AG	Short Term Critical Obligations Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)

Previous Actions

- DBRS Morningstar Confirms Deutsche Bank's A (low) Long-Term Issuer Rating, Trend Remains Negative, 3 July 2020.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Still Negative. 29 March 2019.
- DBRS Confirms Deutsche Bank's A (low) Rating, Trend Revised to Negative, 9 May 2018.
- DBRS Harmonises its Ratings Nomenclature for Banks in Europe and Asia-Pacific, 14 July 2017.
- DBRS Confirms Deutsche Bank's A (low) Issuer Rating, Trend Revised to Stable, 7 June 2017.
- DBRS Assigns Issuer Ratings to 43 European Banking Groups, 7 March 2017.
- DBRS Confirms Deutsche Bank's A (low) Rating, Revised Trend to Negative, 7 October 2016.
- DBRS Downgrades Deutsche Bank to A (low), Trend Now Stable, 7 July 7 2016.
- DBRS Confirms Deutsche Bank's A (low) Issuer Rating, Trend Revised to Stable, 7 June 2017.

Related Research

- DBRS Morningstar: Navigating Bank Ratings During a Global Pandemic, 27 March 2020.
- European Banking: Key Themes in 2020, 14 January 2020.

• DBRS: Increasing Risks for Small and Medium-Sized German Banks despite Stress Tests Pass, 26 September 2019.
• DBRS: Overheating in German Commercial Real Estate– Risks Manageable for Banks, 23 September 2019.
• DBRS: TLTRO-III Removes Medium-Term Refinancing Risk at European Banks, 4 June 2019.
• DBRS: What's Next For European Banks' NPLs, 4 June 2019.

Previous Reports
• Deutsche Bank AG, Rating Report, 21 May 2018.
• Deutsche Bank AG: Rating Report, 21 May 2018
• Deutsche Bank AG: Rating Report, 14 June 2017.

European Bank Ratios & Definitions
• European Bank Ratios & Definitions, 11 June 2019.

About DBRS Morningstar

DBRS Morningstar is a global credit ratings business with approximately 700 employees in eight offices globally.

On 2 July 2019, Morningstar, Inc. completed its acquisition of DBRS. Combining DBRS' strong market presence in Canada, Europe, and the U.S. with Morningstar Credit Ratings' U.S. footprint has expanded global asset class coverage and provided investors with an enhanced platform featuring thought leadership, analysis, and research. DBRS and Morningstar Credit Ratings are committed to empowering investor success, serving the market through leading-edge technology and raising the bar for the industry.

Together as DBRS Morningstar, we are the world's fourth largest credit ratings agency and a market leader in Canada, the U.S., and Europe in multiple asset classes. We rate more than 2,600 issuers and 54,000 securities worldwide and are driven to bring more clarity, diversity, and responsiveness to the ratings process. Our approach and size provide the agility to respond to customers' needs, while being large enough to provide the necessary expertise and resources.

MORNINGSTAR | DBRS

The DBRS 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)(CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(CRA, NRSRO affiliate, DRO affiliate). Morningstar Credit Ratings, LLC is a NRSRO affiliate of DBRS, Inc.

For more information on regulatory registrations, recognitions and approvals of the DBRS group of companies and Morningstar Credit Ratings, LLC, please see: http://www.dbrs.com/research/highlights.pdf.

The DBRS group and Morningstar Credit Ratings, LLC are wholly-owned subsidiaries of Morningstar, Inc.