



## SECOND SUPPLEMENT DATED 5 AUGUST 2020

### TO THE REGISTRATION DOCUMENT FOR SECONDARY ISSUANCES OF NON-EQUITY SECURITIES DATED 6 APRIL 2020, AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 11 MAY 2020

## Deutsche Bank Aktiengesellschaft

(Frankfurt am Main, Federal Republic of Germany)

This document constitutes the second supplement (the "**Supplement**") to the registration document for secondary issuances of non-equity securities dated 6 April 2020, as supplemented by the first supplement dated 11 May 2020 (the "**First Supplement**") (the "**Registration Document**"), which has been prepared by Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**" or "**Deutsche Bank**" or the "**Bank**" or the "**Issuer**" or "**we**" or "**our**") pursuant to Art. 23 (1) of Regulation (EU) 2017/1129 as amended from time to time (the "**Prospectus Regulation**").

This Supplement should be read in conjunction with the Registration Document, including the documents incorporated by reference therein. The terms used in this Supplement have the same meaning as the terms used in the Registration Document.

The purpose of this Supplement is to amend the disclosure contained in the Registration Document of the Issuer, in particular following the publication on 29 July 2020 of the unaudited interim report as of 30 June 2020 of the Issuer (the "**Q2 2020 Interim Report**").

The Issuer accepts responsibility for the information contained in this Supplement (including any information incorporated by reference in the Registration Document by this Supplement). To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement (including any information incorporated by reference in the Registration Document by this Supplement) is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement and the Q2 2020 Interim Report will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.db.com](http://www.db.com) under "Investor Relations", "Creditor Information", "Prospectuses", "Registration Documents").

This Supplement relates to the prospectuses constituted from the Registration Document, as supplemented from time to time, and the following securities notes:

Securities Note for Certificates dated 22 April 2020

Securities Note for Notes dated 24 April 2020

Securities Note for Warrants dated 24 April 2020

*Wertpapierbeschreibung für Zertifikate vom 22. April 2020* (Securities Note for Certificates dated 22 April 2020)

*Wertpapierbeschreibung für Schuldverschreibungen vom 22. April 2020* (Securities Note for Notes dated 22 April 2020)

*Wertpapierbeschreibung für Optionsscheine vom 22. April 2020* (Securities Note for Warrants dated 22 April 2020)

*Wertpapierbeschreibung für Zertifikate, Optionsscheine und Schuldverschreibungen* (Securities Note for Certificates, Warrants and Notes) dated 24 April 2020

Securities Note for Certificates, Warrants and Notes dated 29 May 2020

*Wertpapierbeschreibung I für das Angebot von [An einen Basket gebundenen Zertifikaten] [Endlos-Zertifikaten] [Index-Zertifikaten] [X-Perf-Zertifikaten] vom 9. Juni 2020* (Securities Note I for the offering of

[Basket linked Certificates] [Perpetual Certificates] [Index Certificates] [X-Pert Certificates] dated 9 June 2020)

*Wertpapierbeschreibung II für das Angebot von [An einen Basket gebundenen Zertifikaten] [Endlos-Zertifikaten] [Index-Zertifikaten] [X-Pert-Zertifikaten] vom 9. Juni 2020* (Securities Note II for the offering of [Basket linked Certificates] [Perpetual Certificates] [Index Certificates] [X-Pert Certificates] dated 9 June 2020)

Securities Note for Euro 80,000,000,000 Debt Issuance Programme dated 19 June 2020

**Any investor who had already agreed to purchase or subscribe for any securities to be issued pursuant to one of the above prospectuses before this Supplement was published may, if the securities have not yet been delivered to the investor at the time when the significant new factor, material mistake or material inaccuracy referred to in Art. 23 (1) of the Prospectus Regulation arose or was noted, withdraw from its purchase or subscription pursuant to Art. 23 (2) of the Prospectus Regulation as a result of the publication of this Supplement on or before 7 August 2020. Any investor who wishes to exercise its right of withdrawal may contact Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Germany.**

The Issuer has requested the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to provide the competent authority in Germany with a certificate of approval (a "**Notification**") attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area (the "**EEA**") with a Notification.

The Issuer provides as Annex 1 to this Supplement a consolidated version of the Registration Document, as supplemented by the First Supplement and this Supplement, in accordance with Art. 23 (6) of the Prospectus Regulation.

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Following the publication on 29 July 2020 of the Issuer's Q2 2020 Interim Report, the disclosure contained in the Registration Document of the Issuer shall be amended as follows:

## I. RISK FACTORS

The risk factor with the heading "**COVID 19 pandemic**" on page 4 of the Registration Document is replaced by the following text:

**"COVID 19 pandemic:** We are subject to global economic, market and business risks with respect to the current COVID 19 pandemic.

The unprecedented global economic disruption caused by the COVID-19 pandemic is now resulting, at least temporarily, in an extremely severe GDP contraction in most major economies. This may over time reduce the level of activity in which certain of our businesses operate and thus have a negative impact on such businesses' ability to generate revenues or profits. If the pandemic is protracted or re-emerges where it has receded so far, this could amplify the current negative demand and supply chain effects as well as the negative impact on global growth and global financial markets. In addition, a further extension of the prolonged low interest rate period in the Eurozone has become more likely. Furthermore, continued elevated levels of political uncertainty, e.g. due to a deeper Eurozone divide in the wake of the COVID-19 pandemic in addition to populist movements in major European Union member states, could have adverse consequences for the financial system and the economy more broadly. To alleviate the high level of uncertainty, numerous states have introduced moratoria for private clients and small businesses, as well as supporting measures such as state-backed credit programs for corporates. In light of the expiry of these moratoria, which is expected in the second half of 2020, the bank will continue to monitor relevant portfolios. It is currently unclear how expected changes to moratoria may impact our revenue generating capabilities from these loans going forward. So far, we have observed a worsening of the creditworthiness of certain individual portfolios due to the deterioration of the economic situation, and this is reflected in our increased level of loan loss provisions. If the situation continues to worsen, it may lead to additional rating declines among our clients, further increasing loan losses as well as increased numbers of clients drawing down on (currently existing, but unused) credit facilities which will lead to an increase in capital requirements and liquidity demands. Associated higher volatility has led and may continue to lead to increased margin calls both inbound and outbound.

From an operational perspective and despite the business continuity and crisis management policies currently in place, travel restrictions and Deutsche Bank's decision to maximize numbers of staff working from home may over time adversely impact our business activities. The unprecedented move across global industries to conduct business from home and away from primary office locations increases the pressure on our business practices, the demand on our technology infrastructure and also the risk of cyber-attacks which could lead to technology failures, security breaches, unauthorized access, loss or destruction of data or unavailability of services. Any of these events could result in litigation or result in a financial loss, disruption of our business activities, liability to our customers, government intervention or damage to our reputation. At the same time the cost to us of managing these cyber, information security and other risks remains high. Delays in the implementation of regulatory requirements including consumer protection measures and of our strategic projects could also have a negative impact on our revenues and costs, while a return of higher market volatility could lead to increased demand on surveillance monitoring and processing.

In addition, a substantial proportion of our assets and liabilities comprise financial instruments that we carry at fair value, with changes in fair value recognized in our income statement. The market declines and volatility could negatively impact the value of such financial instruments and cause us to incur losses. We also expect the economic slowdown and market downturn to negatively impact specific portfolios through negative ratings migration and higher than expected credit losses. If the decline of the economic slowdown and market downturn prove to be other than temporary as currently expected it may result in significantly higher expected credit losses in future periods. In addition, the disruption caused by the COVID-19 pandemic could also adversely impact the review, testing and measurement of impairment of goodwill and intangible assets. The valuation of our deferred tax assets may also be affected.

The current COVID 19 pandemic and its potential impact on the global economy is likely to affect our ability to meet our financial targets. While some policy measures taken by central banks and governments may help to mitigate some of the impacts of the current situation, we may be materially adversely affected by a protracted downturn in local, regional or global economic conditions. It is currently also unclear how moratoria and payment holidays introduced may impact us going forward. Credit extension to support clients at the outset of

the crisis and continued client needs for liquidity, coupled with declines in clients' credit ratings, could increase risk weighted assets for the near future. All of the above could have a material impact on our CET 1 ratio. As previously announced, it is therefore possible that we will fall below our CET 1 target of at least 12.5 % in upcoming periods. Whilst the Liquidity Coverage Ratio remained above the regulatory minimum during the second quarter of 2020, the risk of a second wave of COVID-19 and a deeper and more protracted economic recession may put pressure on liquidity metrics during the remainder of the year and lead to liquidity and funding outflows. At the same time, this might temporarily impact our cost of funding and therefore adversely affect our profitability. Any failure to meet our targets or actions or measures to maintain our capital may result in adverse effects on our business, results of operations or strategic plans and targets, or the prices of our securities.

In addition, existing contracts with vendors and service providers pose the risk, particularly given conditions resulting from the COVID-19 pandemic, that these counterparties could be unable to fulfil their contractual obligations, putting the benefits we seek to obtain from such contracts at risk.

Among the risks arising from the COVID-19 pandemic is the potential for adverse impact on our ability to retain and attract employees and on employee attrition. Due to the lockdowns and generally positive reception of work-from-home programs, employees may decide in the future that returning to an office environment is no longer desirable. In addition, further pressure on our financial performance as a result of the COVID-19 pandemic could impact the levels of compensation we can offer, which could put the Group at a disadvantage to our competitors in attracting and retaining talented employees. The COVID-19 pandemic may also significantly delay or reduce the rate of regular employee attrition, putting pressure on the Group meeting its headcount and cost targets."

## **II. BUSINESS OVERVIEW**

The text of the subsection "Private Bank" on page 34 of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

"The Private Bank (PB) comprises three business units. The Private Bank Germany serves private customers in Germany. The Private and Commercial Business International serves private and small business clients, as well as commercial and corporate clients in Italy, Spain, Belgium and India. In addition, Private Bank covers Wealth Management clients globally.

With its "Deutsche Bank" brand Private Bank Germany focusses on providing its private customers with banking and financial products and services that include sophisticated and individual advisory solutions. The focus of its "Postbank" brand remains on providing Deutsche Bank's retail customers with standard products and daily retail banking services. In cooperation with Deutsche Post DHL AG, Deutsche Bank also offers postal and parcel services in the Postbank brand branches.

Private & Commercial Business International ("**PCBI**") provides banking and other financial services to private and commercial clients in Italy, Spain, Belgium and India with some variations in the product offering among countries that are driven by local market, regulatory and customer requirements.

Wealth Management ("**WM**") serves wealthy individuals and families as well as entrepreneurs and foundations. It supports clients in planning, managing and investing their wealth, financing their personal and business interests and servicing their institutional and corporate needs. The unit also provides institutional-type services for sophisticated clients and complements its offerings by closely collaborating with the Investment Bank, the Corporate Bank and Asset Management.

As announced in June 2020, Deutsche Bank has decided to combine WM and PCBI into one unit, the International Private Bank ("**IPB**"). This will allow Deutsche Bank to centralize its product and infrastructure activities to maximize economies of scale and scope."

## **III. TREND INFORMATION**

1. The text of the subsection "Statement of no Significant Change in Financial Performance" on page 35 of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

"There has been no significant change in the financial performance of Deutsche Bank Group since 30 June 2020."

2. The text of the subsection "Outlook" on pages 35 et seq. of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

"In July 2019, Deutsche Bank announced a far-reaching transformation strategy to refocus on core strengths vital to its long-term competitiveness, relevance and profitability and to deliver significant returns for its shareholders. The macroeconomic, fiscal and regulatory environment has however changed as a result of the COVID-19 pandemic in 2020. This changed environment impacted and will continue to impact Deutsche Bank's results of operations, capital ratios and the capital plan that underlies its targets.

Despite the challenges associated with the COVID-19 pandemic, Deutsche Bank intends to continue executing on its strategy in a disciplined manner in the second half of 2020, by further reducing costs and reducing the size of its balance sheet through continued disposal of assets in the Capital Release Unit. At the same time, Deutsche Bank is focused on stabilizing and growing revenues in its Core Bank.

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

Key Performance Indicators	30 June 2020 (unaudited)	Near-term objectives 2020	Target Key Performance Indicators 2022
Group post-tax return on tangible shareholders equity <sup>1</sup>	(0.5) %	–	8.0 %
Core bank post-tax return on average tangible equity <sup>2</sup>	4.1 %	–	Above 9 %
Adjusted costs <sup>3</sup>	€ 10.2 bn <sup>4</sup>	€ 19.5 bn <sup>4</sup>	€ 17 bn
Common Equity Tier 1 capital ratio	13.3 %	–	At least 12.5 %
Leverage ratio (fully loaded)	4.2 %	–	~ 5 %
Cost income ratio <sup>5</sup>	87.1 %	–	70.0 %

\* Extracted from the Interim Report as of 30 June 2020.

- 1 Based on Net Income attributable to Deutsche Bank shareholders.
- 2 Based on Core Bank Net Income attributable to Deutsche Bank shareholders.
- 3 Adjusted costs are defined as noninterest expenses excluding impairment of goodwill and other intangible assets, litigation charges net and restructuring and severance.
- 4 Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance.
- 5 Noninterest expenses as a percentage of total net revenues, which are defined as net interest income before provision for credit losses plus noninterest income.

For the Group, Deutsche Bank expects its Post-tax Return on Average Tangible Shareholders' Equity in 2020 to be negatively affected by costs to execute its strategy as well as the impact of COVID-19 on the broader

economic environment. For 2022, Deutsche Bank remains committed to work towards its targets for the Post-tax Return on Average Tangible Shareholders' Equity of 8 % for the Group and above 9 % for its Core Bank.

Revenues for the Group are expected to be essentially flat in 2020, mainly as a result of Deutsche Bank's continued de-risking activities in the Capital Release Unit. Core Bank revenues are expected to be slightly higher in 2020 compared to the previous year based on the strong revenue performance in the first half of the year combined with Deutsche Bank's expectation of a gradual recovery of the global economy in the second half of 2020. The recovery to normalization however will take time with a different intensity across countries. In addition, Deutsche Bank expects its revenues to continue to be impacted from the ongoing low interest rate environment. Although volatility has receded, macroeconomic and market conditions are expected to remain volatile for the remainder of 2020 with substantial uncertainty as to the short and longer term impacts of the COVID-19 pandemic. Deutsche Bank may be able to offset some of these negative impacts through its ongoing investment into growth areas.

Provision for credit losses is expected to significantly increase in 2020 due to a continued normalization of provisioning levels, lower recoveries and the impact of COVID-19 to Deutsche Bank's Expected Credit Loss ("ECL") estimates. The majority of these provisions was already taken in the first half of 2020 and Deutsche Bank expects a normalization later in the year. Deutsche Bank reaffirms its guidance for the full year 2020 for provision for credit losses of between 35 to 45 basis points of loans. This reflects Deutsche Bank's expectations of the macroeconomic impact from COVID-19 including the effect of the Government support programs.

The short-term implications of the COVID-19 pandemic make it difficult for us to accurately reflect the timing and the magnitude of changes to Deutsche Bank's previous CET1 capital ratio target for 2020. Management believes that significant opportunities exist to support clients which may lead to a temporary increase in risk-weighted assets ("RWA"). As a result, Deutsche Bank currently expects RWA to be slightly higher in 2020 compared to the prior year. Management had taken the deliberate decision early in the second quarter to allow its CET1 ratio to potentially fall modestly and temporarily below its target of at least 12.5 % in order to support clients. The decision to suspend this target in the short-term did not consider the potential for further regulatory changes that could and did benefit Deutsche Bank's ratio. Deutsche Bank remains committed to maintaining a significant buffer above its regulatory requirements at all times. At the end of the second quarter of 2020, its CET1 ratio was 13.3 %, mainly due to lower loan balances driven by higher than expected repayments of credit facilities by clients, initially drawn in reaction to COVID-19. Deutsche Bank is therefore cautiously optimistic that the likelihood of falling modestly and temporarily below 12.5% is now significantly lower than was anticipated earlier in the second quarter 2020. However, significant uncertainty remains regarding the economic environment, client behavior and regulatory actions. Deutsche Bank also remains committed to supporting clients through this challenging environment. As a result Deutsche Bank reaffirms its target for 2022 of a CET1 ratio of at least 12.5 %.

Reflecting the growth in assets from the anticipated increase in client demand described above, Deutsche Bank now expects Leverage exposure to be slightly higher compared to year-end 2019 and it is therefore unlikely to reach its original target of a Leverage ratio of 4.5 % for 2020 despite recent legislative changes in the definition of leverage exposure. Over time, as client demand normalizes and Deutsche Bank executes on the deleveraging program in the Capital Release Unit, Deutsche Bank believes that it will restore its glide path to a Leverage ratio of around 5 %. As a result, Deutsche Bank reaffirms its 2022 target of ~5 % for its Leverage ratio.

Deutsche Bank remains committed to its target of Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance of € 19.5 billion in 2020. The decline should result from cost reductions already achieved in the first half of 2020, the run-rate impact of measures executed in 2019 as well as from the incremental impact from the legal entity merger of DB Privat- und Firmenkundenbank AG onto Deutsche Bank AG, business exits as highlighted in its strategic announcement and further optimization of its workforce. Deutsche Bank expects transformation-related effects of approximately € 1.4 billion for the full year 2020.

Deutsche Bank's dividend payments are subject to its ability to report sufficient levels of distributable profits under its standalone financial statements in accordance with German accounting rules (HGB) for the respective fiscal year. Following a net loss in its HGB standalone financial statements for the financial year 2019 prior to utilization of capital reserves in accordance with § 150 section 4 AktG and the corresponding dividend payment restriction Deutsche Bank has announced that no dividend payment will be proposed for the financial year 2019. For the financial year 2020, Deutsche Bank also does not expect to distribute a dividend.

Deutsche Bank views this to be supportive also in complying with the ECB's guidance for banks to maintain a sound capital base whilst providing the needed support for the economy during the COVID-19 pandemic. Deutsche Bank aims to free up capital for distribution from 2022 onwards targeting a competitive dividend payout ratio.

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 U.S. Such matters are subject to many uncertainties. While Deutsche Bank has resolved a number of important legal matters and made progress on others, Deutsche Bank expects the litigation and enforcement environment to remain challenging in the short term. For 2020, and with a caveat that forecasting litigation charges is subject to many uncertainties, Deutsche Bank expects litigation charges, net, to exceed the levels experienced in 2019.

Adjusted costs, Adjusted costs excluding transformation charges, and Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance as well as Post-tax Return on Average Tangible Equity are non-GAAP financial measures.

### **Corporate Bank**

For Corporate Bank ("**CB**"), Deutsche Bank expects the macro environment to remain challenging as a result of the COVID-19 pandemic and a further deterioration of the interest rate environment in the first quarter of 2020. However, this should also provide the Corporate Bank with opportunities to further support its corporate and commercial clients, including through the facilitation of government sponsored lending programs, the provision of financing as well as payments solutions.

In 2020, Deutsche Bank expects Corporate Bank revenues to be essentially flat compared to the prior year as the COVID-19 pandemic impacts and macroeconomic headwinds are likely to be offset by its strategic growth initiatives, favorable nonrecurring items recorded in the second quarter of the first six months of 2020, fees from additional lending, and the benefit from the ECB's decision in September 2019 to introduce deposit tiering. For Global Transaction Banking, Deutsche Bank expects revenues in 2020 to stay essentially flat compared to the prior year, including the aforementioned benefits of nonrecurring items. Cash Management revenues are expected to be essentially flat, with negative effects of interest rate reductions in the U.S. and Asia-Pacific in the first quarter 2020 partially mitigated by ongoing efforts of on deposit repricing and increasing fee income from payments-related projects. Trade revenues are expected to remain essentially flat as additional revenues from new lending may offset the slowdown of global business activity especially on structured products. Securities Services revenues are expected to be lower in 2020 mainly driven by the absence of episodic items recorded in the prior year. Trust and Agency Services revenues should be slightly lower compared to the prior year reflecting interest rate cuts in the U.S. and Asia-Pacific in the first quarter of 2020. Commercial Banking revenues are expected to stay essentially flat as repricing actions, and lending initiatives and the widening of non-banking offering should offset the effects of a negative interest rate environment and economic slowdown as a result of the COVID-19 pandemic.

Deutsche Bank expects provision for credit losses for the Corporate Bank in the full year to be significantly higher than in the prior year, mainly as a result of the worsening outlook macroeconomic conditions due to the COVID-19 pandemic.

Noninterest expenses for 2020 are expected to be lower primarily reflecting the absence of a goodwill impairment and lower restructuring charges recorded in 2019. Adjusted costs excluding transformation charges should stay essentially flat as lower non-compensation costs are likely to be offset by higher internal service cost allocations. Deutsche Bank plans to continue to focus on regulatory compliance, know-your-client ("**KYC**") and client on-boarding process enhancement, system stability and control and conduct.

For 2020, Deutsche Bank expects risk-weighted assets in the Corporate Bank to be higher driven by the balance sheet extension from additional lending activities in response to the COVID-19 pandemic.

Risks to the outlook include potential impacts on the business model from macroeconomic and global geopolitical uncertainty including COVID-19 and a potential deterioration of international trade relations. In addition, uncertainty around central bank policies, ongoing regulatory developments (e.g., the finalization of the Basel III framework), event risks and levels of client activity may also have an adverse impact.

### **Investment Bank**



Macroeconomic and market conditions for the Investment Bank ("**IB**") are expected to be highly uncertain in the remainder of the year. The medium and long term impact of the COVID-19 pandemic is unknown, yet it has been a factor in the performance year-to-date. IB revenues in the first half of 2020 were strong across both Sales & Trading ("**FIC**") and Origination & Advisory. Deutsche Bank expects IB revenues in the second half of the year to continue to perform well and consequently be higher for the full year 2020 compared to the prior year.

Deutsche Bank expects revenues in Sales & Trading (FIC) to be higher in 2020 compared to 2019. The Credit Trading and Financing business was impacted by the adverse credit markets in the first quarter of 2020, but has recovered well during the second quarter. Rates, Foreign Exchange and Global Emerging Markets have all performed strongly in the first half of the year. They benefited from higher levels of client activity, strong risk management and change in leadership. The positive impact from its refocused strategy that Deutsche Bank has laid out in December should continue to deliver benefits across Sales & Trading FIC. In Origination & Advisory, Deutsche Bank expects revenues to be higher in 2020 compared to 2019. The Debt Origination business had a strong first half of the year, with market share gains in a higher industry fee pool in Investment Grade debt. However, IG issuances in the remainder of the year are expected to slow compared to the elevated levels seen in the second quarter, while the timing of recovery in the advisory and leveraged debt markets remains uncertain.

Deutsche Bank expects provision for credit losses for the Investment Bank for the full year to be significantly higher than in the prior year due to the COVID-19 pandemic.

Noninterest expenses in the Investment Bank in 2020 are expected to be lower compared to the previous year driven by a number of factors, including lower transformation costs, and reduced severance and restructuring charges. Adjusted costs excluding transformation charges are also expected to be lower, driven by the full-year run-rate impact of the headcount reductions in 2019, lower non-compensation costs including bank levies and a decrease in service cost allocations from Infrastructure.

For 2020, Deutsche Bank expects risk-weighted assets in the IB to be higher, driven by Credit Risk RWA inflation from the new regulatory securitization framework introduced in the first quarter of 2020, combined with higher Market Risk RWA as a result of market volatility caused by the COVID-19 pandemic. The underlying business growth is expected to be broadly flat for the year.

The major risk to the outlook is the uncertainty around the impact of the COVID-19 pandemic on the macro economic environment. Should a second wave occur and cause a number of further lockdowns across the globe the outcome will likely differ significantly to the above. Additional potential risks are the trade negotiations relating to Brexit and other macro and global geopolitical uncertainty. Central bank policies and ongoing regulatory developments also pose risks, while challenges such as event risks and levels of client activity may also have an adverse impact.

## **Private Bank**

In the Private Bank ("**PB**"), the COVID-19 pandemic had negative impacts on revenues in the second quarter of 2020. Client activity slowed down and market values of assets under management did not fully recover to the levels before the outbreak of the pandemic. However, Deutsche Bank also saw signs of normalization during the quarter and based on the assumption of a continued normalization in the second half of 2020, expects PB's net revenues in the full year 2020 to remain essentially flat compared to 2019.

For the Private Bank in Germany, Deutsche Bank expects revenues to remain essentially flat compared to 2019. The planned growth in investment and loan revenues is expected to be offset by the negative impacts from the low interest rate environment, the COVID-19 pandemic as well as higher funding cost allocations. In the investment businesses, Deutsche Bank plans to continue the launch of focused sales initiatives. In the loan businesses, Deutsche Bank expects to benefit from the growth achieved in 2019 and will continue to selectively grow the loan book in 2020. In addition, Deutsche Bank plans to leverage pricing opportunities.

In Private & Commercial Business International ("**PCBI**"), Deutsche Bank expects revenues to be slightly lower compared to 2019. Negative impacts from the COVID-19 pandemic across countries, combined with the low interest rate environment are not expected to be fully recovered by operating growth in credit and investment product revenues and selected repricing measures.

In its Wealth Management ("**WM**") businesses, Deutsche Bank expects net revenues to be essentially flat year-on-year reflecting lower contributions from the workout of legacy positions in Sal. Oppenheim and headwinds from the low interest rate environment and from the declines in financial markets, which Deutsche Bank expects to partially mitigate with continued business growth and targeted pricing opportunities.

As announced in June 2020, Deutsche Bank has decided to combine its WM and PCBI into one unit, the International Private Bank ("**IPB**"). This will allow Deutsche Bank to centralize its product and infrastructure activities to maximize economies of scale and scope.

The COVID-19 pandemic had also an impact on provision for credit losses in the second quarter of 2020. While it is too early to predict these impacts for the second half of the year in detail, Deutsche Bank observes effects by a protracted downturn in local, regional and global economic conditions. Given the uncertainty around extent, duration and market spillover of COVID-19, Deutsche Bank expects provision for credit losses to be significantly higher in 2020 within PB.

Noninterest expenses in the Private Bank are expected to be lower in 2020 than in 2019, reflecting the absence of impairment of goodwill recorded in the prior year. In 2020, Deutsche Bank expects restructuring expenses to increase significantly as Deutsche Bank executes on its transformation objectives to support its mid-term cost reduction plans. Adjusted costs excluding transformation charges are expected to be slightly lower in 2020, driven by incremental savings from reorganization measures, in part offset by inflationary effects and by selected investments in growth initiatives as well as by negative impacts from changes in internal service cost allocations.

Risk-weighted assets are expected to be higher in 2020 as a result of the aforementioned growth, the implementation of regulatory changes to improve consistency of internal risk models in the industry, and the reflection of continued COVID-19 impacts on credit ratings.

Assets under management are expected to remain essentially flat in 2020, assuming a normalizing market environment after the significant market turmoil in March combined with a continuation of Deutsche Bank's growth path.

Risks to the outlook include pressure on interest rates, slower economic growth in the major operating countries and lower client activity. Deutsche Bank's clients' investment activity could be affected by 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. All these risks could become more pronounced dependent on the further development of the COVID-19 pandemic.

## **Asset Management**

Deutsche Bank believes that due to its diverse range of investments and solutions, Asset Management ("**AM**") is well positioned to grow market share amid the industry growth trends, further supported by its broad distribution reach, global footprint and competitive investment performance. However, wider industry challenges such as margin compression, rising costs of regulation, competitive dynamics and the economic impact of the COVID-19 pandemic are likely to impact the full year results. In the face of this challenge, Deutsche Bank intends to focus on innovative and sustainable products and services where Deutsche Bank can differentiate and best serve clients in a late cycle market environment, while also maintaining a disciplined cost base.

Given the current economic climate and more recently the impact of COVID-19 on global markets, Deutsche Bank expects the revenue environment to remain challenging in 2020 amid ongoing market volatility, margin pressure and the low interest rate environment.

As a result, full year 2020 revenues in AM are expected to be lower compared to 2019. Management fees are assumed essentially flat year-over-year as Deutsche Bank expects that positive effects resulting from both net inflows and favorable market recovery to more than offset the market decline observed earlier this year due to COVID-19. Performance and transaction fees are expected to normalize in 2020 at between 3 to 5% of total revenues, significantly lower than 2019 due to the absence of large fees recognized in the second and fourth quarter last year. Other revenues are assumed to be significantly lower, mainly impacted by the unfavorable change in the fair value of guarantees and significantly lower investment income and gains compared to 2019.

To ensure its business is well protected against potential revenue headwinds, Deutsche Bank remains committed to further reducing its costs in 2020. Deutsche Bank has identified further cost savings as well as additional efficiency measures, which it expects to result in lower noninterest expenses and adjusted costs excluding transformation charges.

Deutsche Bank expects assets under management at the end of 2020 to be essentially flat compared to the end of 2019, assuming market stability and net inflows in the second half of the year. In 2020, Deutsche Bank expects net inflows into targeted growth areas of passive and alternative investments, further enhanced by strategic alliances and product innovations.

Risks to the outlook include the longevity of the economic impact of COVID-19, continued low interest rates in industrialized countries' markets, the pace of growth in emerging economies and increase in wealth, as well as the demand for retirement products in industrialized countries for aging populations. Continued elevated levels of economic and political uncertainty worldwide, and protectionist and anti-trade policies, could have unpredictable consequences in the economy, market volatility and investors' confidence, which may lead to declines in business and could affect revenues and profits as well as the execution of the strategic plans. In addition, the evolving regulatory framework could lead to unforeseen regulatory compliance costs and possible delays in the implementation of efficiency measures due to jurisdictional restrictions, which could have an adverse impact on the cost base.

### **Capital Release Unit**

In 2020, Capital Release Unit ("**CRU**") intends to continue to execute its asset reduction program and the transition of Deutsche Bank's Prime Finance and Electronic Equities clients, while continuing to reduce cost.

Deutsche Bank expects significant negative revenues for 2020. Revenues are expected to be driven by de-risking impacts, hedging costs and funding costs, partly offset by reimbursement from the Prime Finance platform.

Noninterest expenses for 2020 are expected to be significantly lower than in 2019. Adjusted costs excluding transformation charges are expected to be significantly lower, driven by lower compensation, lower non-compensation costs and reduced infrastructure related costs. In 2020, Deutsche Bank expects CRU to benefit from the full-year run-rate impact of headcount reductions in 2019.

Deutsche Bank continues to target € 38 billion of RWA for year-end 2020 although this is dependent on constructive market conditions. As Deutsche Bank has taken the decision to primarily target RWA reduction in its de-risking, Deutsche Bank expects a slower reduction in CRU leverage than previously anticipated for 2020. Deutsche Bank expects a reduction in leverage in the range of € 10 to 15 billion a quarter for the remainder of the year, subject to market movements.

Risks to the outlook include the impact of the COVID-19 pandemic. The speed and cost of asset reductions could be affected by counterparties' return expectations and credit risk appetite. Effective asset disposal relies upon functioning capital markets and the active participation of clients and counterparties. In addition, delays to the implementation of expense management initiatives could have an adverse impact on the cost base.

### **Corporate & Other**

In 2020, Corporate & Other will continue to be impacted by valuation and timing differences from different accounting methods used for management reporting and IFRS, plus unallocated items including one-offs which are not business specific, infrastructure expenses associated with shareholder activities as defined in the OECD Transfer Pricing Guidelines and costs held centrally as part of Deutsche Bank's new funds transfer pricing framework. Deutsche Bank expects to retain around € 200 million related to these funding costs in Corporate & Other.

Additionally, Corporate & Other will continue to be impacted by any difference between planned and actual allocations as Infrastructure expenses are allocated to the corporate divisions based on the planned allocations as well as the reversal of non-controlling interests, mainly related to DWS, which are deducted from profit or loss before tax of the divisions."

3. Changes to the subsection "Administrative, Management and Supervisory Bodies and Senior Management"

The text of the subsection "Administrative, Management and Supervisory Bodies and Senior Management" on page 41 et seq. of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

"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 of the Management Board (Chief Executive Officer); Communications and Corporate Social Responsibility (CSR); Group Audit (administratively only, in all other aspects collective responsibility of the Management Board); Research; Head of Investment Bank (IB); Head of Corporate Bank (CB)
Karl von Rohr	Deputy Chairman of the Management Board (President); Head (CEO) of Region Germany and Head of Region EMEA; Head of Private Bank and Asset Management (DWS)
Fabrizio Campelli	Chief Transformation Officer (CTO) and MB Member for HR; Human Resources (incl. Corporate Executive Matters); Transformation Roadmap Office; Cost Catalyst Office; Group Management Consulting; Strategic and Competitive Analysis
Frank Kuhnke	Chief Operating Officer; Corporate Services; CB/IB/CRU Operations (excl. Settlement Operations); CB/IB/CRU KYC Operations; Head of Capital Release Unit (CRU)
Bernd Leukert	Chief Technology, Data and Innovation Officer; Chief Information Office incl. CB/IB/PB; Chief Technology Office; Chief Data Office; Chief Security Office; CB/IB/CRU Settlement Operations
Stuart Wilson Lewis	Chief Risk Officer; Corporate Insurance; Compliance; Anti-Financial Crime; Business Selection and Conflicts Office; Head of Region UKI (UK & Ireland)
James von Moltke	Chief Financial Officer; Investor Relations
Alexander von zur Mühlen	Head (CEO) of Region APAC
Christiana Riley	Head (CEO) of Region Americas
Prof. Dr. Stefan Simon	Chief Administrative Officer

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
Ludwig Blomeyer-Bartenstein*	Spokesperson of the Management and Head of the Market Region Bremen of Deutsche Bank AG
Frank Bsirske*	Former 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, Taubman Centers, Inc., Bloomfield Hills, USA
Jan Duscheck*	Head of national working group Banking, trade union ver.di
Dr. Gerhard Eschelbeck	Member of the Board of Directors, Onapsis Inc., Boston, USA

Sigmar Gabriel, Bundesminister a.D. (former German Federal Government Minister)	Senior Advisor, Eurasia Group, New York, USA and Partner, self-employed advisor, Speech Design SGL GbR, Berlin, Germany;  Member of the Supervisory Board of GP Günter Papenburg AG, Hanover, Germany
Timo Heider*	Chairman of the General Staff Council of BHW Bausparkasse AG / Postbank Finanzberatung AG;  Chairman of the General Staff Council of PCC Services GmbH der Deutschen Bank;  Chairman of the Staff Council of BHW Bausparkasse AG, PCC Services GmbH der Deutschen Bank, 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
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	Member of the Management Board, C-QUADRAT Investment Aktiengesellschaft
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, Aperture Investors LLC, New York, USA;  Member of the Board of Directors, Uber Technologies, Inc., San Francisco, USA
Michele Trogni	Operating Partner of Eldridge Industries LLC, Greenwich, Connecticut, USA  Member of the Board of Directors, Morneau Shepell Inc., Toronto, Canada;  Chairperson of the Board of Directors, Capital Markets Gateway Inc., Chicago, USA;
Dr. Dagmar Valcárcel	Chairperson of the Board of Directors, SE2 LLC, Kansas, USA  Member of the Supervisory Board of amedes Holding GmbH

Dr. Theodor Weimer	Chief Executive Officer, Deutsche Börse AG; Member of the Supervisory Board of Knorr Bremse AG, Munich, Germany
Prof. Dr. Norbert Winkeljohann	Self-employed corporate consultant, Norbert Winkeljohann Advisory & Investments; Chairman of the Supervisory Board of Bayer AG; Member of the Supervisory Board of Georgsmarienhütte Holding GmbH; Chairman of the Supervisory Board of Heristo Aktiengesellschaft; Chairman of the Supervisory Board of Sievert AG

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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 carried out on behalf of 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 § of the German Stock Corporation Act (*Aktiengesetz, AktG*).

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

1. At the end of the subsection "Interim Financial Information" on page 45 of the Registration Document (as replaced by the First Supplement) the following new paragraph is inserted:

"The unaudited consolidated interim financial information for the six months ended 30 June 2020 (as included in the Interim Report of the Issuer as of 30 June 2020) is incorporated by reference in, and forms part of, this Registration Document (see section "Information incorporated by reference" on page 65)."

2. The text of the subsection "Legal and Arbitration Proceedings" on pages 45 et seq. of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

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 % 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 contained 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. The plaintiffs filed an appeal against the denial of leave to appeal with the Federal Supreme Court.

### 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, which closed the case against payment of the fine in August 2019. 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. Investigations remain ongoing against one current employee and an indictment was filed against one former employee in August 2019.

### 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 (*Staatsanwaltschaft Köln*, "**CPP**") 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. This proceeding could result in a disgorgement of profits and fines. Deutsche Bank is cooperating with the CPP. At the end of May and beginning of June 2019, the CPP initiated criminal investigations against further current and former employees of Deutsche Bank and five former Management Board members. In July 2020, by way of inspection of the CPP's investigation file, Deutsche Bank learned that the CPP had further extended its investigation in June 2019 to include further current and former DB personnel, including one former Management Board member and one current Management Board member. Very limited information on the individuals was recorded in the file and none of these additional personnel have been notified by the CPP of being included in the investigation. The investigation is still at an early stage and the scope of the investigation may be further broadened.



Deutsche Bank acted as participant in and filed withholding tax refund claims through the electronic refund procedure (*elektronisches Datenträgerverfahren*) on behalf of, inter alia, two former custody clients in connection with their cum-ex transactions. In February 2018, Deutsche Bank received from the German Federal Tax Office (*Bundeszentralamt für Steuern*, "**FTO**") a demand of approximately € 49 million for tax refunds paid to a former custody client. Deutsche Bank expects to receive a formal notice for the same amount. On 20 December 2019, Deutsche Bank received a liability notice from the FTO requesting payment of € 2.1 million by 20 January 2020 in connection with tax refund claims Deutsche Bank had submitted on behalf of another former custody client. On 20 January 2020, Deutsche Bank made the requested payment and filed an objection against the liability notice. The FTO has set a deadline for submission by Deutsche Bank of the reasoning for the objection of 31 March 2020, which was extended until 31 May 2020 and further extended until June 19, 2020 on which day Deutsche Bank filed its reasoning.

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 ("**Service KAG**", now named BNY Mellon Service Kapitalanlage-Gesellschaft mbH). Deutsche Bank had acquired BAS and Service KAG 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 (excluding interest of 6 per cent p.a.). On 19 August 2019, the Regional Court Bonn issued an order making Service KAG, as fund administrator to certain investment funds that were potentially involved in cum-ex transactions in 2009/2010, a third party subject to confiscation under the German Criminal Code in connection with a criminal trial against certain other individuals. Such confiscation in relation to Service KAG could relate to a significant portion of the aforementioned potential tax liability (plus interest of 6 per cent p.a.).

The criminal trial commenced on 4 September 2019 and is still ongoing. On 10 December 2019, counsel to BNY forwarded to Deutsche Bank two hearing letters from the FTO that were addressed to BAS with respect to its function as depot bank to certain other investment funds. In these letters, the FTO stated that a potential liability of BAS exists and that BAS should expect a liability notice in this regard. BNY responded to the hearing letters on 30 December 2019. By court order dated 16 March 2020, the court terminated the criminal trial against, inter alia, Service KAG as a party subject to confiscation without the imposition of a confiscation. On 18 March 2020, the Regional Court Bonn handed down its criminal judgment by which it sentenced two individuals to a suspended imprisonment based on the commitment of criminal offences. The FTO sent a hearing letter dated May 11, 2020 to BNY in connection with a planned liability notice against BNY in relation to its role as fund manager to one of the investment funds. On June 16, 2020, BNY responded to the hearing letter.

On 6 February 2019, the Regional Court (*Landgericht*) Frankfurt am Main 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.

On 15 May 2019, Deutsche Bank filed its statement of defense with the Regional Court Frankfurt am Main rejecting any liability towards Warburg. On 22 July 2019, Deutsche Bank received Warburg's response statement. Deutsche Bank responded on 21 October 2019. On 20 December 2019, Deutsche Bank received the notice from the Regional Court Frankfurt am Main that the hearing date is scheduled for 20 April 2020. On 20 March 2020, Warburg extended its claim against Deutsche Bank to indemnify Warburg in relation to the € 176 million (thereof € 166 million in relation to taxes and € 10 million in relation to interest) confiscation order issued by the Regional Court Bonn in the criminal cum-ex trial on 18 March 2020. Further, Warburg

requested a stay of the civil litigation. On 27 March 2020, Deutsche Bank responded by rejecting the requested extension of the claim. On 30 March 2020, the Regional Court Frankfurt am Main cancelled the oral hearing initially scheduled for 20 April 2020 due to the COVID 19 pandemic and asked Deutsche Bank to comment on Warburg's motion to stay the civil litigation by 20 April 2020. In its response filed on 20 April 2020, Deutsche Bank rejected Warburg's extension of the claim and Warburg's motion to stay the civil litigation. On May 8, 2020, Deutsche Bank was informed by the court that Warburg's request to stay the proceedings was denied by the court and that the hearing is scheduled for September 7, 2020. On July 3, 2020, Deutsche Bank received an additional brief from Warburg in relation to the years 2007 to 2009 by which Warburg introduced the tax assessments of the Hamburg Tax Office for the years 2007 to 2009 against Warburg in the amount of € 187 million (thereof € 120 million in relation to taxes and € 67 million in relation to interest) into the proceedings. Based on the tax assessment notices received for 2007 to 2011, Warburg is now claiming a total of € 250 million (thereof € 166 million in relation to taxes and € 84 million in relation to interest). With its new submission Warburg is claiming indemnification against taxes resulting from cum-ex transactions conducted in 2007 to 2009 and compensation of unspecified damages relating to these transactions.

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.

#### Danske Bank Estonia Investigations

Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning the Bank's former 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. The Bank is providing information to and otherwise cooperating with the investigating agencies. The Bank has also completed an internal investigation into these matters, including of whether any violations of law, regulation or Bank policy occurred and the effectiveness of the related internal control environment. Additionally, on 24 and 25 September 2019, based on a search warrant issued by the Local Court (*Amtsgericht*) in Frankfurt, the Frankfurt public prosecutor's office conducted investigations into Deutsche Bank. The investigations are in connection with suspicious activity reports relating to potential money laundering at Danske Bank. The Bank is cooperating in the investigations.

On July 7, 2020, the New York State Department of Financial Services (DFS) issued a Consent Order, finding that Deutsche Bank violated New York State banking laws in connection with its relationships with three former Deutsche Bank clients, Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank, and imposing a \$150 million civil penalty in connection with these three former relationships.

On July 15, 2020, Deutsche Bank was named as a defendant in a securities class action filed in the U.S. District Court for the District of New Jersey, alleging that the Bank made material misrepresentations regarding the effectiveness of its AML controls and related remediation. The complaint cites allegations regarding control deficiencies raised in the DFS Consent Order related to the Bank's relationships with Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank. The case is in its early stages.

The Group has not established a provision or contingent liability with respect to the Jeffrey Epstein investigations and civil action, other than for the above-referenced \$150 million civil penalty relating to Jeffrey Epstein and the other former relationships that were the subject of the DFS Consent Order. The remaining investigations relating to Jeffrey Epstein are ongoing.

#### Deutsche Bank Shareholder Litigation

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 alleged 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 moved to dismiss the action. On 30 September 2019, the court granted the motion to dismiss with prejudice as to all defendants and entered judgment dismissing the lawsuit.

#### 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 jointventure. In relation to this business, a number of civil claims were filed against Sal. Oppenheim. Some, but not all, of these claims were also directed against former managing partners of Sal. Oppenheim and other individuals. The investors were seeking to unwind their fund participation and to be indemnified against potential losses incurred in connection with the investment. The claims were 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 related to investments in an amount of originally approximately € 1.1 billion. Over the past few years, based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim, and certain claims have either been dismissed or settled. Claims of approximately € 10 million relating to investments in an amount of originally approximately € 6 million were pending as of the beginning of 2019, which claims were settled in 2019 for amounts not material to the Bank.

#### 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.

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.

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 US\$ 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 US\$ 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.

There are currently two U.S. actions pending against Deutsche Bank. On 25 February 2020, plaintiffs in the "Indirect Purchasers" action pending in the U.S. District Court for the Southern District of New York (Contant, et al. v. Bank of America Corp., et al.) informed the court of a global settlement with all defendants remaining in that action, including Deutsche Bank.

Pending preliminary and final settlement approval orders approving Deutsche Bank's settlement, plaintiffs will dismiss with prejudice all claims alleged against Deutsche Bank in that 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 a consolidated action (In re Foreign Exchange Benchmark Rates Antitrust Litigation). Plaintiffs filed a second amended complaint on 11 June 2019. Defendants' motion to dismiss was granted and denied in part on May 28, 2020. Discovery is ongoing.

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' motion for class certification in the Ontario action was granted on 14 April 2020. Discovery is ongoing. Deutsche Bank has also been named as a defendant in an amended and consolidated class action filed in Israel. This action asserts factual allegations similar to those made in the consolidated action in the United States and seeks damages pursuant to Israeli antitrust law as well as other causes of action. This action is in preliminary stages.

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 paid penalties of US\$ 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.

Also, 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 made a settlement payment of US\$ 220 million.

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 41 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 three 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 three civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR were also filed in the SDNY, and include one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, and one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR).

Claims for damages for all 41 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 two exceptions, all of the U.S. civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "**US 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, and oral argument was heard on 24 May 2019.

On 13 July 2017, Deutsche Bank executed a settlement agreement in the amount of US\$ 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, and the court granted preliminary approval on 2 March 2020. The settlement amount is already fully reflected in existing litigation provisions and no additional provisions have been taken for this settlement. The settlement amount, which Deutsche Bank has paid, is no longer reflected in Deutsche Bank's litigation provisions.

On 24 March 2020, Deutsche Bank and the plaintiff in a non-class action pending as part of the US dollar LIBOR MDL (Salix Capital US Inc. v. Banc of America Securities LLC) stipulated to the dismissal of the plaintiff's claims against Deutsche Bank. The court dismissed the plaintiff's claims on 25 March 2020.

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 appealed the court's decision, and on 30 April 2019, the U.S. Court of Appeals for the Second Circuit affirmed the district court's decision. On 29 July 2019, the plaintiff sought further review from the U.S. Supreme Court, which was denied on 7 October 2019. Accordingly, the action is not included in the total number of actions above.

In January and March 2019, plaintiffs filed three 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 under *In re ICE LIBOR Antitrust Litigation*, and on 1 July 2019, the plaintiffs filed a consolidated amended complaint. On 26 March 2020, the court granted the defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank. Plaintiffs have filed a notice of appeal. This action is 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.

A further class action regarding LIBOR has been filed in Argentina seeking damages for losses allegedly suffered by holders of Argentine bonds that calculated interest rates based on LIBOR. Deutsche Bank is defending this action.

#### *SIBOR and SOR.*

A putative class action alleging manipulation of the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR) remains pending. On 26 July 2019, the SDNY granted the defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank, and denied plaintiff's motion for leave to file a fourth amended complaint. Plaintiff appealed that decision to the U.S. Court of Appeals for the Second Circuit, and briefing of the appeal is complete.

### *GBP LIBOR.*

A putative class action alleging manipulation of the Pound Sterling (GBP) LIBOR remains pending. On 21 December 2018, the SDNY partially granted defendants' motions to dismiss the action, dismissing all claims against Deutsche Bank. On 16 August 2019, the court denied plaintiffs' motion for partial reconsideration of the court's 21 December 2018 decision. Plaintiffs have filed a notice of appeal; the U.S. Court of Appeals for the Second Circuit has ordered that the appeal be held in abeyance pending that court's decision in the appeal of the SIBOR and SOR class action.

### *CHF LIBOR.*

A putative class action alleging manipulation of the Swiss Franc (CHF) LIBOR remains pending. On 16 September 2019, the SDNY granted defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank.

Plaintiffs have filed a notice of appeal; the U.S. Court of Appeals for the Second Circuit has ordered that the appeal be held in abeyance pending that court's decision in the appeal of the SIBOR and SOR class action.

### *CDOR.*

A putative class action alleging manipulation of the Canadian Dealer Offered Rate (CDOR) was filed in the SDNY. On 14 March 2019, the court granted defendants' motions to dismiss the amended complaint, dismissing all claims against Deutsche Bank. Plaintiff filed a notice of appeal. On 25 July 2019, the plaintiff stipulated to the withdrawal of its appeal. Accordingly, the action is not included in the total number of actions above.

### *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 alleged 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, which the defendants moved to dismiss. On 13 February 2020, the court partially granted the motion to dismiss the second amended complaint, with certain claims against Deutsche Bank remaining.

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

On 22 August 2019, Deutsche Bank reached a settlement with the U.S. Securities and Exchange Commission (SEC) to resolve its investigation into the Bank's hiring practices related to candidates referred by clients, potential clients and government officials. The Bank agreed to pay U.S. \$ 16 million as part of the settlement. The U.S. Department of Justice (DOJ) has closed its investigation of the Bank regarding its hiring practices. Certain regulators and law enforcement authorities in various jurisdictions, including the SEC 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 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.

### Jeffrey Epstein Investigations

Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning the Bank's former client relationship with Jeffrey Epstein (individually, and through related parties and entities). In December 2018, Deutsche Bank began the process to terminate its relationship with Epstein, which began in August 2013. Deutsche Bank has provided information to and otherwise cooperated with the investigating agencies. The Bank has also completed an internal investigation into the Epstein relationship.

On July 7, 2020, the New York State Department of Financial Services (DFS) issued a Consent Order, finding that Deutsche Bank violated New York State banking laws in connection with its relationships with three former Deutsche Bank clients, Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank, and imposing a \$150 million civil penalty in connection with these three former relationships.

On July 15, 2020, Deutsche Bank was named as a defendant in a securities class action filed in the U.S. District Court for the District of New Jersey, alleging that the Bank made material misrepresentations regarding the effectiveness of its AML controls and related remediation. The complaint cites allegations regarding control deficiencies raised in the DFS Consent Order related to the Bank's relationships with Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank. The case is in its early stages.

The Group has not established a provision or contingent liability with respect to the Danske Bank Estonia investigations and civil action, other than for the above-referenced \$150 million civil penalty relating to Danske Bank's Estonia branch and the other former relationships that were the subject of the DFS Consent Order. The remaining investigations relating to Jeffrey Epstein are ongoing.

#### 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. This oral hearing was held on 22 October 2019. On 31 October 2019, the Federal Supreme Court confirmed the acquittals in the Kirch criminal proceedings.

After the Federal Supreme Court's judgement of 31 October 2019, the other investigations by the public prosecutor (which also deal with attempted litigation fraud in the Kirch civil proceedings) were terminated.

#### 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 %, 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).

### 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 settled in December 2018 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.

On 8 November 2019, the Milan court issued its verdicts, finding five former employees and one current employee of Deutsche Bank guilty and sentencing them to either 3 years and 6 months or 4 years and 8 months. Deutsche Bank was found liable under Italian Legislative Decree n. 231/2001 and the court ordered the seizure of alleged profits of € 64.9 million and a fine of € 3 million. The Court also found Deutsche Bank has civil vicarious liability for damages (to be quantified by the civil court) as an employer of the current and former employees who were convicted. The sentences and fines are not due until the conclusion of any

appeal process. The reasons for the verdict are due to be provided in the first week of May 2020 and the parties then have 45 days to file an appeal.

On 8 November 2019, the Milan court issued its verdicts, finding five former employees and one current employee of Deutsche Bank guilty and sentencing them to either 3 years and 6 months or 4 years and 8 months. Deutsche Bank was found liable under Italian Legislative Decree n. 231/2001 and the court ordered the seizure of alleged profits of € 64.9 million and a fine of € 3 million. The Court also found Deutsche Bank has civil vicarious liability for damages (to be quantified by the civil court) as an employer of the current and former employees who were convicted. The sentences and fines are not due until the conclusion of any appeal process. The reasons for the verdict are due to be provided in the first week of May 2020 but may be delayed due to the COVID-19 pandemic-related shutdown of Italian courts. The parties then have until the end of September to file an appeal.

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 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. As a result of the COVID-19 pandemic, the final hearing of the appeal, has been postponed and is expected to be fixed for autumn this year.

#### 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**"), 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 fully cooperated 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 US\$ 3.1 billion and provided US\$ 4.1 billion in consumer relief. DOJ appointed an independent monitor to oversee and validate the provision of 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 US\$ 15 million in cash and US\$ 80 million in consumer relief (to be allocated from the overall US\$ 4.1 billion consumer relief obligation agreed to as part of Deutsche Bank's settlement with the DOJ).

On July 8, 2020, the DOJ-appointed monitor released his final report, validating that Deutsche Bank has fulfilled its US\$ 4.1 billion consumer relief obligations in its entirety, inclusive of the US\$ 80 million commitment to the State of Maryland. *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 US\$ 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. FHFA filed its appeal on 28 June 2019.

Deutsche Bank was or 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 US\$ 213 million in damages against all defendants), (b) Guaranty Bank (alleging no less than US\$ 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 2 July 2019, the parties executed a settlement agreement to resolve the claims relating to the one RMBS offering for which Deutsche Bank is an underwriter defendant. Deutsche Bank did not make a monetary contribution to the settlement. In the case concerning Guaranty Bank, on 5 November 2019, the parties executed a settlement agreement to resolve the claims against Deutsche Bank, and the court dismissed the action on 21 November 2019. 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. On 18 October 2019, defendants' motion to dismiss was denied.

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. On 8 July 2019, plaintiff filed its opening appellate brief. On 19 November 2019, the appellate court affirmed the dismissal. On 19 December 2019, plaintiff filed a motion to appeal to the New York Court of Appeals, which was denied on 13 February 2020. On 16 March 2020, plaintiff filed a motion for leave to appeal in the New York Court of Appeals, which is pending.

Deutsche Bank is a defendant in cases concerning two RMBS trusts that were 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 March 28, 2018. Plaintiff appealed the dismissals. On 25 April 2019, the First Department affirmed the dismissals on claims for breach of representations and warranties and for breach of the implied covenant of good faith and fair dealing, but reversed the denial of the motions for leave to file amended complaints alleging failure to notify the trustee of alleged representations and warranty breaches. HSBC filed amended complaints on 30 April 2019, and Deutsche Bank filed its answers on 3 June 2019. Discovery is ongoing. On 25 October 2019, plaintiffs filed two complaints seeking to revive, under Section 205(a) of the New York Civil Practice Law and Rules, the breach of representations and warranties claims as to which dismissal was affirmed in the case concerning ACE 2006-FM1. On 16 December 2019, Deutsche Bank moved to dismiss these actions.

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, 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. Two other putative class actions, brought by Royal Park Investments SA/NV in the U.S. District Court for the Southern District of New York, have also been settled, and the court dismissed both actions with prejudice on 10 June 2019.

Deutsche Bank is currently a defendant in four separate civil lawsuits, all of which involve direct claims.

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; on 15 October 2019, NCUA's motion for leave to amend its complaint was granted, and Deutsche Bank's motion to dismiss the amended complaint was granted in part and denied in part, dismissing NCUA's tort claims but preserving its breach-of-contract claims. In the Phoenix Light case and Commerzbank case, on 7 December 2018 the parties filed motions for summary judgment, which have been fully briefed as of 9 March 2019. 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. Discovery is ongoing.

The Group has established contingent liabilities 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.

### 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 called a number of witnesses in both cases to be heard in several hearings from 30 October 2019 onwards. These evidentiary hearings are still ongoing. 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 produced by Deutsche Bank in accordance with these orders 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 produced the indenture for a mandatory exchangeable bond dated 25 February 2009 as well as a pledge agreement dated 30 December 2008. By order dated 17 September 2019, the Higher Regional Court ordered that the transaction documents produced to the court in May 2019 shall also be provided to the court in the original by 7 October 2019. Deutsche Bank has therefore deposited the originals of the aforementioned transaction documents with the court on 2 October 2019.

Stefan Krause, a former Deutsche Bank Management Board member, whose testimony the plaintiffs had requested, 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 criminal conduct in connection with the takeover offer and the court proceedings relating thereto. 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 was not a party to the proceedings concerning Stefan Krause's right to refuse testimony.

Former Deutsche Bank Management Board members Dr. Josef Ackermann, Rainer Neske and Frank Strauss also informed the Higher Regional Court Cologne, in August, September and October 2019, respectively, that they each invoke the right not to give testimony because of the aforementioned criminal complaint. In November 2019 and January 2020, respectively, the Higher Regional Court Cologne confirmed in separate interim proceedings (*Zwischenverfahren*) – in which Deutsche Bank was not a party – by a non-appealable decision the right to refuse to give testimony in each of these cases.

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 (actions for avoidance). 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. On May 15, 2020 DB Privat- und Firmenkundenbank AG (legal successor of Postbank due to a merger in 2018) was merged into Deutsche Bank AG. On July 3, 2020 Deutsche Bank AG withdrew the appeal as regards the actions for avoidance because efforts and costs to pursue this appeal became disproportionate to the minor remaining economic importance of the case considering that the 2015 squeeze-out cannot be reversed. As a consequence, the first instance judgement which found that Postbank violated the information rights of its shareholders in the shareholders' meeting has now become final.

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 applicants in the appraisal proceedings claim that a potential obligation of Deutsche Bank to make a mandatory takeover offer for Postbank at an offer price of € 57.25 should be decisive when determining the adequate cash compensation in the appraisal proceedings. The Regional Court Cologne had originally followed this legal view of the applicants in two resolutions. In a decision dated June 2019, the Regional

Court Cologne expressly gave up this legal view in the appraisal proceedings in connection with execution of a domination and profit and loss transfer agreement. According to this decision, the question whether Deutsche Bank was obliged to make a mandatory offer for all Postbank shares prior to its voluntary takeover offer in 2010 shall not be relevant for determining the appropriate cash compensation. It is likely that the Regional Court Cologne will take the same legal position in the appraisal proceedings in connection with the squeeze-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 has cooperated with these investigations. On 29 January 2018, Deutsche Bank entered into a US\$ 30 million settlement with the U.S. Commodity Futures Trading Commission ("**CFTC**") concerning spoofing, and manipulation and attempted manipulation in precious metals futures and of stop loss orders.

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. Deutsche Bank has reached agreements to settle the Gold action for US\$ 60 million and the Silver action for U.S. \$ 38 million, which remain subject to final court approval.

In addition, Deutsche Bank was 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 reached agreements to settle these actions which were approved by the Ontario court on 29 May 2019 and the Quebec court on 17 June 2019, and the actions have been dismissed against Deutsche Bank. 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 5 March 2020, the German local tax authorities issued a liability notice in the amount of € 10.7 million related to withholding tax certificates issued by Deutsche Bank AG, which Deutsche Bank AG did not contest. On 6 April 2020, Deutsche Bank AG made the requested € 10.7 million payment.

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 US\$ 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 its offshore trust business. The Bank has cooperated in the investigation, as has been publicly

acknowledged by the Frankfurt Public Prosecutor's Office. The Bank has also cooperated with other requests for information from regulatory and law enforcement agencies that followed on 29 November 2018 search warrant in Frankfurt.

In December 2019, the Frankfurt public prosecutor's office closed investigations into the two employees due to lack of sufficient suspicion in accordance with paragraph 170 (2) of the German Code of Criminal Procedure. This step means that the allegations of aiding and abetting tax evasion and of money laundering that were made against the employees and the Bank have been dropped. At the same time, Deutsche Bank accepted in a separate regulatory fining proceeding a fine of € 5 million as well as the confiscation of avoided expenses in the amount of € 10 million, payable as a result of shortcomings in its control environment in the past.

#### 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 US\$ 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 US\$ 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.

#### 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 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 US\$ 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 2017 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 a consolidated putative class action 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. In October 2019, the court granted defendants' motion to dismiss plaintiffs' consolidated amended complaint without prejudice. In December 2019, plaintiffs filed a Second Amended Complaint, which defendants moved to dismiss on 21 February 2020.

Deutsche Bank was also 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; on 3 September 2019, the court denied a motion to dismiss the complaint. Deutsche Bank has reached an agreement to settle the class actions for the amount of US\$ 15 million, which amount was already fully reflected in existing litigation reserves and no additional provision was taken for this settlement amount. The court granted preliminary approval over the settlement on 29 October 2019, supported by an opinion issued 8 November 2019. The court held a final fairness hearing on June 9, 2020. On June 18, 2020, the court entered final judgement approving the class action settlement with Deutsche Bank and separately as to the class action settlements with the other defendants which will result in a total of US\$ 386.5 million paid to the settlement class. A separate action was filed in the U.S. District Court for the Middle District of Louisiana on 23 September 2019, which was dismissed with prejudice as to Deutsche Bank by stipulation of the parties on 30 October 2019.

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. The Regional Court Frankfurt am Main fully dismissed the claim on 26 July 2019. The plaintiff has appealed this decision to the Higher Regional Court Frankfurt am Main.

#### US 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.

On June 18, 2020, the CFTC entered an order pursuant to settlement with Deutsche Bank Securities Inc. for alleged spoofing by two Tokyo-based traders between January and December 2013. Without admitting or denying the findings or conclusions therein, Deutsche Bank consented to the entry of the order, including a civil monetary fine of \$1,250,000.

Following this settlement, three separate putative class actions were filed in the Northern District of Illinois against Deutsche Bank AG and Deutsche Bank Securities Inc. The cases allege that Deutsche Bank and other unnamed entities participated in a scheme from January to December 2013 to spoof the market for Treasuries futures and options contracts and Eurodollars futures and options contracts. Deutsche Bank has not yet been served in these cases and there is not yet a briefing schedule for Rule 12 motions.

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 amount claimed ranged between € 757 million and € 837 million, plus compound interest. The trial commenced on 8 May 2019 and was scheduled to finish on 18 July 2019. On 12 July 2019, the parties agreed a full and final settlement of all claims between them, which included a payment from Deutsche Bank of € 175 million to Vestia on a no-admissions basis.

3. The text of the subsection "Statement of no Significant Change in Financial Position" on page 64 of the Registration Document (as replaced by the First Supplement) is replaced by the following text:

"There has been no significant change in the financial position of Deutsche Bank Group since 30 June 2020."

## **V. REGULATORY DISCLOSURES**

The table included on page 65 of the Registration Document (as replaced by the First Supplement) after the introductory paragraph starting with "The following table provides..." shall be replaced by the following table:

"

<b>Date of disclosure</b>	<b>Type of information</b>	<b>Topic</b>
7 July 2019	Ad-hoc Release	Deutsche Bank outlines significant strategic transformation and restructuring plans
10 February 2020	Ad-hoc Release	Deutsche Bank to issue Additional Tier 1 capital
26 April 2020	Ad-hoc Release	Deutsche Bank announces results for the first quarter 2020 above market expectations. Outlook for full year 2020 updated

11 May 202	Ad-hoc Release	Deutsche Bank launches Tier 2 issuance and announces public tender offer for senior non-preferred debt
21 July 2020	Ad-hoc Release	Deutsche Bank updates Common Equity Tier 1 ratio

"

## VI. DOCUMENTS AVAILABLE

The following sub-paragraph (d) shall be included immediately after sub-paragraph (c) (as included by the First Supplement) on page 65 of the Registration Document:

"

(d) the Interim Report of the Issuer as of 30 June 2020 (English language version)."

## VII. INFORMATION INCORPORATED BY REFERENCE

The section "INFORMATION INCORPORATED BY REFERENCE" on pages 65 et seq. of the Registration Document (as replaced by the First Supplement) shall be replaced by the following:

"The following documents which have previously been published and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Registration Document (the "**Document Incorporated by Reference**") to the extent set out in the paragraph entitled "*Cross-Reference List of Document Incorporated by Reference*" below:

- the English language version of the Annual Report of the Issuer as of 31 December 2019 (<http://dl.bourse.lu/dlp/10c73664e72329402191acbcbab4ae9778>);
- the English language version of the Earnings Report of the Issuer as of 31 March 2020 (<http://dl.bourse.lu/dlp/10e89c439a07bc44efb54a4f9360869882>);
- the English language version of the Interim Report of the Issuer as of 30 June 2020 (<http://dl.bourse.lu/dlp/102fe94a74e2cc4a0692c82623eeae649a>);

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any such subsequent document which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Document. For the avoidance of doubt, the content of any website referred to in this Registration Document does not form part of this Registration Document. Copies of all documents incorporated by reference in this Registration Document will also be available in electronic form on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.db.com](http://www.db.com) under "Investor Relations", "Credit Information", "Prospectuses", "Registration Documents").

### Cross-Reference List of Documents Incorporated by Reference

On page 45 in the subsection "Financial Information concerning Deutsche Bank's Assets and Liabilities, Financial Position and Profits and Losses – Financial Statements" reference is made to Deutsche Bank's consolidated financial statements for the financial year 2019 (as included in the Annual Report 2019 of the Issuer as of 31 December 2019), the unaudited consolidated interim financial information of the Issuer for the three months ended 31 March 2020 (as included in the Earnings Report of the Issuer as of 31 March 2020) and the unaudited consolidated interim financial information of the Issuer for the six months ended 30 June 2020 (as included in the Interim Report of the Issuer as of 30 June 2020).

(1) *The following information is set forth in the Annual Report of the Issuer as of 31 December 2019:*

	Page(s)
<b>Audited Consolidated Financial Statements 2019</b>	
Consolidated Statement of Income	224
Consolidated Statement of Comprehensive Income	225
Consolidated Balance Sheet	226
Consolidated Statement of Changes in Equity	227 - 232
Consolidated Statement of Cash Flows	233 - 234
Notes to the Consolidated Financial Statements	235 - 273
Notes to the Consolidated Income Statement	274 - 280
Notes to the Consolidated Balance Sheet	281 - 336
Additional Notes	337 - 395
Independent Auditor's Report	396 - 403
<b>Alternative Performance Measures</b>	
Supplementary Information (unaudited) – Non-GAAP Financial Measures	431 - 439
Risk and Capital Performance – Capital, Leverage Ratio, TLAC and MREL	97 - 110

(2) *The following information is set forth in the Earnings Report of the Issuer for the three months ended 31 March 2020:*

	Page(s)
<b>Unaudited Consolidated Interim Financial Information Q1 2020</b>	
Consolidated Balance Sheet	14 - 15
Consolidated Statement of Comprehensive Income (unaudited)	39
<b>Alternative Performance Measures</b>	
Non-GAAP Financial Measures	40 - 46

(3) *The following information is set forth in the Interim Report of the Issuer for the six months ended 30 June 2020:*

	Page(s)
<b>Unaudited Consolidated Interim Financial Information Q2 2020</b>	
Income statement	42
Earnings per common share	43
Consolidated statement of comprehensive income	43
Consolidated balance sheet	44
Consolidated statement of changes in equity	45 - 48
Consolidated statement of cash flows	49 - 50
Basis of preparation/impact of changes in accounting principles	51 - 54
Information on the consolidated income statement	61 - 64

Information on the consolidated balance sheet **65 - 84**

Review report **88**

**Alternative Performance Measures**

Non-GAAP Financial Measures **90 - 99**

Any other information referred to in the Document Incorporated by Reference that is not included in the cross-reference list above is either not relevant for an investor or is covered elsewhere in this Registration Document and shall therefore not be deemed to be included in this Registration Document.

**VIII. APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26 (4) OF THE REGULATION (EU) 2017/1129**

The text of Appendix 1 to the Registration Document (as replaced by the First Supplement) is replaced by the following:

<b>Key information on the Issuer</b>
<b>Who is the Issuer of the Securities?</b>
<b>Domicile and legal form, law under which the Issuer operates and country of incorporation</b>  Deutsche Bank Aktiengesellschaft (commercial name: Deutsche Bank) is a banking institution and a stock corporation incorporated in Germany and accordingly operates in accordance with Germany law. The Legal Entity Identifier (LEI) of Deutsche Bank is 7LTWFZYICNSX8D621K86. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main, Germany
<b>Issuer's principal activities</b>  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 is organized into the following segments:  — Corporate Bank (CB);  — Investment Bank (IB);  — Private Bank (PB);  — Asset Management (AM);  — Capital Release Unit (CRU); and  — Corporate & Other (C&O).

In addition, Deutsche Bank has a country and regional organizational layer to facilitate a consistent implementation of global strategies.

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

- 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.

#### **Major shareholders, including whether it is directly or indirectly owned or controlled and by whom**

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 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 the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) 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.

#### **Key managing directors**

**The key managing directors of the issuer are members of the issuer's Executive Board. These are:** Christian Sewing, Karl von Rohr, Fabrizio Campelli, Frank Kuhnke, Bernd Leukert, Stuart Wilson Lewis, James von Moltke, Alexander von zur Mühlen, Christiana Riley and Prof. Dr. Stefan Simon.

#### **Statutory auditors**

Until 31 December 2019, the independent auditor for the period covered by the historical financial information of Deutsche Bank is KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG"). KPMG is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*). With effect as of 1 January 2020, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") has been appointed as independent auditor. EY is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*).

#### **What is the key financial information regarding the Issuer?**

The key financial information included in the tables below as of and for the financial years ended 31 December 2018 and 31 December 2019 has been extracted from the audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2019. The key financial information included in the tables below as of 30 June 2020 and for the six months ended 30 June 2020 and 30 June 2019 has been extracted from the unaudited consolidated interim financial information as of 30 June 2020.

<b>Statement of income</b> (in million Euro)	<b>Six months ending 30 June 2020 (unaudited)</b>	<b>Year ending 31 December 2019</b>	<b>Six months ending 30 June 2019 (unaudited)</b>	<b>Year ending 31 December 2018</b>
Net interest income	6,345	13,749	7,028	13,316 <sup>1</sup>
Commissions and fee income	4,666	9,520	4,865	10,039
Provision for credit losses	1,267	723	301	525
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,097	193	887	1,209 <sup>2</sup>
Profit (loss) before income taxes	364	(2,634)	(654)	1,330
Profit (loss)	126	(5,265)	(2,949)	341

<b>Balance sheet</b> (amounts in million Euro)	<b>30 June 2020 (unaudited)</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Total assets	1,407,296	1,297,674	1,348,137
Senior debt	99,052	101,187	108,389
Subordinated debt	6,066	6,934	6,717
Loans at amortized cost	437,014	429,841	400,297
Deposits	572,963	572,208	564,405
Total equity	62,817	62,160	68,737
Common Equity Tier 1 capital ratio	13.3 %	13.6 %	13.6 %
Total capital ratio (fully loaded)	17.0%	17.4 %	17.5 %
Leverage ratio (fully loaded)	4.2%	4.2 %	4.1 %

### What are the key risks that are specific to the Issuer?

<sup>1</sup> As adjusted as of 31 March 2020.

<sup>2</sup> As adjusted as of 31 March 2020.

The Issuer is subject to the following key risks:

**Macroeconomic, Geopolitical and Market Environment:** As a global investment bank with a large private client franchise, our businesses are materially affected by global macroeconomic and financial market conditions. Significant risks exist that could negatively affect the results of operations and financial condition in some of our businesses as well as our 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 and geopolitical risks. Also, as a result of the risks posed by the COVID 19 pandemic, we may be materially adversely affected by a protracted downturn in local, regional or global economic conditions.

**Business and Strategy:** Our results of operation and financial condition continue to be negatively impacted by the challenging market environment, uncertain macroeconomic and geopolitical conditions, lower levels of client activity, increased competition and regulation, and the immediate impact of our strategic decisions. If we are unable to improve our profitability as we continue to face these headwinds, we may be unable to meet many of our strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage at levels expected by market participants and our regulators.

**Regulation and Supervision:** 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 us and may adversely affect our business and ability to execute our strategic plans. Competent regulators may prohibit us from making dividend payments or payments on our regulatory capital instruments or take other actions if we fail to comply with regulatory requirements.

**Increased Capital Requirements:** Regulatory and legislative changes require us to maintain increased capital and bail-inable debt (debt that can be bailed in in resolution) and abide by tightened liquidity requirements. These requirements may significantly affect our business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that we may be unable to meet our capital or liquidity requirements with an adequate buffer, or that we 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 our business and results.

**Internal Control Environment:** 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 we conduct our business in compliance with the laws, regulations and associated supervisory expectations applicable to us. We have identified the need to strengthen our internal control environment and infrastructure and have embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, our reputation, regulatory position and financial condition may be materially adversely affected, and our ability to achieve our strategic ambitions may be impaired.

**Litigation, Regulatory Enforcement Matters and Investigations:** We operate in a highly and increasingly regulated and litigious environment, potentially exposing us 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. We and our subsidiaries are involved in various litigation proceedings, including civil class action lawsuits, arbitration proceedings and other disputes with third parties, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world.

..

TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN (A) ANY STATEMENT IN THIS SUPPLEMENT AND (B) ANY STATEMENT IN, OR INCORPORATED BY REFERENCE IN, THE REGISTRATION DOCUMENT, THE STATEMENTS IN (A) ABOVE SHALL PREVAIL.



## Annex 1

Consolidated version of the Registration Document dated 6 April 2020  
as supplemented by the First Supplement dated 11 May 2020 and the Second Supplement dated 5  
August 2020

### Registration Document for Secondary Issuances of Non-Equity Securities

6 April 2020



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# Deutsche Bank Aktiengesellschaft

(Frankfurt am Main, Federal Republic of Germany)

This document constitutes a registration document for secondary issuances of non-equity securities (the "**Registration Document**"), which has been prepared by Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**" or "**Deutsche Bank**" or the "**Bank**" or the "**Issuer**" or "**we**" or "**our**") pursuant to Art. 6 (3) and Art. 14 of Regulation (EU) 2017/1129 as amended from time to time (the "**Prospectus Regulation**") and Art. 9 of the Commission Delegated Regulation (EU) 2019/980.

This Registration Document has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of the Grand Duchy of Luxembourg as competent authority under the Prospectus Regulation in line with the provisions of Article 6 (4) of the Luxembourg Law on Prospectuses for securities. In accordance with Article 25 (1) of the Prospectus Regulation, the Issuer has requested the CSSF to provide the competent authority in Germany with a certificate of approval attesting that this Registration Document has been drawn up in accordance with the Prospectus Regulation (a "**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional member states within the European Economic Area (the "**EEA**") with further Notifications.

This Registration Document will be valid for a period of twelve months following the date of its approval and will expire on 6 April 2021. It reflects the status as of its date of approval. The obligation to supplement this Registration Document pursuant to Art. 23 of the Prospectus Regulation in the event of a significant new factor, material mistake or material inaccuracy shall not apply once this Registration Document is no longer valid.

This Registration Document and all documents incorporated by reference in this Registration Document will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.db.com](http://www.db.com) under "Investor Relations", "Creditor Information", "Prospectuses", "Registration Documents").

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 securities and should not be considered as a recommendation by Deutsche Bank that any recipient of this Registration Document should subscribe for or purchase any securities 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 Registration Document or consistent with this Registration 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

This section describes the specific risks with regard to Deutsche Bank that affect its ability to meet its obligations as issuer of debt securities.

The risk factors are divided into six categories, each indicated in this section by a title (in ***bold italic font***), according to their nature. Within the different categories, each individual risk factor is indicated by a heading (in **bold regular font**) with the most significant risks being listed first in each category. The assessment of materiality was made based on the probability of their occurrence and the expected extent of their negative impact on the ability to meet the obligations as issuer of debt securities.

Investors should consider the following specific and material risk factors, in addition to the other information and risk factors contained in the relevant simplified prospectus, when deciding to purchase securities of Deutsche Bank.

The occurrence of the following risks may have a material adverse effect on the net assets, financial position, and results of operations of Deutsche Bank and thus impair its ability to fulfil its obligations under debt securities to investors.

### ***Risks Relating to the Macroeconomic, Geopolitical and Market Environment***

**Macroeconomic and financial market conditions:** As a global investment bank with a large private client franchise, our businesses are materially affected by global macroeconomic and financial market conditions. Significant risks exist that could negatively affect the results of operations and financial condition in some of our businesses as well as our 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, geopolitical risks and risks posed by the COVID 19 pandemic.

In 2019, the global economy slowed markedly due to the adverse effects of trade-related and geopolitical uncertainties. Global manufacturing output experienced a slowdown thereby depressing investment in machinery and equipment. Trade tensions between the U.S. and China as well as between the U.S. and Europe weighed significantly on global trade. But towards the end of 2019, the most important downside risks had moderated somewhat. The announcement to seek a phased trade agreement between the U.S. and China led to more favorable financial conditions and improved growth prospects. Constructive developments regarding Brexit have added to this positive drift. Overall, global economic growth slowed to 3.1 % in 2019, after 3.8 % in 2018. Global inflation was 3.0 % in 2019. In the industrialized countries, GDP grew by 1.7 % and consumer prices rose by 1.4 % while GDP of emerging market economies increased by 4.0 % and inflation reached 4.0 %.

The euro area economy was adversely affected by the slowing of international trade as well as by the fear of a hard Brexit and temporary effects in some member states. In particular, manufacturing output of export-oriented economies declined, while the more domestic oriented services sectors held up well. Growth was supported by domestic demand underpinned by solid income growth and easy financial conditions. Monetary policy remained accommodative as the European Central Bank ("**ECB**") reinitiated its net asset purchase program at a monthly pace of € 20 billion by November 2019. Overall, the euro area economy expanded by 1.2 % and consumer prices rose by 1.2 % in 2019. Due to the industrial recession caused by the external headwinds, German economic growth more than halved to 0.6 %. The services and construction sectors continued to support growth, as well as private consumption, driven by a tight labor market and solid wage growth.

The U.S. economy showed solid performance in 2019. Driven by fiscal spending as well as supportive financial conditions and consumer spending, backed by wage growth and a tight labor market, U.S. GDP grew by 2.3 % in 2019. Nevertheless, trade uncertainty weighed on manufacturing output and thus reduced capex investments. The inflation rate reached 1.8 % in 2019. The U.S. central bank's monetary policy supported economic activity by cutting its policy rate three times in 2019.

Japan's GDP grew by 0.7 % in 2019, following 0.3 % for 2018. Activity in the manufacturing industry had weakened due to the slowdown in overseas economies. Slower employment growth, cuts in overtime work hours and the consumption tax have weighed on consumption growth. Against this backdrop, the inflation rate fell to 0.5 % in 2019, after 1.0 % in 2018.

In 2019, emerging markets GDP grew by 4.0 %. Emerging Asia economies expanded by 5.3 % as they were heavily affected by the slowdown of global trade. This is particularly true for the smaller, more open economies. In China, GDP grew by 6.1 %. Economic activity slowed due to adverse impacts of U.S. tariffs and weaker world trade in general, but tax cuts and infrastructure spending supported economic activity. Chinese inflation edged higher to 2.9 % in 2019.

There are a number of global economic and political risks that could jeopardize global, regional and national economies. Challenges in containing the COVID 19 pandemic or a more severe global spread could considerably dampen economic momentum further. Despite the signing of the 'Phase One' trade agreement between the U.S. and China in January 2020, further trade conflicts including upcoming trade negotiations between the U.S. and the European Union (EU) could negatively impact the global economic outlook. The introduction of car duties on EU exports to the U.S. would have a negative impact on EU industrial production, especially in Germany. Following Brexit, the United Kingdom ("**UK**") has entered into a transition period with the EU that is expected to expire at the end of 2020. During 2020, the focus will be on the UK's future trading relationship with the EU with the risk that both parties are unable to reach a trade deal before the end of the transition period. In the eurozone, the government debt burden in some countries, especially in Italy, is a risk due to the fragile political situation. We expect fiscal stimulus proposals from the upcoming U.S. elections, the extent of which, however, will depend on the Congressional composition. Additionally, rising geopolitical tensions, particularly in the Middle East could create further uncertainty.

If these risks materialize, or current negative conditions persist or worsen, our business, results of operations or strategic plans could be adversely affected.

**COVID 19 pandemic:** We are subject to global economic, market and business risks with respect to the current COVID 19 pandemic.

The unprecedented global economic disruption caused by the COVID-19 pandemic is now resulting, at least temporarily, in an extremely severe GDP contraction in most major economies. This may over time reduce the level of activity in which certain of our businesses operate and thus have a negative impact on such businesses' ability to generate revenues or profits. If the pandemic is protracted or re-emerges where it has receded so far, this could amplify the current negative demand and supply chain effects as well as the negative impact on global growth and global financial markets. In addition, a further extension of the prolonged low interest rate period in the Eurozone has become more likely. Furthermore, continued elevated levels of political uncertainty, e.g. due to a deeper Eurozone divide in the wake of the COVID-19 pandemic in addition to populist movements in major European Union member states, could have adverse consequences for the financial system and the economy more broadly. To alleviate the high level of uncertainty, numerous states have introduced moratoria for private clients and small businesses, as well as supporting measures such as state-backed credit programs for corporates. In light of the expiry of these moratoria, which is expected in the second half of 2020, the bank will continue to monitor relevant portfolios. It is currently unclear how expected changes to moratoria may impact our revenue generating capabilities from these loans going forward. So far, we have observed a worsening of the creditworthiness of certain individual portfolios due to the deterioration of the economic situation, and this is reflected in our increased level of loan loss provisions. If the situation continues to worsen, it may lead to additional rating declines among our clients, further increasing loan losses as well as increased numbers of clients drawing down on (currently existing, but unused) credit facilities which will lead to an increase in capital requirements and liquidity demands. Associated higher volatility has led and may continue to lead to increased margin calls both inbound and outbound.

From an operational perspective and despite the business continuity and crisis management policies currently in place, travel restrictions and Deutsche Bank's decision to maximize numbers of staff working from home may over time adversely impact our business activities. The unprecedented move across global industries to conduct business from home and away from primary office locations increases the pressure on our business practices, the demand on our technology infrastructure and also the risk of cyber-attacks which could lead to technology failures, security breaches, unauthorized access, loss or destruction of data or unavailability of services. Any of these events could result in litigation or result in a financial loss, disruption of our business activities, liability to our customers, government intervention or damage to our reputation. At the same time the cost to us of managing these cyber, information security and other risks remains high. Delays in the implementation of regulatory requirements including consumer protection measures and of our strategic projects could also have a negative impact on our revenues and costs, while a return of higher market volatility could lead to increased demand on surveillance monitoring and processing.

In addition, a substantial proportion of our assets and liabilities comprise financial instruments that we carry at fair value, with changes in fair value recognized in our income statement. The market declines and volatility could negatively impact the value of such financial instruments and cause us to incur losses. We also expect the economic slowdown and market downturn to negatively impact specific portfolios through negative ratings migration and higher than expected credit losses. If the decline of the economic slowdown and market downturn prove to be other than temporary as currently expected it may result in significantly higher expected credit losses in future periods. In addition, the disruption caused by the COVID-19 pandemic could also adversely impact the review, testing and measurement of impairment of goodwill and intangible assets. The valuation of our deferred tax assets may also be affected.

The current COVID 19 pandemic and its potential impact on the global economy is likely to affect our ability to meet our financial targets. While some policy measures taken by central banks and governments may help to mitigate some of the impacts of the current situation, we may be materially adversely affected by a protracted downturn in local, regional or global economic conditions. It is currently also unclear how moratoria and payment holidays introduced may impact us going forward. Credit extension to support clients at the outset of the crisis and continued client needs for liquidity, coupled with declines in clients' credit ratings, could increase risk weighted assets for the near future. All of the above could have a material impact on our CET 1 ratio. As previously announced, it is therefore possible that we will fall below our CET 1 target of at least 12.5 % in upcoming periods. Whilst the Liquidity Coverage Ratio remained above the regulatory minimum during the second quarter of 2020, the risk of a second wave of COVID-19 and a deeper and more protracted economic recession may put pressure on liquidity metrics during the remainder of the year and lead to liquidity and funding outflows. At the same time, this might temporarily impact our cost of funding and therefore adversely affect our profitability. Any failure to meet our targets or actions or measures to maintain our capital may result in adverse effects on our business, results of operations or strategic plans and targets, or the prices of our securities.

In addition, existing contracts with vendors and service providers pose the risk, particularly given conditions resulting from the COVID-19 pandemic, that these counterparties could be unable to fulfil their contractual obligations, putting the benefits we seek to obtain from such contracts at risk.

Among the risks arising from the COVID-19 pandemic is the potential for adverse impact on our ability to retain and attract employees and on employee attrition. Due to the lockdowns and generally positive reception of work-from-home programs, employees may decide in the future that returning to an office environment is no longer desirable. In addition, further pressure on our financial performance as a result of the COVID-19 pandemic could impact the levels of compensation we can offer, which could put the Group at a disadvantage to our competitors in attracting and retaining talented employees. The COVID-19 pandemic may also significantly delay or reduce the rate of regular employee attrition, putting pressure on the Group meeting its headcount and cost targets.

**European Union:** 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 our businesses. Our ability to protect ourselves against these risks is limited.

The last several years have been characterized by increased political uncertainty as Europe in particular has been impacted by the European sovereign debt crisis, the withdrawal of the UK from the European Union ("**Brexit**"), Italian political and economic developments, protests in France, the refugee crisis and the increasing attractiveness to voters of populist and anti-austerity movements. Negotiations of the future trade relationship between the UK and European Union in the transition period following Brexit could aggravate the already uncertain economic outlook in the UK and Europe and hamper growth. Although the severity of the European debt crisis appeared to have abated somewhat over recent years as the actions by the ECB, the rescue packages and the economic recovery appeared to have stabilized the situation in Europe, political uncertainty has nevertheless continued to be at an elevated level in recent periods and could trigger unwinding of aspects of European integration that have benefitted our businesses. Against this backdrop, the prospects for national structural reform and further integration among EU member states, both viewed as important tools to reduce the eurozone's vulnerabilities to future crises, appear to have worsened. These trends may ultimately result in material reductions in our business levels as our customers rein in activity levels in light of decreased economic output and increased uncertainty, which would materially adversely affect our operating results and financial condition. An escalation of political risks could have consequences both for the financial system and the greater economy as a whole, potentially leading to declines in business levels, write-downs of assets and losses across our businesses.

In addition, in a number of EU member states which had national elections in recent years, including France, Germany and the Netherlands, political parties disfavoring current levels of European integration, or espousing the unwinding of European integration to varying extents, have attracted support. Brexit has also given a voice to some of these political parties to challenge European integration. The resulting uncertainty could have significant effects on the value of the euro and on prospects for member states' financial stability, which in turn could potentially lead to a significant deterioration of the sovereign debt market, especially if Brexit or any other member country's exit did not result in the strongly adverse effects on the exiting country that many have predicted. If one or more members of the eurozone defaults on their debt obligations or decides to leave the common currency, this would result in the reintroduction of one or more national currencies. Should a eurozone country conclude it must exit the common currency, the resulting need to reintroduce a national currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences, leading not only to significant losses on sovereign debt but also on private debt in that country. Given the highly interconnected nature of the financial system within the eurozone, and the high levels of exposure we have to public and private counterparties around Europe, our ability to plan for such a contingency in a manner that would reduce our exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the eurozone, our businesses could be adversely affected, and, if overall business levels decline or we are forced to write down significant exposures among our various businesses, we could incur substantial losses.

**Brexit:** The withdrawal of the United Kingdom from the European Union – Brexit – may have adverse effects on our business, results of operations or strategic plans.

The UK left the European Union on 31 January 2020. Relationships of the UK with Member States of the European Union are subject to a transition period until 31 December 2020 under a withdrawal agreement. The withdrawal agreement allows us to operate our business in the UK during the transition period as if the UK were still a Member State. During the transition period, the European Union and the UK will be negotiating the terms regarding trade and other relations between them. The UK Government aims to complete a Free Trade Agreement with the European Union during 2020 which would come into effect on 31 January 2021. Any areas where agreement is not reached or alternative arrangement not made would be subject to World Trade Organization Rules from this date. However, there remains the risk that a trade deal is not reached in time.

Given the ongoing uncertainty over the UK's withdrawal from the European Union, it is difficult to determine the exact impact on us over the long term. However, the UK's economy and those of the eurozone countries are very tightly linked as a result of EU integration projects other than the euro, and the scale of our businesses in the UK – especially those dependent on activity levels in the City of London, to which we are heavily exposed and which may deteriorate as a result of Brexit – means that even modest effects in percentage terms can have a very substantial adverse effect on our businesses. Brexit without an appropriate agreement between the European Union and the UK following the transition period could, in particular, lead to a disruption of the provision of cross-border financial services. Also, failure to reach such agreement may lead to greater costs to reorganize part of our business than would have been the case with an agreed phase-in solution and may restrict our ability to provide financial services to and from the UK. The currently unsettled future relationship between the EU and the UK is also likely to lead to further uncertainty in relation to the regulation of cross-border business activities.

Also, after the expiry of transition period, Deutsche Bank AG is planning to continue to provide banking and other financial services on a cross-border basis into the UK as well as through its London branch, which it will retain. Deutsche Bank AG will then be subject to additional regulatory requirements in the UK, and its activities in the UK will be supervised and monitored by both the Prudential Regulatory Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**"). Deutsche Bank AG is already in the process of applying for authorization to provide banking and other financial services in the United Kingdom after the expiry of the transition period. However, Brexit has impacted the structure and business model of our UK operations, and we will need to complete during 2020 the implementation of the governance structure and business controls necessary to comply with new authorization requirements. Despite our preparations, as a result of Brexit, our business, results of operations or strategic plans could be adversely affected.

**European sovereign debt crisis:** We may be required to take impairments on our exposures to the sovereign debt of European or other countries if the European sovereign debt crisis reignites. The credit default swaps into which we have entered to manage sovereign credit risk may not be available to offset these losses.

The effects of the sovereign debt crisis have been especially evident in the financial sector, as a large portion of the sovereign debt of eurozone countries is held by European financial institutions, including Deutsche Bank. As of 31 December 2019, we had a direct sovereign credit risk exposure of € 6.2 billion to Italy, € 1.2 billion to Spain, € 437 million to Greece, € 265 million to Ireland and € 228 million to Portugal. Despite the apparent abatement of the crisis in recent years, it remains uncertain whether, in light of the current political environment, Greece or other eurozone sovereigns, such as Spain, Italy, Portugal and Cyprus, will be able to manage their debt levels in the future and whether Greece will attempt to renegotiate its past international debt restructuring. The rise of anti-austerity parties and populist sentiment in many of these countries poses a threat to the medium- to long-term measures recommended for these countries to alleviate the tensions in the eurozone caused by drastically differing economic situations among the eurozone states. In the future, negotiations or exchanges similar to the Greek debt restructuring in 2012 could take place with respect to the sovereign debt of these or other affected countries. The outcome of any negotiations regarding changed terms (including reduced principal amounts or extended maturities) of sovereign debt may result in additional impairments of assets on our balance sheet. Any negotiations are highly likely to be subject to political and economic pressures that we cannot control, and we are unable to predict their effects on the financial markets, on the greater economy or on ourselves.

In addition, any restructuring of outstanding sovereign debt may result in potential losses for us and other market participants that are not covered by payouts on hedging instruments that we have entered into to protect against the risk of default. These instruments largely consist of credit default swaps, generally referred to as CDSs, pursuant to which one party agrees to make a payment to another party if a credit event (such as a default) occurs on the identified underlying debt obligation. A sovereign restructuring that avoids a credit event through voluntary write-downs of value may not trigger the provisions in CDSs we have entered into, meaning that our exposures in the event of a write-down could exceed the exposures we previously viewed as our net exposure after hedging. Additionally, even if the CDS provisions are triggered, the amounts

ultimately paid under the CDSs may not correspond to the full amount of any loss we incur. We also face the risk that our hedging counterparties have not effectively hedged their own exposures and may be unable to provide the necessary liquidity if payments under the instruments they have written are triggered. This may result in systemic risk for the European banking sector as a whole and may negatively affect our business and financial position.

We are also subject to other global macroeconomic and political risks, including with respect to the Middle East.

The escalation of tensions in the Middle East is another important political risk, which came into focus in light of a brief US-Iran military escalation in January 2020. A full scale conflict would lead to a sharp increase in oil prices and affect oil dependent industries (such as Automotives, Chemicals, Aviation). Ensuing turbulence in global financial markets would impact risky assets and countries. Taken together, a full blown conflict would lead to a substantial slowdown in the global economy and diminish our ability to generate revenues and the profitability on specific portfolios as well as result in higher than expected loan losses. Despite the business continuity and crisis management policies currently in place, a regional conflict could pose challenges related to a potential personnel evacuation as well as loss of business continuity, which may disrupt our business and lead to material losses.

### ***Risks Relating to Our Business and Strategy***

**Business environment and strategic decisions:** Our results of operation and financial condition continue to be negatively impacted by the challenging market environment, uncertain macroeconomic and geopolitical conditions, lower levels of client activity, increased competition and regulation, and the immediate impact of our strategic decisions. If we are unable to improve our profitability as we continue to face these headwinds, we may be unable to meet many of our strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage at levels expected by market participants and our regulators.

In 2019, revenues in our Investment and Private Bank corporate divisions declined and results in our Corporate Bank and Asset Management corporate divisions were essentially flat, reflecting the negative impact of a challenging market environment characterized by low interest rates and low volatility, uncertain macroeconomic and geopolitical conditions, lower levels of client activity and increased competition and regulation. The ultra-low interest rate environment, especially in the eurozone, has put pressure on our margins in our traditional banking business and our trading and markets businesses. Additionally, the low volatility in the market has had a negative impact on our trading and client-driven businesses that may perform well in more volatile environments.

Changes in our business mix towards lower-margin, lower-risk products can limit our opportunities to profit from volatility. Regulators have generally encouraged the banking sector to focus more on the facilitation of client flow and less on risk taking. This has been effected in part by increasing capital requirements for higher-risk activities. In addition, some of our regulators have encouraged or welcomed changes to our business perimeter, consistent with their emphasis on lower-risk activities for banks. In recent years we have reduced our exposure to a number of businesses that focused on riskier but more capital-intensive products (but that in earlier periods also had the potential to be more highly profitable). Further pressure on our revenues and profitability has resulted from long-term structural trends driven by regulation (especially increased regulatory capital, leverage and liquidity requirements and increased compliance costs) and competition that have further compressed our margins in many of our businesses. Should a combination of these factors continue to lead to reduced margins and subdued activity levels in our trading and markets business over the longer term, this could impair our ability to reach out financial targets.

Although we have in current years made considerable progress resolving litigation, enforcement and similar matters broadly within our established reserves, this pattern may not continue. In particular, these costs could substantially exceed the level of provisions that we established for our litigation, enforcement and similar matters, which can contribute to negative market perceptions about our financial health, costing us business.



This, combined with the actual costs of litigation, enforcement and other matters, could in turn adversely affect our ability to maintain capital, liquidity and leverage at levels expected by market participants and our regulators.

**Market conditions:** Adverse market conditions, asset price deteriorations, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect our revenues and profits, particularly in our investment banking, brokerage and other commission- and fee-based businesses. As a result, we have in the past incurred and may in the future incur significant losses from our trading and investment activities.

As a global investment bank, we have significant exposure to the financial markets and are more at risk from adverse developments in the financial markets than are institutions engaged predominantly in traditional banking activities. Sustained market declines have in the past caused and can in the future cause our revenues to decline, and, if we are unable to reduce our expenses at the same pace, can cause our profitability to erode or cause us to show material losses. Volatility can also adversely affect us, by causing the value of financial assets we hold to decline or the expense of hedging our risks to rise. Reduced customer activity can also lead to lower revenues in our "flow" business.

Specifically, our investment banking revenues, in the form of financial advisory and underwriting fees, directly relate to the number and size of the transactions in which we participate and are susceptible to adverse effects from sustained market downturns. These fees and other income are generally linked to the value of the underlying transactions and therefore can decline with asset values. In addition, periods of market decline and uncertainty tend to dampen client appetite for market and credit risk, a critical driver of transaction volumes and investment banking revenues, especially transactions with higher margins. In recent and other times in the past, decreased client appetite for risk has led to lower levels of activity and lower levels of profitability in our Investment Bank corporate division. Our revenues and profitability could sustain material adverse effects from a significant reduction in the number or size of debt and equity offerings and merger and acquisition transactions.

Market downturns also have led and may in the future lead to declines in the volume of transactions that we execute for our clients and, therefore, to declines in our noninterest income. In addition, because the fees that we charge for managing our clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of our clients' portfolios or increases the amount of withdrawals reduces the revenues we receive from our asset management and private banking businesses. Even in the absence of a market downturn, below-market or negative performance by our investment funds may result in increased withdrawals and reduced inflows, which would reduce the revenue we receive. While our clients would be responsible for losses we incur in taking positions for their accounts, we may be exposed to additional credit risk as a result of their need to cover the losses where we do not hold adequate collateral or cannot realize it. Our business may also suffer if our clients lose money and we lose the confidence of clients in our products and services.

In addition, the revenues and profits we derive from many of our trading and investment positions and our transactions in connection with them can be directly and negatively impacted by market prices. In each of the product and business lines in which we enter into these trading and investment positions, part of our business entails making assessments about the financial markets and trends in them. When we own assets, market price declines can expose us to losses. Many of the more sophisticated transactions of our Investment Bank corporate division are influenced by price movements and differences among prices. If prices move in a way we have not anticipated, we may experience losses. Also, when markets are volatile, the assessments we have made may prove to lead to lower revenues or profits, or may lead to losses, on the related transactions and positions. In addition, we commit capital and take market risk to facilitate certain capital markets transactions; doing so can result in losses as well as income volatility. Such losses may especially occur on assets we hold for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values

that we calculate using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses we did not anticipate. We can also be adversely affected if general perceptions of risk cause uncertain investors to remain on the sidelines of the market, curtailing their activity and in turn reducing the levels of activity in those of our businesses dependent on transaction flow.

Additionally, the current market environment is characterized by very low interest rates, particularly in the eurozone, including negative interest yields on German government bonds. A prolonged period of low interest rates in the eurozone or elsewhere could materially impact our net interest margin, profitability and balance sheet deployment. While our revenues are particularly sensitive to interest rates, given the size of our loan and deposit books denominated in Euros, the low interest rates environment can also impact other balance sheet positions which are accounted at fair value. These current conditions, as well as any further easing of monetary conditions, could result in a significant impact on revenues relative to our current expectations. Actions to offset this rate impact, such as pricing changes or the introduction of additional fees, may not be sufficient to offset this impact.

**Credit ratings and access to funding:** Our 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 our funding costs, and any future downgrade could materially adversely affect our funding costs, the willingness of counterparties to continue to do business with us and significant aspects of our business model.

We have a continuous demand for liquidity to fund our business activities. Our liquidity may be impaired by an inability to access secured and/or unsecured debt markets, an inability to access funds from our subsidiaries or otherwise allocate liquidity optimally across our businesses, an inability to sell assets or redeem our investments, or unforeseen outflows of cash or collateral. This situation may arise due to circumstances unrelated to our businesses and outside our control, such as disruptions in the financial markets, or circumstances specific to us, such as reluctance of our counterparties or the market to finance our operations due to perceptions about potential outflows resulting from litigation, regulatory and similar matters, actual or perceived weaknesses in our businesses, our business model or our strategy, as well as in our resilience to counter negative economic and market conditions. For example, we have experienced steep declines in the price of our shares and increases in the spread versus government bonds at which our debt trades in the secondary markets. Reflecting these conditions, our internal estimates of our available liquidity over the duration of a stressed scenario have at times been negatively impacted in recent periods. In addition, negative developments concerning other financial institutions perceived to be comparable to us and negative views about the financial services industry in general have also affected us in recent years. These perceptions have affected the prices at which we have accessed the capital markets to obtain the necessary funding to support our business activities; should these perceptions exist, continue or worsen, our ability to obtain this financing on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on our balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force us to liquidate assets we hold at depressed prices or on unfavorable terms, and could also force us to curtail business, such as the extension of new credit. This could have an adverse effect on our business, financial condition and results of operations.

In addition, we have benefited in recent years from a number of incremental measures by the ECB and other central banks to provide additional liquidity to financial institutions and the financial markets, particularly in the eurozone. To the extent these actions are curtailed or halted, our funding costs could increase, or our funding supply could decrease, which could in turn result in a reduction in our business activities. In particular, any decision by the ECB to discontinue or reduce quantitative easing or steps by the Federal Reserve to tighten its monetary policy or actions by central banks more generally to tighten their monetary policy will likely cause long-term interest rates to increase and accordingly impact the costs of our funding.

Rating agencies regularly review our credit ratings, which could be negatively affected by a number of factors that can change over time, including the credit rating agency's assessment of: our strategy and management's

capability; our financial condition including in respect of profitability, asset quality, capital, funding and liquidity; the level of political support for the industries in which we operate; the implementation of structural reform; the legal and regulatory frameworks applicable to our legal structure; business activities and the rights of our creditors; changes in rating methodologies; changes in the relative size of the loss-absorbing buffers protecting bondholders and depositors; the competitive environment, political and economic conditions in our key markets (including the impact of Brexit); and market uncertainty. In addition, credit ratings agencies are increasingly taking into account environmental, social and governance factors, including climate risk, as part of the credit ratings analysis, as are investors in their investment decisions.

Any reductions in our credit ratings, including, in particular, downgrades below investment grade, or a deterioration in the capital markets' perception of our financial resilience could significantly affect our access to money markets, reduce the size of our deposit base and trigger additional collateral or other requirements in derivatives contracts and other secured funding arrangements or the need to amend such arrangements, which could adversely affect our cost of funding and our access to capital markets and could limit the range of counterparties willing to enter into transactions with us. This could in turn adversely impact our competitive position and threaten our prospects in the short to medium-term.

Since the start of the global financial crisis, the major credit rating agencies have lowered our credit ratings or placed them on review or negative watch on multiple occasions. These credit rating downgrades have contributed to an increase in our funding costs. Our credit spread levels (meaning the difference between the yields on our securities as compared to benchmark government bonds) are sensitive to further adverse developments and any future downgrade could bring our credit rating into the non-investment grade category. This could materially and adversely affect our funding costs and significant aspects of our business model. The effect would depend on a number of factors including whether a downgrade affects financial institutions across the industry or on a regional basis, or is intended to reflect circumstances specific to us, such as our potential settlement of regulatory, litigation and similar matters; any actions our senior management may take in advance of or in response to the downgrade; the willingness of counterparties to continue to do business with us; any impact of other market events and the state of the macroeconomic environment more generally.

Additionally, under many of the contracts governing derivative instruments to which we are a party, a downgrade could require us to post additional collateral, lead to terminations of contracts with accompanying payment obligations for us or give counterparties additional remedies.

**Implementation of strategic plans:** On 7 July 2019, we announced changes to our strategy and updates to our financial targets. If we are unable to implement our strategic plans successfully, we may be unable to achieve our financial objectives, or we may incur losses, including further impairments and provisions, or low profitability, and our financial condition, results of operations and share price may be materially and adversely affected.

On 7 July 2019 we announced a strategic transformation intended to reposition Deutsche Bank around its strengths as a leading German bank with strong European roots and a global network. Going forward, we will operate in four client-centric core businesses and separate Capital Release Unit (CRU). Our core bank reflects our strategic vision and comprises the new Corporate Bank, the refocused Investment Bank, the Private Bank and Asset Management, as well as Corporate & Other.

By establishing our new CRU, we plan to liberate capital currently consumed by low return assets, businesses with low profitability and businesses no longer deemed strategic. This includes substantially all of our Equities Sales & Trading business, lower yielding fixed income positions, particularly in Rates, our former CIB Non-Strategic portfolio as well as the exited businesses from our Private & Commercial Bank which include our retail operations in Portugal and Poland.

Our updated key financial targets, as updated in the announcement of our transformation, are:

- Post-tax Return on Average Tangible Equity of 8 % for the Group by 2022

- Adjusted costs of € 17 billion in 2022
- Cost Income Ratio of 70 % by 2022
- Common Equity Tier 1 capital ratio of at least 12.5 %
- Leverage Ratio (fully loaded) of ~5 % from 2022

Our strategic goals are subject to various internal and external factors and to market, regulatory, economic and political uncertainties, and to limitations relating to our operating model. These could negatively impact or prevent the implementation of our strategic goals or the realization of their anticipated benefits. Economic uncertainties such as the impact of the COVID 19 pandemic; the recurrence of extreme turbulence in the markets; potential weakness in global, regional and national economic conditions; the continuation of a market environment characterized by low interest rates and low volatility; increased competition for business; and political instability, especially in Europe, may impact our ability to achieve our strategic goals. Regulatory changes could also adversely impact our ability to achieve our strategic aims. In particular, regulators could demand changes to our business model or organization that could reduce our profitability, or we may be forced to make changes that reduce our profitability in an effort to remain compliant with law and regulation.

We are also involved in numerous litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside of Germany, especially in the United States. Such matters are subject to many uncertainties. We expect the litigation environment to continue to be challenging. If litigation and regulatory matters occur at the same or higher rate and magnitude than they have in some recent years or if we are subject to sustained market speculation about our potential exposure to such matters, we may not be able to achieve our strategic aspirations.

Our strategic objectives are also subject to the following assumptions and risks:

The base case scenario for our financial and capital plan includes revenue growth estimates which are dependent on positive macroeconomic developments. Stagnation or a downturn in the macroeconomic environment could significantly impact our ability to generate the revenue growth necessary to achieve these strategic financial and capital targets. This scenario also includes assumptions regarding our ability to reduce costs in future periods.

- The current COVID 19 pandemic and its potential impact on the global economy may affect our ability to meet our financial targets. While it is too early for us to predict the impacts on our business or our financial targets that the expanding pandemic, and the governmental responses to it, may have, we may be materially adversely affected by a protracted downturn in local, regional or global economic conditions. In that situation, we would need to take action to ensure we meet our minimum capital objectives. These actions or measures may result in adverse effects on our business, results of operations or strategic plans and targets, and the prices of our securities.
- We expect that we will be able to overcome significant challenges arising from our business model. We continue to rely on our trading and markets businesses as a significant source of profit. However, these businesses, in particular our fixed income securities franchise, have continued to face an extremely challenging environment, caused by uncertainty about the duration of the market environment characterized by low interest rates, negative perceptions about our business and central bank intervention in markets and the gradual cessation thereof.
- Asset and client levels have been impacted by the negative market perceptions of Deutsche Bank from time to time. A continued or renewed negative market focus on Deutsche Bank could result in new client and asset outflows.
- We currently operate a highly complex infrastructure, which can compromise the quality of the overall control environment. Establishing a more efficient bank with a strong control environment depends on successfully streamlining and simplifying our IT landscape as well as cultural change.

- A robust and effective internal control environment is necessary to ensure that we conduct our business in compliance with the laws and regulations applicable to us. We may be unable to complete our initiatives to enhance the efficacy of our internal control environment as quickly as we intend or as our regulators demand, and our efforts may be insufficient to prevent all future deficiencies in our control environment or to result in fewer litigations or regulatory and enforcement investigations and proceedings in the future. Furthermore, implementation of enhanced controls may result in higher than expected costs of regulatory compliance that could offset efficiency gains.
- We expect that de-leveraging of CRU will continue. BNP Paribas and Deutsche Bank have signed a master transaction agreement to provide continuity of service to Deutsche Bank's Prime Finance and Electronic Equities clients. Under the agreement Deutsche Bank will continue to operate the platform until clients can be migrated to BNP Paribas. For the remainder of the CRU assets, we will take opportunities to accelerate the wind down, where it is economically rational. In the event that the CRU is not able to de-leverage as planned, or if issues arise that interfere with our agreement with BNP Paribas, our objectives could be jeopardized.

If we fail to implement our strategic initiatives in whole or in part or should the initiatives that are implemented fail to produce the anticipated benefits, or should the costs we incur to implement our initiatives exceed the amounts anticipated, or should we fail to achieve the publicly communicated targets we have set for implementation of these initiatives, we may fail to achieve our financial objectives, or incur losses or low profitability or erosions of our capital base, and our financial condition, results of operations and share price may be materially and adversely affected.

**Sale of assets:** We 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.

We seek to sell or otherwise reduce our exposure to assets that are not part of our core business or as part of our strategy to simplify and focus our business and to meet or exceed capital and leverage requirements, as well as to help us meet our return on tangible equity target. This may prove difficult in the current and future market environment as many of our competitors are also seeking to dispose of assets to improve their capital and leverage ratios and returns on equity. We have already sold a substantial portion of our non-core assets, and our remaining non-core assets may be particularly difficult for us to sell as quickly as we have expected at prices we deem acceptable. Where we sell companies or businesses, we may remain exposed to certain of their losses or risks under the terms of the sale contracts, and the process of separating and selling such companies or businesses may give rise to operating risks or other losses. Unfavorable business or market conditions may make it difficult for us to sell companies, businesses or assets at favorable prices, or may preclude a sale altogether. If we cannot reduce our assets according to plan, we may not be able to achieve the capital targets set out under our strategy.

**Competitive environment:** Intense competition, in our home market of Germany as well as in international markets, has and could continue to materially adversely impact our revenues and profitability.

Competition is intense in all of our primary business areas, in Germany as well as in international markets. If we are unable to respond to the competitive environment in these markets with attractive product and service offerings that are profitable for us, we may lose market share in important areas of our business or incur losses on some or all of our activities. In addition, downturns in the economies of these markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for us.

There has been substantial consolidation and convergence among financial services companies. This trend has significantly increased the capital base and geographic reach of some of our competitors and has hastened the globalization of the securities and other financial services markets. As a result, we must compete with financial institutions that may be larger and better capitalized than we are and that may have a stronger position in local markets.

In addition to our traditional competitors such as other universal banks and financial services firms, an emerging group of future competitors in the form of start-ups and technology firms, including those providing "fintech" services, are showing an increasing interest in banking services and products. These new competitors could increase competition in both core products, e.g., payments, basic accounts and loans and investment advisory, as well as in new products, e.g., peer to peer lending and equity crowd funding.

### ***Risks Relating to Regulation and Supervision***

**Regulatory reforms:** 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 us and may adversely affect our business and ability to execute our strategic plans. Competent regulators may prohibit us from making dividend payments or payments on our regulatory capital instruments or take other actions if we fail to comply with regulatory requirements.

In response to the global financial crisis and the European sovereign debt crisis, governments and regulatory authorities have worked to enhance the resilience of the financial services industry against future crises through changes to the regulatory framework. The pace of change of new proposals has slowed as the focus turns more to implementation of the various elements of the regulatory reform agenda outlined by the Basel Committee on Banking Supervision ("**Basel Committee**") and other standard-setting bodies. As a result, there continues to be uncertainty for us and the financial industry in general, though the level of uncertainty is reduced from prior periods. The range of new laws and regulations or current proposals includes, among other things:

- provisions for more stringent regulatory capital, leverage and liquidity standards,
- restrictions on compensation practices,
- restrictions on proprietary trading and other investment services;
- special bank levies and financial transaction taxes,
- recovery and resolution powers to intervene in a crisis including the "bail-in" of creditors;
- tightened large exposure limits;
- the creation of a single supervisory authority and a single resolution authority within the eurozone and any other participating member states,
- separation of certain businesses from deposit taking,
- stress testing and capital planning regimes,
- heightened reporting requirements, and
- reforms of derivatives, other financial instruments, investment products and market infrastructures.

As a core element of the reform of the regulatory framework, in December 2010, the Basel Committee on Banking Supervision ("**Basel Committee**") published a set of comprehensive changes to minimum capital adequacy and liquidity standards, known as Basel 3, which have been implemented into European and national (in our case, German) law beginning in 2014, with the European legislative package also referred to as "**CRR/CRD 4**" and the Bank Recovery and Resolution Directive (or "**BRRD**").

In addition, regulatory scrutiny of compliance with existing laws and regulations has become more intense and supervisory expectations remain significant. The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still on-going and supervisory expectations continue to develop.

On June 27, 2019, a comprehensive package of reforms (referred to in the following as the "**banking reform package**") to further strengthen the resilience of European Union banks entered into force. The banking reform package includes amendments to the existing regulation on prudential requirements for credit institutions and investment firms, also referred to as the Capital Requirements Regulation ("**CRR**"), the directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, also referred to as the Capital Requirements Directive ("**CRD**"), the European Union's Regulation establishing

Uniform Rules and a Uniform Procedure for the Resolution of Credit Institutions and certain Investment Firms in the Framework of a Single Resolution Mechanism and a Single Resolution Fund (the SRM Regulation), and the BRRD.

The adopted changes incorporate various remaining elements of the regulatory framework agreed within the Basel Committee and the Financial Stability Board ("**FSB**") to refine and supplement the global regulatory framework established by the Basel Committee, the so-called Basel Accords (Basel 1, 2 and 3). This includes more risk-sensitive capital requirements, in particular in the area of counterparty credit risk and for exposures to central counterparties, methodologies that reflect more accurately the actual risks to which banks may be exposed, a binding leverage ratio, a binding net stable funding ratio, tighter regulation of large exposures, new reporting requirements for market risk that may be supplemented at a later stage by own funds requirements and a requirement for global systemically important institutions ("**G-SIIs**"), such as Deutsche Bank, to hold certain minimum levels of capital and other instruments which are capable of bearing losses in resolution ("**Total Loss-Absorbing Capacity**" or "**TLAC**"). Other measures are aimed at improving banks' lending capacity to support the European Union economy and at further facilitating the role of banks in achieving deeper and more liquid European Union capital markets. While many provisions will not apply until 2021, certain parts, including the TLAC requirements, already apply since June 27, 2019.

At the international level, in December 2017, the Basel Committee published its final agreement ("**December 2017 Agreement**") on further revisions to the Basel 3 framework that aim to increase consistency in risk-weighted asset calculations and improve the comparability of banks' capital ratios. The December 2017 Agreement includes, among other things, changes to the standardized and internal ratings-based approaches for determining credit risk, revisions to the operational risk framework, and an "output floor", set at 72.5 %. The "output floor" limits the amount of capital benefit a bank can obtain from its use of internal models relative to using the standardized approach. This package of reforms is intended to finalize the Basel 3 framework and would reduce the ability of banks to apply internal models, while making the standardized approaches more risk-sensitive and granular. In addition, the December 2017 Agreement introduces a leverage ratio buffer for global systemically important banks ("**G-SIBs**"), such as Deutsche Bank, to be met with Tier 1 capital and sets it at 50 % of the applicable risk-based G-SIB buffer requirement, which was included in the adopted banking reform package. The Basel Committee also reached agreement on an implementation date for changes in the December 2017 Agreement of 1 January 2022, with a phase-in period of five years through January 1, 2027 for the output floor.

In addition, on 14 January 2019 the Basel Committee also reached an agreement ("**January 2019 Agreement**") on reforms to the market risk framework, known as the Fundamental Review of the Trading Book ("**FRTB**"). The main features of the final standard include an internal models approach to determine the risk weight of exposures that relies on the use of expected shortfall models. The standard sets out separate capital requirements for risks that are deemed non-modellable and includes a more risk-sensitive standardized approach as a fallback to the internal models approach. CRR II (as part of the banking reform package) has introduced specific reporting requirements for market risk based on the revised framework as the first step in the application of the FRTB by EU institutions, and empowers the Commission to propose further regulations to establish own funds requirements for market risk based on the FRTB.

Draft legislative proposals to implement the December 2017 Agreement and the January 2019 Agreement are expected for the second of third quarter of 2020.

The banking reform package will likely affect our business by raising our regulatory capital and liquidity requirements and by leading to increased costs. The December 2017 Agreement and the January 2019 Agreement could also affect our business by imposing higher capital charges when adopted into law.

These requirements may be in addition to regulatory capital buffers that may also be increased or be in addition to those already imposed on us and could themselves materially increase our capital requirements.

Regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to ongoing or future crises, and may especially affect financial institutions such as Deutsche Bank that are deemed to be systemically important.

In particular, the regulators with jurisdiction over us, including the ECB under the Single Supervisory Mechanism (also referred to as the "**SSM**"), may, in connection with the supervisory review and evaluation process ("**SREP**") or otherwise, conduct stress tests and have discretion to impose capital surcharges on financial institutions for risks, including for litigation, regulatory and similar matters, that are not otherwise recognized in risk weighted assets or other surcharges depending on the individual situation of the bank and take or require other measures, such as restrictions on or changes to our business. In this context, the ECB may impose, and has imposed, on us individual capital requirements resulting from the SREP which are referred to as "Pillar 2" requirements. "Pillar 2" requirements must be fulfilled with Common Equity Tier 1 capital in addition to the statutory minimum capital and buffer requirements and any non-compliance may have immediate legal consequences such as restrictions on dividend payments.

Also following the SREP, the ECB may communicate to individual banks, and has communicated to us, an expectation to hold a further "Pillar 2" Common Equity Tier 1 capital add-on, the so-called "Pillar 2" guidance. Although the "Pillar 2" guidance is not legally binding and failure to meet the "Pillar 2" guidance does not automatically trigger legal action, the ECB has stated that it expects banks to meet the "Pillar 2" guidance.

Also, more generally, competent regulators may, if we fail to comply with regulatory requirements, in particular with statutory minimum capital requirements, "Pillar 2" requirements or buffer requirements, or if there are shortcomings in our governance and risk management processes, prohibit us from making dividend payments to shareholders or distributions to holders of our other regulatory capital instruments. This could occur, for example, if we fail to make sufficient profits due to declining revenues, or as a result of substantial outflows due to litigation, regulatory and similar matters. Generally, a failure to comply with the quantitative and qualitative regulatory requirements could have a material adverse effect on our business, financial condition and results of operations, including our ability to pay out dividends to shareholders or distributions on our other regulatory capital instruments or, in certain circumstances, conduct business which we currently conduct or plan to conduct in the future.

**Capital requirements:** Regulatory and legislative changes require us to maintain increased capital and bail-inable debt (debt that can be bailed in resolution) and abide by tightened liquidity requirements. These requirements may significantly affect our business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that we may be unable to meet our capital or liquidity requirements with an adequate buffer, or that we 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 our business and results.

The implementation of the CRR/CRD 4 legislative package resulted, among other things, in increased capital and tightened liquidity requirements, including additional capital buffer requirements which were gradually phased in through 1 January 2019. Further revisions, such as stricter rules on the measurement of risks and the changes introduced by the banking reform package, the December 2017 Agreement and the January 2019 Agreement, increased risk weighted assets and the corresponding capital demand for banks, as well as further tighten liquidity requirements (such as the introduction of a binding net stable funding ratio). In addition, the introduction of a binding leverage ratio (including a leverage ratio, buffer when implemented into German law) by the banking reform package may affect our business model, financial conditions and results of operations.

Furthermore, under the SRM Regulation, the BRRD and the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), we are required to meet at all times a robust minimum requirement for own funds and eligible liabilities ("**MREL**") which is determined on a case-by-case basis by the competent resolution authority. In addition, the banking reform package implemented the FSB's TLAC standard for G-



SIBs (such as us) by introducing a new Pillar 1 MREL requirement for G-SIBs (the European equivalent term for G-SIBs). This new requirement is based on both risk-based and non-risk-based denominators and will be set at the higher of 18 % of total risk exposure and 6.75% of the leverage ratio exposure measure following a transition period (until 31 December 2021, 16 % of total risk exposure and 6 % of the leverage ratio exposure measure). It can be met with Tier 1 or Tier 2 capital instruments or debt that meets specific eligibility criteria. Deduction rules apply for holdings by G-SIBs of TLAC instruments of other G-SIBs. In addition, the competent authorities have the ability to impose on G-SIBs individual MREL requirements that exceed the statutory minimum requirements.

Both the TLAC (or Pillar 1 MREL) and MREL requirements are specifically designed to require banks to maintain a sufficient amount of instruments which are eligible to absorb losses in resolution with the aim of ensuring that failing banks can be resolved without recourse to taxpayers' money. To that end, in order to facilitate the meeting of TLAC requirements by German banks, obligations of German banks under certain, specifically defined senior unsecured debt instruments issued by them (such as bonds that are not structured debt instruments) rank, since 2017, junior to all other outstanding unsecured unsubordinated obligations of such bank (such as deposits, derivatives, money market instruments and certain structured debt instruments), but continue to rank in priority to contractually subordinated debt instruments (such as Tier 2 instruments).

As part of the harmonization of national rules on the priority of claims of banks' creditors in the European Union, the BRRD now allows banks to issue "senior non-preferred" debt instruments ranking according to their terms (and not only statutorily) junior to the bank's other unsubordinated debt instruments (including bonds that are not treated as "senior non-preferred" debt instruments), but in priority to the bank's contractually subordinated liabilities (such as Tier 2 instruments). Any such "senior non-preferred" debt instruments issued by Deutsche Bank AG under such rules rank on parity with its then outstanding "senior non-preferred" debt instruments under the prior rules. This BRRD amendment was finalized and implemented into German law as of 21 July 2018.

The need to comply with these requirements may affect our business, financial condition and results of operation and in particular may increase our financing costs.

We may not have sufficient capital or other loss-absorbing liabilities to meet these increasing regulatory requirements. This could occur due to regulatory changes and other factors, such as the gradual phase out of our hybrid capital instruments qualifying as Additional Tier 1 (or AT1) capital or our inability to issue new securities which are recognized as regulatory capital or loss-absorbing liabilities under the new standards, due to an increase of risk weighted assets based on more stringent rules for the measurement of risks or as a result of a future decline in the value of the euro as compared to other currencies, due to stricter requirements for the compliance with the non-risk based leverage ratio, due to any substantial losses we may incur, which would reduce our retained earnings, a component of Common Equity Tier 1 capital, or due to a combination of these or other factors.

If we are unable to maintain sufficient capital to meet the applicable minimum capital ratios, the buffer requirements, any specific "Pillar 2" capital requirements, leverage ratio requirements, or TLAC or MREL requirements, we may become subject to enforcement actions and/or restrictions on the pay-out of dividends, share buybacks, payments on our other regulatory capital instruments, and discretionary compensation payments. In addition, any requirement to increase risk-based capital ratios or the leverage ratio could lead us to adopt a strategy focusing on capital preservation and creation over revenue generation and profit growth, including the reduction of higher margin risk weighted assets. If we are unable to increase our capital ratios to the regulatory minimum in such a case or by raising new capital through the capital markets, through the reduction of risk weighted assets or through other means, we may be required to activate our group recovery plan. If these actions or other private or supervisory actions do not restore capital ratios to the required levels, and we are deemed to be failing or likely to fail, competent authorities may apply resolution powers under the Single Resolution Mechanism ("**SRM**") and applicable rules and regulations, which could lead to a significant dilution of our shareholders' or even the total loss of our shareholders' or creditors' investment.

The CRR introduced a new liquidity coverage requirement intended to ensure that banks have an adequate stock of unencumbered high quality liquid assets that can be easily and quickly converted into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. The required liquidity coverage ratio ("**LCR**") is calculated as the ratio of a bank's liquidity buffer to its net liquidity outflows. Also, banks must regularly report the composition of the liquid assets in their liquidity buffer to their competent authorities.

In addition, the banking reform package introduced a net stable funding ratio ("**NSFR**") to reduce medium- to long-term funding risks by requiring banks to fund their activities with sufficiently stable sources of funding over a one-year period. The NSFR, which will apply from 28 June 2021 onwards, is defined as the ratio of a bank's available stable funding relative to the amount of required stable funding over a one-year period. Banks must maintain an NSFR of at least 100 %. The ECB may impose on individual banks liquidity requirements which are more stringent than the general statutory requirements if the bank's continuous liquidity would otherwise not be ensured. The NSFR will apply to both the Group as a whole and to individual SSM regulated entities, including the parent entity Deutsche Bank AG. Upon the introduction of the ratio as a binding minimum requirement, we expect both the Group and its subsidiaries for which it applies to be above the regulatory minimum. To achieve this for Deutsche Bank AG, the company is actively working on a number of structural initiatives to improve the standalone NSFR position. In the event these initiatives are not successfully completed by June 2021, Deutsche Bank AG may incur additional costs.

If we fail to meet liquidity requirements, we may become subject to enforcement actions. In addition, any requirement to maintain or increase liquidity could lead us to reduce activities that pursue revenue generation and profit growth.

On 31 January 2020, the European Banking Authority and the ECB launched the 2020 EU-wide stress test, designed to provide supervisors, banks and other market participants with a common analytical framework to compare and assess the resilience of EU banks to economic shocks, releasing at the same time the macroeconomic scenarios for the test. The results of the exercise will feed into the ECB's ongoing supervisory assessments of banks, including the SREP. However, the outcome of the stress test will not affect supervisory capital and liquidity requirements in a mechanical way.

In addition to these regulatory initiatives, market sentiment may encourage financial institutions such as Deutsche Bank to maintain significantly more capital, liquidity and loss-absorbing capital instruments than regulatory-mandated minima, which could exacerbate the effects on us described above or, if we do not increase our capital to the encouraged levels, could lead to the perception in the market that we are undercapitalized relative to our peers generally.

**Local capital requirements:** In some cases, we are required to hold and calculate capital and to comply with rules on liquidity and risk management separately for our local operations in different jurisdictions, in particular in the United States.

We are required to hold and calculate capital and to comply with rules on liquidity and risk management separately for our local operations in different jurisdictions. In the United States, the Federal Reserve Board has adopted rules that set forth how the U.S. operations of certain foreign banking organizations ("**FBOs**"), such as Deutsche Bank, are required to be structured in the United States, as well as the enhanced prudential standards that apply to our U.S. operations. Under these rules, a large FBO with U.S.\$ 50 billion or more in U.S. non-branch assets, such as Deutsche Bank, is required to establish or designate a separately capitalized top-tier U.S. intermediate holding company (an "**IHC**") that would hold substantially all of the FBO's ownership interests in its U.S. subsidiaries. On July 1, 2016, we designated DB USA Corporation as our IHC. In March 2018, we completed the partial initial public offering of our Asset Management division, to form DWS Group GmbH & Co. KGaA ("**DWS**"), in which we retain approximately 80 % of the shares. In April 2018, DWS USA Corporation was formed as a subsidiary of DWS, and, following receipt of Federal Reserve Board approval, we designated it as our second IHC, through which our U.S. asset management subsidiaries are held. Each of these IHCs is subject, on a consolidated basis, to the risk-based and leverage capital requirements under

the U.S. Basel 3 capital framework, capital planning and stress testing requirements (on a phased-in basis), U.S. liquidity buffer requirements and other enhanced prudential standards comparable to those applicable to top-tier U.S. bank holding companies of a similar size as DB USA Corporation. The Federal Reserve Board has the authority to examine an IHC, such as DB USA Corporation and DWS USA Corporation, and its subsidiaries, as well as U.S. branches and agencies of FBOs, such as our New York branch.

On 10 October 2019, the Federal Reserve Board finalized rules to categorize the U.S. operations of large FBOs based on size, complexity and risk for purposes of tailoring the application of the U.S. enhanced prudential standards (the "**Tailoring Rules**"). The Tailoring Rules do not significantly change the capital requirements that apply to DB USA Corporation or DWS USA Corporation although they provide the option to comply with certain simplifications to the capital requirements. However, the Tailoring Rules provide modest relief for our U.S. IHCs with respect to applicable liquidity requirements so long as our IHCs' combined weighted short term wholesale funding remains below \$75 billion.

Deutsche Bank AG is required under Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended (the "**Dodd-Frank Act**"), and the implementing regulations thereunder to prepare and submit periodically to the Federal Reserve Board and the Federal Deposit Insurance Corporation ("**FDIC**") a plan for the orderly resolution of its U.S. subsidiaries and operations in the event of future material financial distress or failure (the "**US Resolution Plan**"). If the Federal Reserve Board and the FDIC were to jointly deem our U.S. Resolution Plan not credible and we failed to remedy any deficiencies in the required timeframe, we could be required to restructure or reorganize businesses, legal entities, operational systems and/or intra-company transactions in ways that may negatively impact our operations and strategy, or could be subject to restrictions on growth. We could also eventually be subjected to more stringent capital, leverage or liquidity requirements, or be required to divest certain assets or operations.

Both DB USA Corporation and DWS USA Corporation were subject to the Federal Reserve Board's Comprehensive Capital Analysis and Review ("**CCAR**"). If the Federal Reserve Board were to object to these capital plans we could be required to increase capital or restructure businesses in ways that may negatively impact our operations and strategy or could be subject to restrictions on growth in the United States.

DB USA Corporation, DWS USA Corporation and our principal U.S. bank subsidiary, Deutsche Bank Trust Company Americas ("**DBTCA**"), are subject to a Federal Reserve Board rule implementing liquidity coverage ratio ("**LCR**") requirements for large U.S. banking holding companies and certain of their subsidiary depository institutions that are generally consistent with the Basel Committee's revised Basel 3 liquidity standards. The Tailoring Rules reduced the LCR requirements applicable to DB USA Corporation and DBTCA from 100 to 85 percent beginning on 1 January 2020.

On 1 June 2016, the Federal Reserve Board and other U.S. regulators proposed rules implementing the second element of the Basel 3 liquidity framework, the net stable funding ratio ("**NSFR**"), which measures whether an institution maintains sufficiently stable amounts of longer-term funding. Under the Tailoring Rules, DB USA Corporation, DWS USA Corporation and DBTCA would be subject to an 85 percent NSFR so long as our IHCs' combined weighted short term wholesale funding remains below \$ 75 billion; however, the NSFR proposal has yet to be finalized and, accordingly, such entities are not currently subject to the proposed requirements.

On 15 December 2016, the Federal Reserve Board adopted final rules that implement the FSB's TLAC standard in the United States. The final rules require, among other things, U.S. IHCs of non-U.S. G-SIBs, including our IHCs, DB USA Corporation and DWS USA Corporation to maintain a minimum amount of TLAC, and separately require them to maintain a minimum amount of long-term debt meeting certain requirements.

U.S. rules and interpretations, including those described above, could cause us to reduce assets held in the United States, inject capital and/or liquidity into or otherwise change the structure of our U.S. operations, and could also restrict the ability of our U.S. subsidiaries to pay dividends to us or the amount of such dividends. To the extent that we are required to reduce operations in the United States or deploy capital or liquidity in the

United States that could be deployed more profitably elsewhere, these requirements could have an adverse effect on our business, financial condition and results of operations.

It is unclear whether the U.S. capital and other requirements described above, as well as similar developments in other jurisdictions could lead to a fragmentation of supervision of global banks that could adversely affect our reliance on regulatory waivers allowing us to meet capital adequacy requirements, large exposure limits and certain organizational requirements on a consolidated basis only rather than on both a consolidated and non-consolidated basis. Should we no longer be entitled to rely on these waivers, we would have to adapt and take the steps necessary in order to meet regulatory capital requirements and other requirements on a consolidated as well as a non-consolidated basis, which could result also in significantly higher costs and potential adverse effects on our profitability and dividend paying ability.

**Resolution legislation:** European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure our resolvability or resolution measures were imposed on us, significantly affect our business operations, and lead to losses for our shareholders and creditors.

Germany participates in the SRM, which centralizes at a European level the key competences and resources for managing the failure of any bank in member states of the European Union participating in the banking union. The SRM is based on the SRM Regulation and the BRRD, which was implemented in Germany through the German Recovery and Resolution Act. In addition, the German Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*) adapted German bank resolution laws to the SRM.

The SRM Regulation and the German Recovery and Resolution Act require the preparation of recovery and resolution plans for banks and grant broad powers to public authorities to intervene in a bank which is failing or likely to fail. For a bank directly supervised by the ECB, such as Deutsche Bank, the Single Resolution Board (referred to as the "**SRB**") assesses its resolvability and may require legal and operational changes to the bank's structure to ensure its resolvability. In the event that such bank is deemed by the ECB or the SRB as failing or likely to fail and certain other conditions are met, the SRB is responsible for adopting a resolution scheme for resolving the bank pursuant to the SRM Regulation. The European Commission and, to a lesser extent, the Council of the European Union, have a role in endorsing or objecting to the resolution scheme proposed by the SRB. The resolution scheme would be addressed to and implemented by the competent national resolution authorities (in Germany, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**")) in line with the national laws implementing the BRRD. Resolution measures that could be imposed upon a bank in resolution may include the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank's outstanding debt instruments, for example by way of a deferral of payments or a reduction of the applicable interest rate. Furthermore, certain eligible unsecured liabilities, in particular certain senior "non-preferred" debt instruments specified by the German Banking Act, may be written down, including to zero, or converted into equity (commonly referred to as "**bail-in**") if the bank becomes subject to resolution.

The SRM is intended to eliminate, or reduce, the need for public support of troubled banks. Therefore, financial public support for such banks, if any, would be used only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution powers, including a bail-in. The taking of actions to ensure our resolvability or the exercise of resolution powers by the competent resolution authority could materially affect our business operations and lead to a significant dilution of our shareholders or even the total loss of our shareholders' or creditors' investment.

**Other regulatory reforms:** Other regulatory reforms adopted or proposed in the wake of the financial crisis – for example, extensive new regulations governing our derivatives activities, compensation, bank levies, deposit protection, data protection or a possible financial transaction tax – may materially increase our operating costs and negatively impact our business model.

Beyond capital requirements and the other requirements discussed above, we are affected, or expect to be affected, by various additional regulatory reforms, including, among other things, regulations governing our derivatives activities, compensation, bank levies, deposit protection, data protection or a possible financial transaction tax.

On 16 August 2012, the EU Regulation on over-the-counter ("**OTC**") derivatives, central counterparties and trade repositories, referred to as European Market Infrastructure Regulation ("**EMIR**"), entered into force. EMIR introduced a number of requirements, including clearing obligations for certain classes of OTC derivatives and various reporting and disclosure obligations. EMIR implementation has led and may lead to changes that may negatively impact our profit margins. The revised Markets in Financial Instruments Directive ("**MiFID 2**") and the corresponding Regulation ("**MiFIR**") became applicable to us on January 3, 2018 and provide for, among other things, a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized.

In the United States, the Dodd-Frank Act has numerous provisions that affect or may affect our operations. Pursuant to regulations implementing provisions of the Dodd-Frank Act, we provisionally registered as a swap dealer with the U.S. Commodity Futures Trading Commission ("**CFTC**") and became subject to the CFTC's extensive oversight. Regulation of swap dealers by the CFTC imposes numerous corporate governance, business conduct, capital, margin, reporting, clearing, execution and other regulatory requirements on us. It also requires us to comply with certain U.S. rules in some circumstances with respect to transactions conducted outside of the United States or with non-US persons. Although the coverage of EMIR and CFTC regulations implementing the Dodd-Frank Act is in many ways similar, certain swaps may be subject to both regulatory regimes to a significant extent. However, pursuant to the CFTC's guidance on cross-border swaps regulation, there may be instances where we can comply with the requirements of EMIR and MiFID in lieu of complying with the CFTC's requirements. The requirements under the Dodd-Frank Act may adversely affect our derivatives business and make us less competitive, especially as compared to competitors not subject to such regulation.

Additionally, under the Dodd-Frank Act, security-based swaps are subject to a standalone regulatory regime under the jurisdiction of the U.S. Securities and Exchange Commission ("**SEC**"). The SEC has recently adopted supplemental guidance and rule amendments addressing the cross-border application of certain rules regulating security-based swaps. This rulemaking will establish a firm timeline for security-based swap dealer registration. The compliance date for Deutsche Bank to register with the SEC is no earlier than 6 October 2021. This will impose further regulation of our derivatives business.

In addition, the CRR/CRD 4 legislative package provides for executive compensation reforms including caps on bonuses that may be awarded to "material risk takers" and other employees as defined therein and in the German Banking Act and other applicable rules and regulations such as the Remuneration Regulation for Institutions (*Institutsvergütungsverordnung*). Such restrictions on compensation, including any guidelines issued by the European Banking Authority to further implement them, could put us at a disadvantage to our competitors in attracting and retaining talented employees, especially compared to those outside the European Union that are not subject to these caps and other constraints.

Following the financial crisis, bank levies have been introduced in some countries including, among others, Germany and the United Kingdom. We accrued € 622 million for bank levies in 2019, € 690 million in 2018 and € 596 million in 2017. Also, we are required to contribute substantially to the Single Resolution Fund under the SRM (which is intended to reach a target level of 1 % of insured deposits of all banks in member states participating in the SRM by the end of 2023) and the statutory deposit guarantee and investor compensation schemes under the recast European Union directive on deposit guarantee schemes ("**DGS Directive**") and the European Union directive on investor compensation schemes. The DGS Directive defines a 0.8 % target level of prefunding by 2024 (similar to resolution funds), which has significantly increased the costs of the statutory deposit protection scheme. In addition, in this context, on November 24, 2015, the European Commission proposed a regulation to establish a European Deposit Insurance Scheme, or "**EDIS**", for bank

deposits of all credit institutions that are members of any of the current national statutory deposit guarantee schemes of member states participating in the banking union. While the total impact of these future levies cannot currently be quantified, they may have a material adverse effect on our business, financial condition and results of operations in future periods.

We are subject to the General Data Protection Regulation ("**GDPR**") which has increased our regulatory obligations in connection with the processing of personal data, including requiring compliance with the GDPR's data protection principles, the increased number of data subject rights and strict data breach notification requirements. The GDPR grants broad enforcement powers to supervisory authorities, including the potential to levy significant fines for non-compliance and provides for a private right of action for individuals who are affected by a violation of the GDPR. Compliance with the GDPR requires investment in appropriate technical and organizational measures and we may be required to devote significant resources to data protection on an ongoing basis.

Since the Council of the European Union adopted a decision in January 2013 authorizing EU member states to proceed with the introduction of a financial transaction tax under the European Union's "enhanced cooperation procedure", the EU member states Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain have been discussing the introduction of a European financial transaction tax. To date, Italy and France have introduced a national tax on listed share transactions. With the recently issued new legislative draft on the basis of renewed political commitment from the German Finance Minister, a risk that a European financial transaction tax may be introduced remains, though there is no timetable. If such a financial transaction tax is ultimately adopted, depending on its final details, it could result in compliance costs.

**Sanctions and embargoes:** We are subject to laws and other requirements relating to financial and trade sanctions and embargoes. If we breach such laws and requirements, we can be subject, and have in the past been subject, to material regulatory enforcement actions and penalties.

We are required to monitor, evaluate, and observe laws and other requirements relating to financial and trade sanctions and embargoes set by the EU, the Deutsche Bundesbank, Germany's Federal Office for Economic Affairs and Export Control, and other authorities, such as the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) and the UK Treasury Department. If we breach such laws and requirements, we can be subject, and have in the past been subject, to material regulatory enforcement actions and penalties.

### ***Risks Relating to Our Internal Control Environment***

**Internal control environment:** 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 we conduct our business in compliance with the laws, regulations and associated supervisory expectations applicable to us. We have identified the need to strengthen our internal control environment and infrastructure and have embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, our reputation, regulatory position and financial condition may be materially adversely affected, and our ability to achieve our strategic ambitions may be impaired.

Our businesses are highly dependent on our ability to maintain a robust and effective internal control environment. This is needed for the Bank to process and monitor, on a daily basis, a wide variety of transactions, many of which are highly complex and occur at high speeds, volumes and frequencies, and across numerous and diverse markets and currencies. Such a robust and effective control environment is in turn dependent on the sufficiency of our infrastructure to support that environment. This infrastructure consists broadly of internal policies and procedures, testing protocols, and the IT systems and employees needed to enforce and enable them. An effective control environment is dependent on infrastructure systems and procedures that cover the processing and settling of transactions; the valuation of assets; the identification, monitoring, aggregation, measurement and reporting of risks and positions against various metrics; the evaluation of counterparties and customers for legal, regulatory and compliance purposes; the escalation of

reviews; and the taking of mitigating and remedial actions where necessary. They are also critical for regulatory reporting and other data processing and compliance activities.

Both our internal control environment and the infrastructure that underlies it fall short in a number of areas of our standards for completeness and comprehensiveness and are not well integrated across the Bank. Our IT infrastructure, in particular, is fragmented, with numerous distinct platforms, many of which need significant upgrades, in operation across the Bank. Our business processes and the related control systems often require manual procedures and actions that increase the risks of human error and other operational problems that can lead to delays in reporting information to management and to the need for more adjustments and revisions than would be the case with more seamlessly integrated and automated systems and processes. As a result, it is often difficult and labor-intensive for us to obtain or provide information of a consistently high quality and on a timely basis to comply with regulatory reporting and other compliance requirements or to meet regulatory expectations on a consistent basis and, in certain cases, to manage our risk comprehensively. Furthermore, it often takes intensive efforts to identify, when possible, inappropriate behavior by our staff and attempts by third parties to misuse our services as a conduit for prohibited activities, including those relating to anti-financial crime laws and regulation.

In addition, we may not always have the personnel with the appropriate experience, seniority and skill levels to compensate for shortcomings in our processes and infrastructure, or to identify, manage or control risks, and it often has been difficult to attract and retain the requisite talent. This has impacted our ability to remediate existing weaknesses and manage the risks inherent in our activity.

Against this backdrop, our regulators, our Management Board and our Group Audit function have increasingly and more intensively focused on our internal controls and infrastructure through numerous formal reviews and audits of our operations. These reviews and audits have identified various areas for improvement relating to a number of elements of our control environment and infrastructure. These include the infrastructure relating to transaction capturing and recognition, classification of assets, asset valuation frameworks, models, data and process consistency, risk identification, measurement and management and other processes required by laws, regulations, and supervisory expectations. They also include regulatory reporting, anti-money laundering (AML), "know your customer" (KYC), sanctions and embargoes, market conduct and other internal processes that are aimed at preventing use of our products and services for the purpose of committing or concealing financial crime.

Our principal regulators, including the BaFin, the ECB and the Federal Reserve Board, have also conducted numerous reviews focused on our internal controls and the related infrastructure. These regulators have required us formally to commit to remediate our AML and other weaknesses, including the fragmented and manual nature of our infrastructure. For example, on 21 September 2018, the BaFin issued an order requiring us to implement measures on specified timelines over the coming months and years to improve our control and compliance infrastructure relating to AML and, in particular, the know-your-client (KYC) processes in certain of our businesses. The BaFin also appointed KPMG as special representative, reporting to the BaFin on a quarterly basis on certain aspects of our compliance and progress with the implementation of these measures. In February 2019, the BaFin extended the special representative's mandate to cover our internal controls in the correspondent banking business. Local regulators in other countries in which we do business also review the sufficiency of our control environment and infrastructure with respect to their jurisdictions. While the overall goals of the various prudential regulators having authority over us in the many places in which we do business are broadly consistent, and the general themes of our deficiencies in internal controls and the supporting infrastructure are similar, the regulatory frameworks applicable to us in the area of internal controls are generally applicable at a national or EU-wide level and are not always consistent across the jurisdictions in which we operate around the world. This adds complexity and cost to our efforts to reduce fragmentation and put in place automated systems that communicate seamlessly and quickly with one another.

In order to improve in the areas discussed above, we are undertaking several major initiatives to enhance the efficacy of the transaction processing environment, strengthen our controls and infrastructure, manage non-

financial risks and enhance the skill set of our personnel. However, we may be unable to complete these initiatives as quickly as we intend or as our regulators demand, and our efforts may be insufficient to remediate existing deficiencies and prevent future deficiencies or to result in fewer litigations or regulatory and enforcement investigations, proceedings and criticism in the future. We may also, when faced with the considerable expense of these initiatives, fail to provide sufficient resources for them quickly enough or at all, especially during periods when our operating performance and profitability are challenged or when we focus on our cost-savings efforts. If we are unable to significantly improve our infrastructure and control environment in a timely manner, we may determine to or some of our regulators may require us to reduce our exposure to or terminate certain kinds of products or businesses, counterparties or regions, which could, depending on the extent of such requirement, significantly challenge our ability to operate profitably under our current business model.

Regulators can also impose capital surcharges, requiring capital buffers in addition to those directly required under the regulatory capital rules applicable to us, to reflect the additional risks posed by deficiencies in our control environment. In extreme cases, regulators can suspend our permission to operate in the businesses and regions within their jurisdictions or require extensive and costly remedial actions. Furthermore, implementation of enhanced infrastructure and controls may result in higher-than-expected costs of regulatory compliance that could offset or exceed efficiency gains or significantly affect our profitability. Any of these factors could affect our ability to implement our strategy in a timely manner or at all.

### ***Risks Relating to Litigation, Regulatory Enforcement Matters and Investigations***

**Litigation environment:** We operate in a highly and increasingly regulated and litigious environment, potentially exposing us 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.

The financial services industry is among the most highly regulated industries. Our operations throughout the world are regulated and supervised by the central banks and regulatory authorities in the jurisdictions in which we operate. In recent years, regulation and supervision in a number of areas has increased, and regulators, law enforcement authorities, governmental bodies and others have sought to subject financial services providers to increasing oversight and scrutiny, which in turn has led to additional regulatory investigations or enforcement actions. There has been a steep escalation in the severity of the terms which regulators and law enforcement authorities have required to settle legal and regulatory proceedings against financial institutions, with settlements in recent years including unprecedented monetary penalties as well as criminal sanctions. As a result, we may continue to be subject to increasing levels of liability and regulatory sanctions, and may be required to make greater expenditures and devote additional resources to addressing these liabilities and sanctions. Regulatory sanctions may include status changes to local licenses or orders to discontinue certain business practices.

We and our subsidiaries are involved in various litigation proceedings, including civil class action lawsuits, arbitration proceedings and other disputes with third parties, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world. We expect that the costs to us arising from the resolution of litigation, enforcement and similar matters pending against us to continue to be significant in the near to medium term and to adversely affect our business, financial condition and results of operations. Litigation and regulatory matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. We may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. We may do so for a number of reasons, including to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when we believe we have valid defenses to liability. We may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, we may, for similar reasons, reimburse counterparties for their losses even in situations where we do not believe that we are legally compelled to do so. The financial impact of legal risks might be considerable but may be difficult or impossible to estimate and to quantify, so that amounts eventually paid may exceed the amount of provisions made or contingent liabilities assessed for such risks.



Actions currently pending against us or our current or former employees may not only result in judgments, settlements, fines or penalties, but may also cause substantial reputational harm to us. The risk of damage to our reputation arising from such proceedings is also difficult or impossible to quantify.

Additionally, we are under continuous examination by tax authorities in the jurisdictions in which we operate. Tax laws are increasingly complex and are evolving. The cost to us arising from the resolution of routine tax examinations, tax litigation and other forms of tax proceedings or tax disputes may increase and may adversely affect our business, financial condition and results of operation.

***Risks relating to Nontraditional Credit Business, Accounting, Risk Management and Operations, Benchmark Reforms***

**Nontraditional credit business:** In addition to our traditional banking businesses of deposit-taking and lending, we also engage in nontraditional credit businesses in which credit is extended in transactions that include, for example, our holding of securities of third parties or our engaging in complex derivative transactions. These nontraditional credit businesses materially increase our exposure to credit risk.

As a bank and provider of financial services, we are exposed to the risk that third parties who owe us money, securities or other assets will not perform their obligations. Many of the businesses we engage in beyond the traditional banking businesses of deposit-taking and lending also expose us to credit risk.

In particular, much of the business we conduct through our Investment Bank corporate division entails credit transactions, frequently ancillary to other transactions. Nontraditional sources of credit risk can arise, for example, from holding securities of third parties; entering into swap or other derivative contracts under which counterparties have obligations to make payments to us; executing securities, futures, currency or commodity trades that fail to settle at the required time due to nondelivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries; and extending credit through other arrangements. Parties to these transactions, such as trading counterparties, may default on their obligations to us due to bankruptcy, political and economic events, lack of liquidity, operational failure or other reasons.

Many of our derivative transactions are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. Certain credit derivatives require that we deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, we do not hold, and may not be able to obtain, the underlying security, loan or other obligation. This could cause us to forfeit the payments otherwise due to us or result in settlement delays, which could damage our reputation and ability to transact future business, as well as impose increased costs on us.

The exceptionally difficult market conditions experienced during the global financial crisis severely adversely affected certain areas in which we do business that entail nontraditional credit risks, including the leveraged finance and structured credit markets, and similar market conditions, should they occur, may do so in the future.

**Fair value accounting:** A substantial proportion of our assets and liabilities comprise financial instruments that we carry at fair value, with changes in fair value recognized in our income statement. As a result of such changes, we have incurred losses in the past, and may incur further losses in the future.

A substantial proportion of the assets and liabilities on our balance sheet comprise financial instruments that we carry at fair value, with changes in fair value recognized in the income statement. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. If the value of an asset carried at fair value declines (or the value of a liability carried at fair value increases) a corresponding unfavorable change in fair value is recognized in the income statement. These changes have been and could in the future be significant.

Observable prices or inputs are not available for certain classes of financial instruments. Fair value is determined in these cases using valuation techniques we believe to be appropriate for the particular instrument. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity of the instrument and liquidity in the market. Management judgment is required in the selection and application of the appropriate parameters, assumptions and modeling techniques. If any of the assumptions change due to negative market conditions or for other reasons, subsequent valuations may result in significant changes in the fair values of our financial instruments, requiring us to record losses.

Our exposure and related changes in fair value are reported net of any fair value gains we may record in connection with hedging transactions related to the underlying assets. However, we may never realize these gains, and the fair value of the hedges may change in future periods for a number of reasons, including as a result of deterioration in the credit of our hedging counterparties. Such declines may be independent of the fair values of the underlying hedged assets or liabilities and may result in future losses.

**Goodwill accounting:** Pursuant to accounting rules, we must periodically test the value of the goodwill of our businesses and the value of our other intangible assets for impairment. In the event such test determines that criteria for impairment exists, we are 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 our profitability results of operations.

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the aggregate of the cost of an acquisition and any non-controlling interests in the acquiree over the fair value of the identifiable net assets acquired at the date of the acquisition. Goodwill on the acquisition of subsidiaries is capitalized and reviewed for impairment annually or more frequently if there are indications that impairment may have occurred. Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. These assets are tested for impairment and their useful lives reaffirmed at least annually. The determination of the recoverable amount in the impairment assessment of non-financial assets requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions. These estimates and assumptions could result in significant differences to the amounts reported if underlying circumstances were to change.

Impairments of goodwill and other intangible assets have had and may have a material adverse effect on our profitability and results of operations. Impairment of goodwill and other intangible assets was € 1.0 billion in 2019. The announcement of the strategic transformation in July 2019 triggered the impairment review of Deutsche Bank's goodwill. A worsening macro-economic outlook, including interest rate curves, industry-specific market growth corrections, as well as the impact related to the implementation of the transformation strategy resulted in the full impairment of the Wealth Management goodwill of € 545 million in the Private Bank and the Global Transaction Banking and Corporate Finance goodwill of € 492 million in the Corporate Bank in the second quarter of 2019.

**Deferred tax assets:** Pursuant to accounting rules, we must review our 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, we have to reduce the carrying amounts. These reductions have had and may in the future have material adverse effects on our profitability, equity and financial condition.

We recognize deferred tax assets for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax

credits and deductible temporary differences can be utilized. As of 31 December 2019 and 31 December 2018, we recognized deferred tax assets of € 3.2 billion and € 6.5 billion, respectively in entities which have suffered a loss in either the current or preceding period.

In determining the amount of deferred tax assets, we use historical tax capacity and profitability information and, if relevant, forecasted operating results based upon approved business plans, including a review of the eligible carry-forward periods, available tax planning opportunities and other relevant considerations. The analysis of historical tax capacity includes the determination as to whether a history of recent losses exists at the reporting date, and is generally based on the pre-tax results adjusted for permanent differences for the current and the two preceding financial years. Each quarter, we re-evaluate our estimate related to deferred tax assets, including our assumptions about future profitability. The accounting estimate related to the deferred tax assets depends upon underlying assumptions about the historical tax capacity and profitability information, as well as forecasted operating results based upon approved business plans, that can change from period to period and requires significant management judgment. For example, tax law changes or variances in future projected operating performance could result in an adjustment to the deferred tax assets that would be charged to income tax expense or directly to equity in the period such determination was made.

These adjustments have had and may in the future have material adverse effects on our profitability or equity. In updating the strategic plan in connection with our current transformation, we adjusted the value of our deferred tax assets in affected jurisdictions. This resulted in total valuation adjustments of € 2.8 billion for the financial year ended 31 December 2019 that primarily relate to the U.S. and UK.

We are exposed to pension risks which can materially impact the measurement of our pension obligations, including interest rate, inflation and longevity risks that can materially impact our earnings.

We sponsor a number of post-employment benefit plans on behalf of our employees, including defined benefit plans. We maintain various external pension trusts to fund the majority of our defined benefit plan obligations. We have also determined that certain plans should remain unfunded, although their funding approach is subject to periodic review, e.g. when local regulations or practices change. Obligations for our unfunded plans are accrued on the balance sheet.

We develop and maintain guidelines for governance and risk management, including funding, asset allocation and actuarial assumption setting. In this regard, risk management means the management and control of risks for us related to market developments (e.g., interest rate, credit spread, price inflation), asset investment, regulatory or legislative requirements, as well as monitoring demographic changes (e.g., longevity). To the extent that pension plans are funded, the assets held mitigate some of the liability risks, but introduce investment risk.

All plans are valued annually by independent qualified actuaries using the projected unit credit method, with inputs including the discount rate, inflation rate, rate of increase in future compensation and for pensions in payment and longevity expectations. In 2019, we decided to apply Deutsche Bank-specific mortality assumptions used to determine the defined benefit obligation for our defined benefit pension plans in Germany. In this context – based on actuarial calculations for the Deutsche Bank-specific population – we adjusted the mortality expectations from the so-far used "Richttafeln Heubeck 2018G" to the Deutsche Bank-specific mortality experience of employees and pensioners. This change in actuarial assumptions led to an actuarial loss of € 125 million before taxes for the year ended 31 December 2019.

To the extent that the factors that drive our pension liabilities move in a manner adverse to us, or that our assumptions regarding key variables prove incorrect, or that our funding of our pension liabilities does not sufficiently hedge those liabilities, we could be required to make additional contributions or be exposed to actuarial or accounting losses in respect of our pension plans.

**Risk management:** Our risk management policies, procedures and methods leave us exposed to unidentified or unanticipated risks, which could lead to material losses.

Our risk management techniques and strategies have not been and may in the future not be fully effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify or anticipate. Some of our quantitative tools and metrics for managing risk are based upon our use of observed historical market behavior. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. During the financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. In this volatile market environment, our risk management tools and metrics failed to predict some of the losses we have experienced, and they may in the future fail to predict important risk exposures. In addition, our quantitative modeling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may not be borne out by events. As a result, risk exposures have arisen and could continue to arise from factors we did not anticipate or correctly evaluate in our statistical models. This has limited and could continue to limit our ability to manage our risks especially in light of geopolitical developments, many of the outcomes of which are currently unforeseeable. Our losses thus have been and may in the future be significantly greater than the historical measures indicate.

In addition, our more qualitative approach to managing those risks not taken into account by our quantitative methods could also prove insufficient, exposing us to material unanticipated losses. Also, if existing or potential customers or counterparties believe our risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with us. This could harm our reputation as well as our revenues and profits.

**Operational risks:** Operational risks, which may arise from errors in the performance of our processes, the conduct of our employees, instability, malfunction or outage of our IT system and infrastructure, or loss of business continuity, or comparable issues with respect to our vendors, may disrupt our businesses and lead to material losses.

We face operational risk arising from errors, inadvertent or intentional, made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded, evaluated or accounted for. An example of this risk concerns our derivative contracts, which are not always confirmed with the counterparties on a timely basis. For so long as the transaction remains unconfirmed, we are subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract.

In addition, our businesses are highly dependent on our ability to process manually or through our systems a large number of transactions on a daily basis, across numerous and diverse markets in many currencies. Some of the transactions have become increasingly complex. Moreover, management relies heavily on its financial, accounting and other data processing systems that include manual processing components. If any of these processes or systems do not operate properly, or are disabled, or subject to intentional or inadvertent human error, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention or reputational damage.

We are also dependent on our employees to conduct our business in accordance with applicable laws, regulations and generally accepted business standards. If our employees do not conduct our business in this manner, we may be exposed to material losses. Furthermore, if an employee's misconduct reflects fraudulent intent, we could also be exposed to reputational damage. We categorize these risks as conduct risk, which comprises inappropriate business practices, including selling products that are not suitable for a particular customer, fraud, unauthorized trading and failure to comply with applicable regulations, laws and internal policies.

We in particular face the risk of loss events due to the instability, malfunction or outage of our IT system and IT infrastructure. Such losses could materially affect our ability to perform business processes and may, for example, arise from the erroneous or delayed execution of processes as either a result of system outages or degraded services in systems and IT applications. A delay in processing a transaction, for example, could

result in an operational loss if market conditions worsen during the period after the error. IT-related errors may also result in the mishandling of confidential information, damage to our computer systems, financial losses, additional costs for repairing systems, reputational damage, customer dissatisfaction or potential regulatory or litigation exposure (including under data protection laws such as the GDPR).

Business continuity risk is the risk of incurring losses resulting from the interruption of normal business activities. We operate in many geographic locations and are frequently subject to the occurrence of events outside of our control. Despite the contingency plans we have in place, our ability to conduct business in any of these locations may be adversely impacted by a disruption to the infrastructure that supports our business, whether as a result of, for example, events that affect our third party vendors or the community or public infrastructure in which we operate. Any number of events could cause such a disruption including deliberate acts such as sabotage, terrorist activities, bomb threats, strikes, riots and assaults on the bank's staff; natural calamities such as hurricanes, snow storms, floods, disease pandemics (such as the current COVID 19 pandemic) and earthquakes; or other unforeseen incidents such as accidents, fires, explosions, utility outages and political unrest. Any such disruption could have a material adverse effect on our business and financial position.

We utilize a variety of vendors in support of our business and operations. Services provided by vendors pose risks to us comparable to those we bear when we perform the services ourselves, and we remain ultimately responsible for the services our vendors provide. Furthermore, if a vendor does not conduct business in accordance with applicable standards or our expectations, we could be exposed to material losses or regulatory action or litigation or fail to achieve the benefits we sought from the relationship.

**Cyber-attacks:** Our 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 our reputation and lead to regulatory penalties and financial losses.

Among the operational risks we face is the risk of breaches of the security of our or our vendors' computer systems due to unauthorized access to networks or resources, the introduction of computer viruses or malware, or other forms of cybersecurity attacks or incidents. Such breaches could threaten the confidentiality of our or our clients' data and the integrity of our systems. The measures we have taken to protect our computer systems against such breaches may not be effective against the many security threats we face.

The frequency and sophistication of recent cyber-attacks has been increasing and we and other financial institutions have experienced attacks on computer systems, including attacks aimed at obtaining unauthorized access to confidential company or customer information or damaging or interfering with company data, resources or business activities, or otherwise exploiting vulnerabilities in our infrastructure. We expect to continue to be the target of such attacks in the future. Although we have to date not experienced any material business impact from these attacks, we may not be able to effectively anticipate and prevent more material attacks from occurring in the future. A successful attack could have a significant negative impact on us, including as a result of disclosure or misappropriation of client or proprietary information, damage to computer systems, financial losses, remediation costs (such as for investigation and re-establishing services), increased cybersecurity costs (such as for additional personnel, technology, or third-party vendors), reputational damage, customer dissatisfaction and potential regulatory or litigation exposure.

**Clearing operations:** The size of our clearing operations exposes us to a heightened risk of material losses should these operations fail to function properly.

We have large clearing and settlement businesses and an increasingly complex and interconnected information technology (IT) landscape. These give rise to the risk that we, our customers or other third parties could lose substantial sums if our systems fail to operate properly for even short periods. This will be the case even where the reason for the interruption is external to us. In such a case, we might suffer harm to our reputation even if no material amounts of money are lost. This could cause customers to take their business elsewhere, which could materially harm our revenues and profits.

**Benchmark reforms:** Ongoing global benchmark reform efforts, 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 our business and the financial industry. These risks, should they materialize, may have adverse effects on our business, results of operations and profitability.

Regulators and central banks have set the goal of improving the robustness of financial benchmarks, especially interest rate benchmarks. As a result, the ongoing availability of, among other benchmarks, the London Interbank Offered Rate ("**LIBOR**") and the Euro Overnight Index Average rate ("**EONIA**" and, together with LIBOR, and other interbank benchmark rates, "**IBORs**") is uncertain. In the UK, the FCA has asserted that they will not compel LIBOR submissions beyond 2021, thereby jeopardising its continued availability, and has strongly urged market participants to transition to alternative risk-free rates ("RFRs"), as has the CFTC and other regulators in the US. As a result, LIBOR may be modified or discontinued after 2021. As of 2 October 2019, the administrator of EONIA has changed the way it calculates EONIA, so that it is now redefined as the "€STR" euro short-term rate, plus a spread of 8.5 basis points; nonetheless, EONIA is scheduled to cease to exist as of 3 January 2022. There are efforts under way to extend the transition period of the EU financial benchmarks regulation through 2021 for critical and third country benchmarks, which would allow these rates to remain available through 2021.

A material portion of our assets and liabilities, including financial instruments we trade and other transactions and services we are involved in, have interest rates that are linked to IBORs that may be subject to potential discontinuation, requiring us to prepare for such discontinuation and for a potential transition to RFRs. The discontinuation of IBORs and the transition and uncertainties around the timing and manner of transition to RFRs represent a number of risks for us, our customers and the financial services industry more widely, including risks of market disruption with associated market and liquidity risks, litigation risk, accounting and tax risks and operational risks. Depending how these matters and related risks contingencies develop, and the adequacy of the response of the industry, the market, regulators and us to them, the discontinuation of IBORs and transition to RFRs could have adverse effects on our business, results of operations and profitability.

## **PERSONS RESPONSIBLE, THIRD PARTY INFORMATION AND COMPETENT AUTHORITY APPROVAL**

### ***Persons Responsible***

Deutsche Bank Aktiengesellschaft accepts responsibility for the information contained in this Registration Document To the best knowledge of Deutsche Bank the information contained in this Registration Document is in accordance with the facts and the Registration Document makes no omission likely to affect its import.

### ***Third Party Information***

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.

### ***Competent Authority Approval***

This Registration Document has been approved by the CSSF as competent authority under the Prospectus Regulation. The CSSF only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of Deutsche Bank that is the subject of this Registration Document. This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

## STATUTORY AUDITORS

Until 31 December 2019, the independent auditor for the period covered by the historical financial information of Deutsche Bank is KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG"). KPMG is a member of the chamber of public accountants (Wirtschaftsprüferkammer). With effect as of 1 January 2020, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") has been appointed as independent auditor. EY is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*).

## INFORMATION ABOUT DEUTSCHE BANK

Deutsche Bank Aktiengesellschaft (commercial name: Deutsche Bank) is a banking institution and a stock corporation incorporated in Germany and accordingly operates under the laws of Germany. The Legal Entity Identifier (LEI) of Deutsche Bank is 7LTWFZYICNSX8D621K86. 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, [www.db.com](http://www.db.com) (information shown on the Bank's website does not form part of this Registration Document, unless that information is incorporated by reference into this Registration Document).

## 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 is organized into the following segments:

- Corporate Bank (CB);
- Investment Bank (IB);
- Private Bank (PB);
- Asset Management (AM);
- Capital Release Unit (CRU); and
- Corporate & Other (C&O).

In addition, Deutsche Bank has a country and regional organizational layer to facilitate a consistent implementation of global strategies.

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

- 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 operations in the different segments:

## **Corporate Bank**

The Corporate Bank (CB) comprises Global Transaction Banking as well as Commercial Banking in Germany. The segment is primarily focused on serving corporate clients, including the German "Mittelstand", larger and smaller sized commercial clients in Germany as well as multinational companies. It is also a partner to financial institutions with regards to certain Transaction Banking services. Global Transaction Banking consists of the four businesses Cash Management, Trade Finance & Lending, Trust & Agency Services and Securities Services. Commercial Banking provides integrated expertise and a holistic product offering across the Deutsche Bank and Postbank brands in Germany.

## **Investment Bank**

The Investment Bank (IB) combines Deutsche Bank's Fixed Income, Currency (FIC) Sales & Trading and Origination & Advisory as well as Deutsche Bank Research. It focuses on its traditional strengths in financing, advisory, fixed income and currencies, bringing together wholesale banking expertise across coverage, risk management, sales and trading, investment banking and infrastructure.

FIC Sales & Trading combines an institutional sales force and research with trading and structuring expertise across Foreign Exchange, Rates, Credit and Emerging Markets. The FIC Sales & Trading business are positioned strategically to respond to increasing automation, regulatory expectations and client demand for standardization and transparency in execution across credit, fixed income and currency products in industrialized countries and emerging markets.

Origination & Advisory is responsible for Deutsche Bank's debt origination business, mergers and acquisitions (M&A), and a focused equity advisory and origination platform. It is comprised of regional and industry-focused coverage teams, co-led from the bank's hubs in Europe, the U.S. and Asia Pacific that facilitate the delivery of a range of financial products and services to the bank's corporate clients.

## **Private Bank**

The Private Bank (PB) comprises three business units. The Private Bank Germany serves private customers in Germany. The Private and Commercial Business International serves private and small business clients, as well as commercial and corporate clients in Italy, Spain, Belgium and India. In addition, Private Bank covers Wealth Management clients globally.

With its "Deutsche Bank" brand Private Bank Germany focusses on providing its private customers with banking and financial products and services that include sophisticated and individual advisory solutions. The focus of its "Postbank" brand remains on providing Deutsche Bank's retail customers with standard products and daily retail banking services. In cooperation with Deutsche Post DHL AG, Deutsche Bank also offers postal and parcel services in the Postbank brand branches.

Private & Commercial Business International ("**PCBI**") provides banking and other financial services to private and commercial clients in Italy, Spain, Belgium and India with some variations in the product offering among countries that are driven by local market, regulatory and customer requirements.

Wealth Management ("**WM**") serves wealthy individuals and families as well as entrepreneurs and foundations. It supports clients in planning, managing and investing their wealth, financing their personal and business interests and servicing their institutional and corporate needs. The unit also provides institutional-type services for sophisticated clients and complements its offerings by closely collaborating with the Investment Bank, the Corporate Bank and Asset Management.

As announced in June 2020, Deutsche Bank has decided to combine WM and PCBI into one unit, the International Private Bank ("**IPB**"). This will allow Deutsche Bank to centralize its product and infrastructure activities to maximize economies of scale and scope.



## **Asset Management**

Asset Management (AM) operates under the DWS brand. AM provides investment solutions to individual investors and institutions with a diversified range of Active, Passive and Alternative Asset Management products and services.

AM's investment offerings span all major asset classes including equity, fixed income, cash and multi asset as well as alternative investments. Deutsche Bank's alternative investments include real estate, infrastructure, private equity, liquid real assets and sustainable investments. Deutsche Bank also offers a range of passive investments. In addition, AM's solution strategies are targeted to client needs that may not be addressed by traditional asset classes alone. Such services include insurance and pension solutions, asset-liability management, portfolio management solutions, asset allocation advisory, structuring and overlay.

## **Capital Release Unit (CRU)**

By establishing the new Capital Release Unit (CRU), Deutsche Bank plans to liberate capital currently consumed by low return assets, businesses with low profitability and businesses no longer deemed strategic. This includes substantially all of Deutsche Bank's Equities Sales & Trading business, lower yielding fixed income positions, particularly in Rates, the former CIB Non-Strategic portfolio as well as the exited businesses from the Private & Commercial Bank which include Deutsche Bank's retail operations in Portugal and Poland.

## **Corporate & Other (C&O)**

Corporate & Other includes revenues, costs and resources held centrally that are not allocated to the individual business segments.

## **TREND INFORMATION**

### ***Statement of no Material Adverse Change***

There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2019.

### ***Statement of no Significant Change in Financial Performance***

There has been no significant change in the financial performance of Deutsche Bank Group since 30 June 2020.

### ***Recent Developments***

Other than the developments mentioned elsewhere in this Registration Document, there have been no recent developments since 31 December 2019.

### ***Outlook***

In July 2019, Deutsche Bank announced a far-reaching transformation strategy to refocus on core strengths vital to its long-term competitiveness, relevance and profitability and to deliver significant returns for its shareholders. The macroeconomic, fiscal and regulatory environment has however changed as a result of the COVID-19 pandemic in 2020. This changed environment impacted and will continue to impact Deutsche Bank's results of operations, capital ratios and the capital plan that underlies its targets.

Despite the challenges associated with the COVID-19 pandemic, Deutsche Bank intends to continue executing on its strategy in a disciplined manner in the second half of 2020, by further reducing costs and reducing the size of its balance sheet through continued disposal of assets in the Capital Release Unit. At the same time, Deutsche Bank is focused on stabilizing and growing revenues in its Core Bank.

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

Key Performance Indicators	30 June 2020 (unaudited)*	Near-term objectives 2020	Target Key Performance Indicators 2022
Group post-tax return on tangible shareholders equity <sup>1</sup>	(0.5) %	–	8.0 %
Core bank post-tax return on average tangible equity <sup>2</sup>	4.1 %	–	Above 9 %
Adjusted costs <sup>3</sup>	€ 10.2 bn <sup>4</sup>	€ 19.5 bn <sup>4</sup>	€ 17 bn
Common Equity Tier 1 capital ratio	13.3 %	–	At least 12.5 %
Leverage ratio (fully loaded)	4.2 %	–	~ 5 %
Cost income ratio <sup>5</sup>	87.1 %	–	70.0 %

\* Extracted from the Interim Report as of 30 June 2020.

- 1 Based on Net Income attributable to Deutsche Bank shareholders.
- 2 Based on Core Bank Net Income attributable to Deutsche Bank shareholders.
- 3 Adjusted costs are defined as noninterest expenses excluding impairment of goodwill and other intangible assets, litigation charges net and restructuring and severance.
- 4 Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance.
- 5 Noninterest expenses as a percentage of total net revenues, which are defined as net interest income before provision for credit losses plus noninterest income.

For the Group, Deutsche Bank expects its Post-tax Return on Average Tangible Shareholders' Equity in 2020 to be negatively affected by costs to execute its strategy as well as the impact of COVID-19 on the broader economic environment. For 2022, Deutsche Bank remains committed to work towards its targets for the Post-tax Return on Average Tangible Shareholders' Equity of 8 % for the Group and above 9 % for its Core Bank.

Revenues for the Group are expected to be essentially flat in 2020, mainly as a result of Deutsche Bank's continued de-risking activities in the Capital Release Unit. Core Bank revenues are expected to be slightly higher in 2020 compared to the previous year based on the strong revenue performance in the first half of the year combined with Deutsche Bank's expectation of a gradual recovery of the global economy in the second half of 2020. The recovery to normalization however will take time with a different intensity across countries. In addition, Deutsche Bank expects its revenues to continue to be impacted from the ongoing low interest rate environment. Although volatility has receded, macroeconomic and market conditions are expected to remain volatile for the remainder of 2020 with substantial uncertainty as to the short and longer term impacts of the COVID-19 pandemic. Deutsche Bank may be able to offset some of these negative impacts through its ongoing investment into growth areas.

Provision for credit losses is expected to significantly increase in 2020 due to a continued normalization of provisioning levels, lower recoveries and the impact of COVID-19 to Deutsche Bank's Expected Credit Loss ("ECL") estimates. The majority of these provisions was already taken in the first half of 2020 and Deutsche Bank expects a normalization later in the year. Deutsche Bank reaffirms its guidance for the full year 2020 for

provision for credit losses of between 35 to 45 basis points of loans. This reflects Deutsche Bank's expectations of the macroeconomic impact from COVID-19 including the effect of the Government support programs.

The short-term implications of the COVID-19 pandemic make it difficult for us to accurately reflect the timing and the magnitude of changes to Deutsche Bank's previous CET1 capital ratio target for 2020. Management believes that significant opportunities exist to support clients which may lead to a temporary increase in risk-weighted assets ("**RWA**"). As a result, Deutsche Bank currently expects RWA to be slightly higher in 2020 compared to the prior year. Management had taken the deliberate decision early in the second quarter to allow its CET1 ratio to potentially fall modestly and temporarily below its target of at least 12.5 % in order to support clients. The decision to suspend this target in the short-term did not consider the potential for further regulatory changes that could and did benefit Deutsche Bank's ratio. Deutsche Bank remains committed to maintaining a significant buffer above its regulatory requirements at all times. At the end of the second quarter of 2020, its CET1 ratio was 13.3 %, mainly due to lower loan balances driven by higher than expected repayments of credit facilities by clients, initially drawn in reaction to COVID-19. Deutsche Bank is therefore cautiously optimistic that the likelihood of falling modestly and temporarily below 12.5% is now significantly lower than was anticipated earlier in the second quarter 2020. However, significant uncertainty remains regarding the economic environment, client behavior and regulatory actions. Deutsche Bank also remains committed to supporting clients through this challenging environment. As a result Deutsche Bank reaffirms its target for 2022 of a CET1 ratio of at least 12.5 %.

Reflecting the growth in assets from the anticipated increase in client demand described above, Deutsche Bank now expects Leverage exposure to be slightly higher compared to year-end 2019 and it is therefore unlikely to reach its original target of a Leverage ratio of 4.5 % for 2020 despite recent legislative changes in the definition of leverage exposure. Over time, as client demand normalizes and Deutsche Bank executes on the deleveraging program in the Capital Release Unit, Deutsche Bank believes that it will restore its glide path to a Leverage ratio of around 5 %. As a result, Deutsche Bank reaffirms its 2022 target of ~5 % for its Leverage ratio.

Deutsche Bank remains committed to its target of Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance of € 19.5 billion in 2020. The decline should result from cost reductions already achieved in the first half of 2020, the run-rate impact of measures executed in 2019 as well as from the incremental impact from the legal entity merger of DB Privat- und Firmenkundenbank AG onto Deutsche Bank AG, business exits as highlighted in its strategic announcement and further optimization of its workforce. Deutsche Bank expects transformation-related effects of approximately € 1.4 billion for the full year 2020.

Deutsche Bank's dividend payments are subject to its ability to report sufficient levels of distributable profits under its standalone financial statements in accordance with German accounting rules (HGB) for the respective fiscal year. Following a net loss in its HGB standalone financial statements for the financial year 2019 prior to utilization of capital reserves in accordance with § 150 section 4 AktG and the corresponding dividend payment restriction Deutsche Bank has announced that no dividend payment will be proposed for the financial year 2019. For the financial year 2020, Deutsche Bank also does not expect to distribute a dividend. Deutsche Bank views this to be supportive also in complying with the ECB's guidance for banks to maintain a sound capital base whilst providing the needed support for the economy during the COVID-19 pandemic. Deutsche Bank aims to free up capital for distribution from 2022 onwards targeting a competitive dividend payout ratio.

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 U.S. Such matters are subject to many uncertainties. While Deutsche Bank has resolved a number of important legal matters and made progress on others, Deutsche Bank expects the litigation and enforcement environment to remain challenging in the short term. For 2020, and with a caveat that forecasting litigation charges is subject

to many uncertainties, Deutsche Bank expects litigation charges, net, to exceed the levels experienced in 2019.

Adjusted costs, Adjusted costs excluding transformation charges, and Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance as well as Post-tax Return on Average Tangible Equity are non-GAAP financial measures.

## **Corporate Bank**

For Corporate Bank ("**CB**"), Deutsche Bank expects the macro environment to remain challenging as a result of the COVID-19 pandemic and a further deterioration of the interest rate environment in the first quarter of 2020. However, this should also provide the Corporate Bank with opportunities to further support its corporate and commercial clients, including through the facilitation of government sponsored lending programs, the provision of financing as well as payments solutions.

In 2020, Deutsche Bank expects Corporate Bank revenues to be essentially flat compared to the prior year as the COVID-19 pandemic impacts and macroeconomic headwinds are likely to be offset by its strategic growth initiatives, favorable nonrecurring items recorded in the second quarter of the first six months of 2020, fees from additional lending, and the benefit from the ECB's decision in September 2019 to introduce deposit tiering. For Global Transaction Banking, Deutsche Bank expects revenues in 2020 to stay essentially flat compared to the prior year, including the aforementioned benefits of nonrecurring items. Cash Management revenues are expected to be essentially flat, with negative effects of interest rate reductions in the U.S. and Asia-Pacific in the first quarter 2020 partially mitigated by ongoing efforts of on deposit repricing and increasing fee income from payments-related projects. Trade revenues are expected to remain essentially flat as additional revenues from new lending may offset the slowdown of global business activity especially on structured products. Securities Services revenues are expected to be lower in 2020 mainly driven by the absence of episodic items recorded in the prior year. Trust and Agency Services revenues should be slightly lower compared to the prior year reflecting interest rate cuts in the U.S. and Asia-Pacific in the first quarter of 2020. Commercial Banking revenues are expected to stay essentially flat as repricing actions, and lending initiatives and the widening of non-banking offering should offset the effects of a negative interest rate environment and economic slowdown as a result of the COVID-19 pandemic.

Deutsche Bank expects provision for credit losses for the Corporate Bank in the full year to be significantly higher than in the prior year, mainly as a result of the worsening outlook macroeconomic conditions due to the COVID-19 pandemic.

Noninterest expenses for 2020 are expected to be lower primarily reflecting the absence of a goodwill impairment and lower restructuring charges recorded in 2019. Adjusted costs excluding transformation charges should stay essentially flat as lower non-compensation costs are likely to be offset by higher internal service cost allocations. Deutsche Bank plans to continue to focus on regulatory compliance, know-your-client ("**KYC**") and client on-boarding process enhancement, system stability and control and conduct.

For 2020, Deutsche Bank expects risk-weighted assets in the Corporate Bank to be higher driven by the balance sheet extension from additional lending activities in response to the COVID-19 pandemic.

Risks to the outlook include potential impacts on the business model from macroeconomic and global geopolitical uncertainty including COVID-19 and a potential deterioration of international trade relations. In addition, uncertainty around central bank policies, ongoing regulatory developments (e.g., the finalization of the Basel III framework), event risks and levels of client activity may also have an adverse impact.

## **Investment Bank**

Macroeconomic and market conditions for the Investment Bank ("**IB**") are expected to be highly uncertain in the remainder of the year. The medium and long term impact of the COVID-19 pandemic is unknown, yet it

has been a factor in the performance year-to-date. IB revenues in the first half of 2020 were strong across both Sales & Trading ("**FIC**") and Origination & Advisory. Deutsche Bank expects IB revenues in the second half of the year to continue to perform well and consequently be higher for the full year 2020 compared to the prior year.

Deutsche Bank expects revenues in Sales & Trading (FIC) to be higher in 2020 compared to 2019. The Credit Trading and Financing business was impacted by the adverse credit markets in the first quarter of 2020, but has recovered well during the second quarter. Rates, Foreign Exchange and Global Emerging Markets have all performed strongly in the first half of the year. They benefited from higher levels of client activity, strong risk management and change in leadership. The positive impact from its refocused strategy that Deutsche Bank has laid out in December should continue to deliver benefits across Sales & Trading FIC. In Origination & Advisory, Deutsche Bank expects revenues to be higher in 2020 compared to 2019. The Debt Origination business had a strong first half of the year, with market share gains in a higher industry fee pool in Investment Grade debt. However, IG issuances in the remainder of the year are expected to slow compared to the elevated levels seen in the second quarter, while the timing of recovery in the advisory and leveraged debt markets remains uncertain.

Deutsche Bank expects provision for credit losses for the Investment Bank for the full year to be significantly higher than in the prior year due to the COVID-19 pandemic.

Noninterest expenses in the Investment Bank in 2020 are expected to be lower compared to the previous year driven by a number of factors, including lower transformation costs, and reduced severance and restructuring charges. Adjusted costs excluding transformation charges are also expected to be lower, driven by the full-year run-rate impact of the headcount reductions in 2019, lower non-compensation costs including bank levies and a decrease in service cost allocations from Infrastructure.

For 2020, Deutsche Bank expects risk-weighted assets in the IB to be higher, driven by Credit Risk RWA inflation from the new regulatory securitization framework introduced in the first quarter of 2020, combined with higher Market Risk RWA as a result of market volatility caused by the COVID-19 pandemic. The underlying business growth is expected to be broadly flat for the year.

The major risk to the outlook is the uncertainty around the impact of the COVID-19 pandemic on the macro economic environment. Should a second wave occur and cause a number of further lockdowns across the globe the outcome will likely differ significantly to the above. Additional potential risks are the trade negotiations relating to Brexit and other macro and global geopolitical uncertainty. Central bank policies and ongoing regulatory developments also pose risks, while challenges such as event risks and levels of client activity may also have an adverse impact.

## **Private Bank**

In the Private Bank ("**PB**"), the COVID-19 pandemic had negative impacts on revenues in the second quarter of 2020. Client activity slowed down and market values of assets under management did not fully recover to the levels before the outbreak of the pandemic. However, Deutsche Bank also saw signs of normalization during the quarter and based on the assumption of a continued normalization in the second half of 2020, expects PB's net revenues in the full year 2020 to remain essentially flat compared to 2019.

For the Private Bank in Germany, Deutsche Bank expects revenues to remain essentially flat compared to 2019. The planned growth in investment and loan revenues is expected to be offset by the negative impacts from the low interest rate environment, the COVID-19 pandemic as well as higher funding cost allocations. In the investment businesses, Deutsche Bank plans to continue the launch of focused sales initiatives. In the loan businesses, Deutsche Bank expects to benefit from the growth achieved in 2019 and will continue to selectively grow the loan book in 2020. In addition, Deutsche Bank plans to leverage pricing opportunities.

In Private & Commercial Business International ("**PCBI**"), Deutsche Bank expects revenues to be slightly lower compared to 2019. Negative impacts from the COVID-19 pandemic across countries, combined with the low interest rate environment are not expected to be fully recovered by operating growth in credit and investment product revenues and selected repricing measures.

In its WM businesses, Deutsche Bank expects net revenues to be essentially flat year-on-year reflecting lower contributions from the workout of legacy positions in Sal. Oppenheim and headwinds from the low interest rate environment and from the declines in financial markets, which Deutsche Bank expects to partially mitigate with continued business growth and targeted pricing opportunities.

As announced in June 2020, Deutsche Bank has decided to combine its WM and PCBI into one unit, the International Private Bank ("**IPB**"). This will allow Deutsche Bank to centralize its product and infrastructure activities to maximize economies of scale and scope.

The COVID-19 pandemic had also an impact on provision for credit losses in the second quarter of 2020. While it is too early to predict these impacts for the second half of the year in detail, Deutsche Bank observes effects by a protracted downturn in local, regional and global economic conditions. Given the uncertainty around extent, duration and market spillover of COVID-19, Deutsche Bank expects provision for credit losses to be significantly higher in 2020 within PB.

Noninterest expenses in the Private Bank are expected to be lower in 2020 than in 2019, reflecting the absence of impairment of goodwill recorded in the prior year. In 2020, Deutsche Bank expects restructuring expenses to increase significantly as Deutsche Bank executes on its transformation objectives to support its mid-term cost reduction plans. Adjusted costs excluding transformation charges are expected to be slightly lower in 2020, driven by incremental savings from reorganization measures, in part offset by inflationary effects and by selected investments in growth initiatives as well as by negative impacts from changes in internal service cost allocations.

Risk-weighted assets are expected to be higher in 2020 as a result of the aforementioned growth, the implementation of regulatory changes to improve consistency of internal risk models in the industry, and the reflection of continued COVID-19 impacts on credit ratings.

Assets under management are expected to remain essentially flat in 2020, assuming a normalizing market environment after the significant market turmoil in March combined with a continuation of Deutsche Bank's growth path.

Risks to the outlook include pressure on interest rates, slower economic growth in the major operating countries and lower client activity. Deutsche Bank's clients' investment activity could be affected by 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. All these risks could become more pronounced dependent on the further development of the COVID-19 pandemic.

## **Asset Management**

Deutsche Bank believes that due to its diverse range of investments and solutions, Asset Management ("**AM**") is well positioned to grow market share amid the industry growth trends, further supported by its broad distribution reach, global footprint and competitive investment performance. However, wider industry challenges such as margin compression, rising costs of regulation, competitive dynamics and the economic impact of the COVID-19 pandemic are likely to impact the full year results. In the face of this challenge, Deutsche Bank intends to focus on innovative and sustainable products and services where Deutsche Bank can differentiate and best serve clients in a late cycle market environment, while also maintaining a disciplined cost base.

Given the current economic climate and more recently the impact of COVID-19 on global markets, Deutsche Bank expects the revenue environment to remain challenging in 2020 amid ongoing market volatility, margin pressure and the low interest rate environment.

As a result, full year 2020 revenues in AM are expected to be lower compared to 2019. Management fees are assumed essentially flat year-over-year as Deutsche Bank expects that positive effects resulting from both net inflows and favorable market recovery to more than offset the market decline observed earlier this year due to COVID-19. Performance and transaction fees are expected to normalize in 2020 at between 3 to 5% of total revenues, significantly lower than 2019 due to the absence of large fees recognized in the second and fourth quarter last year. Other revenues are assumed to be significantly lower, mainly impacted by the unfavorable change in the fair value of guarantees and significantly lower investment income and gains compared to 2019.

To ensure its business is well protected against potential revenue headwinds, Deutsche Bank remains committed to further reducing its costs in 2020. Deutsche Bank has identified further cost savings as well as additional efficiency measures, which it expects to result in lower noninterest expenses and adjusted costs excluding transformation charges.

Deutsche Bank expects assets under management at the end of 2020 to be essentially flat compared to the end of 2019, assuming market stability and net inflows in the second half of the year. In 2020, Deutsche Bank expects net inflows into targeted growth areas of passive and alternative investments, further enhanced by strategic alliances and product innovations.

Risks to the outlook include the longevity of the economic impact of COVID-19, continued low interest rates in industrialized countries' markets, the pace of growth in emerging economies and increase in wealth, as well as the demand for retirement products in industrialized countries for aging populations. Continued elevated levels of economic and political uncertainty worldwide, and protectionist and anti-trade policies, could have unpredictable consequences in the economy, market volatility and investors' confidence, which may lead to declines in business and could affect revenues and profits as well as the execution of the strategic plans. In addition, the evolving regulatory framework could lead to unforeseen regulatory compliance costs and possible delays in the implementation of efficiency measures due to jurisdictional restrictions, which could have an adverse impact on the cost base.

### **Capital Release Unit**

In 2020, Capital Release Unit ("**CRU**") intends to continue to execute its asset reduction program and the transition of Deutsche Bank's Prime Finance and Electronic Equities clients, while continuing to reduce cost.

Deutsche Bank expects significant negative revenues for 2020. Revenues are expected to be driven by de-risking impacts, hedging costs and funding costs, partly offset by reimbursement from the Prime Finance platform.

Noninterest expenses for 2020 are expected to be significantly lower than in 2019. Adjusted costs excluding transformation charges are expected to be significantly lower, driven by lower compensation, lower non-compensation costs and reduced infrastructure related costs. In 2020, Deutsche Bank expects CRU to benefit from the full-year run-rate impact of headcount reductions in 2019.

Deutsche Bank continues to target € 38 billion of RWA for year-end 2020 although this is dependent on constructive market conditions. As Deutsche Bank has taken the decision to primarily target RWA reduction in its de-risking, Deutsche Bank expects a slower reduction in CRU leverage than previously anticipated for 2020. Deutsche Bank expects a reduction in leverage in the range of € 10 to 15 billion a quarter for the remainder of the year, subject to market movements.

Risks to the outlook include the impact of the COVID-19 pandemic. The speed and cost of asset reductions could be affected by counterparties' return expectations and credit risk appetite. Effective asset disposal relies

upon functioning capital markets and the active participation of clients and counterparties. In addition, delays to the implementation of expense management initiatives could have an adverse impact on the cost base.

### **Corporate & Other**

In 2020, Corporate & Other will continue to be impacted by valuation and timing differences from different accounting methods used for management reporting and IFRS, plus unallocated items including one-offs which are not business specific, infrastructure expenses associated with shareholder activities as defined in the OECD Transfer Pricing Guidelines and costs held centrally as part of Deutsche Bank's new funds transfer pricing framework. Deutsche Bank expects to retain around € 200 million related to these funding costs in Corporate & Other.

Additionally, Corporate & Other will continue to be impacted by any difference between planned and actual allocations as Infrastructure expenses are allocated to the corporate divisions based on the planned allocations as well as the reversal of non-controlling interests, mainly related to DWS, which are deducted from profit or loss before tax of the divisions.

### **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**

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 of the Management Board (Chief Executive Officer) Communications and Corporate Social Responsibility (CSR); Group Audit (administratively only, in all other aspects collective responsibility of the Management Board); Research; Head of Investment Bank (IB); Head of Corporate Bank (CB)
Karl von Rohr	Deputy Chairman of the Management Board (President); Head (CEO) of Region Germany and Head of Region EMEA; Head of Private Bank and Asset Management (DWS)
Fabrizio Campelli	Chief Transformation Officer (CTO) and MB Member for HR; Human Resources (incl. Corporate Executive Matters); Transformation Roadmap Office; Cost Catalyst Office; Group Management Consulting; Strategic and Competitive Analysis
Frank Kuhnke	Chief Operating Officer; Corporate Services; CB/IB/CRU Operations (excl. Settlement Operations); CB/IB/CRU KYC Operations; Head of Capital Release Unit (CRU)
Bernd Leukert	Chief Technology, Data and Innovation Officer; Chief Information Office incl. CB/IB/PB; Chief Technology Office; Chief Data Office; Chief Security Office; CB/IB/CRU Settlement Operations
Stuart Wilson Lewis	Chief Risk Officer; Corporate Insurance; Compliance; Anti-Financial Crime; Business Selection and Conflicts Office; Head of Region UKI (UK & Ireland)
James von Moltke	Chief Financial Officer; Investor Relations
Alexander von zur Mühlen	Head (CEO) of Region APAC
Christiana Riley	Head (CEO) of Region Americas
Prof. Dr. Stefan Simon	Chief Administrative Officer

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
Ludwig Blomeyer-Bartenstein*	Spokesperson of the Management and Head of the Market Region Bremen of Deutsche Bank AG
Frank Bsirske*	Former 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, Taubman Centers, Inc., Bloomfield Hills, USA
Jan Duscheck*	Head of national working group Banking, trade union ver.di
Dr. Gerhard Eschelbeck	Member of the Board of Directors, Onapsis Inc., Boston, USA

Sigmar Gabriel, Bundesminister a.D. (former German Federal Government Minister)	Senior Advisor, Eurasia Group, New York, USA and Partner, self-employed advisor, Speech Design SGL GbR, Berlin, Germany;
	Member of the Supervisory Board of GP Günter Papenburg AG, Hanover, Germany
Timo Heider*	Chairman of the General Staff Council of BHW Bausparkasse AG / Postbank Finanzberatung AG;
	Chairman of the General Staff Council of PCC Services GmbH der Deutschen Bank;
	Chairman of the Staff Council of BHW Bausparkasse AG, PCC Services GmbH der Deutschen Bank, 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
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	Member of the Management Board, C-QUADRAT Investment Aktiengesellschaft
Stephan Szukalski*	Federal Chairman of the German Association of Bank Employees ( <i>Deutscher Bankangestellten-Verband</i> ; DBV) – Trade Union of Financial Service Providers ( <i>Gewerkschaft der Finanzdienstleister</i> )
John Alexander Thain	Member of the Board of Directors, Aperture Investors LLC, New York, USA;
	Member of the Board of Directors, Uber Technologies, Inc., San Francisco, USA
Michele Trogni	Operating Partner of Eldridge Industries LLC, Greenwich, Connecticut, USA
	Member of the Board of Directors, Morneau Shepell Inc., Toronto, Canada;
	Chairperson of the Board of Directors, Capital Markets Gateway Inc., Chicago, USA;
	Chairperson of the Board of Directors, SE2 LLC, Kansas, USA
Dr. Dagmar Valcárcel	Member of the Supervisory Board of amedes Holding GmbH

Dr. Theodor Weimer	Chief Executive Officer, Deutsche Börse AG; Member of the Supervisory Board of Knorr Bremse AG, Munich, Germany
Prof. Dr. Norbert Winkeljohann	Self-employed corporate consultant, Norbert Winkeljohann Advisory & Investments; Chairman of the Supervisory Board of Bayer AG; Member of the Supervisory Board of Georgsmarienhütte Holding GmbH; Chairman of the Supervisory Board of Heristo Aktiengesellschaft; Chairman of the Supervisory Board of Sievert AG

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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 carried out on behalf of 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 § 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 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 the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) 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**

### ***Financial Statements***

Deutsche Bank's consolidated financial statements for the financial year 2019 (as included in the Annual Report 2019 of the Issuer as of 31 December 2019) are incorporated by reference in, and form part of, this Registration Document (see the section "Information Incorporated by Reference" on page 67).

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

KPMG audited Deutsche Bank's non-consolidated and consolidated financial statements for the fiscal year 2019 in accordance with Directive 2014/56/EU and Regulation (EU) No. 537/2014. An unqualified auditor's certificate has been provided in each case.

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

The unaudited consolidated interim financial information for the three months ended 31 March 2020 (as included in the Earnings Report of the Issuer as of 31 March 2020) is incorporated by reference in, and forms part of, this Registration Document (see section "Information incorporated by reference" on page 67).

The unaudited consolidated interim financial information for the six months ended 30 June 2020 (as included in the Interim Report of the Issuer as of 30 June 2020) is incorporated by reference in, and forms part of, this Registration Document (see section "Information incorporated by reference" on page 67).

### ***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 % 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 contained 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. The plaintiffs filed an appeal against the denial of leave to appeal with the Federal Supreme Court.

#### 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, which closed the case against payment of the fine in August 2019. 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. Investigations remain ongoing against one current employee and an indictment was filed against one former employee in August 2019.

### 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 (*Staatsanwaltschaft Köln*, "**CPP**") 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. This proceeding could result in a disgorgement of profits and fines. Deutsche Bank is cooperating with the CPP. At the end of May and beginning of June 2019, the CPP initiated criminal investigations against further current and former employees of Deutsche Bank and five former Management Board members. In July 2020, by way of inspection of the CPP's investigation file, Deutsche Bank learned that the CPP had further extended its investigation in June 2019 to include further current and former DB personnel, including one former Management Board member and one current Management Board member. Very limited information on the individuals was recorded in the file and none of these additional personnel have been notified by the CPP of being included in the investigation. The investigation is still at an early stage and the scope of the investigation may be further broadened.

Deutsche Bank acted as participant in and filed withholding tax refund claims through the electronic refund procedure (*elektronisches Datenträgerverfahren*) on behalf of, inter alia, two former custody clients in connection with their cum-ex transactions. In February 2018, Deutsche Bank received from the German Federal Tax Office (*Bundeszentralamt für Steuern*, "**FTO**") a demand of approximately € 49 million for tax refunds paid to a former custody client. Deutsche Bank expects to receive a formal notice for the same amount. On 20 December 2019, Deutsche Bank received a liability notice from the FTO requesting payment of € 2.1 million by 20 January 2020 in connection with tax refund claims Deutsche Bank had submitted on behalf of another former custody client. On 20 January 2020, Deutsche Bank made the requested payment and filed an objection against the liability notice. The FTO has set a deadline for submission by Deutsche Bank of the reasoning for the objection of 31 March 2020, which was extended until 31 May 2020 and further extended until June 19, 2020 on which day Deutsche Bank filed its reasoning.

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 ("**Service KAG**", now named BNY Mellon Service Kapitalanlage-Gesellschaft mbH). Deutsche Bank had acquired BAS and Service KAG 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 (excluding interest of 6 per cent p.a.). On 19 August 2019, the Regional Court Bonn issued an order making Service KAG, as fund administrator to certain investment funds that were potentially involved in cum-ex transactions in 2009/2010, a third party subject to confiscation under the German Criminal Code in connection with a criminal trial against certain other individuals. Such confiscation in relation to Service KAG could relate to a significant portion of the aforementioned potential tax liability (plus interest of 6 per cent p.a.).

The criminal trial commenced on 4 September 2019 and is still ongoing. On 10 December 2019, counsel to BNY forwarded to Deutsche Bank two hearing letters from the FTO that were addressed to BAS with respect to its function as depot bank to certain other investment funds. In these letters, the FTO stated that a potential liability of BAS exists and that BAS should expect a liability notice in this regard. BNY responded to the hearing letters on 30 December 2019. By court order dated 16 March 2020, the court terminated the criminal trial against, inter alia, Service KAG as a party subject to confiscation without the imposition of a confiscation. On 18 March 2020, the Regional Court Bonn handed down its criminal judgment by which it sentenced two individuals to a suspended imprisonment based on the commitment of criminal offences. The FTO sent a hearing letter dated May 11, 2020 to BNY in connection with a planned liability notice against BNY in relation to its role as fund manager to one of the investment funds. On June 16, 2020, BNY responded to the hearing letter.

On 6 February 2019, the Regional Court (*Landgericht*) Frankfurt am Main 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.

On 15 May 2019, Deutsche Bank filed its statement of defense with the Regional Court Frankfurt am Main rejecting any liability towards Warburg. On 22 July 2019, Deutsche Bank received Warburg's response statement. Deutsche Bank responded on 21 October 2019. On 20 December 2019, Deutsche Bank received the notice from the Regional Court Frankfurt am Main that the hearing date is scheduled for 20 April 2020. On 20 March 2020, Warburg extended its claim against Deutsche Bank to indemnify Warburg in relation to the € 176 million (thereof € 166 million in relation to taxes and € 10 million in relation to interest) confiscation order issued by the Regional Court Bonn in the criminal cum-ex trial on 18 March 2020. Further, Warburg requested a stay of the civil litigation. On 27 March 2020, Deutsche Bank responded by rejecting the requested extension of the claim. On 30 March 2020, the Regional Court Frankfurt am Main cancelled the oral hearing initially scheduled for 20 April 2020 due to the COVID 19 pandemic and asked Deutsche Bank to comment on Warburg's motion to stay the civil litigation by 20 April 2020. In its response filed on 20 April 2020, Deutsche Bank rejected Warburg's extension of the claim and Warburg's motion to stay the civil litigation. On May 8, 2020, Deutsche Bank was informed by the court that Warburg's request to stay the proceedings was denied by the court and that the hearing is scheduled for September 7, 2020. On July 3, 2020, Deutsche Bank received an additional brief from Warburg in relation to the years 2007 to 2009 by which Warburg introduced the tax assessments of the Hamburg Tax Office for the years 2007 to 2009 against Warburg in the amount of € 187 million (thereof € 120 million in relation to taxes and € 67 million in relation to interest) into the proceedings. Based on the tax assessment notices received for 2007 to 2011, Warburg is now claiming a total of € 250 million (thereof € 166 million in relation to taxes and € 84 million in relation to interest). With its new submission Warburg is claiming indemnification against taxes resulting from cum-ex transactions conducted in 2007 to 2009 and compensation of unspecified damages relating to these transactions.

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.

#### Danske Bank Estonia Investigations

Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning the Bank's former 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. The Bank is providing information to and otherwise cooperating with the investigating agencies. The Bank has also completed an internal investigation into these matters, including of whether any violations of law, regulation or Bank policy occurred and the effectiveness of the related internal control environment. Additionally, on 24 and 25 September 2019, based on a search warrant issued by the Local Court (*Amtsgericht*) in Frankfurt, the Frankfurt public prosecutor's office conducted investigations into Deutsche Bank. The investigations are in connection with suspicious activity reports relating to potential money laundering at Danske Bank. The Bank is cooperating in the investigations.

On July 7, 2020, the New York State Department of Financial Services (DFS) issued a Consent Order, finding that Deutsche Bank violated New York State banking laws in connection with its relationships with three former Deutsche Bank clients, Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank, and imposing a \$150 million civil penalty in connection with these three former relationships.

On July 15, 2020, Deutsche Bank was named as a defendant in a securities class action filed in the U.S. District Court for the District of New Jersey, alleging that the Bank made material misrepresentations regarding the effectiveness of its AML controls and related remediation. The complaint cites allegations regarding control deficiencies raised in the DFS Consent Order related to the Bank's relationships with Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank. The case is in its early stages.

The Group has not established a provision or contingent liability with respect to the Jeffrey Epstein investigations and civil action, other than for the above-referenced \$150 million civil penalty relating to Jeffrey Epstein and the other former relationships that were the subject of the DFS Consent Order. The remaining investigations relating to Jeffrey Epstein are ongoing.

#### Deutsche Bank Shareholder Litigation

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 alleged 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 moved to dismiss the action. On 30 September 2019, the court granted the motion to dismiss with prejudice as to all defendants and entered judgment dismissing the lawsuit.

#### 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 jointventure. In relation to this business, a number of civil claims were filed against Sal. Oppenheim. Some, but not all, of these claims were also directed against former managing partners of Sal. Oppenheim and other individuals. The investors were seeking to unwind their fund participation and to be indemnified against potential losses incurred in connection with the investment. The claims were 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 related to investments in an amount of originally approximately € 1.1 billion. Over the past few years, based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim, and certain claims have either been dismissed or settled. Claims of approximately € 10 million relating to investments in an amount of originally approximately € 6 million were pending as of the beginning of 2019, which claims were settled in 2019 for amounts not material to the Bank.

## 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.

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.

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 US\$ 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 US\$ 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.

There are currently two U.S. actions pending against Deutsche Bank. On 25 February 2020, plaintiffs in the "Indirect Purchasers" action pending in the U.S. District Court for the Southern District of New York (Contant, et al. v. Bank of America Corp., et al.) informed the court of a global settlement with all defendants remaining in that action, including Deutsche Bank.

Pending preliminary and final settlement approval orders approving Deutsche Bank's settlement, plaintiffs will dismiss with prejudice all claims alleged against Deutsche Bank in that 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 a consolidated action (In re Foreign Exchange



Benchmark Rates Antitrust Litigation). Plaintiffs filed a second amended complaint on 11 June 2019. Defendants' motion to dismiss was granted and denied in part on May 28, 2020. Discovery is ongoing.

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' motion for class certification in the Ontario action was granted on 14 April 2020. Discovery is ongoing. Deutsche Bank has also been named as a defendant in an amended and consolidated class action filed in Israel. This action asserts factual allegations similar to those made in the consolidated action in the United States and seeks damages pursuant to Israeli antitrust law as well as other causes of action. This action is in preliminary stages.

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 paid penalties of US\$ 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.

Also, 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 made a settlement payment of US\$ 220 million.

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 41 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 three 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 three civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR were also filed in the SDNY, and include one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, and one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR).

Claims for damages for all 41 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 two exceptions, all of the U.S. civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "**US 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, and oral argument was heard on 24 May 2019.

On 13 July 2017, Deutsche Bank executed a settlement agreement in the amount of US\$ 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, and the court granted preliminary approval on 2 March 2020. The settlement amount is already fully reflected in existing litigation provisions and no additional provisions have been taken for this settlement. The settlement amount, which Deutsche Bank has paid, is no longer reflected in Deutsche Bank's litigation provisions.

On 24 March 2020, Deutsche Bank and the plaintiff in a non-class action pending as part of the US dollar LIBOR MDL (Salix Capital US Inc. v. Banc of America Securities LLC) stipulated to the dismissal of the plaintiff's claims against Deutsche Bank. The court dismissed the plaintiff's claims on 25 March 2020.

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 appealed the court's decision, and on 30 April 2019, the U.S. Court of Appeals for the Second Circuit affirmed the district court's decision. On 29 July 2019, the plaintiff sought further review from the U.S.

Supreme Court, which was denied on 7 October 2019. Accordingly, the action is not included in the total number of actions above.

In January and March 2019, plaintiffs filed three 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 under *In re ICE LIBOR Antitrust Litigation*, and on 1 July 2019, the plaintiffs filed a consolidated amended complaint. On 26 March 2020, the court granted the defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank. Plaintiffs have filed a notice of appeal. This action is 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.

A further class action regarding LIBOR has been filed in Argentina seeking damages for losses allegedly suffered by holders of Argentine bonds that calculated interest rates based on LIBOR. Deutsche Bank is defending this action.

#### *SIBOR and SOR.*

A putative class action alleging manipulation of the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR) remains pending. On 26 July 2019, the SDNY granted the defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank, and denied plaintiff's motion for leave to file a fourth amended complaint. Plaintiff appealed that decision to the U.S. Court of Appeals for the Second Circuit, and briefing of the appeal is complete.

#### *GBP LIBOR.*

A putative class action alleging manipulation of the Pound Sterling (GBP) LIBOR remains pending. On 21 December 2018, the SDNY partially granted defendants' motions to dismiss the action, dismissing all claims against Deutsche Bank. On 16 August 2019, the court denied plaintiffs' motion for partial reconsideration of the court's 21 December 2018 decision. Plaintiffs have filed a notice of appeal; the U.S. Court of Appeals for the Second Circuit has ordered that the appeal be held in abeyance pending that court's decision in the appeal of the SIBOR and SOR class action.

#### *CHF LIBOR.*

A putative class action alleging manipulation of the Swiss Franc (CHF) LIBOR remains pending. On 16 September 2019, the SDNY granted defendants' motion to dismiss the action, dismissing all claims against Deutsche Bank.

Plaintiffs have filed a notice of appeal; the U.S. Court of Appeals for the Second Circuit has ordered that the appeal be held in abeyance pending that court's decision in the appeal of the SIBOR and SOR class action.

#### *CDOR.*

A putative class action alleging manipulation of the Canadian Dealer Offered Rate (CDOR) was filed in the SDNY. On 14 March 2019, the court granted defendants' motions to dismiss the amended complaint, dismissing all claims against Deutsche Bank. Plaintiff filed a notice of appeal. On 25 July 2019, the plaintiff stipulated to the withdrawal of its appeal. Accordingly, the action is not included in the total number of actions above.

### 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 alleged 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, which the defendants moved to dismiss. On 13 February 2020, the court partially granted the motion to dismiss the second amended complaint, with certain claims against Deutsche Bank remaining.

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

On 22 August 2019, Deutsche Bank reached a settlement with the U.S. Securities and Exchange Commission (SEC) to resolve its investigation into the Bank's hiring practices related to candidates referred by clients, potential clients and government officials. The Bank agreed to pay U.S. \$ 16 million as part of the settlement. The U.S. Department of Justice (DOJ) has closed its investigation of the Bank regarding its hiring practices. Certain regulators and law enforcement authorities in various jurisdictions, including the SEC 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 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.

### Jeffrey Epstein Investigations

Deutsche Bank has received requests for information from regulatory and law enforcement agencies concerning the Bank's former client relationship with Jeffrey Epstein (individually, and through related parties and entities). In December 2018, Deutsche Bank began the process to terminate its relationship with Epstein, which began in August 2013. Deutsche Bank has provided information to and otherwise cooperated with the investigating agencies. The Bank has also completed an internal investigation into the Epstein relationship.

On July 7, 2020, the New York State Department of Financial Services (DFS) issued a Consent Order, finding that Deutsche Bank violated New York State banking laws in connection with its relationships with three former Deutsche Bank clients, Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank, and imposing a \$150 million civil penalty in connection with these three former relationships.

On July 15, 2020, Deutsche Bank was named as a defendant in a securities class action filed in the U.S. District Court for the District of New Jersey, alleging that the Bank made material misrepresentations regarding the effectiveness of its AML controls and related remediation. The complaint cites allegations regarding control deficiencies raised in the DFS Consent Order related to the Bank's relationships with Danske Bank's Estonia branch, Jeffrey Epstein and FBME Bank. The case is in its early stages.

The Group has not established a provision or contingent liability with respect to the Danske Bank Estonia investigations and civil action, other than for the above-referenced \$150 million civil penalty relating to Danske Bank's Estonia branch and the other former relationships that were the subject of the DFS Consent Order. The remaining investigations relating to Jeffrey Epstein are ongoing.

### 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. This oral hearing was held on 22 October 2019. On 31 October 2019, the Federal Supreme Court confirmed the acquittals in the Kirch criminal proceedings.

After the Federal Supreme Court's judgement of 31 October 2019, the other investigations by the public prosecutor (which also deal with attempted litigation fraud in the Kirch civil proceedings) were terminated.

#### 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 %, 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).

## 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 settled in December 2018 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.

On 8 November 2019, the Milan court issued its verdicts, finding five former employees and one current employee of Deutsche Bank guilty and sentencing them to either 3 years and 6 months or 4 years and 8 months. Deutsche Bank was found liable under Italian Legislative Decree n. 231/2001 and the court ordered the seizure of alleged profits of € 64.9 million and a fine of € 3 million. The Court also found Deutsche Bank has civil vicarious liability for damages (to be quantified by the civil court) as an employer of the current and former employees who were convicted. The sentences and fines are not due until the conclusion of any appeal process. The reasons for the verdict are due to be provided in the first week of May 2020 and the parties then have 45 days to file an appeal.

On 8 November 2019, the Milan court issued its verdicts, finding five former employees and one current employee of Deutsche Bank guilty and sentencing them to either 3 years and 6 months or 4 years and 8 months. Deutsche Bank was found liable under Italian Legislative Decree n. 231/2001 and the court ordered the seizure of alleged profits of € 64.9 million and a fine of € 3 million. The Court also found Deutsche Bank has civil vicarious liability for damages (to be quantified by the civil court) as an employer of the current and former employees who were convicted. The sentences and fines are not due until the conclusion of any appeal process. The reasons for the verdict are due to be provided in the first week of May 2020 but may be delayed due to the COVID-19 pandemic-related shutdown of Italian courts. The parties then have until the end of September to file an appeal.

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 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. As a result of the COVID-19 pandemic, the final hearing of the appeal, has been postponed and is expected to be fixed for autumn this year.

## 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**"), 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 fully cooperated 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 US\$ 3.1 billion and provided US\$ 4.1 billion in consumer relief. DOJ appointed an independent monitor to oversee and validate the provision of 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 US\$ 15 million in cash and US\$ 80 million in consumer relief (to be allocated from the overall US\$ 4.1 billion consumer relief obligation agreed to as part of Deutsche Bank's settlement with the DOJ).

On July 8, 2020, the DOJ-appointed monitor released his final report, validating that Deutsche Bank has fulfilled its US\$ 4.1 billion consumer relief obligations in its entirety, inclusive of the US\$ 80 million commitment to the State of Maryland. *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 US\$ 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. FHFA filed its appeal on 28 June 2019.

Deutsche Bank was or 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 US\$ 213 million in damages against all defendants), (b) Guaranty Bank (alleging no less than US\$ 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 2 July 2019, the parties executed a settlement agreement to resolve the claims relating to the one RMBS offering for which Deutsche Bank is an underwriter defendant. Deutsche Bank did not make a monetary contribution to the settlement. In the case concerning Guaranty Bank, on 5 November 2019, the parties executed a settlement agreement to resolve the claims against Deutsche Bank, and the court dismissed the action on 21 November 2019. 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. On 18 October 2019, defendants' motion to dismiss was denied.

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. On 8 July 2019, plaintiff filed its opening appellate brief. On 19 November 2019, the appellate court affirmed the dismissal. On 19 December 2019, plaintiff filed a motion to appeal to the New York Court of Appeals, which was denied on 13 February 2020. On 16 March 2020, plaintiff filed a motion for leave to appeal in the New York Court of Appeals, which is pending.

Deutsche Bank is a defendant in cases concerning two RMBS trusts that were 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 March 28, 2018. Plaintiff appealed the dismissals. On 25 April 2019, the First Department affirmed the dismissals on claims for breach of representations and warranties and for breach of the implied covenant of good faith and fair dealing, but reversed the denial of the motions for leave to file amended complaints alleging failure to notify the trustee of alleged representations and warranty breaches. HSBC filed amended complaints on 30 April 2019, and Deutsche Bank filed its answers on 3 June 2019. Discovery is ongoing. On 25 October 2019, plaintiffs filed two complaints seeking to revive, under Section 205(a) of the New York Civil Practice Law and Rules, the breach of representations and warranties claims as to which dismissal was affirmed in the case concerning ACE 2006-FM1. On 16 December 2019, Deutsche Bank moved to dismiss these actions.

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, 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. Two other putative class actions, brought by Royal Park Investments SA/NV in the U.S. District Court for the Southern District of New York, have also been settled, and the court dismissed both actions with prejudice on 10 June 2019.

Deutsche Bank is currently a defendant in four separate civil lawsuits, all of which involve direct claims.

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; on 15 October 2019, NCUA's motion for leave to amend its complaint was granted, and Deutsche Bank's motion to dismiss the amended complaint was granted in part and denied in part, dismissing NCUA's tort claims but preserving its



breach-of-contract claims. In the Phoenix Light case and Commerzbank case, on 7 December 2018 the parties filed motions for summary judgment, which have been fully briefed as of 9 March 2019. 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. Discovery is ongoing.

The Group has established contingent liabilities 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.

#### 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 called a number of witnesses in both cases to be heard in several hearings from 30 October 2019 onwards. These evidentiary hearings are still ongoing. 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 produced by Deutsche Bank in accordance with these orders 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 produced the indenture for a mandatory exchangeable bond dated 25 February 2009 as well as a pledge agreement dated 30 December 2008. By order dated 17 September 2019, the Higher Regional Court ordered that the transaction documents produced to the court in May 2019 shall also be provided to the court in the original by 7 October 2019. Deutsche Bank has therefore deposited the originals of the aforementioned transaction documents with the court on 2 October 2019.

Stefan Krause, a former Deutsche Bank Management Board member, whose testimony the plaintiffs had requested, 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 criminal conduct in connection with the takeover offer and the court proceedings relating thereto. 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 was not a party to the proceedings concerning Stefan Krause's right to refuse testimony.

Former Deutsche Bank Management Board members Dr. Josef Ackermann, Rainer Neske and Frank Strauss also informed the Higher Regional Court Cologne, in August, September and October 2019, respectively, that they each invoke the right not to give testimony because of the aforementioned criminal complaint. In November 2019 and January 2020, respectively, the Higher Regional Court Cologne confirmed in separate interim proceedings (*Zwischenverfahren*) – in which Deutsche Bank was not a party – by a non-appealable decision the right to refuse to give testimony in each of these cases.

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 (actions for avoidance). 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. On May 15, 2020 DB Privat- und Firmenkundenbank AG (legal successor of Postbank due to a merger in 2018) was merged into Deutsche Bank AG. On July 3, 2020 Deutsche Bank AG withdrew the appeal as regards the actions for avoidance because efforts and costs to pursue this appeal became disproportionate to the minor remaining economic importance of the case considering that the 2015 squeeze-out cannot be reversed. As a consequence, the first instance judgement which found that Postbank violated the information rights of its shareholders in the shareholders' meeting has now become final.

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 applicants in the appraisal proceedings claim that a potential obligation of Deutsche Bank to make a mandatory takeover offer for Postbank at an offer price of € 57.25 should be decisive when determining the adequate cash compensation in the appraisal proceedings. The Regional Court Cologne had originally followed this legal view of the applicants in two resolutions. In a decision dated June 2019, the Regional Court Cologne expressly gave up this legal view in the appraisal proceedings in connection with execution of a domination and profit and loss transfer agreement. According to this decision, the question whether Deutsche Bank was obliged to make a mandatory offer for all Postbank shares prior to its voluntary takeover offer in 2010 shall not be relevant for determining the appropriate cash compensation. It is likely that the Regional Court Cologne will take the same legal position in the appraisal proceedings in connection with the squeeze-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 has cooperated with these investigations. On 29 January 2018, Deutsche Bank entered into a US\$ 30 million settlement with the U.S. Commodity Futures Trading Commission ("**CFTC**") concerning spoofing, and manipulation and attempted manipulation in precious metals futures and of stop loss orders.

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. Deutsche Bank has reached agreements to settle the Gold action for US\$ 60 million and the Silver action for U.S. \$ 38 million, which remain subject to final court approval.

In addition, Deutsche Bank was 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 reached agreements to settle these actions which were approved by the Ontario court on 29 May 2019 and the Quebec court on 17 June 2019, and the actions have been dismissed against Deutsche Bank. 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 5 March 2020, the German local tax authorities issued a liability notice in the amount of € 10.7 million related to withholding tax certificates issued by Deutsche Bank AG, which Deutsche Bank AG did not contest. On 6 April 2020, Deutsche Bank AG made the requested € 10.7 million payment.

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 US\$ 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 its offshore trust business. The Bank has cooperated in the investigation, as has been publicly acknowledged by the Frankfurt Public Prosecutor's Office. The Bank has also cooperated with other requests for information from regulatory and law enforcement agencies that followed on 29 November 2018 search warrant in Frankfurt.

In December 2019, the Frankfurt public prosecutor's office closed investigations into the two employees due to lack of sufficient suspicion in accordance with paragraph 170 (2) of the German Code of Criminal Procedure. This step means that the allegations of aiding and abetting tax evasion and of money laundering that were made against the employees and the Bank have been dropped. At the same time, Deutsche Bank accepted in a separate regulatory fining proceeding a fine of € 5 million as well as the confiscation of avoided expenses in the amount of € 10 million, payable as a result of shortcomings in its control environment in the past.

#### 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 US\$ 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 US\$ 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.

#### 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 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 US\$ 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 2017 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 a consolidated putative class action 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. In October 2019, the court granted defendants' motion to dismiss plaintiffs' consolidated amended complaint without prejudice. In December 2019, plaintiffs filed a Second Amended Complaint, which defendants moved to dismiss on 21 February 2020.

Deutsche Bank was also 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; on 3 September 2019, the court denied a motion to dismiss the complaint. Deutsche Bank has reached an agreement to settle the class actions for the amount of US\$ 15 million, which amount was already fully reflected in existing litigation reserves and no additional provision was taken for this settlement amount. The court granted preliminary approval over the settlement on 29 October 2019, supported by an opinion issued 8 November 2019. The court held a final fairness hearing on June 9, 2020. On June 18, 2020, the court entered final judgement approving the class action settlement with Deutsche Bank and separately as to the class action

settlements with the other defendants which will result in a total of US\$ 386.5 million paid to the settlement class. A separate action was filed in the U.S. District Court for the Middle District of Louisiana on 23 September 2019, which was dismissed with prejudice as to Deutsche Bank by stipulation of the parties on 30 October 2019.

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. The Regional Court Frankfurt am Main fully dismissed the claim on 26 July 2019. The plaintiff has appealed this decision to the Higher Regional Court Frankfurt am Main.

#### US 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.

On June 18, 2020, the CFTC entered an order pursuant to settlement with Deutsche Bank Securities Inc. for alleged spoofing by two Tokyo-based traders between January and December 2013. Without admitting or denying the findings or conclusions therein, Deutsche Bank consented to the entry of the order, including a civil monetary fine of \$1,250,000.

Following this settlement, three separate putative class actions were filed in the Northern District of Illinois against Deutsche Bank AG and Deutsche Bank Securities Inc. The cases allege that Deutsche Bank and other unnamed entities participated in a scheme from January to December 2013 to spoof the market for Treasuries futures and options contracts and Eurodollars futures and options contracts. Deutsche Bank has not yet been served in these cases and there is not yet a briefing schedule for Rule 12 motions.

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 amount claimed ranged between € 757 million and € 837 million, plus compound interest. The trial commenced on 8 May 2019 and was scheduled to finish on 18 July 2019. On 12 July 2019, the parties agreed a full and final settlement of all claims between them, which included a payment from Deutsche Bank of € 175 million to Vestia on a no-admissions basis.

### **Statement of no Significant Change in Financial Position**

There has been no significant change in the financial position of Deutsche Bank Group since 30 June 2020.

### **REGULATORY DISCLOSURES**

The following table provides a summary of the information disclosed under Regulation (EU) No. 596/2014 over the last 12 months and which is relevant as at the date of this Registration Document:

<b>Date of disclosure</b>	<b>Type of information</b>	<b>Topic</b>
7 July 2019	Ad-hoc Release	Deutsche Bank outlines significant strategic transformation and restructuring plans
10 February 2020	Ad-hoc Release	Deutsche Bank to issue Additional Tier 1 capital
26 April 2020	Ad-hoc Release	Deutsche Bank announces results for the first quarter 2020 above market expectations. Outlook for full year 2020 updated
11 May 2020	Ad-hoc Release	Deutsche Bank launches Tier 2 issuance and announces public tender offer for senior non-preferred debt
21 July 2020	Ad-hoc Release	Deutsche Bank updates Common Equity Tier 1 ratio

### **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 within the past two years.

### **DOCUMENTS AVAILABLE**

As long as this Registration Document is valid, the following documents will be available in the Investor Relations section of Deutsche Bank's website ([https://www.db.com/ir/index\\_en.htm](https://www.db.com/ir/index_en.htm)):

- (a) the current Articles of Association (with an English translation where applicable) of the Issuer; and
- (b) the Annual Report of the Issuer as of 31 December 2019 (English language version)
- (c) the Earnings Report of the Issuer as of 31 March 2020 (English language version).
- (d) the Interim Report of the Issuer as of 30 June 2020 (English language version).

### **INFORMATION INCORPORATED BY REFERENCE**

The following documents which have previously been published and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Registration Document (the "**Document Incorporated by Reference**") to the extent set out in the paragraph entitled "*Cross-Reference List of Document Incorporated by Reference*" below:

- the English language version of the Annual Report of the Issuer as of 31 December 2019 (<http://dl.bourse.lu/dlp/10c73664e72329402191acbcab4ae9778>);

- the English language version of the Earnings Report of the Issuer as of 31 March 2020 (<http://dl.bourse.lu/dlp/10e89c439a07bc44efb54a4f9360869882>);
- the English language version of the Interim Report of the Issuer as of 30 June 2020 (<http://dl.bourse.lu/dlp/102fe94a74e2cc4a0692c82623eeae649a>);

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any such subsequent document which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Document. For the avoidance of doubt, the content of any website referred to in this Registration Document does not form part of this Registration Document. Copies of all documents incorporated by reference in this Registration Document will also be available in electronic form on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.db.com](http://www.db.com) under "Investor Relations", "Credit Information", "Prospectuses", "Registration Documents").

### **Cross-Reference List of Documents Incorporated by Reference**

On page 46 in the subsection "Financial Information concerning Deutsche Bank's Assets and Liabilities, Financial Position and Profits and Losses – Financial Statements" reference is made to Deutsche Bank's consolidated financial statements for the financial year 2019 (as included in the Annual Report 2019 of the Issuer as of 31 December 2019), the unaudited consolidated interim financial information of the Issuer for the three months ended 31 March 2020 (as included in the Earnings Report of the Issuer as of 31 March 2020) and the unaudited consolidated interim financial information of the Issuer for the six months ended 30 June 2020 (as included in the Interim Report of the Issuer as of 30 June 2020).

(4) *The following information is set forth in the Annual Report of the Issuer as of 31 December 2019:*

	Page(s)
<b>Audited Consolidated Financial Statements 2019</b>	
Consolidated Statement of Income	<b>224</b>
Consolidated Statement of Comprehensive Income	<b>225</b>
Consolidated Balance Sheet	<b>226</b>
Consolidated Statement of Changes in Equity	<b>227 - 232</b>
Consolidated Statement of Cash Flows	<b>233 - 234</b>
Notes to the Consolidated Financial Statements	<b>235 - 273</b>
Notes to the Consolidated Income Statement	<b>274 - 280</b>
Notes to the Consolidated Balance Sheet	<b>281 - 336</b>
Additional Notes	<b>337 - 395</b>
Independent Auditor's Report	<b>396 - 403</b>
<b>Alternative Performance Measures</b>	
Supplementary Information (unaudited) – Non-GAAP Financial Measures	<b>431 - 439</b>
Risk and Capital Performance – Capital, Leverage Ratio, TLAC and MREL	<b>97 - 110</b>

*The following information is set forth in the Earnings Report of the Issuer for the three months ended 31 March 2020:*



	Page(s)
<b>Unaudited Consolidated Interim Financial Information Q1 2020</b>	
Consolidated Balance Sheet	<b>14 - 15</b>
Consolidated Statement of Comprehensive Income (unaudited)	<b>39</b>
<b>Alternative Performance Measures</b>	
Non-GAAP Financial Measures	<b>40 - 46</b>

*The following information is set forth in the Interim Report of the Issuer for the six months ended 30 June 2020:*

	Page(s)
<b>Unaudited Consolidated Interim Financial Information Q2 2020</b>	
Income statement	<b>42</b>
Earnings per common share	<b>43</b>
Consolidated statement of comprehensive income	<b>43</b>
Consolidated balance sheet	<b>44</b>
Consolidated statement of changes in equity	<b>45 - 48</b>
Consolidated statement of cash flows	<b>49 - 50</b>
Basis of preparation/impact of changes in accounting principles	<b>51 - 54</b>
Information on the consolidated income statement	<b>61 - 64</b>
Information on the consolidated balance sheet	<b>65 - 84</b>
Review report	<b>88</b>
<b>Alternative Performance Measures</b>	
Non-GAAP Financial Measures	<b>90 - 99</b>

Any other information referred to in the Document Incorporated by Reference that is not included in the cross-reference list above is either not relevant for an investor or is covered elsewhere in this Registration Document and shall therefore not be deemed to be included in this Registration Document.

**APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129**

<b>Key information on the Issuer</b>
<b>Who is the Issuer of the Securities?</b>
<b>Domicile and legal form, law under which the Issuer operates and country of incorporation</b>  Deutsche Bank Aktiengesellschaft (commercial name: Deutsche Bank) is a banking institution and a stock corporation incorporated in Germany and accordingly operates in accordance with Germany law. The Legal Entity Identifier (LEI) of Deutsche Bank is 7LTWFZYICNSX8D621K86. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main, Germany
<b>Issuer's principal activities</b>  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 is organized into the following segments:  — Corporate Bank (CB);  — Investment Bank (IB);  — Private Bank (PB);  — Asset Management (AM);  — Capital Release Unit (CRU); and  — Corporate & Other (C&O).  In addition, Deutsche Bank has a country and regional organizational layer to facilitate a consistent implementation of global strategies.  The Bank has operations or dealings with existing and potential customers in most countries in the world. These operations and dealings include working through:  — 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.
<b>Major shareholders, including whether it is directly or indirectly owned or controlled and by whom</b>

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 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 the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) 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.

### Key managing directors

**The key managing directors of the issuer are members of the issuer's Executive Board. These are:** Christian Sewing, Karl von Rohr, Fabrizio Campelli, Frank Kuhnke, Bernd Leukert, Stuart Wilson Lewis, James von Moltke, Alexander von zur Mühlen, Christiana Riley and Prof. Dr. Stefan Simon.

### Statutory auditors

Until 31 December 2019, the independent auditor for the period covered by the historical financial information of Deutsche Bank is KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG"). KPMG is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*). With effect as of 1 January 2020, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") has been appointed as independent auditor. EY is a member of the chamber of public accountants (*Wirtschaftsprüferkammer*).

### What is the key financial information regarding the Issuer?

The key financial information included in the tables below as of and for the financial years ended 31 December 2018 and 31 December 2019 has been extracted from the audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2019. The key financial information included in the tables below as of 30 June 2020 and for the six months ended 30 June 2020 and 30 June 2019 has been extracted from the unaudited consolidated interim financial information as of 30 June 2020.

Statement of income (in million Euro)	Six months ending 30 June 2020 (unaudited)	Year ending 31 December 2019	Six months ending 30 June 2019 (unaudited)	Year ending 31 December 2018
Net interest income	6,345	13,749	7,028	13,316 <sup>3</sup>
Commissions and fee income	4,666	9,520	4,865	10,039
Provision for credit losses	1,267	723	301	525

<sup>3</sup> As adjusted as of 31 March 2020.

Net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,097	193	887	1,209 <sup>4</sup>
Profit (loss) before income taxes	364	(2,634)	(654)	1,330
Profit (loss)	126	(5,265)	(2,949)	341

Balance sheet (amounts in million Euro)	30 June 2020 (unaudited)	31 December 2019	31 December 2018
Total assets	1,407,296	1,297,674	1,348,137
Senior debt	99,052	101,187	108,389
Subordinated debt	6,066	6,934	6,717
Loans at amortized cost	437,014	429,841	400,297
Deposits	572,963	572,208	564,405
Total equity	62,817	62,160	68,737
Common Equity Tier 1 capital ratio	13.3 %	13.6 %	13.6 %
Total capital ratio (fully loaded)	17.0%	17.4 %	17.5 %
Leverage ratio (fully loaded)	4.2%	4.2 %	4.1 %

#### What are the key risks that are specific to the Issuer?

The Issuer is subject to the following key risks:

**Macroeconomic, Geopolitical and Market Environment:** As a global investment bank with a large private client franchise, our businesses are materially affected by global macroeconomic and financial market conditions. Significant risks exist that could negatively affect the results of operations and financial condition in some of our businesses as well as our 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 and geopolitical risks. Also, as a result of the risks posed by the COVID 19 pandemic, we may be materially adversely affected by a protracted downturn in local, regional or global economic conditions.

<sup>4</sup> As adjusted as of 31 March 2020.

**Business and Strategy:** Our results of operation and financial condition continue to be negatively impacted by the challenging market environment, uncertain macroeconomic and geopolitical conditions, lower levels of client activity, increased competition and regulation, and the immediate impact of our strategic decisions. If we are unable to improve our profitability as we continue to face these headwinds, we may be unable to meet many of our strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage at levels expected by market participants and our regulators.

**Regulation and Supervision:** 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 us and may adversely affect our business and ability to execute our strategic plans. Competent regulators may prohibit us from making dividend payments or payments on our regulatory capital instruments or take other actions if we fail to comply with regulatory requirements.

**Increased Capital Requirements:** Regulatory and legislative changes require us to maintain increased capital and bail-inable debt (debt that can be bailed in in resolution) and abide by tightened liquidity requirements. These requirements may significantly affect our business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that we may be unable to meet our capital or liquidity requirements with an adequate buffer, or that we 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 our business and results.

**Internal Control Environment:** 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 we conduct our business in compliance with the laws, regulations and associated supervisory expectations applicable to us. We have identified the need to strengthen our internal control environment and infrastructure and have embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, our reputation, regulatory position and financial condition may be materially adversely affected, and our ability to achieve our strategic ambitions may be impaired.

**Litigation, Regulatory Enforcement Matters and Investigations:** We operate in a highly and increasingly regulated and litigious environment, potentially exposing us 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. We and our subsidiaries are involved in various litigation proceedings, including civil class action lawsuits, arbitration proceedings and other disputes with third parties, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world.