

15 May 2019

**Deutsche Bank Aktiengesellschaft**



**Registration Document**

Pursuant to Art. 5 (3) of the Directive 2003/71/EC as amended and Sec. 12 (1) 3 German Securities Prospectus Act (*Wertpapierprospektgesetz*)

English Language Version

## **PUBLICATION AND VALIDITY OF REGISTRATION DOCUMENT**

This Registration Document has been published on the website of Deutsche Bank Aktiengesellschaft (hereinafter also referred to as "**Deutsche Bank AG**", "**Deutsche Bank**", or "**Bank**") [www.db.com](http://www.db.com) under „Investor Relations“, „Creditor Information“, „Prospectuses“, „Registration Documents“ on the date of its approval.

The Registration Document is valid for a period of twelve months from the date of its approval and it reflects the status as of its respective date of publication. The document is only valid for debt and derivative securities and those securities which are not covered by article 4 of the Commission Regulation (EC) No 809/2004, such as bonds, including certificates, and money market papers. The contents of the Registration Document will be updated in accordance with the provisions of the Directive 2003/71/EC as amended ("**EU Prospectus Directive**") and the applicable provisions of any national laws implementing such Directive.

This Registration Document does not constitute an offer of or an invitation by or on behalf of Deutsche Bank to subscribe for or purchase any Notes and should not be considered as a recommendation by Deutsche Bank that any recipient of this Registration Document should subscribe for or purchase any Notes Deutsche Bank may issue. No person has been authorized by Deutsche Bank to give any information or to make any representation other than those contained in this document or consistent with this document. If given or made, any such information or representation should not be relied upon as having been authorized by Deutsche Bank.

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## RISK FACTORS

An investment in debt securities, including certificates and money market papers issued by Deutsche Bank bears the risk that Deutsche Bank is not able to fulfil its obligations created by the issuance of the securities on the relevant due date. Thus, investors may lose all or part of their investment.

In order to assess the risk, prospective investors should consider all information provided in this Registration Document and consult with their own professional advisers if they consider it necessary.

The risk related to an issuer's ability to fulfil its obligations created by the issuance of debt securities, including certificates and money market papers, is described by reference to the credit ratings assigned by independent rating agencies. A credit rating is an assessment of the solvency or credit-worthiness of borrowers and/or bond-issuers according to established credit review procedures. These ratings and associated research help investors to analyse the credit risks associated with fixed-income securities by providing detailed information on the ability of issuers to meet their obligations. The lower the assigned rating is on the respective scale, the higher the respective rating agency assesses the risk that obligations will not, not fully and/or not timely be met. A rating is not a recommendation to buy, sell or hold any notes issued and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of any rating assigned may adversely affect the market price of the notes issued.

Deutsche Bank is rated by Moody's Investors Service, Inc. ("**Moody's**"), S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Limited ("**Fitch**"), and DBRS Ratings GmbH ("**DBRS**", together with Fitch, S&P and Moody's, the "**Rating Agencies**").

S&P, Fitch and DBRS are established in the European Union and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended, on credit rating agencies ("**CRA Regulation**"). With respect to Moody's, the credit ratings are endorsed by Moody's office in the UK (Moody's Investors Service Ltd.) in accordance with Article 4(3) of the CRA Regulation.

As of the date of this Registration Document, the following ratings were assigned to Deutsche Bank for its long-term non-preferred senior debt and its short-term senior debt.

### Moody's

Long-term non-preferred senior debt: Baa3

Short-term senior debt: P-2

### Moody's defines:

Baa3: Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality, subject to the lowest level of credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated obligations which are typically in default, with little prospect for recovery of principal or interest. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-

range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

P-2: Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's short-term obligation ratings are divided into several categories ranging from "P-1", reflecting a superior ability of an issuer to repay short-term debt obligations, over categories "P-2" and "P-3" to category "NP", reflecting that an issuer does not fall within any of the Prime rating categories.

Rating Outlook / Review: A rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV). A designation of RUR (Rating(s) Under Review) indicates that an issuer has one or more ratings under review, which overrides the outlook designation. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term.

A review indicates that a rating is under consideration for a change in the near term. A rating can be placed on review for upgrade (UPG), downgrade (DNG), or more rarely with direction uncertain (UNC). A review may end with a rating being upgraded, downgraded, or confirmed without a change to the rating. Ratings on review are said to be on Moody's "Watchlist" or "On Watch". Ratings are placed on review when a rating action may be warranted in the near term but further information or analysis is needed to reach a decision on the need for a rating change or the magnitude of the potential change.

## S&P

Long-term non-preferred senior debt: BBB-

Short-term senior debt: A-2

S&P defines:

BBB-: An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Long-term issue credit ratings by S&P are divided into several categories ranging from "AAA", reflecting an extremely strong capacity of the obligor to meet its financial commitment on the obligation, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "D", reflecting that an obligation is in default or in breach of an imputed promise. The ratings from "AA" to "CCC" may be modified by the addition of a plus ("+") or minus ("-") sign to show relative standing within the major rating categories.

A-2: An obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

Short-term issue credit ratings by S&P are divided into several categories ranging from “A-1”, reflecting a strong capacity of the obligor to meet its financial commitment on the obligation, over categories “A-2”, “A-3”, “B”, “C” to category “D”, reflecting that an obligation is in default or in breach of an imputed promise.

Outlook /  
CreditWatch: An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Rating outlooks fall into five categories: positive, negative, stable, developing and n.m. (not meaningful).

CreditWatch highlights S&P's opinion regarding the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P's analytical staff. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The “positive” designation means that a rating may be raised; “negative” means a rating may be lowered; and “developing” means that a rating may be raised, lowered, or affirmed.

## **Fitch**

Long-term non-preferred senior debt: BBB+

Short-term senior debt: F2

Fitch defines:

BBB+: A rating of "BBB" denotes expectations of low credit risk. The capacity for payment of financial commitments is considered adequate. This capacity may, nevertheless, be more likely to be impaired by adverse business or economic conditions than in the case of higher ratings.

Fitch's long-term ratings are divided into several major categories ranging from “AAA”, reflecting the lowest expectation of credit risk, over categories “AA”, “A”, “BBB”, “BB”, “B”, “CCC”, “CC” to category “C”, reflecting exceptionally high levels of credit risk. Defaulted obligations typically are not assigned “RD” or “D” ratings, but are instead rated in the “B” to “C” rating categories, depending upon their recovery prospects and other relevant characteristics. The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the “AAA” obligation rating category or to obligation ratings below “CCC”.

The subscript “emr” is appended to a rating to denote embedded market risk which is beyond the scope of the rating. The designation is intended to make clear that the rating solely addresses the counterparty risk of the issuing bank. It is not meant to indicate any limitation in the analysis of the counterparty risk, which in all other respects follows published Fitch criteria for analysing the issuing financial institution.

F2: A rating of "F2" indicates the good intrinsic capacity for timely payment of financial commitments. It may have an added "+" to denote any exceptionally good credit feature.

Fitch's short-term ratings are divided into several categories ranging from "F1", reflecting the strongest intrinsic capacity for timely payment of financial commitments, over categories "F2", "F3", "B", "C", "RD" to category "D" which indicates a broad-based default event for an entity, or the default of a short-term obligation.

Outlook / Rating Watch: Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook, if circumstances warrant such an action. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the Rating Outlook may be described as Evolving.

Rating Watches indicate that there is a heightened probability of a rating change and the likely direction of such a change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving" if ratings may be raised, lowered or affirmed. However, ratings that are not on Rating Watch can be raised or lowered without being placed on Rating Watch first, if circumstances warrant such an action.

## **DBRS**

Long-term non-preferred senior debt: BBB (high) (negative)

Short-term senior debt: R-1 (low) (stable)

DBRS defines:

BBB (high): Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

Long-term obligations ratings by DBRS are divided into several categories ranging from "AAA", reflecting the highest credit quality, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "D", reflecting when the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods. All rating categories other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

R-1 (low): Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

DBRS's short-term debt ratings are divided into several categories ranging from "R-1", reflecting the highest credit quality, over categories "R-2", "R-3", "R-4", "R-5" to category "D" reflecting when the issuer has filed under any applicable bankruptcy, insolvency or

winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods. The “R-1” and “R-2” rating categories are further denoted by the subcategories “(high)”, “(middle)”, and “(low)”.

stable /  
negative:

Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for a rating. Rating trends have three categories: “positive”, “stable” or “negative”. The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases, unless challenges are addressed by the issuer.

It is often the rating trend that reflects the initial pressures or benefits of a changing environment rather than an immediate change in the rating. A positive or negative trend is not an indication that a rating change is imminent. Rather, a positive or negative trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a stable trend was assigned to the security.

Generally, the conditions that lead to the assignment of a negative or positive trend are resolved within a twelve month period. However, in some instances, new factors emerge which may cause the positive or negative trend to be maintained, even as the original factors become clarified or resolved.

DBRS places ratings “Under Review” in situations where a significant event occurs that directly impacts the credit quality of a particular entity or group of entities and if there is uncertainty regarding the outcome of the event and DBRS therefore is unable to provide an objective, forward-looking opinion in a timely fashion. DBRS also places ratings “Under Review” in situations where, in the opinion of DBRS, the current rating on the security may no longer be appropriate due to a change in the credit status of the issuing entity for other reasons and additional time is required for further analysis. Furthermore, DBRS may also place a rating “Under Review” if DBRS has announced that one or more of its methodologies that apply to such a rating is being revised and the announcement indicates that the outcome of the rating affected by the revision is uncertain. Using “Under Review - Positive” or “Under Review - Negative” is a more significant action than changing a rating trend to positive or negative as rating changes are considered more likely with the former than the latter.

### ***Rating of Subordinated Obligations***

If Deutsche Bank enters into subordinated obligations, these obligations may be rated lower because, in the case of an insolvency or liquidation of the Bank, the claims and interest claims resulting from these obligations are subordinate to those claims of creditors of the Bank that are not also subordinated. Deutsche Bank will disclose the ratings of subordinated obligations (if any).

### ***Factors that may adversely affect Deutsche Bank's financial strength***

Deutsche Bank's financial strength, which is also reflected in its ratings described above, depends in particular on its profitability. The following describes factors which may adversely affect Deutsche Bank's profitability:

- While the global economy showed robust growth in 2018, significant macroeconomic risks remain that could negatively affect the results of operations and financial condition in some of Deutsche Bank's businesses as well as its strategic plans, including deterioration of the economic outlook for



the euro area and slowing in emerging markets, trade tensions between the United States and China as well between the United States and Europe, inflation risks, Brexit, European elections and geopolitical risks.

- In the European Union, continued elevated levels of political uncertainty could have unpredictable consequences for the financial system and the greater economy, and could contribute to European de-integration in certain areas, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. Deutsche Bank's ability to protect itself against these risks is limited.
- The potential withdrawal of the United Kingdom from the European Union – Brexit – may have adverse effects on Deutsche Bank's business, results of operations or strategic plans.
- Deutsche Bank may be required to take impairments on its exposures to the sovereign debt of European or other countries if the European sovereign debt crisis reignites. The credit default swaps into which Deutsche Bank has entered to manage sovereign credit risk may not be available to offset these losses.
- Deutsche Bank's results of operation and financial condition, in particular those of Deutsche Bank's Corporate & Investment Bank, continue to be negatively impacted by the challenging market environment, uncertain macro-economic and geopolitical conditions, lower levels of client activity, increased competition and regulation, and the immediate impact of Deutsche Bank's strategic decisions. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds, Deutsche Bank may be unable to meet many of its strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage at levels expected by market participants and Deutsche Bank's regulators.
- Deutsche Bank considers business combinations from time to time. It is generally not feasible for Deutsche Bank to consider reviews of any business with which Deutsche Bank might engage in a combination to be complete in all respects. As a result, a combination may not perform as well as expected. In addition, Deutsche Bank may fail to integrate its operations successfully with any entity with which it participates in a business combination. Failure to complete announced business combinations or failure to achieve the expected benefits of any such combination could materially and adversely affect Deutsche Bank's profitability. Such failures could also affect investors' perception of Deutsche Bank's business prospects and management. They could also lead to departures of key employees, or lead to increased costs and reduced profitability if Deutsche Bank felt compelled to offer them financial incentives to remain.

Market speculation about potential consolidation in the financial sector in Europe and Deutsche Bank's role in that consolidation could also have adverse effects on its business and revenue levels. Although speculation concerning consolidation is frequent, there are numerous impediments to completing transactions in Deutsche Bank's sector, including those posed by the regulatory environment, differing business models, valuation issues and the protracted headwinds facing the industry, including the low interest rate environment, market pressures and the high costs associated with rationalizing and simplifying institutions' businesses. Accordingly, Deutsche Bank may determine to cease consideration of business combinations, or may determine not to pursue available opportunities.

If Deutsche Bank avoids entering into business combination transactions or if announced or expected transactions fail to materialize, market participants may perceive Deutsche Bank negatively. Deutsche Bank may also be unable to expand its businesses, especially into new business areas, as quickly or successfully as its competitors if Deutsche Bank does so through organic growth alone. These perceptions and limitations could cost Deutsche Bank business and harm its reputation, which

could have material adverse effects on Deutsche Bank's financial condition, results of operations and liquidity.

- Adverse market conditions, asset price deteriorations, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect Deutsche Bank's revenues and profits, particularly in Deutsche Bank's investment banking, brokerage and other commission- and fee-based businesses. As a result, Deutsche Bank has in the past incurred and may in the future incur significant losses from its trading and investment activities.
- Deutsche Bank's liquidity, business activities and profitability may be adversely affected by an inability to access the debt capital markets or to sell assets during periods of market-wide or firm-specific liquidity constraints. Credit rating downgrades have contributed to an increase in Deutsche Bank's funding costs, and any future downgrade could materially adversely affect its funding costs, the willingness of counterparties to continue to do business with it and significant aspects of its business model.
- In the second quarter of 2018, Deutsche Bank announced changes to its strategy and updates to its financial targets. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or it may incur losses or low profitability, and its financial condition, results of operations and share price may be materially and adversely affected.
- Deutsche Bank may have difficulties selling companies, businesses or assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.
- Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, has and could continue to materially adversely impact its revenues and profitability.
- Regulatory reforms enacted and proposed in response to weaknesses in the financial sector, together with increased regulatory scrutiny more generally, have had and continue to have a significant impact on Deutsche Bank and may adversely affect its business and ability to execute its strategic plans. Competent regulators may prohibit Deutsche Bank from making dividend payments or payments on its regulatory capital instruments or take other actions if Deutsche Bank fails to comply with regulatory requirements.
- Regulatory and legislative changes require Deutsche Bank to maintain increased capital and abide by tightened liquidity requirements. These requirements may significantly affect Deutsche Bank's business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that Deutsche Bank may be unable to meet its capital or liquidity requirements with an adequate buffer, or that Deutsche Bank should maintain capital or liquidity in excess of these requirements or another failure to meet these requirements could intensify the effect of these factors on Deutsche Bank's business and results.
- In some cases, Deutsche Bank is required to hold and calculate capital and to comply with rules on liquidity and risk management separately for its local operations in different jurisdictions, in particular in the United States.
- Deutsche Bank's regulatory capital and liquidity ratios and its funds available for distributions on its shares or regulatory capital instruments will be affected by Deutsche Bank's business decisions and, in making such decisions, Deutsche Bank's interests and those of the holders of such instruments may not be aligned, and Deutsche Bank may make decisions in accordance with applicable law and the terms of the relevant instruments that result in no or lower payments being made on Deutsche Bank's shares or regulatory capital instruments.

- European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure Deutsche Bank's resolvability or resolution measures were imposed on it, significantly affect its business operations, and lead to losses for its shareholders and creditors.
- Other regulatory reforms adopted or proposed in the wake of the financial crisis – for example, extensive new regulations governing Deutsche Bank's derivatives activities, compensation, bank levies, deposit protection, data protection, or a possible financial transaction tax – may materially increase Deutsche Bank's operating costs and negatively impact its business model.
- A robust and effective internal control environment and adequate infrastructure (comprising people, policies and procedures, controls testing and IT systems) are necessary to ensure that Deutsche Bank conducts its business in compliance with the laws, regulations and associated supervisory expectations applicable to it. Deutsche Bank has identified the need to strengthen its internal control environment and infrastructure and has embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, Deutsche Bank's reputation, regulatory position and financial condition may be materially adversely affected, and Deutsche Bank's ability to achieve its strategic ambitions may be impaired.
- The BaFin has ordered Deutsche Bank to improve its control and compliance infrastructure relating to anti-money laundering and know-your-client processes in CIB, and appointed a special representative to monitor these measures' implementation. Deutsche Bank's results of operations, financial condition and reputation could be materially and adversely affected if Deutsche Bank is unable to significantly improve its infrastructure and control environment by the set deadline.
- Deutsche Bank operates in a highly and increasingly regulated and litigious environment, potentially exposing Deutsche Bank to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm.
- Deutsche Bank is currently the subject of industry-wide investigations by regulatory and law enforcement agencies relating to interbank and dealer offered rates, as well as civil actions. Due to a number of uncertainties, including those related to the high profile of the matters and other banks' settlement negotiations, the eventual outcome of these matters is unpredictable, and may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.
- Regulators and law enforcement authorities are investigating, among other things, Deutsche Bank's compliance with the U.S. Foreign Corrupt Practices Act and other laws with respect to Deutsche Bank's hiring practices related to candidates referred by clients, potential clients and government officials, and Deutsche Bank's engagement of finders and consultants.
- Deutsche Bank is currently involved in civil proceedings in connection with its voluntary takeover offer for the acquisition of all shares of Postbank. The extent of Deutsche Bank's financial exposure to this matter could be material, and its reputation may be harmed.
- Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients in Moscow and London and has advised regulators and law enforcement authorities in several jurisdictions about those trades. In the event that violations of law or regulation are found to have occurred, any resulting penalties against Deutsche Bank may materially and adversely affect its results of operations, financial condition and reputation.
- Deutsche Bank is currently involved in civil and criminal proceedings in connection with transactions with Monte dei Paschi di Siena. The extent of Deutsche Bank's financial exposure to these matters could be material, and its reputation may be harmed.

- Deutsche Bank is under continuous examination by tax authorities in the jurisdictions in which Deutsche Bank operates. Tax laws are increasingly complex and are evolving. The cost to Deutsche Bank arising from the conclusion and resolution of routine tax examinations, tax litigation and other forms of tax proceedings or tax disputes may increase and may adversely affect its business, financial condition and results of operation.
- Deutsche Bank is currently involved in a legal dispute with the German tax authorities in relation to the tax treatment of certain income received with respect to its pension plan assets. The proceeding is pending in front of the German supreme fiscal court (*Bundesfinanzhof*). Should the courts ultimately rule in favor of the German tax authorities, the outcome could have a material effect on Deutsche Bank's comprehensive income and financial condition.
- US Congressional committees and other U.S. governmental entities have sought and may seek information from Deutsche Bank concerning potential dealings between Deutsche Bank and the U.S. executive branch, the President, his family and other close associates, exposing Deutsche Bank in particular to risk to its reputation and potential loss of business as a result of extensive media attention.
- Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning its correspondent banking relationship with Danske Bank, exposing Deutsche Bank in particular to risk to its reputation and potential loss of business as a result of extensive media attention.
- In November 2018, Deutsche Bank's offices in Frankfurt were searched by German law enforcement authorities on the suspicion that two employees and as-yet unidentified further individuals deliberately abstained from issuing suspicious activity reports (SARs) in a timely manner and aided and abetted money laundering, exposing Deutsche Bank in particular to risk to its reputation and potential loss of business as a result of extensive media attention.
- Guilty pleas by or convictions of Deutsche Bank or its affiliates in criminal proceedings may have consequences that have adverse effects on certain of its businesses.
- In addition to its traditional banking businesses of deposit-taking and lending, Deutsche Bank also engages in nontraditional credit businesses in which credit is extended in transactions that include, for example, its holding of securities of third parties or its engaging in complex derivative transactions. These nontraditional credit businesses materially increase Deutsche Bank's exposure to credit risk.
- A substantial proportion of the assets and liabilities comprise financial instruments that it carries at fair value, with changes in fair value recognized in its income statement. As a result of such changes, Deutsche Bank has incurred losses in the past, and may incur further losses in the future.
- Pursuant to accounting rules, Deutsche Bank must periodically test the value of the goodwill of its businesses and the value of its other intangible assets for impairment. In the event such test determines that criteria for impairment exists, Deutsche Bank is required under accounting rules to write down the value of such asset. Impairments of goodwill and other intangible assets have had and may have a material adverse effect on Deutsche Bank's profitability results of operations.
- Pursuant to accounting rules, Deutsche Bank must review its deferred tax assets at the end of each reporting period. To the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of deferred tax assets to be utilized, Deutsche Bank has to reduce the carrying amounts. These reductions have had and may in the future have material adverse effects on its profitability, equity and financial condition.

- Deutsche Bank's risk management policies, procedures and methods leave it exposed to unidentified or unanticipated risks, which could lead to material losses.
- Operational risks, which may arise from errors in the performance of Deutsche Bank's processes, the conduct of Deutsche Bank's employees, instability, malfunction or outage of Deutsche Bank's IT system and infrastructure, or loss of business continuity, or comparable issues with respect to Deutsche Bank's vendors, may disrupt Deutsche Bank's businesses and lead to material losses.
- Deutsche Bank utilizes a variety of vendors in support of its business and operations. Services provided by vendors pose risks to Deutsche Bank comparable to those Deutsche Bank bears when it performs the services itself, and Deutsche Bank remains ultimately responsible for the services its vendors provide. Furthermore, if a vendor does not conduct business in accordance with applicable standards or Deutsche Bank's expectations, Deutsche Bank could be exposed to material losses or regulatory action or litigation or fail to achieve the benefits it sought from the relationship.
- Deutsche Bank's operational systems are subject to an increasing risk of cyber-attacks and other internet crime, which could result in material losses of client or customer information, damage Deutsche Bank's reputation and lead to regulatory penalties and financial losses.
- The size of Deutsche Bank's clearing operations exposes Deutsche Bank to a heightened risk of material losses should these operations fail to function properly.
- Ongoing global benchmark reform efforts initiated by the Financial Stability Board, specifically the transition from interbank offered rates to alternative reference rates, including so-called "risk-free-rates", that are under development, introduce a number of inherent risks to Deutsche Bank's business and the financial industry. These risks, should they materialize, may have adverse effects on Deutsche Bank's business, results of operations and profitability.
- Deutsche Bank is subject to laws and other requirements relating to financial and trade sanctions and embargoes. If Deutsche Bank breaches such laws and requirements, it can be subject, and have in the past been subject, to material regulatory enforcement actions and penalties.
- Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism or persons targeted by U.S. economic sanctions may lead potential customers and investors to avoid doing business with Deutsche Bank or investing in Deutsche Bank's securities, harm Deutsche Bank's reputation or result in regulatory or enforcement action which could materially and adversely affect Deutsche Bank's business.

## **PERSONS RESPONSIBLE**

Deutsche Bank Aktiengesellschaft (the "**Responsible Person**" and together with its subsidiaries and affiliates "**Deutsche Bank**") with its registered office in Frankfurt is responsible for the information given in this Registration Document and confirms to its best knowledge, that this information is accurate and that no material circumstances are omitted.

## **STATUTORY AUDITORS**

The independent auditor of Deutsche Bank is KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("**KPMG**"), Klingelhöferstraße 18, 10785 Berlin, Germany. KPMG is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*).

## **INFORMATION ABOUT DEUTSCHE BANK**

The Bank's name is Deutsche Bank Aktiengesellschaft. The Bank is registered in the Commercial Register of the Local Court Frankfurt am Main under registration number HRB 30 000.

Deutsche Bank originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf, and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the Local Court Frankfurt am Main on 2 May 1957.

Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main, Germany (telephone: +49-69-910-00).

## **BUSINESS OVERVIEW**

### ***Principal activities***

The objects of Deutsche Bank, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

Deutsche Bank maintains its head office in Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo, Hong Kong and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank Group's business activities are organized into the following three corporate divisions:

— Corporate & Investment Bank (CIB);

- Asset Management (AM)<sup>1</sup>; and
- Private & Commercial Bank (PCB).

The three corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank has a local and regional organizational layer to facilitate a consistent implementation of global strategies.

The Bank has operations or dealings with existing or potential customers in most countries in the world. These operations and dealings include:

- subsidiaries and branches in many countries;
- representative offices in many other countries; and
- one or more representatives assigned to serve customers in a large number of additional countries.

The following paragraphs describe the business activities of each corporate division:

### **Corporate & Investment Bank (CIB)**

Deutsche Bank's Corporate & Investment Bank division (CIB) comprises its Sales & Trading (FIC), Sales & Trading (Equity), Origination & Advisory and Global Transaction Banking businesses. The integrated division brings together the wholesale banking expertise, coverage, risk management, and infrastructure across Deutsche Bank into one division.

The Sales & Trading (FIC) and Sales & Trading (Equity) businesses combines sales, trading and structuring of a wide range of financial market products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and structured products, while Research provides analysis of markets, products and trading strategies for clients.

Origination & Advisory is responsible for mergers and acquisitions (M&A) as well as debt and equity advisory and origination. Regional and industry-focused coverage teams ensure the delivery of the entire range of financial products and services to its corporate and institutional clients.

Global Transaction Banking (GTB) is a global provider of cash management, trade finance and securities services, delivering the full range of commercial banking products and services for both corporate clients and financial institutions worldwide.

### **Asset Management (AM)**

Asset Management is Deutsche Bank's investment management division which offers investment funds and manages assets on behalf of institutional clients. It offers individuals and institutions traditional and alternative investments across all major asset classes.

### **Private & Commercial Bank (PCB)**

The Private & Commercial Bank (PCB) Corporate Division is organized along three core business division: Private and Commercial Business (Germany), Private and Commercial Business (International) and Wealth Management (Global). Deutsche Bank serves personal and private clients, small and medium-

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<sup>1</sup> Formerly Deutsche Asset Management

sized enterprises as well as wealthy private clients. Its product range includes payment and account services, credit and deposit products as well as investment advice and selected digital offerings. In these products, Deutsche Bank offers its customers both the coverage of all basic financial needs and individual, tailor-made solutions.

***Principal Markets***

Deutsche Bank Group operates in approximately 59 countries out of approximately 2,100 branches worldwide, of which approximately 1,400 are in Germany. Deutsche Bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.



## **TREND INFORMATION**

### ***Statement of No Material Adverse Change***

There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2018.

### ***Recent Developments***

On 24 May 2018, Deutsche Bank announced that it will significantly reshape its Equities Sales & Trading business. Overall, Deutsche Bank aims to reduce headcount in this area by approximately 25 per cent. In Cash Equities, it will concentrate on electronic solutions and its most significant clients globally. In Prime Finance, Deutsche Bank will reduce leverage exposure by a quarter, equivalent to a reduction of approximately EUR 50 billion. These business reductions will contribute to a decrease in leverage exposure in the Corporate & Investment Bank of over EUR 100 billion. This is approximately 10 per cent. of the EUR 1,050 billion of leverage exposure reported at the end of the first quarter of 2018. The majority of this reduction is expected to be achieved by the end of 2018. Together with Deutsche Bank's decision to right-size the expense base in the Corporate & Investment Bank, Deutsche Bank will accelerate the pace of cost reduction across the organisation. In 2018, as announced earlier, Deutsche Bank envisages adjusted costs not to exceed EUR 23 billion. For 2019, the Management Board plans to reduce adjusted costs to EUR 22 billion with no further significant disposals currently planned. In connection with the implementation of these plans, the number of full-time equivalent positions is expected to fall from just over 97,000 currently to well below 90,000. The associated personnel reductions are underway. The Management Board reaffirms its target of a post-tax return on average tangible equity of approximately ten per cent. in a normalised business environment. Deutsche Bank will seek to reach this goal from 2021 onwards. Although results in 2018 will reflect the impact of the aforementioned actions, including planned restructuring charges of up to EUR 800 million, Deutsche Bank aims to deliver steady growth in return on capital over the coming years.

On 17 March 2019, Deutsche Bank announced that in light of arising opportunities the Management Board of Deutsche Bank has decided to review strategic options. However, there is no certainty that any transaction will occur. In this context Deutsche Bank confirmed discussions with Commerzbank Aktiengesellschaft. On 25 April 2019, Deutsche Bank announced that after careful analysis, the Management Board of Deutsche Bank has concluded on that day that a combination with Commerzbank would not have created sufficient benefits to offset the additional execution risks, restructuring costs and capital requirements associated with such a large-scale integration. As a result, the two banks have decided to discontinue discussions. Deutsche Bank will continue to review all alternatives to improve long-term profitability and shareholder returns.

### ***Outlook***

In 2019, Deutsche Bank intends to build on the progress made last year to pursue Deutsche Bank's near-term operating targets for adjusted costs and employees. Deutsche Bank is also working towards its 2019 Post-tax Return on Average Tangible Equity target. Achieving its near-term Post-tax Return on Average Tangible Equity target requires amongst other things growth in Deutsche Bank's more market-sensitive businesses, which will in part depend on market conditions. Market conditions have improved as compared to those experienced in the fourth quarter of 2018, however, they are somewhat weaker than Deutsche Bank had anticipated. Deutsche Bank aims to achieve its other key performance indicators over time, consistent with becoming a simpler and safer bank.

Deutsche Bank's most important key performance indicators are shown in the table below:

	<b>31 March 2019 (unaudited)*</b>	<b>Target Key Performance Indicators</b>
<b>Near-term operating targets</b>		
Post-tax Return on Average Tangible Equity <sup>1</sup>	1.3 %	2019: greater than 4.0 %
Adjusted costs <sup>2</sup>	€ 5.9 bn	2019: € 21.8 bn
Employees <sup>3</sup>	91,463	2019: below 90,000
<b>Long-term operating target</b>		
Post-tax Return on Average Tangible Equity <sup>1</sup>	1.3 %	circa 10.0 %
<b>Capital targets</b>		
CRR/CRD 4 Common Equity Tier 1 capital ratio	13.7 %	above 13.0 %
CRR/CRD 4 leverage ratio according to transitional rules (phase-in)	4.1 %	4.5 %

\* Extracted from the Earnings Report as of 31 March 2019.

<sup>1</sup> Based on Net Income attributable to Deutsche Bank shareholders.

<sup>2</sup> Adjusted costs are noninterest expenses excluding impairment of goodwill and other intangible assets, litigation and restructuring and severance.

<sup>3</sup> Internal full-time equivalents.

Deutsche Bank is committed to working towards a target for its Post-tax Return on Average Tangible Equity of greater than 4 per cent. in 2019. Reaching Deutsche Bank's 2019 target of 4 per cent. Post-Tax Return on Tangible Equity depends on factors within Deutsche Bank's direct control, but also on factors which are more market-sensitive and event-sensitive.

Deutsche Bank expects revenues in 2019 to be essentially flat compared to 2018. It aims to improve revenue in particular through investments in targeted growth areas including loan and volume growth as well as through liquidity and balance sheet optimization and redeployment. Deutsche Bank's outlook also takes into account that market environment and client activity in the first quarter of 2019 were not supportive of a more pronounced revenue recovery in its more market-sensitive businesses.

For the Group, Deutsche Bank is committed to reducing its adjusted costs in 2019 to € 21.8 billion and to reducing its internal workforce to below 90,000 full-time employees by year-end 2019. Deutsche Bank's expectation is to benefit from the run-rate impact of measures executed in 2018, as well as from the impact of Postbank integration and from the exit of retail business in Portugal. Deutsche Bank will continue to address structural cost issues and optimize processes while also striving for additional cost savings if the revenue environment does not develop as Deutsche Bank expects. Over time, Deutsche

Bank aspires to achieve a Post-tax Return on Average Tangible Equity of approximately 10 per cent., in a normalized environment and on the basis of the achievement of Deutsche Bank's cost targets.

Deutsche Bank assumes an increase in provision in credit losses in 2019 compared to last year, and to benefit from a more normalized tax rate.

Deutsche Bank expects its CRR/CRD 4 Common Equity Tier 1 capital ratio to be negatively impacted by pending supervisory assessments but to remain above 13 per cent. throughout the year 2019. Deutsche Bank expects its CRR/CRD 4 leverage ratio (phase-in) to remain above 4 per cent. in 2019. Deutsche Bank anticipates year-end 2019 risk weighted assets (RWA) to stay essentially flat and CRR/CRD 4 leverage exposure to be slightly higher compared to year end 2018. With the transition to IFRS 16 as of 1 January 2019, Deutsche Bank expects to see a further decline in its CRR/CRD 4 Common Equity Tier 1 capital ratio of approximately 20 basis points as Deutsche Bank recognizes certain lease contracts on its balance sheet.

Deutsche Bank targets a competitive dividend payout ratio. Deutsche Bank's dividend payments are subject to its ability to maintain sufficient levels of distributable profits under its standalone financial statements in accordance with German accounting rules (HGB) for the respective fiscal year.

By the nature of its business, Deutsche Bank is involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, especially in the US. Such matters are subject to many uncertainties. While Deutsche Bank has resolved a number of important legal matters and made progress on others, it expects the litigation and enforcement environment to remain challenging in the short term. Litigation expenses in 2018 were relatively low as a result of Deutsche Bank's successful efforts in resolving a number of matters at or below estimated provisions. For 2019, and with a caveat that forecasting litigation expense is subject to many uncertainties, Deutsche Bank expects litigation expense to be significantly higher than in 2018.

## The Business Segments of Deutsche Bank

### *Corporate & Investment Bank (CIB)*

CIB's aim is to provide efficient and seamless client coverage for Deutsche Bank's offering of investment and transaction banking products and services for corporate and institutional clients and thereby generate attractive returns for its shareholders.

After completing the targeted headcount and resource reductions as part of Deutsche Bank's strategic reshaping in 2018, the division's focus is now on revenue growth in 2019. CIB should also benefit from the Group wide re-deployment of excess liquidity into higher-yielding assets, which is expected to reduce liquidity-related funding costs.

For Global Transaction Banking, Deutsche Bank expects revenues adjusted for a gain on sale in 2018 to be slightly higher in 2019 compared to the prior year, due to the benefits from expected interest rate increases in the US, in addition to treasury and deposit initiatives. Deutsche Bank expects Trade revenues to be higher, driven by increased income from structured transactions. Cash Management revenues are expected to be higher from net interest income growth and deposit initiatives. Trust and Agency and Securities Services revenues adjusted for the aforementioned gain on sale are expected to be slightly lower.

Origination & Advisory revenues are expected to be higher in 2019 year over year, driven by market share growth. Deutsche Bank expects Debt Origination revenues to be higher as the business aims to build on the market share gains achieved during 2018 especially in Leveraged Finance, combined with an intensified focus on Investment Grade acquisition financing. Equity Origination revenues are also

expected to be higher year over year with a renewed focus on initial public offerings and acquisition financing. Advisory revenues are expected to be essentially flat in 2019 compared to 2018.

Deutsche Bank expects Sales & Trading Fixed Income and Currencies (FIC) revenues to be higher in 2019 compared to 2018 driven by an expected increase in client activity levels and a more favorable trading environment after difficult conditions, especially in the fourth quarter. Revenues in FIC should also benefit from improved client coverage provided by the integrated Institutional and Treasury Coverage Group, targeted resource deployment in Credit, an increased focus on cross-selling with GTB and the aforementioned lower funding costs as a result of re-deployment of the Group's excess liquidity.

Sales & Trading Equity revenues are expected to be slightly higher in 2019 compared to 2018. Equity Trading is expected to benefit from platform stabilization and investment in electronic trading platforms. Deutsche Bank expects Equity Derivatives to see growth in structured products from funding optimization, targeted hires and system investment. Within Prime Finance, a focus on client balances and spreads in addition to the aforementioned lower funding costs as a result of re-deployment of the Group's excess liquidity are expected to drive higher revenues.

Noninterest expenses for 2019 are expected to be essentially flat. Costs excluding litigation, severance and restructuring and goodwill impairment are expected to be slightly lower, driven by lower non-compensation costs and reduced infrastructure related costs. In 2019, Deutsche Bank expects CIB to benefit from the full-year run-rate impact of the headcount reductions in 2018. Further expense management initiatives in 2019 are focused on middle and back office functions. For 2019, Deutsche Bank expects RWA in CIB to be essentially flat as targeted Credit Risk RWA increases should be offset by reduced Market Risk RWA and slightly lower Operational Risk RWA. Deutsche Bank continues to focus on regulatory compliance, know-your-client (KYC) and client on-boarding process enhancement, system stability and control and conduct.

Risks to Deutsche Bank's outlook include potential impacts on its business model from Brexit and other macro and global geopolitical uncertainty. Risks regarding a potential deterioration of international trade relations cause further concerns. Uncertainty around central bank policies, ongoing regulatory developments (e.g. Basel III framework agreement) also pose risks, while challenges such as event risks and levels of client activity may also have an adverse impact.

For CIB, the first quarter of 2019 saw an unfavorable macroeconomic and financial market environment for the industry. Uncertainty was driven by a number of geopolitical factors such as, but not limited to, Brexit, U.S. - China trade relations and the U.S. government shutdown in January, all of which suppressed client activity and negatively impacted revenues, specifically in Sales & Trading and broadly in line with the overall industry trend. Deutsche Bank does expect to see some improvement in the macroeconomic and financial market environment as the year progresses, with March having been more favorable than the first two months of the quarter. Should Deutsche Bank experience continued recovery, Deutsche Bank expects CIB revenues for 2019 to be slightly higher compared to 2018.

#### *Private & Commercial Bank (PCB)*

PCB provides private, corporate and wealth management clients with a comprehensive range of products from standard banking services to individual investment and financing advice. Deutsche Bank intends to keep its focus on the transformation and growth of its core businesses in 2019. In its German home market, Deutsche Bank aims to continue the execution of its integration plans within DB Privat- und Firmenkundenbank AG and to deliver synergies and savings potential from the merger transaction. In Deutsche Bank's Private and Commercial Business (International), Deutsche Bank will also execute identified measures consistent with the bank's strategy. The sale of Deutsche Bank's retail banking business in Portugal is well on track and envisaged to be closed in the first half of 2019. In Deutsche

Bank's remaining countries, Deutsche Bank intends to continue the transformation of its businesses with the objective to improve client coverage and efficiency. In its global Wealth Management business, Deutsche Bank's emphasis will be on further transforming and growing its global presence by hiring relationship managers in key markets. Deutsche Bank also plans to continue to invest in its digital technologies across all business units.

In PCB, Deutsche Bank expects growth in its investment and loan businesses in 2019. In the investment businesses, Deutsche Bank plans to grow net new assets, and to continue to hire relationship managers in core markets and Deutsche Bank expects to be able to leverage pricing opportunities in a normalizing market environment. In the loan businesses, Deutsche Bank plans to benefit from the growth achieved in 2018 and target to further accelerate growth in 2019 within Deutsche Bank's existing risk management framework and with a focus on consumer and commercial loans. Deutsche Bank expects the year-over-year revenue development will be negatively impacted by lower specific items, which Deutsche Bank does not expect to repeat in the same magnitude as in 2018. Deutsche Bank also expects the margin pressure on its deposit products to continue in the ongoing low interest rate environment and that Deutsche Bank's revenue base declines as a result of its business divestitures in Poland and Portugal. Given these aforementioned opposing revenue trends, Deutsche Bank expects PCB revenues to remain essentially flat in 2019 compared to 2018.

Associated with this growth in its loan businesses, Deutsche Bank expects higher provision for credit losses and RWA in 2019. The increase in RWA will also reflect the implementation of regulatory changes including effects from the ECB's targeted review of internal models. Assets under management are expected to be slightly higher in 2019, in line with Deutsche Bank's growth initiatives and slightly offset by a deconsolidation impact subsequent to the announced disposal of its business in Portugal.

Deutsche Bank expects noninterest expenses and adjusted costs in 2019 to be slightly lower compared to 2018. The decline will be driven by further savings from Deutsche Bank's executed reorganization measures, including the merger of Deutsche Bank Privat- und Geschäftskunden AG and Postbank and the impact of its business divestitures in Poland and Portugal. Savings will be offset in part by inflationary effects and by continued investments in targeted growth initiatives, including the further development of Deutsche Bank's digital technologies and the further expansion of its Wealth Management franchise.

Specific risks to Deutsche Bank's outlook are slower economic growth in its major operating countries, a delayed or less pronounced interest rate recovery than expected, and lower client activity in the investment business. Client activity could be affected by adverse developments or market uncertainties, including higher than expected volatility in equity and credit markets. The implementation of regulatory requirements including consumer protection measures and delays in the implementation of Deutsche Bank's strategic projects could also have a negative impact on its revenues and costs.

#### *Asset Management (AM)*

Deutsche Bank believes that Asset Management, with its strong and diverse investment capabilities, is well positioned to address the challenges facing the industry and capture opportunities.

Developing economies are growing and increasing in wealth, offering new opportunities for managers as local investors expand their investment horizons globally. In developed markets, low interest rates are causing a shift from unmanaged assets, such as cash and deposit accounts, into managed portfolios. New digital technology, such as robo-advisory, is enhancing distribution capabilities giving investors online access, while the wider adoption of artificial intelligence is expanding product choice and enhancing performance. Asset managers are playing a progressively larger role in providing capital to the economy, taking advantage of bank retrenchment due to regulatory and capital constraints and diminished ability of

national governments to fund infrastructure investment. However, pressure on fees and costs will persist, in an environment of heightened competition and growing regulatory and compliance requirements.

Over the medium term, the industry's global assets under management are expected to substantially increase, driven by strong net flows in passive strategies, alternatives and multi asset solutions, as clients increasingly demand value-for-money, transparency and outcome oriented products. Due to its capabilities in active and passive products, alternative investments and multi asset solutions, Deutsche Bank believes that AM is well positioned to grow market share amid these industry growth trends. While AM's digital capabilities are also creating new channels for it to distribute products and services, bottom line results are expected to be challenged by fee compression, rising costs of regulation and competitive dynamics. In the face of this challenge, AM intends to focus its growth initiatives on products and services where it has a competitive advantage and can differentiate itself, while also maintaining cost discipline.

Deutsche Bank expects assets under management at the end of 2019 to be higher compared to the end of 2018. Net flows are expected to be positive across all major asset classes driven by passive products, alternative investments and multi asset solutions, thereby contributing to the flow target of 3 per cent. to 5 per cent. per annum.

Deutsche Bank expects 2019 revenues to be essentially flat compared to 2018. Management fees are assumed to be essentially flat compared to 2018 reflecting anticipated assets under management growth, offset by margin compression, the unfavorable impact from net outflows in 2018 as well as the most recent market downturn during the fourth quarter of 2018. Performance and transaction fees are expected to be lower than 2018, contributing 3 per cent. to 5 per cent. of Deutsche Bank's total net revenues. Other revenues are expected to be significantly higher mainly driven by lower funding costs. While Deutsche Bank remains constructive on equity markets, it anticipates the management fee margin to be further challenged following one of the worst equity performances ever in December 2018.

In 2019, Deutsche Bank intends to continue to keep its focus on tight cost management, with the aim of achieving reduced noninterest expenses and cost income ratio (CIR), together with slightly lower adjusted costs. Deutsche Bank is on track to achieve its mid-term CIR target of below 65 per cent.

Risks to Deutsche Bank's outlook include the longevity of the bull market, continued low interests rates in developed markets, the pace of growth in emerging economies growth and increase in wealth, as well as the increasing demand for retirement products in developed countries' aging populations. Continued elevated levels of political uncertainty worldwide, protectionist and anti-trade policies, and the United Kingdom's decision to leave the European Union could have unpredictable consequences in the economy, market volatility and investors' confidence, which may lead to declines in business and could affect Deutsche Bank' revenues and profits as well as the execution of its strategic plans. In addition, the evolving regulatory framework could lead to unforeseen regulatory compliance costs and possible delays in the implementation of Deutsche Bank's efficiency measures due to jurisdictional restrictions, which could have an adverse impact on its cost base.

## ORGANISATIONAL STRUCTURE

Deutsche Bank is the parent company and the most material entity of Deutsche Bank Group, a group consisting of banks, capital market companies, fund management companies, property finance companies, installment financing companies, research and consultancy companies and other domestic and foreign companies. The management of Deutsche Bank Group is based on Group corporate divisions (as described above) rather than individual group companies. Deutsche Bank is fully integrated in the initiatives and target setting of Deutsche Bank Group.

## ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

In accordance with German law, Deutsche Bank has both a **Management Board** (*Vorstand*) and a **Supervisory Board** (*Aufsichtsrat*). These Boards are separate; no individual may be a member of both. The Supervisory Board appoints the members of the Management Board and supervises the activities of this Board. The Management Board represents Deutsche Bank and is responsible for the management of its affairs.

The **Management Board** consists of:

Christian Sewing	Chairman; Communications and Corporate Social Responsibility (CSR); Group Audit (administratively only, in all other aspects collective responsibility of the Management Board); Art, Culture and Sports; Head of Asset Management (AM), Head of Region Americas; Head of Region EMEA
Garth Ritchie	Deputy Chairman; Head of Corporate & Investment Bank (CIB); Head of Region UKI (UK & Ireland)
Karl von Rohr	Deputy Chairman; Chief Administrative Officer; Head (CEO) of Region Germany
Frank Kuhnke	Chief Operating Officer
Stuart Wilson Lewis	Chief Risk Officer
Sylvie Matherat	Chief Regulatory Officer
James von Moltke	Chief Financial Officer; Investor Relations; Infrastructure Transformation; Corporate M&A and Corporate Investments
Werner Steinmüller	Head (CEO) of Region APAC
Frank Strauß	Head of Private & Commercial Bank (PCB)

The **Supervisory Board** consists of the following members:

Dr. Paul Achleitner	Chairman of the Supervisory Board of Deutsche Bank AG
Detlef Polaschek*	Deputy Chairman of the Supervisory Board of Deutsche Bank AG; Member of the General Staff Council of Deutsche Bank AG and DB Privat- und Firmenkundenbank AG

Ludwig Blomeyer-Bartenstein*	Spokesperson of the Management and Head of the Market Region Bremen of Deutsche Bank AG
Frank Bsirske*	Chairman of the trade union ver.di ( <i>Vereinte Dienstleistungsgewerkschaft</i> )
Mayree Carroll Clark	Founder and Managing Partner of Eachwin Capital LP; Member of the Board of Directors, Ally Financial, Inc., Detroit, USA; Member of the Board of Directors, Regulatory Data Corp., Inc., Pennsylvania, USA; Member of the Board of Directors, Taubman Centers, Inc., Bloomfield Hills, USA
Jan Duscheck**	Head of national working group Banking, trade union (ver.di)
Dr. Gerhard Eschelbeck	Vice President Security & Privacy Engineering, Google Inc
Katherine Garrett-Cox	Managing Director and Chief Executive Officer, Gulf International Bank (UK) Ltd.
Timo Heider*	Chairman of the General Staff Council of BHW Bausparkasse AG / Postbank Finanzberatung AG; Chairman of the General Staff Council of BHW Kreditservice GmbH; Chairman of the Staff Council of BHW Bausparkasse AG, BHW Kreditservice GmbH, Postbank Finanzberatung AG and BHW Holding GmbH; Deputy Chairman of the Group Staff Council of Deutsche Bank AG
Martina Klee*	Deputy Chairperson of the Staff Council PWCC Center Frankfurt of Deutsche Bank
Henriette Mark*	Chairperson of the Combined Staff Council Southern Bavaria of Deutsche Bank; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank
Richard Meddings	Executive Chairman of the Board at TSB Bank PLC; Non-Executive Director at Jardine Lloyd Thompson Group PLC
Gabriele Platscher*	Chairperson of the Staff Council Niedersachsen Ost of Deutsche Bank
Bernd Rose*	Chairman of the General Staff Council of Postbank Filialvertrieb AG; Member of the Group Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank
Gerd Alexander Schütz	Founder and Member of the Management Board, C-QUADRAT Investment Aktiengesellschaft



Prof. Dr. Stefan Simon	Self-employed attorney at law with his own law firm, SIMON GmbH; Chairman of the Advisory Council of Leop. Krawinkel GmbH & Co. KG, Bergneustadt
Stephan Szukalski*	Federal Chairman of the German Association of Bank Employees ( <i>Deutscher Bankangestellten-Verband; DBV</i> ) – Trade Union of Financial Service Providers ( <i>Gewerkschaft der Finanzdienstleister</i> )
John Alexander Thain	Member of the Board of Directors, Uber Technologies, Inc., San Francisco, USA; Member of the Board of Directors, Enjoy Technology, Inc., Menlo Park, USA
Michele Trogni	Member of the Board of Directors, Morneau Shepell Inc., Toronto, Canada; Chairperson of the Board of Directors, Capital Markets Gateway Inc., Chicago, USA; Non-Executive Director, Global Atlantic Financial Group Limited, Bermuda”
Prof. Dr. Norbert Winkeljohann	Self-employed corporate consultant, Norbert Winkeljohann Advisory & Investments; Member of the Supervisory Board of Bayer AG; Member of the Supervisory Board of Georgsmarienhütte Holding GmbH; Chairman of the Supervisory Board of Heristo Aktiengesellschaft

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\* Elected by the employees in Germany.

The members of the Management Board accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Management Board and of the Supervisory Board of Deutsche Bank is Taunusanlage 12, 60325 Frankfurt am Main, Germany.

There are no conflicts of interest between any duties to Deutsche Bank and the private interests or other duties of the members of the Supervisory Board and the Management Board.

Deutsche Bank has issued and made available to its shareholders the declaration prescribed by § 161 of the German Stock Corporation Act (*Aktiengesetz, AktG*).

## **MAJOR SHAREHOLDERS**

Deutsche Bank is neither directly nor indirectly majority-owned or controlled by any other corporation, by any government or by any other natural or legal person severally or jointly.

Pursuant to German law and the Deutsche Bank's Articles of Association, to the extent that the Bank may have major shareholders at any time, it may not give them different voting rights from any of the other shareholders.

Deutsche Bank is not aware of arrangements which may at a subsequent date result in a change of control of the company.

The German Securities Trading Act (*Wertpapierhandelsgesetz*) requires investors in publicly-traded corporations whose investments reach certain thresholds to notify both the corporation and BaFin of such change within four trading days. The minimum disclosure threshold is 3 per cent of the corporation's issued voting share capital. To the Bank's knowledge, there are only six shareholders holding more than 3 per cent of Deutsche Bank shares or to whom more than 3 per cent of voting rights are attributed, and none of these shareholders holds more than 10 per cent of Deutsche Bank shares or voting rights.

## **FINANCIAL INFORMATION CONCERNING DEUTSCHE BANK'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

### ***Historical Financial Information / Financial Statements***

Deutsche Bank's consolidated financial statements for the financial years 2017 and 2018 as well as Deutsche Bank's non-consolidated financial statements and management report (HGB) for the financial year 2018 are incorporated by reference in, and form part of, this Registration Document (see section "Information incorporated by reference" on page 48).

Deutsche Bank's non-consolidated financial statements and management report (HGB) for the financial year 2018 were prepared in accordance with the German Commercial Code (HGB) and the Regulation on Accounting by Credit Institutions and Financial Services Institutions (RechKredV). Pursuant to Regulation (EC) No 1606/2002 and accompanying amendments to the HGB, the consolidated financial statements for the years ended 31 December 2017 and 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

### ***Auditing of Historical Annual Financial Information***

KPMG audited Deutsche Bank's non-consolidated and consolidated financial statements for the fiscal years 2017 and 2018. In each case an unqualified auditor's certificate has been provided.

### ***Interim Financial Information***

The unaudited consolidated earnings report as of 31 March 2019 of the Deutsche Bank Group is incorporated by reference in, and forms part of, this Registration Document (see section "Information incorporated by reference" on pages 48-49).

## ***Legal and Arbitration Proceedings***

Deutsche Bank Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, Deutsche Bank Group is involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business.

Other than set out herein, Deutsche Bank Group is not involved (whether as defendant or otherwise) in, nor does it have knowledge of, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Deutsche Bank is aware), during a period covering the previous 12 months that may have, or have had in the recent past, a significant effect on the financial position or profitability of the Bank or Deutsche Bank Group.

### Challenge of the General Meeting's Resolution Not to Pay a Dividend for the 2015 Fiscal Year

In May 2016, Deutsche Bank AG's General Meeting resolved that no dividend was to be paid to Deutsche Bank's shareholders for the 2015 fiscal year. Some shareholders filed a lawsuit with the Regional Court Frankfurt am Main (*Landgericht*), challenging (among other things) the resolution on the grounds that Deutsche Bank was required by law to pay a minimum dividend in an amount equal to 4 per cent. of Deutsche Bank's share capital. In December 2016, the Regional Court ruled in favor of the plaintiffs. Deutsche Bank initially appealed the court's decision. However, consistent with Deutsche Bank's updated strategy, Deutsche Bank withdrew its appeal prior to Deutsche Bank's 2017 General Meeting, as a result of which the challenged resolution became void. Deutsche Bank's General Meeting in May 2017 resolved the payment of a dividend of approximately € 400 million from Deutsche Bank's distributable profit for 2016 which amount contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million. Such dividend was paid to the shareholders shortly after the annual General Meeting. The resolution was also challenged in court based on the argument that the way the decision was taken was not correct. On 18 January 2018, the Regional Court Frankfurt am Main dismissed the shareholder actions as regards the dividend resolution taken in May 2017. The plaintiffs appealed to the Higher Regional Court Frankfurt am Main. On 26 March 2019, the Higher Regional Court Frankfurt am Main confirmed the decision of the Regional Court and dismissed the appeal.

### CO2 Emission Rights

The Frankfurt am Main Office of Public Prosecution (the OPP) has investigated alleged value-added tax (VAT) fraud in connection with the trading of CO2 emission rights by certain trading firms, some of which also engaged in trading activity with Deutsche Bank. The OPP alleges that certain employees of Deutsche Bank knew that their counterparties were part of a fraudulent scheme to avoid VAT on transactions in CO2 emission rights, and it searched Deutsche Bank in April 2010 and December 2012. On 13 June 2016, the Regional Court Frankfurt am Main sentenced seven former Deutsche Bank employees for VAT evasion and for aiding and abetting VAT evasion in connection with their involvement in CO2 emissions trading. On 15 May 2018, the Federal Supreme Court (*Bundesgerichtshof*) handed down its decision in the appeal proceedings. The Federal Supreme Court partly granted the appeal of one former employee and referred the case back to the trial court. In relation to the other cases where appeal proceedings were pending, the Federal Supreme Court confirmed the trial court's judgment, which meant that the judgment became final and binding and the cases are closed. The majority of the other investigations by the OPP against former and current employees which were ongoing have meanwhile been closed. In addition to the case which was referred back to the trial court, investigations remain ongoing against one current and one former employee.

### Cum-ex Investigations and Litigations

Deutsche Bank has received inquiries from law enforcement authorities, including requests for information and documents, in relation to cum-ex transactions of clients. "Cum-ex" refers to trading activities in

German shares around dividend record dates (trade date before and settlement date after dividend record date) for the purpose of obtaining German tax credits or refunds in relation to withholding tax levied on dividend payments including, in particular, transaction structures that have resulted in more than one market participant claiming such credit or refund with respect to the same dividend payment. Deutsche Bank is cooperating with the law enforcement authorities in these matters.

The Public Prosecutor in Cologne has been conducting a criminal investigation since August 2017 concerning two former employees of Deutsche Bank in relation to cum-ex transactions of certain former clients of the Bank. Deutsche Bank is a potential secondary participant pursuant to Section 30 of the German Law on Administrative Offences in this proceeding. Deutsche Bank is cooperating with this investigation.

In February 2018, Deutsche Bank received from the Federal Central Tax Office (*Bundeszentralamt für Steuern*) a demand of approximately € 49 million for tax refunds paid to a former custody client. Deutsche Bank had filed withholding tax refund claims through the electronic refund procedure (*elektronisches Datenträgerverfahren*) on behalf of the client in connection with the client's cum-ex transactions. Deutsche Bank expects to receive a formal notice for the same amount in the near future.

By letter dated 26 February 2018, The Bank of New York Mellon SA/NV ("BNY") informed Deutsche Bank of its intention to seek indemnification for potential cum-ex related tax liabilities incurred by BHF Asset Servicing GmbH ("BAS") and/or Frankfurter Service Kapitalanlage-GmbH ("FSKAG"). Deutsche Bank had acquired BAS and FSKAG as part of the acquisition of Sal. Oppenheim in 2010 and sold them to BNY in the same year. BNY estimates the potential tax liability to amount to up to € 120 million.

On 6 February 2019, the Regional Court Frankfurt am Main (*Landgericht*) served Deutsche Bank with a claim by M.M.Warburg & CO Gruppe GmbH and M.M.Warburg & CO (AG & Co.) KGaA (together "Warburg") in connection with cum-ex transactions of Warburg with a custody client of Deutsche Bank during 2007 to 2011. Warburg claims from Deutsche Bank indemnification against German taxes in relation to transactions conducted in the years 2010 and 2011. Further, Warburg claims compensation of unspecified damages relating to these transactions and declaratory relief that Deutsche Bank will have to indemnify Warburg against any potential future tax assessments for cum-ex transactions conducted in the years 2007 to 2009.

According to Warburg's claim, the Hamburg Tax Office has claimed from Warburg German taxes of approximately € 42.7 million plus interest of approximately € 14.6 million for 2010 and German taxes of approximately € 4 million plus interest of approximately € 1.6 million for 2011. According to the claim, neither taxes nor interest have yet been assessed against Warburg for the years 2007 to 2009. Deutsche Bank estimates that for the years 2007 to 2009 the aggregate amount of German taxes and interest could be as high as approximately € 88.9 million and approximately € 45.9 million, respectively.

#### Danske Bank Estonia Investigations

Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning the Bank's correspondent banking relationship with Danske Bank, including the Bank's historical processing of correspondent banking transactions on behalf of customers of Danske Bank's Estonia branch prior to cessation of the correspondent banking relationship with that branch in 2015. Deutsche Bank is providing information to and otherwise cooperating with the investigating agencies. The Bank is also conducting an internal investigation into these matters, including of whether any violations of law, regulation or policy occurred and the effectiveness of the related internal control environment.

The Group has not established a provision or contingent liability with respect to this matter.

### Deutsche Bank Shareholder Litigations

Deutsche Bank and certain of its current and former officers and management board members are the subject of a purported class action, filed in the U.S. District Court for the Southern District of New York, asserting claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934 on behalf of persons who purchased or otherwise acquired securities of Deutsche Bank on a United States exchange or pursuant to other transactions within the United States between 31 January 2013 and 26 July 2016. Plaintiffs allege that Deutsche Bank's SEC Annual Reports on Form 20-F for the years 2012, 2013, 2014 and 2015 were materially false and misleading in failing to disclose (i) serious and systemic failings in controls against financing terrorism, money laundering, aiding organizations subject to international sanctions and committing financial crime and (ii) that the Bank's internal control over financial reporting and its disclosure controls and procedures were not effective. On 21 February 2017, Deutsche Bank and the individual defendants served at the time with the summons and complaint moved to dismiss the consolidated amended complaint. On 28 June 2017, the court granted the motion to dismiss as to all defendants, without leave to replead. On 30 June 2017, the court entered judgment dismissing the lawsuit. The plaintiffs appealed the court's decision. Following completion of briefing, the Court of Appeals held oral argument on 28 March 2018. On 13 April 2018, the Court of Appeals issued a Summary Opinion affirming the dismissal of the action.

Deutsche Bank and certain of its current and former officers and management board members are the subject of a purported class action, filed in the United States District Court for the Southern District of New York, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of persons who purchased or otherwise acquired securities of Deutsche Bank on a United States exchange or pursuant to other transactions within the United States between 20 March 2017 and 30 May 2018. Plaintiffs allege that Deutsche Bank's SEC Annual Reports on Form 20-F for the years 2016 and 2017 and its quarterly interim reports on Form 6-K for calendar 2017 contained materially false and misleading statements regarding its business, operational and compliance policies and internal control environment. On 25 January 2019, the lead plaintiff filed an amended class action complaint. Deutsche Bank has moved to dismiss the action.

### Esch Funds Litigation

Prior to its acquisition by Deutsche Bank in 2010, Sal. Oppenheim jr. & Cie. AG & Co. KGaA ("Sal. Oppenheim") was involved in the marketing and financing of participations in closed end real estate funds. These funds were structured as partnerships under German law. Usually, Josef Esch Fonds-Projekt GmbH carried out the planning and project development in connection with the funds' investments. Sal. Oppenheim held an indirect interest in this company via a joint venture. In relation to this business, a number of civil claims have been filed against Sal. Oppenheim. Some, but not all, of these claims are also directed against former managing partners of Sal. Oppenheim and other individuals. The investors are seeking to unwind their fund participation and to be indemnified against potential losses incurred in connection with the investment. The claims are based in part, on an alleged failure of Sal. Oppenheim to adequately disclose related risks and other material aspects important for the investors' investment decision. The claims brought against Sal. Oppenheim relate to investments in an amount of originally approximately € 1.1 billion. After certain claims have either been dismissed or settled, claims relating to investments in an amount of originally approximately € 6 million are still pending. Based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim. In some cases, appeals are pending. Currently, the aggregate amount claimed in the pending proceedings is approximately € 10 million.

### FX Investigations and Litigations

Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies globally who investigated trading in, and various other aspects of, the foreign exchange market.

Deutsche Bank cooperated with these investigations. Relatedly, Deutsche Bank has conducted its own internal global review of foreign exchange trading and other aspects of its foreign exchange business.

On 19 October 2016, the U.S. Commodity Futures Trading Commission (CFTC), Division of Enforcement issued a letter ("CFTC Letter") notifying Deutsche Bank that the CFTC Division of Enforcement "is not taking any further action at this time and has closed the investigation of Deutsche Bank" regarding foreign exchange. As is customary, the CFTC Letter states that the CFTC Division of Enforcement "maintains the discretion to decide to reopen the investigation at any time in the future." The CFTC Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

On 7 December 2016, it was announced that Deutsche Bank reached an agreement with CADE, the Brazilian antitrust enforcement agency, to settle an investigation into conduct by a former Brazil-based Deutsche Bank trader. As part of that settlement, Deutsche Bank paid a fine of BRL 51 million and agreed to continue to comply with the CADE's administrative process until it is concluded. This resolves CADE's administrative process as it relates to Deutsche Bank, subject to Deutsche Bank's continued compliance with the settlement terms.

On 13 February 2017, the U.S. Department of Justice (DOJ), Criminal Division, Fraud Section, issued a letter (DOJ Letter) notifying Deutsche Bank that the DOJ has closed its criminal inquiry "concerning possible violations of federal criminal law in connection with the foreign exchange markets." As is customary, the DOJ Letter states that the DOJ may reopen its inquiry if it obtains additional information or evidence regarding the inquiry. The DOJ Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

On 20 April 2017, it was announced that Deutsche Bank AG, DB USA Corporation and Deutsche Bank AG New York Branch reached an agreement with the Board of Governors of the Federal Reserve System to settle an investigation into Deutsche Bank's foreign exchange trading and practices. Under the terms of the settlement, Deutsche Bank entered into a cease-and-desist order, and agreed to pay a civil monetary penalty of U.S.\$ 137 million. In addition, the Federal Reserve ordered Deutsche Bank to "continue to implement additional improvements in its oversight, internal controls, compliance, risk management and audit programs" for its foreign exchange business and other similar products, and to periodically report to the Federal Reserve on its progress.

On 20 June 2018, it was announced that Deutsche Bank AG and Deutsche Bank AG New York Branch reached an agreement with the New York State Department of Financial Services (DFS) to settle an investigation into Deutsche Bank's foreign exchange trading and sales practices. Under the terms of the settlement, Deutsche Bank entered into a consent order, and agreed to pay a civil monetary penalty of U.S.\$ 205 million. In addition, the DFS ordered Deutsche Bank to continue to implement improvements in its oversight, internal controls, compliance, risk management and audit programs for its foreign exchange business, and to periodically report to the DFS on its progress.

Investigations conducted by certain other regulatory agencies are ongoing, and Deutsche Bank has cooperated with these investigations.

On 6 August 2018, the U.S. District Court for the Southern District of New York issued a final order approving Deutsche Bank's U.S.\$ 190 million settlement and plaintiffs' dismissal with prejudice of the consolidated action (In re Foreign Exchange Benchmark Rates Antitrust Litigation). The consolidated action was brought on behalf of a putative class of over-the-counter traders and a putative class of central-exchange traders, who are domiciled in or traded in the United States or its territories, and alleged illegal agreements to restrain competition with respect to and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates. On 10 July 2018, the U.S. Court of Appeals for

the Second Circuit affirmed the district court's dismissal of *Doris Sue Allen v. Bank of America, et al.*, a putative class action that tracked the allegations in the consolidated action and asserted that such purported conduct gave rise to, and resulted in a breach of, defendants' fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974. On 6 September 2018, the U.S. District Court for the Southern District of New York denied Axiom Investment Advisors, LLC's ("Axiom") motion for class certification in *Axiom v. Deutsche Bank AG*. Axiom's motion for voluntary dismissal with prejudice was granted on 18 January 2019. This putative class action alleged that Deutsche Bank rejected FX orders placed over electronic trading platforms through the application of a function referred to as "Last Look" and that these orders were later filled at prices less favorable to putative class members. One U.S. putative class action remains pending against Deutsche Bank. Filed on 26 September 2016, amended on 24 March 2017, and later consolidated with a similar action that was filed on 28 April 2017, the "Indirect Purchasers" action (*Contant, et al. v. Bank of America Corp., et al.*) tracks the allegations in the consolidated action and asserts that such purported conduct injured "indirect purchasers" of FX instruments. These claims are brought pursuant to the Sherman Act and various states' consumer protection statutes. On 15 March 2018, the court granted Deutsche Bank's motion to dismiss this action. Plaintiffs filed a motion to replead and proposed an amended complaint on 5 April 2018, which Deutsche Bank opposed. On 25 October 2018, the U.S. District Court for the Southern District of New York granted plaintiffs' motion and a second amended complaint was filed on 28 November 2018. Discovery has commenced in the Indirect Purchasers action. Filed on 7 November 2018, *Allianz, et al. v. Bank of America Corporation, et al.*, was brought on an individual basis by a group of asset managers who opted out of the settlement in the consolidated action. Plaintiffs filed an amended complaint on 1 March 2019. Deutsche Bank moved to dismiss the action on 1 April 2019. On 26 April 2019, the presiding judge ordered that Plaintiffs may request leave to amend the First Amended Complaint within fourteen calendar days following the issuance of the Court's Opinion and Order resolving the Rule 12(b)(2) motion in the Indirect Purchasers action. In the interim, the 1 April 2019 motion was dismissed without prejudice to renewal after resolution of Plaintiffs' anticipated leave to amend. Limited discovery has commenced pending resolution of defendants' motion to dismiss.

Deutsche Bank also has been named as a defendant in two Canadian class proceedings brought in the provinces of Ontario and Quebec. Filed on 10 September 2015, these class actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to the Canadian Competition Act as well as other causes of action. Plaintiffs in the Ontario action have moved for class certification and completed service of their class certification motion record on 23 June 2017. Deutsche Bank has opposed class certification, and a hearing on the class certification motion is scheduled for 10 to 14 June 2019. Deutsche Bank has also been named as a defendant in two putative class actions filed in Israel in September 2018. These actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to Israeli antitrust law as well as other causes of action. These actions are in preliminary stages and Deutsche Bank has not been formally served.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

#### Interbank and Dealer Offered Rates Matters.

Regulatory and Law Enforcement Matters. Deutsche Bank has responded to requests for information from, and cooperated with, various regulatory and law enforcement agencies, in connection with industry-wide investigations concerning the setting of the London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank and/or dealer offered rates. As previously reported, Deutsche Bank paid € 725 million to the European Commission

pursuant to a settlement agreement dated 4 December 2013 in relation to anticompetitive conduct in the trading of interest rate derivatives.

Also as previously reported, on 23 April 2015, Deutsche Bank entered into separate settlements with the DOJ, the CFTC, the UK Financial Conduct Authority (FCA), and the New York State Department of Financial Services (DFS) to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, Deutsche Bank agreed to pay penalties of U.S.\$ 2.175 billion to the DOJ, CFTC and DFS and GBP 226.8 million to the FCA. As part of the resolution with the DOJ, DB Group Services (UK) Limited (an indirectly-held, wholly-owned subsidiary of Deutsche Bank) pled guilty to one count of wire fraud in the U.S. District Court for the District of Connecticut and Deutsche Bank entered into a Deferred Prosecution Agreement with a three year term pursuant to which it agreed (among other things) to the filing of an Information in the U.S. District Court for the District of Connecticut charging Deutsche Bank with one count of wire fraud and one count of price fixing in violation of the Sherman Act. On 23 April 2018, the Deferred Prosecution Agreement expired, and the U.S. District Court for the District of Connecticut subsequently dismissed the criminal Information against Deutsche Bank. The fines referred to above, which include a U.S.\$ 150 million fine paid in April 2017 following the 28 March 2017 sentencing of DB Group Services (UK) Limited, have been paid in full and do not form part of the Bank's provisions.

As previously reported, on 20 March 2017, Deutsche Bank paid CHF 5.4 million to the Swiss Competition Commission (WEKO) pursuant to a settlement agreement in relation to Yen LIBOR.

On 25 October 2017, Deutsche Bank entered into a settlement with a working group of U.S. state attorneys general resolving their interbank offered rate investigation. Among other conditions, Deutsche Bank agreed to make a settlement payment of U.S.\$ 220 million. The settlement amount has been paid in full and does not form part of the Bank's provisions.

Other investigations of Deutsche Bank concerning the setting of various interbank and/or dealer offered rates remain ongoing,

The Group has not disclosed whether it has established a provision or contingent liability with respect to the remaining investigations because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

Overview of Civil Litigations. Deutsche Bank is party to 45 U.S. civil actions concerning alleged manipulation relating to the setting of various interbank and/or dealer offered rates which are described in the following paragraphs, as well as single actions pending in each of the UK, Israel and Argentina. Most of the civil actions, including putative class actions, are pending in the U.S. District Court for the Southern District of New York (SDNY), against Deutsche Bank and numerous other defendants. All but four of the U.S. civil actions were filed on behalf of parties who allege losses as a result of manipulation relating to the setting of U.S. dollar LIBOR. The four civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR), and one action concerning the Canadian Dealer Offered Rate (CDOR).

Claims for damages for all 45 of the U.S. civil actions discussed have been asserted under various legal theories, including violations of the U.S. Commodity Exchange Act, federal and state antitrust laws, the U.S. Racketeer Influenced and Corrupt Organizations Act, and other federal and state laws. The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.



U.S. dollar LIBOR. With three exceptions, all of the U.S. civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "U.S. dollar LIBOR MDL") in the SDNY. In light of the large number of individual cases pending against Deutsche Bank and their similarity, the civil actions included in the U.S. dollar LIBOR MDL are now subsumed under the following general description of the litigation pertaining to all such actions, without disclosure of individual actions except when the circumstances or the resolution of an individual case is material to Deutsche Bank.

Following a series of decisions in the U.S. dollar LIBOR MDL between March 2013 and March 2019 narrowing their claims, plaintiffs are currently asserting antitrust claims, claims under the U.S. Commodity Exchange Act and U.S. Securities Exchange Act and state law fraud, contract, unjust enrichment and other tort claims. The court has also issued decisions dismissing certain plaintiffs' claims for lack of personal jurisdiction and on statute of limitations grounds.

On 20 December 2016, the district court issued a ruling dismissing certain antitrust claims while allowing others to proceed. Multiple plaintiffs have filed appeals of the district court's 20 December 2016 ruling to the U.S. Court of Appeals for the Second Circuit, and those appeals are proceeding in parallel with the ongoing proceedings in the district court. Briefing of the appeals is complete.

On 13 July 2017, Deutsche Bank executed a settlement agreement in the amount of U.S.\$ 80 million with plaintiffs to resolve a putative class action pending as part of the U.S. dollar LIBOR MDL asserting claims based on alleged transactions in Eurodollar futures and options traded on the Chicago Mercantile Exchange (Metzler Investment GmbH v. Credit Suisse Group AG). The settlement agreement was submitted to the court for preliminary approval on 11 October 2017. The settlement amount is already fully reflected in existing litigation provisions and no additional provisions have been taken for this settlement. The settlement agreement is subject to further review and approval by the court.

On 6 February 2018, Deutsche Bank executed a settlement agreement in the amount of U.S.\$ 240 million with plaintiffs to resolve a putative class action pending as part of the U.S. dollar LIBOR MDL asserting claims based on alleged transactions in U.S. dollar LIBOR-linked financial instruments purchased over the counter directly from LIBOR panel banks (Mayor & City Council of Baltimore v. Credit Suisse AG). The agreement was submitted to the court for approval, and the court granted final approval of the settlement on 25 October 2018. Accordingly, the action is not included in the total number of actions above. The settlement amount, which Deutsche Bank has paid, is no longer reflected in Deutsche Bank's litigation provisions.

Plaintiff in one of the non-MDL cases proceeding in the SDNY moved to amend its complaint following a dismissal of its claims. On 20 March 2018, the court denied plaintiff's motion for leave to amend and entered judgment in the action, closing the case. Plaintiff has appealed the court's decision, and a decision is pending. On 15 and 31 January 2019, plaintiffs filed two putative class action complaints in the SDNY against several financial institutions, alleging that the defendants, members of the panel of banks that provided U.S. dollar LIBOR submissions, the organization that administers LIBOR, and their affiliates, conspired to suppress U.S. dollar LIBOR submissions from 1 February 2014 through the present. These actions were subsequently consolidated. A third putative class action complaint was filed on 4 March 4 2019. These actions are not part of the U.S. dollar LIBOR MDL.

There is a further UK civil action regarding U.S. dollar LIBOR brought by the U.S. Federal Deposit Insurance Corporation, in which a claim for damages has been asserted pursuant to Article 101 of The Treaty on the Functioning of the European Union, Section 2 of Chapter 1 of the UK Competition Act 1998 and U.S. state laws. Deutsche Bank is defending this action.

A further class action regarding LIBOR, EURIBOR and TIBOR has been filed in Israel seeking damages for losses incurred by Israeli individuals and entities. Deutsche Bank is contesting service and jurisdiction.

Yen LIBOR and Euroyen TIBOR. On 21 July 2017, Deutsche Bank executed a settlement agreement in the amount of U.S.\$ 77 million with plaintiffs to resolve two putative class actions pending in the SDNY alleging manipulation of Yen LIBOR and Euroyen TIBOR (Laydon v. Mizuho Bank, Ltd. and Sonterra Capital Master Fund Ltd. v. UBS AG). The agreement was submitted to the court for approval, and the court granted final approval of the settlement on 7 December 2017. Accordingly, these two actions are not included in the total number of actions above. The settlement amount, which Deutsche Bank paid on 1 August 2017, is no longer reflected in Deutsche Bank's litigation provisions.

EURIBOR. On 10 May 2017, Deutsche Bank executed a settlement agreement in the amount of U.S.\$ 170 million with plaintiffs to resolve a putative class action pending in the SDNY alleging manipulation of EURIBOR (Sullivan v. Barclays PLC). The agreement was submitted to the court for approval, and the court granted final approval of the settlement on 18 May 2018. Accordingly, the action is not included in the total number of actions above. The settlement amount, which Deutsche Bank has paid, is no longer reflected in Deutsche Bank's litigation provisions.

GBP LIBOR. A putative class action alleging manipulation of the Pound Sterling (GBP) LIBOR remains pending in the SDNY. On 21 December 2018, the court partially granted defendants' motions to dismiss the action, dismissing all claims against Deutsche Bank. On 22 January 2019, the plaintiffs moved for partial reconsideration of the court's decision; that motion is fully briefed.

CHF LIBOR. A putative class action alleging manipulation of the Swiss Franc (CHF) LIBOR remains pending in the SDNY. It is the subject of fully briefed motions to dismiss.

SIBOR and SOR. A putative class action alleging manipulation of the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR) remains pending in the SDNY. On 25 October 2018, the plaintiff filed a third amended complaint, which is the subject of a fully briefed motion to dismiss. On 26 December 2018, plaintiff moved the court for leave to file a fourth amended complaint; that motion is fully briefed.

CDOR. A putative class action alleging manipulation of the Canadian Dealer Offered Rate (CDOR) is pending in the SDNY. On 14 March 2019, the court granted defendants' motions to dismiss the amended complaint, dismissing all claims against Deutsche Bank. Plaintiff has filed a notice of appeal.

Bank Bill Swap Rate Claims. On 16 August 2016, a putative class action was filed in the U.S. District Court for the Southern District of New York against Deutsche Bank and other defendants, bringing claims based on alleged collusion and manipulation in connection with the Australian Bank Bill Swap Rate ("BBSW") on behalf of persons and entities that engaged in US-based transactions in BBSW-linked financial instruments from 2003 through the date on which the effects of the alleged unlawful conduct ceased. The complaint alleges that the defendants, among other things, engaged in money market transactions intended to influence the BBSW fixing, made false BBSW submissions, and used their control over BBSW rules to further the alleged misconduct. An amended complaint was filed on 16 December 2016. On 26 November 2018, the court partially granted defendants' motions to dismiss the amended complaint, dismissing all claims against Deutsche Bank. On 3 April 2019, the plaintiffs filed a second amended complaint.

#### Investigations into Referral Hiring Practices and Certain Business Relationships

Certain regulators and law enforcement authorities in various jurisdictions, including the U.S. Securities and Exchange Commission and the DOJ, are investigating, among other things, Deutsche Bank's compliance with the U.S. Foreign Corrupt Practices Act and other laws with respect to the Bank's hiring practices related to candidates referred by clients, potential clients and government officials, and the Bank's engagement of finders and consultants. Deutsche Bank is responding to and continuing to cooperate with these investigations. Certain regulators in other jurisdictions have also been briefed on these investigations. The Group has recorded a provision with respect to certain of these regulatory investigations. The Group has not disclosed the amount of this provision because it has concluded that

such disclosure can be expected to prejudice seriously the outcome of these regulatory investigations. Based on the facts currently known, it is not practicable at this time for the Bank to predict the timing of a resolution.

### ISDAFIX

On 1 February 2018, the Bank entered into a settlement with the U.S. Commodity Futures Trading Commission (CFTC) to resolve the CFTC's investigation concerning the Bank's involvement in the setting of U.S. dollar ISDAFIX benchmark. The Bank agreed to pay a civil monetary penalty of U.S.\$ 70 million and to remedial undertakings, including maintaining systems and controls reasonably designed to prevent potential manipulation of interest rate swaps benchmarks.

In addition, the Bank has been named as a defendant in five putative class actions that were consolidated in the U.S. District Court for the Southern District of New York asserting antitrust, fraud, and other claims relating to an alleged conspiracy to manipulate the U.S. dollar ISDAFIX benchmark. On 8 April 2016, Deutsche Bank settled the class actions for U.S.\$ 50 million, subject to final court approval. The court approved the settlement on 30 May 2018.

### Kirch

The public prosecutor's office in Munich (Staatsanwaltschaft München I) has conducted and is currently conducting criminal investigations in connection with the Kirch case inter alia with regard to former Deutsche Bank Management Board members. The Kirch case involved several civil proceedings between Deutsche Bank AG and Dr. Leo Kirch as well as media companies controlled by him. The key issue was whether an interview given by Dr. Rolf Breuer, then Spokesman of Deutsche Bank's Management Board, in 2002 with Bloomberg television, during which Dr. Breuer commented on Dr. Kirch's (and his companies') inability to obtain financing, caused the insolvency of the Kirch companies. In February 2014, Deutsche Bank and the Kirch heirs reached a comprehensive settlement, which has ended all legal disputes between them.

The allegations of the public prosecutor are that the relevant former Management Board members failed to correct in a timely manner factual statements made by Deutsche Bank's litigation counsel in submissions filed in one of the civil cases between Kirch and Deutsche Bank AG before the Munich Higher Regional Court and the Federal Court of Justice, after allegedly having become aware that such statements were not correct, and/or made incorrect statements in such proceedings, respectively.

On 25 April 2016, following the trial before the Regional Court Munich regarding the main investigation involving Jürgen Fitschen and four other former Management Board members, the Regional Court acquitted all of the accused, as well as the Bank, which was a secondary participant in such proceedings. On 26 April 2016, the public prosecutor filed an appeal. An appeal is limited to a review of legal errors rather than facts. On 18 October 2016, a few weeks after the written judgment was served, the public prosecutor provided notice that it will uphold its appeal only with respect to former Management Board members Jürgen Fitschen, Dr. Rolf Breuer and Dr. Josef Ackermann and that it will withdraw its appeal with respect to former Management Board members Dr. Clemens Börsig and Dr. Tessen von Heydebreck for whom the acquittal thereby becomes binding. On 24 January 2018, the Attorney General's Office applied to convene an oral hearing before the Federal Supreme Court to decide about the Munich public prosecutor's appeal.

The other investigations by the public prosecutor (which also deal with attempted litigation fraud in the Kirch civil proceedings) are ongoing. Deutsche Bank is fully cooperating with the Munich public prosecutor's office.

The Group does not expect these proceedings to have significant economic consequences for it and has not recorded a provision or contingent liability with respect thereto.

### KOSPI Index Unwind Matters

Following the decline of the Korea Composite Stock Price Index 200 (the "KOSPI 200") in the closing auction on 11 November 2010 by approximately 2.7 per cent., the Korean Financial Supervisory Service ("FSS") commenced an investigation and expressed concerns that the fall in the KOSPI 200 was attributable to a sale by Deutsche Bank of a basket of stocks, worth approximately € 1.6 billion, that was held as part of an index arbitrage position on the KOSPI 200. On 23 February 2011, the Korean Financial Services Commission, which oversees the work of the FSS, reviewed the FSS' findings and recommendations and resolved to take the following actions: (i) to file a criminal complaint to the Korean Prosecutor's Office for alleged market manipulation against five employees of Deutsche Bank group and Deutsche Bank's subsidiary Deutsche Securities Korea Co. (DSK) for vicarious corporate criminal liability; and (ii) to impose a suspension of six months, commencing 1 April 2011 and ending 30 September 2011, of DSK's business for proprietary trading of cash equities and listed derivatives and DMA (direct market access) cash equities trading, and the requirement that DSK suspend the employment of one named employee for six months. On 19 August 2011, the Korean Prosecutor's Office announced its decision to indict DSK and four employees of Deutsche Bank group on charges of spot/futures linked market manipulation. The criminal trial commenced in January 2012. On 25 January 2016, the Seoul Central District Court rendered guilty verdicts against a DSK trader and DSK. A criminal fine of KRW 1.5 billion (less than € 2.0 million) was imposed on DSK. The Court also ordered forfeiture of the profits generated on the underlying trading activity. The Group disgorged the profits on the underlying trading activity in 2011. The criminal trial verdicts against both the DSK trader and against DSK were overturned on appeal in a decision rendered by the Seoul High Court on 12 December 2018. The Korean Prosecutor's Office has appealed the Seoul High Court decision.

In addition, a number of civil actions have been filed in Korean courts against Deutsche Bank and DSK by certain parties who allege they incurred losses as a consequence of the fall in the KOSPI 200 on 11 November 2010. First instance court decisions were rendered against the Bank and DSK in some of these cases starting in the fourth quarter of 2015. The outstanding claims known to Deutsche Bank have an aggregate claim amount of less than € 50 million (at present exchange rates).

### Life Settlements Investigation

On 2 May 2017, the U.S. Attorney's Office for the Southern District of New York notified the Bank that it has closed its investigation of the Bank's historical life settlements business, which included the origination and purchase of investments in life insurance assets during the 2005 to 2008 period. As is customary, the U.S. Attorney's Office further informed the Bank that it may reopen its investigation if it obtains additional information or evidence.

### Monte Dei Paschi

In March 2013, Banca Monte dei Paschi di Siena ("MPS") initiated civil proceedings in Italy against Deutsche Bank alleging that Deutsche Bank assisted former MPS senior management in an accounting fraud on MPS, by undertaking repo transactions with MPS and "Santorini", a wholly owned special-purpose vehicle of MPS, which helped MPS defer losses on a previous transaction undertaken with Deutsche Bank. Subsequently, in July 2013, the Fondazione Monte dei Paschi di Siena ("FMPS"), MPS' largest shareholder, also commenced civil proceedings in Italy for damages based on substantially the same facts. In December 2013, Deutsche Bank reached an agreement with MPS to settle the civil proceedings and the transactions were unwound. The civil proceedings initiated by FMPS, in which damages of between € 220 million and € 381 million were claimed, were also recently settled upon payment by Deutsche Bank of € 17.5 million. FMPS's separate claim filed in July 2014 against FMPS's former administrators and a syndicate of 12 banks including Deutsche Bank S.p.A. for € 286 million continues to be pending before the first instance Florence courts.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions entered into by MPS with Deutsche Bank and certain unrelated transactions entered into by MPS with other parties. Such investigation was moved in summer 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. On 16 February 2016, the Milan Public Prosecutors issued a request of committal to trial against Deutsche Bank and six current and former employees. The committal process concluded with a hearing on 1 October 2016, during which the Milan court committed all defendants in the criminal proceedings to trial. Deutsche Bank's potential exposure is for administrative liability under Italian Legislative Decree n. 231/2001 and for civil vicarious liability as an employer of current and former Deutsche Bank employees who are being criminally prosecuted. A verdict is not expected before summer 2019.

On 22 May 2018, CONSOB, the authority responsible for regulating the Italian financial markets, issued fines of € 100,000 each against the six current and former employees of Deutsche Bank who are individual defendants in the criminal proceedings. The six individuals were also banned from performing management functions in Italy and for Italian based institutions for three to six months each. No separate fine or sanction was imposed on Deutsche Bank but it is jointly and severally liable for the six current/former Deutsche Bank employees' fines. On 14 June 2018, Deutsche Bank and the six individuals filed an appeal in the Milan Court of Appeal challenging CONSOB's decision and one of the individuals sought a stay of enforcement of the fine against that individual. The stay was granted on 21 July 2018. The hearing of the appeal is scheduled for 5 June 2019 with a verdict expected by the end of 2019.

#### Mortgage-Related and Asset-Backed Securities Matters and Investigation

Regulatory and Governmental Matters. Deutsche Bank, along with certain affiliates (collectively referred in these paragraphs to as "Deutsche Bank"), have received subpoenas and requests for information from certain regulators and government entities, including members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force, concerning its activities regarding the origination, purchase, securitization, sale, valuation and/or trading of mortgage loans, residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized debt obligations (CDOs), other asset-backed securities and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

On 23 December 2016, Deutsche Bank announced that it reached a settlement-in-principle with the DOJ to resolve potential claims related to its RMBS business conducted from 2005 to 2007. The settlement became final and was announced by the DOJ on 17 January 2017. Under the settlement, Deutsche Bank paid a civil monetary penalty of U.S.\$ 3.1 billion and agreed to provide U.S.\$ 4.1 billion in consumer relief.

In September 2016, Deutsche Bank received administrative subpoenas from the Maryland Attorney General seeking information concerning Deutsche Bank's RMBS and CDO businesses from 2002 to 2009. On 1 June 2017, Deutsche Bank and the Maryland Attorney General reached a settlement to resolve the matter for U.S.\$ 15 million in cash and U.S.\$ 80 million in consumer relief (to be allocated from the overall U.S.\$ 4.1 billion consumer relief obligation agreed to as part of Deutsche Bank's settlement with the DOJ).

The Group has recorded provisions with respect to some of the outstanding regulatory investigations but not others, a portion of which relates to the consumer relief being provided under the DOJ settlement. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these matters.

Issuer and Underwriter Civil Litigation. Deutsche Bank has been named as defendant in numerous civil litigations brought by private parties in connection with its various roles, including issuer or underwriter, in offerings of RMBS and other asset-backed securities. These cases, described below, allege that the offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that

various representations or warranties relating to the loans were breached at the time of origination. The Group has recorded provisions with respect to several of these civil cases, but has not recorded provisions with respect to all of these matters. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these matters.

Deutsche Bank is a defendant in a class action relating to its role as one of the underwriters of six RMBS offerings issued by Novastar Mortgage Corporation. No specific damages are alleged in the complaint. The lawsuit was brought by plaintiffs representing a class of investors who purchased certificates in those offerings. The parties reached a settlement to resolve the matter for a total of U.S.\$ 165 million, a portion of which was paid by the Bank. On 30 August 2017, FHFA/Freddie Mac filed an objection to the settlement and shortly thereafter appealed the district court's denial of their request to stay settlement approval proceedings, which appeal was resolved against FHFA/Freddie Mac. The court approved the settlement on 7. March 2019 over FHFA/Freddie Mac's objections. The parties have 60 days from entry of the order to file an appeal.

Deutsche Bank is a defendant in three actions related to RMBS offerings brought by the U.S. Federal Deposit Insurance Corporation (FDIC) as receiver for: (a) Colonial Bank (alleging no less than U.S.\$ 213 million in damages against all defendants), (b) Guaranty Bank (alleging no less than U.S.\$ 901 million in damages against all defendants), and (c) Citizens National Bank and Strategic Capital Bank (alleging an unspecified amount in damages against all defendants). In each of these actions, the appellate courts reinstated claims previously dismissed on statute of limitations grounds and petitions for rehearing and certiorari to the U.S. Supreme Court were denied. In the case concerning Colonial Bank, on 21 June 2017, the FDIC filed a second amended complaint, which defendants moved to dismiss on 7 September 2017. On 2 March 2018, the court granted in part and denied in part defendants' motion to dismiss. Fact discovery largely concluded in March 2019, and the parties are discussing a schedule for expert discovery. In the case concerning Guaranty Bank, on 14 September 2017, the court granted in part Deutsche Bank's motion for summary judgment regarding the proper method of calculating pre-judgment interest. On 31 August 2018, the court vacated the March 2019 trial date. On 27 September 2018, the court ordered that the case must go to mediation before 11 January 2019, and that it is stayed in the meantime. The parties engaged in mediation on 27 November 2018. No settlement was reached during the mediation. The court re-opened the case and, on 2 January 2019, set a trial date of 26 August 2019. On 25 March 2019, the court granted in part Deutsche Bank's motion to preclude the FDIC from asserting certain damages testimony, and denied the FDIC's motion to strike one of Deutsche Bank's damages experts. In the case concerning Citizens National Bank and Strategic Capital Bank, on 31 July 2017, the FDIC filed a second amended complaint, which defendants moved to dismiss on 14 September 2017.

The case is stayed pending resolution of defendants' motion to dismiss. Deutsche Bank is a defendant in an action brought by Royal Park Investments (as purported assignee of claims of a special-purpose vehicle created to acquire certain assets of Fortis Bank) alleging common law claims related to the purchase of RMBS. The complaint did not specify the amount of damages sought. On 17 April 2017, the court dismissed the complaint, and on 13 February 2018 the plaintiff filed its appeal. On 9 October 2018, the dismissal was affirmed by the appellate court. Plaintiff filed a motion for leave to appeal to the New York Court of Appeals on 8 November 2018. Defendants filed an opposition on 21 November 2018, which completed the briefing. On 15 January 2019, the New York Court of Appeals denied the motion.

In June 2014, HSBC, as trustee, brought an action in New York state court against Deutsche Bank to revive a prior action, alleging that Deutsche Bank failed to repurchase mortgage loans in the ACE Securities Corp. 2006-SL2 RMBS offering. The revival action was stayed during the pendency of an appeal of the dismissal of a separate action wherein HSBC, as trustee, brought an action against Deutsche Bank alleging breaches of representations and warranties made by Deutsche Bank concerning the mortgage loans in the same offering. On 29 March 2016, the court dismissed the revival action, and on

29 April 2016, plaintiff filed a notice of appeal. Plaintiff's appeal has been adjourned to the appellate court's September 2019 term. Deutsche Bank is a defendant in two cases brought initially by RMBS investors and subsequently by HSBC, as trustee, in New York state court. The cases allege breaches of loan-level representations and warranties in the ACE Securities Corp. 2006-FM1 and ACE Securities Corp. 2007-ASAP1 RMBS offerings, respectively. Both cases were dismissed on statute of limitations grounds by the trial court on 28 March 2018. Plaintiff has appealed the dismissals, which appeals remain pending.

In the actions against Deutsche Bank solely as an underwriter of other issuers' RMBS offerings, Deutsche Bank has contractual rights to indemnification from the issuers, but those indemnity rights may in whole or in part prove effectively unenforceable where the issuers are now or may in the future be in bankruptcy or otherwise defunct.

Trustee Civil Litigation. Deutsche Bank is a defendant in civil lawsuits brought by various groups of investors concerning its role as trustee of certain RMBS trusts. The actions generally allege claims for breach of contract, breach of fiduciary duty, breach of the duty to avoid conflicts of interest, negligence and/or violations of the U.S. Trust Indenture Act of 1939, based on the trustees' alleged failure to perform adequately certain obligations and/or duties as trustee for the trusts. Two putative class actions brought by a group of investors, including funds managed by BlackRock Advisors, LLC, PIMCO-Advisors, L.P., and others recently were settled. One of these putative class actions was pending in the Superior Court of California until the court dismissed the action with prejudice on 11 January 2019. The second putative class action was pending in the U.S. District Court for the Southern District of New York and was dismissed with prejudice on 6 December 2018. Deutsche Bank was also a defendant in a lawsuit brought by the Western and Southern Life Insurance Company and five related entities, but on 28 September 2017, plaintiffs filed a notice of voluntary dismissal of their claims. Deutsche Bank is currently a defendant in six separate civil lawsuits – two putative class actions and four individual lawsuits. The putative class actions were brought by Royal Park Investments SA/NV, concern 10 trusts, and are pending in the U.S. District Court for the Southern District of New York. In the first case, which plaintiff filed on 18 June 2014, plaintiff alleges that the trusts suffered total realized collateral losses of more than U.S.\$ 3.1 billion, although the complaint does not specify a damage amount. On 29 March 2018, the court issued an order denying plaintiff's renewed motion for class certification, and on 7 August 2018, the court of appeals denied plaintiff's motion for leave to immediately appeal the denial of class certification. On 28 September 2018, the court denied plaintiff's motion seeking permission to prove liability and damages using a statistical sample of the loans at issue in the case. Discovery is ongoing. On 4 August 2017, Royal Park filed a separate, additional class action complaint against the trustee asserting claims for breach of contract, unjust enrichment, conversion, breach of trust, equitable accounting and declaratory and injunctive relief arising out of the payment from trust funds of the trustee's legal fees and expenses in the other, ongoing Royal Park litigation. On 13 August 2018, the court stayed the action pending resolution of the underlying Royal Park litigation and denied the trustee's motion to dismiss without prejudice to its refiling once the stay is lifted.

The four individual lawsuits include actions by (a) the National Credit Union Administration Board ("NCUA"), as an investor in 37 trusts, which allegedly suffered total realized collateral losses of U.S.\$ 8.5 billion; (b) certain CDOs (collectively, "Phoenix Light") that hold RMBS certificates issued by 43 RMBS trusts, and seeking "hundreds of millions of dollars in damages"; (c) Commerzbank AG, as an investor in 50 RMBS trusts, seeking recovery for alleged "hundreds of millions of dollars in losses;" and (d) IKB International, S.A. in Liquidation and IKB Deutsche Industriebank AG (collectively, "IKB"), as an investor in 30 RMBS trusts, seeking more than U.S.\$ 268 million of damages. In the NCUA case, NCUA notified the court on 31 August 2018 that it was dismissing claims relating to 60 out of the 97 trusts originally at issue; NCUA's a motion for leave to amend its complaint and Deutsche Bank's motion to dismiss the complaint if the court grants NCUA's motion for leave to amend are fully briefed as of

19 December 2018. In the Phoenix Light case, the plaintiffs filed an amended complaint on 27 September 2017, and the trustees filed an answer to the complaint on 13 November 2017. On 7 December 2018, the parties filed motions for summary judgment. In the Commerzbank case, the plaintiff filed an amended complaint on 30 November 2017, and the trustees filed an answer to the complaint on 29 January 2018. On 7 December 2018, the parties filed motions for summary judgment. In the IKB case, the court heard oral argument on the trustee's motion to dismiss on 3 May 2017, but has not yet issued a decision. On 20 June 2017, the IKB plaintiffs stipulated to the dismissal with prejudice of all claims asserted against Deutsche Bank concerning four trusts. Discovery is ongoing.

The Group has established contingent liabilities and provisions with respect to certain of these matters but the Group has not disclosed the amounts because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these matters.

#### Parmalat Litigation

Following the bankruptcy of the Italian company Parmalat, prosecutors in Parma conducted a criminal investigation against various bank employees, including employees of Deutsche Bank, and brought charges of fraudulent bankruptcy and usury against a number of Deutsche Bank employees and others. The trial commenced in September 2009 and a verdict was recently delivered in July 2017. The Deutsche Bank employees were acquitted and, as a result thereof, Deutsche Bank will not be held to have vicarious liability in connection with the actions of the bank employees. The court published its reasoning in January 2018, and the prosecutor did not appeal within the applicable time period, so that the criminal proceedings can now be considered to be at an end. On 28 June 2018, Deutsche Bank received formal certification from the Court of Parma that its decision had become final.

#### Pas-de-Calais Habitat

On 31 May 2012, Pas-de-Calais Habitat ("PDCH"), a public housing office, initiated proceedings before the Paris Commercial Court against Deutsche Bank in relation to four swap contracts entered into in 2006, restructured on 19 March 2007 and 18 January 2008 and subsequently restructured in 2009 and on 15 June 2010. PDCH asked the Court to declare the 19 March 2007 and 18 January 2008 swap contracts null and void, or terminated, or to grant damages to PDCH in an amount of approximately € 170 million on the grounds that, inter alia, Deutsche Bank committed fraudulent and deceitful acts, manipulated the LIBOR and EURIBOR rates which are used as a basis for calculating the sums due by PDCH under the swap contracts and breached its obligations to warn, advise and inform PDCH. In December 2018, Deutsche Bank and PDCH reached an agreement to settle these proceedings.

#### Pension Plan Assets

The Group sponsors a number of post-employment benefit plans on behalf of its employees. In Germany, the pension assets that fund the obligations under these pension plans are held by Benefit Trust GmbH. The German tax authorities are challenging the tax treatment of certain income received by Benefit Trust GmbH in the years 2010 to 2013 with respect to its pension plan assets. For the year 2010 Benefit Trust GmbH paid the amount of tax and interest assessed of € 160 million to the tax authorities and is seeking a refund of the amounts paid in litigation. For 2011 to 2013 the matter is stayed pending the outcome of the 2010 tax litigation. The amount of tax and interest under dispute for years 2011 to 2013, which also has been paid to the tax authorities, amounts to € 456 million. In March 2017, the lower fiscal court ruled in favor of Benefit Trust GmbH and in September 2017 the tax authorities appealed the decision to the German supreme fiscal court (Bundesfinanzhof). A decision by the supreme fiscal court is not expected for a number of years.



### Postbank Voluntary Public Takeover Offer

On 12 September 2010, Deutsche Bank announced the decision to make a voluntary takeover offer for the acquisition of all shares in Deutsche Postbank AG (Postbank). On 7 October 2010, the Bank published the official offer document. In its takeover offer, Deutsche Bank offered Postbank shareholders consideration of € 25 for each Postbank share. The takeover offer was accepted for a total of approximately 48.2 million Postbank shares.

In November 2010, a former shareholder of Postbank, Effecten-Spiegel AG, which had accepted the takeover offer, brought a claim against Deutsche Bank alleging that the offer price was too low and was not determined in accordance with the applicable law of the Federal Republic of Germany. The plaintiff alleges that Deutsche Bank had been obliged to make a mandatory takeover offer for all shares in Postbank, at the latest, in 2009. The plaintiff avers that, at the latest in 2009, the voting rights of Deutsche Post AG in Postbank had to be attributed to Deutsche Bank AG pursuant to Section 30 of the German Takeover Act. Based thereon, the plaintiff alleges that the consideration offered by Deutsche Bank AG for the shares in Postbank in the 2010 voluntary takeover offer needed to be raised to € 57.25 per share.

The Regional Court Cologne (Landgericht) dismissed the claim in 2011 and the Cologne appellate court dismissed the appeal in 2012. The Federal Court set aside the Cologne appellate court's judgment and referred the case back to the appellate court. In its judgment, the Federal Court stated that the appellate court had not sufficiently considered the plaintiff's allegation that Deutsche Bank AG and Deutsche Post AG "acted in concert" in 2009.

Starting in 2014, additional former shareholders of Postbank, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank which are pending with the Regional Court Cologne and the Higher Regional Court of Cologne, respectively. On 20 October 2017, the Regional Court Cologne handed down a decision granting the claims in a total of 14 cases which were combined in one proceeding. The Regional Court Cologne took the view that Deutsche Bank was obliged to make a mandatory takeover offer already in 2008 so that the appropriate consideration to be offered in the takeover offer should have been € 57.25 per share. Taking the consideration paid into account, the additional consideration per share owed to shareholders which have accepted the takeover offer would thus amount to € 32.25. Deutsche Bank appealed this decision and the appeal has been assigned to the 13th Senate of the Higher Regional Court of Cologne, which also is hearing the appeal of Effecten-Spiegel AG.

On 8 November 2017, a hearing took place before the Higher Regional Court of Cologne in the Effecten-Spiegel case. In that hearing, the Higher Regional Court indicated that it disagreed with the conclusions of the Regional Court Cologne and took the preliminary view that Deutsche Bank was not obliged to make a mandatory takeover offer in 2008 or 2009. Initially the Higher Regional Court resolved to announce a decision on 13 December 2017. However, this was postponed to February 2018 because the plaintiff challenged the three members of the 13th Senate of the Higher Regional Court of Cologne for alleged prejudice. The challenge was rejected by the Higher Regional Court of Cologne at the end of January 2018. In February 2018, the court granted a motion by Effecten-Spiegel AG to re-open the hearing.

The Higher Regional Court informed the parties by notice dated 19 February 2019 that it has doubts that an acting in concert can be based on the contractual clauses which the Regional Court Cologne found to be sufficient to assume an acting in concert (and to grant the plaintiffs' claims in October 2017). Against this background, the Higher Regional Court resolved to take further evidence and to call a number of witnesses in both cases who shall be heard from 30 October 2019 until at least 11 December 2019 in weekly hearings. The individuals to be heard include current and former board members of Deutsche Bank, Deutsche Post AG and Postbank as well as other persons involved in the Postbank transaction. In addition, the court had informed the parties that it was considering to request from Deutsche Bank the production of relevant transaction documents. Thereafter, on 15 April 2019, the Higher Regional Court

Cologne issued non-appealable orders for the production of relevant transaction documents by 6 May 2019. The documents to be produced by Deutsche Bank include the original sale and purchase agreement related to the acquisition of Postbank shares between Deutsche Bank and Deutsche Post AG dated 12 September 2008, the related postponement agreement dated 22 December 2008 and the related amendment agreement dated 14 January 2009. In addition, Deutsche Bank was ordered to produce the indenture for a mandatory exchangeable bond dated 25 February 2009 as well as a pledge agreement dated 30 December 2008. The court orders currently only relate to the main bodies of the respective contracts, but the court may extend its orders to exhibits of those contracts at a later point in time. This extension of the taking of evidence may further delay the proceedings. Stefan Krause, a former Deutsche Bank Management Board member, (who is to testify on request of the plaintiffs) has invoked the right to refuse to give testimony because in February 2018 a law firm representing some plaintiffs in the above-mentioned civil actions had filed a criminal complaint with the public prosecutor in Frankfurt am Main against certain Deutsche Bank personnel alleging that they engaged in fraudulent conduct in connection with the takeover offer. However, the competent public prosecutors rejected opening proceedings. On 10 April 2019, the Higher Regional Court Cologne issued a non-appealable decision acknowledging Mr. Krause's right to refuse to give testimony. Deutsche Bank has been served with a large number of additional lawsuits filed against Deutsche Bank shortly before the end of 2017, almost all of which are now pending with the Regional Court Cologne. Some of the new plaintiffs allege that the consideration offered by Deutsche Bank AG for the shares in Postbank in the 2010 voluntary takeover should be raised to € 64.25 per share. The claims for payment against Deutsche Bank in relation to these matters total almost € 700 million (excluding interest).

The Group has established a contingent liability with respect to these matters but the Group has not disclosed the amount of this contingent liability because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these matters.

#### Further Proceedings Relating to the Postbank Takeover

In September 2015, former shareholders of Postbank filed in the Regional Court Cologne shareholder actions against Postbank to set aside the squeeze-out resolution taken in the shareholders meeting of Postbank in August 2015. Among other things, the plaintiffs allege that Deutsche Bank was subject to a suspension of voting rights with respect to its shares in Postbank based on the allegation that Deutsche Bank failed to make a mandatory takeover offer at a higher price in 2009. The squeeze out is final and the proceeding itself has no reversal effect, but may result in damage payments. The claimants in this proceeding refer to legal arguments similar to those asserted in the Effecten-Spiegel proceeding described above. In a decision on 20 October 2017, the Regional Court Cologne declared the squeeze-out resolution to be void. The court, however, did not rely on a suspension of voting rights due to an alleged failure of Deutsche Bank to make a mandatory takeover offer, but argued that Postbank violated information rights of Postbank shareholders in Postbank's shareholders meeting in August 2015. Postbank has appealed this decision.

The legal question of whether Deutsche Bank had been obliged to make a mandatory takeover offer for all Postbank shares prior to its 2010 voluntary takeover may also impact two pending appraisal proceedings (Spruchverfahren). These proceedings were initiated by former Postbank shareholders with the aim to increase the cash compensation offered in connection with the squeeze-out of Postbank shareholders in 2015 and the cash compensation offered and annual guaranteed dividend paid in connection with the execution of a domination and profit and loss transfer agreement (Beherrschungs- und Gewinnabführungsvertrag) between DB Finanz-Holding AG (now DB Beteiligungs-Holding GmbH) and Postbank in 2012. The Regional Court Cologne issued resolutions indicating that it is inclined to consider a potential obligation of Deutsche Bank to make a mandatory takeover offer for Postbank at an offer price of € 57.25 when determining the adequate cash compensation in the appraisal proceedings. The cash compensation paid in connection with the domination and profit and loss transfer agreement was € 25.18

and was accepted for approximately 0.5 million shares. The squeeze-out compensation paid in 2015 was € 35.05 and approximately 7 million shares were squeezed-out.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

#### Precious Metals Investigations and Litigations

Deutsche Bank received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. Deutsche Bank is cooperating with these investigations, and engaging with relevant authorities, as appropriate. On 29 January 2018, the Bank entered into a U.S.\$ 30 million settlement with the U.S. Commodity Futures Trading Commission ("CFTC") to resolve the CFTC's investigation concerning spoofing, manipulation and attempted manipulation in precious metals futures, as well as the manipulation and attempted manipulation of stop loss orders. The order requires that the Bank, among other things, maintain systems and controls reasonably designed to detect spoofing, and maintain training regarding spoofing, manipulation and attempted manipulation. The order also requires the Bank to continue to cooperate with the CFTC.

Deutsche Bank is a defendant in two consolidated class action lawsuits pending in the U.S. District Court for the Southern District of New York. The suits allege violations of U.S. antitrust law, the U.S. Commodity Exchange Act and related state law arising out of the alleged manipulation of gold and silver prices through participation in the Gold and Silver Fixes, but do not specify the damages sought. Deutsche Bank has reached agreements to settle the gold action for U.S.\$ 60 million and the silver action for U.S.\$ 38 million. The agreements remain subject to final court approval.

In addition, Deutsche Bank is a defendant in Canadian class action proceedings in the provinces of Ontario and Quebec concerning gold and silver. Each of the proceedings seeks damages for alleged violations of the Canadian Competition Act and other causes of action. Deutsche Bank has reached agreements to settle these actions. The agreements remain subject to court approval, and the amounts are not material to the Bank.

#### Pre-Release ADRs

Deutsche Bank and certain affiliates have received inquiries from certain European regulatory, tax and law enforcement authorities, including requests for documents and information, with respect to American Depositary Receipts (ADRs), including ADRs that have been issued on a "pre-release" basis ("pre-release ADRs"). Deutsche Bank is cooperating with these inquiries.

On 20 July 2018, the U.S. Securities and Exchange Commission (SEC) announced that it had reached civil settlements with Deutsche Bank Trust Company Americas ("DBTCA") and Deutsche Bank Securities Inc. ("DBSI") in this matter. The settlements resolved SEC claims that DBTCA was negligent in issuing pre-release ADRs under certain circumstances, and that DBSI failed reasonably to supervise employees who were negligent in borrowing and lending pre-release ADRs. The settlements required DBTCA and DBSI to pay a combined financial sanction of approximately U.S.\$ 75 million, and the SEC ordered DBTCA to cease and desist from committing or causing any violations and any future violations of Section 17(a)(3) of the Securities Act of 1933.

#### Regula Ltd. Clients AML Investigations

On 29 November 2018, based on a search warrant issued by the Local Court (*Amtsgericht*) in Frankfurt, Deutsche Bank's offices in Frankfurt were searched by German law enforcement authorities on the suspicion that two employees – and as-yet unidentified further individuals – deliberately abstained from issuing suspicious activity reports (SARs) in a timely manner and aided and abetted money laundering in

connection with Deutsche Bank's offshore trust business. The physical searches ended on 30 November 2018. Nevertheless, the search remains formally open until Deutsche Bank has completed additional data deliveries. The Bank is cooperating in the investigation, as has been publicly acknowledged by the Frankfurt Public Prosecutor's Office.

#### Russia/UK Equities Trading Investigation

Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients with Deutsche Bank in Moscow and London that offset one another. The total volume of transactions reviewed is significant. Deutsche Bank's internal investigation of potential violations of law, regulation and policy and into the related internal control environment has concluded, and Deutsche Bank has assessed the findings identified during the investigation; to date it has identified certain violations of Deutsche Bank's policies and deficiencies in Deutsche Bank's control environment. Deutsche Bank has advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the UK and the United States) of this investigation. Deutsche Bank has taken disciplinary measures with regards to certain individuals in this matter

On 30 and 31 January 2017, the DFS and the FCA announced settlements with the Bank related to their investigations into this matter. The settlements conclude the DFS and the FCA's investigations into the Bank's anti-money laundering (AML) control function in its investment banking division, including in relation to the equity trading described above. Under the terms of the settlement agreement with the DFS, Deutsche Bank entered into a consent order, and agreed to pay civil monetary penalties of U.S.\$ 425 million and to engage an independent monitor for a term of up to two years. Under the terms of the settlement agreement with the FCA, Deutsche Bank agreed to pay civil monetary penalties of approximately GBP 163 million. On 30 May 2017, the Federal Reserve announced its settlement with the Bank resolving this matter as well as additional AML issues identified by the Federal Reserve. Deutsche Bank paid a penalty of U.S.\$ 41 million. Deutsche Bank also agreed to retain independent third parties to assess its Bank Secrecy Act/AML program and review certain foreign correspondent banking activity of its subsidiary Deutsche Bank Trust Company Americas. The Bank is also required to submit written remediation plans and programs.

Deutsche Bank continues to cooperate with regulators and law enforcement authorities, including the DOJ, which has its own ongoing investigation into these securities trades. The Group has recorded a provision with respect to the remaining investigation. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of this matter.

#### Sebastian Holdings Litigation

Litigation with Sebastian Holdings Inc. (SHI) in respect of claims arising from FX trading activities concluded in the UK Commercial Court in November 2013 when the court awarded Deutsche Bank approximately U.S.\$ 236 million plus interest and dismissed all of SHI's claims. On 27 January 2016, a New York court dismissed substantially similar claims by SHI against Deutsche Bank when it granted Deutsche Bank's motion for summary judgment based on the UK Commercial Court's judgment. The New York court also denied SHI's motion for leave to file an amended complaint. The New York court's decisions were affirmed on appeal on 28 February 2017. The New York State Court of Appeals denied SHI's motion for leave to appeal on 6 June 2017. The time for SHI to seek review by the U.S. Supreme Court has expired, and the decision is now final.

#### Sovereign, Supranational and Agency Bonds (SSA) Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to SSA bond trading. Deutsche Bank is cooperating with these investigations. On 20 December 2018, the European Commission sent a Statement of

Objections to Deutsche Bank regarding a potential breach of EU antitrust rules in relation to secondary market trading of SSA bonds denominated in U.S. dollars. The sending of a Statement of Objections is a step in the European Commission's investigation and does not prejudice the outcome of the investigation. Deutsche Bank has proactively cooperated with the European Commission in this matter and as a result has been granted immunity. In accordance with the European Commission's guidelines, Deutsche Bank does not expect a financial penalty.

Deutsche Bank is a defendant in several putative class action complaints filed in the U.S. District Court for the Southern District of New York by alleged direct and indirect market participants claiming violations of U.S. antitrust law and common law related to alleged manipulation of the secondary trading market for SSA bonds. Deutsche Bank has reached an agreement to settle the actions by direct market participants for the amount of U.S.\$ 48.5 million and has recorded a provision in the same amount. The settlement is subject to court approval. The action filed on behalf of alleged indirect market participants is in its early stages.

Deutsche Bank is also a defendant in putative class actions filed on 7 November and 5 December 2017 in the Ontario Superior Court of Justice and Federal Court of Canada respectively, claiming violations of antitrust law and the common law relating to alleged manipulation of secondary trading of SSA bonds. The complaints rely on allegations similar to those in the U.S. class actions involving SSA bond trading, and seek compensatory and punitive damages. The cases are in their early stages.

Deutsche Bank was named as a defendant in several putative class action complaints filed in the U.S. District Court for the Southern District of New York alleging violations of U.S. antitrust law and a claim for unjust enrichment relating to Mexican government bond trading. The case is in its early stages. Deutsche Bank has also been named as a defendant in several putative class action complaints filed in the U.S. District Court for the Southern District of New York alleging violations of antitrust law and common law related to alleged manipulation of the secondary trading market for U.S. Agency bonds. These cases are in the early stages.

Other than as noted above, the Group has not disclosed whether it has established provisions or contingent liabilities with respect to the matters referred to above because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

#### Transfer of Lease Assets

In December 2017, a claim for damages was filed with the Regional Court Frankfurt am Main against Deutsche Bank AG in the amount of approximately € 155 million (excluding interest). In 2006, Deutsche Bank AG (indirectly, through a special-purpose vehicle) entered into transactions according to which the plaintiff transferred certain lease assets to the special-purpose vehicle against, among others things, receipt of a preference dividend. The plaintiff alleges that Deutsche Bank had entered into an agreement with it under which Deutsche Bank provided flawed contractual documentation as a result of which the German tax authorities have disallowed the plaintiff's expected tax savings. At a hearing in September 2018, the court indicated that it intended to dismiss the claims. The plaintiff filed a post-hearing brief arguing that the claims should not be dismissed. In December 2018, the court issued an advisory order according to which Deutsche Bank AG is required to respond to the plaintiff's brief, and scheduled a further hearing for the end of June 2019.

#### Trust Preferred Securities Litigation

Deutsche Bank and certain of its affiliates and former officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. In a series of opinions, the court dismissed all claims as to four of the six offerings at issue, but allowed certain alleged omissions

claims relating to the November 2007 and February 2008 offerings to proceed. The district court limited claims relating to the two offerings remaining in the case to alleged failures (i) to disclose "any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations" and (ii) to disclose "the most significant factors that make the offering speculative or risky" pursuant to Items 303 and 503 of Regulation S-K. Defendants have served Answers denying all wrongdoing. On 2 October 2018, the district court certified a plaintiff class as to both offerings. Merits discovery is ongoing.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

#### U.S. Embargoes-Related Matters

Deutsche Bank has received requests for information from certain U.S. regulatory and law enforcement agencies concerning its historical processing of U.S. dollar payment orders through U.S. financial institutions for parties from countries subject to U.S. embargo laws in connection with investigations into whether such processing complied with U.S. federal and state laws. In 2006, Deutsche Bank voluntarily decided that it would not engage in new U.S. dollar business with counterparties in Iran, Sudan, North Korea and Cuba and with certain Syrian banks, and to exit existing U.S. dollar business with such counterparties to the extent legally possible. In 2007, Deutsche Bank decided that it would not engage in any new business, in any currency, with counterparties in Iran, Syria, Sudan and North Korea and to exit existing business, in any currency, with such counterparties to the extent legally possible; it also decided to limit its non-U.S. dollar business with counterparties in Cuba. On 3 November 2015, Deutsche Bank entered into agreements with the New York State Department of Financial Services and the Federal Reserve Bank of New York to resolve their investigations of Deutsche Bank. Deutsche Bank paid the two agencies U.S.\$ 200 million and U.S.\$ 58 million, respectively, and agreed not to rehire certain former employees. In addition, the New York State Department of Financial Services ordered Deutsche Bank to terminate certain employees and Deutsche Bank agreed to retain an independent monitor for one year, and the Federal Reserve Bank of New York ordered certain remedial measures including ensuring an effective OFAC compliance program and an annual review of such program by an independent party until the Federal Reserve Bank of New York is satisfied as to its effectiveness.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

#### U.S. Treasury Securities Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to U.S. Treasuries auctions, trading, and related market activity. Deutsche Bank is cooperating with these investigations.

Deutsche Bank's subsidiary Deutsche Bank Securities Inc. (DBSI) was a defendant in several putative class actions alleging violations of U.S. antitrust law, the U.S. Commodity Exchange Act and common law related to the alleged manipulation of the U.S. Treasury securities market. These cases have been consolidated in the Southern District of New York. On 16 November 2017, plaintiffs filed a consolidated amended complaint, which did not name DBSI as a defendant. On 11 December 2017, the court dismissed DBSI from the class action without prejudice.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

## Vestia

In December 2016, Stichting Vestia, a Dutch housing association, commenced proceedings against Deutsche Bank in England. The proceedings relate to derivatives entered into between Stichting Vestia and Deutsche Bank between 2005 and 2012. Stichting Vestia alleges that certain of the transactions entered into by it with Deutsche Bank should be set aside on the grounds that they were not within its capacity and/or were induced by the bribery of Vestia's treasurer by an intermediary involved in those transactions. The sums claimed by Stichting Vestia are made up of different elements, some of which have not yet been quantified. The amount claimed at this stage ranges between € 757 million and € 837 million, plus compound interest. The trial is due to commence on 9 May 2019 and is scheduled to last for 8 to 10 weeks. Deutsche Bank is defending against the claim.

### ***Significant Change in Deutsche Bank Group's Financial Position***

There has been no significant change in the financial position of Deutsche Bank Group since 31 March 2019.

## MATERIAL CONTRACTS

In the usual course of its business, Deutsche Bank Group enters into numerous contracts with various other entities. Deutsche Bank Group has not, however, entered into any material contracts outside the ordinary course of its business.

## THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATION OF ANY INTEREST

Where information has been sourced from a third party, Deutsche Bank confirms that this information has been accurately reproduced and that so far as Deutsche Bank is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

## INFORMATION INCORPORATED BY REFERENCE

1. The following information in the documents, which have been made available to the public pursuant to Sec. 114 and 117 of the German Securities Trading Act ("**Wertpapierhandelsgesetz**") on Deutsche Bank's website, under <https://www.db.com/ir/en/annual-reports.htm>, and which have been notified to the German Federal Financial Supervisory Authority (BaFin), is incorporated by reference into page 26 of this Registration Document (see section "Financial Information concerning Deutsche Bank's Assets and Liabilities, Financial Position and Profits and Losses" under the heading "Historical Financial Information / Financial Statements") pursuant to Sec. 11 (1) sentence 1 No. 3 of the German Securities Prospectus Act ("**Wertpapierprospektgesetz**").

This Registration Document must be read together with the following information in the respective documents which is deemed to be included in, and to form part of, this Registration Document:

Document	Pages
Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ending 31 December 2017 (audited) as part of the Annual Report	195 – 351
Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ending 31 December 2018 (audited) as part of the Annual Report	212 – 390
Non - Consolidated Financial Statements and Management Report (HGB) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ending 31 December 2018 (audited) as part of the Annual Financial Statements and Management Report	3 – 188 and 191 – 198

Any other information in these documents which is not incorporated into this Registration Document is either not relevant for investors or mentioned elsewhere in this Registration Document.

2. The following information in the document which has been made available to the public on Deutsche Bank's website, under <https://www.db.com/ir/en/quarterly-results.htm>, and which has been notified to the Commission de Surveillance du Secteur Financier (CSSF) and published on the website of the Luxembourg Stock Exchange, <https://www.bourse.lu>, is incorporated by reference into page 26 of this Registration Document (see section "Financial Information concerning Deutsche Bank's Assets and



Liabilities, Financial Position and Profits and Losses” under the heading “Interim Financial Information”) pursuant to Sec. 11 (1) sentence 2 of the German Securities Prospectus Act (“**Wertpapierprospektgesetz**”).

This Registration Document must be read together with the following information in the respective document which is deemed to be included in, and to form part of, this Registration Document:

Document	Pages
Unaudited consolidated Earnings Report of Deutsche Bank Group as of 31 March 2019	5-15; 23 (Consolidated Statement of Comprehensive Income); 24 – 27 (Non-GAAP financial measures)

Any other information in this document which is not incorporated into this Registration Document is either not relevant for investors or mentioned elsewhere in this Registration Document.

#### **DOCUMENTS ON DISPLAY**

As long as this Registration Document is valid, Deutsche Bank will, upon request, provide, free of charge, a copy of the Registration Document, of the historical financial information and of the Articles of Association of Deutsche Bank at its specified office. These documents are also available on the website of Deutsche Bank [www.db.com](http://www.db.com) under “Investor Relations“, “Creditor Information“, “Prospectuses“, “Registration Documents” and “Investor Relations“, “Reports and Events“, “Annual Reports” and “Quarterly Results” as well as “Investor Relations“, “Corporate Governance“, “Documents“, “Articles of Association“, respectively.

Frankfurt am Main, 15 May 2019

**Deutsche Bank Aktiengesellschaft**