



**FIRST SUPPLEMENT DATED 8 AUGUST 2017  
TO THE BASE PROSPECTUS DATED 22 JUNE 2017**

## **Deutsche Bank Aktiengesellschaft**

(Frankfurt am Main, Germany)

### **Euro 80,000,000,000 Debt Issuance Programme**

This document constitutes a supplement (the "**Supplement**") to the base prospectus dated 22 June 2017 (the "**Prospectus**") for the purpose of article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended (the "**Law**"), and is prepared in connection with the EUR 80,000,000,000 Debt Issuance Programme (the "**Programme**") established by Deutsche Bank Aktiengesellschaft (the "**Issuer**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and all documents incorporated by reference in the Prospectus.

The purpose of this Supplement is to incorporate by reference into the Prospectus the figures of the interim report as of 30 June 2017 as published on 27 July 2017 (the "**Q2 Interim Report**"), to amend other disclosure relating to the Issuer and to make an amendment to the Annexes to the Terms and Conditions.

The Issuer accepts responsibility for the information contained in this Supplement (including any information incorporated by reference in the Prospectus 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 Prospectus 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 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/ir](http://www.db.com/ir)).

**Any investor who may wish to exercise any withdrawal right arising pursuant to Article 13 paragraph 2 of the Law as a result of the publication of this Supplement must exercise that right on or before 10 August 2017.**

The Issuer has requested the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to provide the competent authorities in Austria, Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland, with a certificate of approval (a "**Notification**") attesting that this Supplement has been drawn up in accordance with the Law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

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## A. Interim Report as of 30 June 2017

On 27 July 2017, the Issuer published its Q2 Interim Report.

Accordingly, the Prospectus shall be amended as follows:

### I. SUMMARY

1. The section on "Selected historical key financial information" on pages 11 and 12 of the Prospectus in Element B.12 of the Summary shall be replaced by the following:

"The following table shows an overview from the balance sheet of Deutsche Bank AG which has been extracted from the respective audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2015 and 31 December 2016 as well as from the unaudited consolidated interim financial statements as of 30 June 2016 and 30 June 2017.

	31 December 2015 (IFRS, audited)	30 June 2016 (IFRS, unaudited)	31 December 2016 (IFRS, audited)	30 June 2017 (IFRS, unaudited)
Share capital (in EUR)	3,530,939,215.36	3,530,939,215.36	3,530,939,215.36	5,290,939,215.36*
Number of ordinary shares	1,379,273,131	1,379,273,131	1,379,273,131	2,066,773,131*
Total assets (in million Euro)	1,629,130	1,803,290	1,590,546	1,568,734
Total liabilities (in million Euro)	1,561,506	1,736,481	1,525,727	1,497,524
Total equity (in million Euro)	67,624	66,809	64,819	71,210
Common Equity Tier 1 capital ratio <sup>1</sup>	13.2%	12.2%	13.4%	14.9% <sup>2,4</sup>
Tier 1 capital ratio <sup>1</sup>	14.7%	14.0%	15.6%	17.3% <sup>3,4</sup>

\* Source: Issuer's website under <https://www.db.com/ir/en/share-information.htm>; date: 1 August 2017.

<sup>1</sup> Capital ratios are based upon transitional rules of the CRR/CRD 4 capital framework.

<sup>2</sup> The Common Equity Tier 1 capital ratio as of 30 June 2017 on the basis of CRR/CRD 4 fully loaded was 14.1% (pro-forma basis, see Footnote 4).

<sup>3</sup> The Tier 1 capital ratio as of 30 June 2017 on the basis of CRR/CRD 4 fully loaded was 15.4% (pro-forma basis, see Footnote 4).

<sup>4</sup> Regulatory capital and related capital and leverage ratios as of 30 June 2017 are presented on a pro-forma basis to reflect the € 8 billion gross proceeds of the capital raise completed in April 2017, the inclusion of which the ECB formally approved on 26 July 2017. "

2. The section on "Significant changes in the financial or trading position" on page 12 of the Prospectus in Element B.12 of the Summary shall be replaced by the following:

"Not applicable. There has been no significant change in the financial position or trading position of Deutsche Bank since 30 June 2017."

## II. DESCRIPTION OF THE ISSUER

1. At the end of the subsection "FINANCIAL INFORMATION CONCERNING DEUTSCHE BANK'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES – *Interim Financial Information*" on page 89 of the Prospectus, the following text shall be added:

"The unaudited consolidated interim financial information set forth in the Q2 Interim Report of the Issuer for the three months ended 30 June 2017 is incorporated by reference in, and forms part of, this Prospectus (see the section "DOCUMENTS INCORPORATED BY REFERENCE")."

2. The text of the subsection "FINANCIAL INFORMATION CONCERNING DEUTSCHE BANK'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES – Significant Change in Deutsche Bank Group's Financial Position" on page 103 of the Prospectus shall be replaced by the following:

"There has been no significant change in the financial position of Deutsche Bank Group since 30 June 2017."

## III. DOCUMENTS ON DISPLAY

On page 931 of the Prospectus the text of bullet point (c) shall be replaced by the following text:

- "(c) the interim reports of the Issuer for the three months ended 31 March 2017 and the six months ended 30 June 2017 (in German language and each with an English language translation thereof);

## IV. DOCUMENTS INCORPORATED BY REFERENCE

1. On page 932 of the Prospectus in the subsection "Documents Incorporated by Reference" the bullet points (g) and (h) shall be replaced by the following bullet points (g), (h) and (i):

- "(g) the First Supplement to the 2016 Prospectus dated 13 July 2016 (the "**First Supplement**");
- (h) the Tenth Supplement to the 2016 Prospectus dated 16 February 2017 (the "**Tenth Supplement**"); and
- (i) the Q2 Interim Report of the Issuer for the six months ended 30 June 2017."

2. The following text shall be added on page 932 of the Prospectus as the first paragraph of the subsection "Cross-Reference List of Documents Incorporated by Reference":

"Pages 81 – Description of the Issuer – Trend Information – Outlook: reference is made to the Q2 Interim Report of the Issuer for the six months ended 30 June 2017."

3. The following text shall be added on page 932 of the Prospectus after the second paragraph of the subsection "Cross-Reference List of Documents Incorporated by Reference" (relating to the Q1 Interim Report of the Issuer):

"Page 89 – Description of the Issuer – Interim Financial Information: reference is made to the Q2 Interim Report of the Issuer for the six months ended 30 June 2017."

4. The following subsection (3a) shall be added on page 934 of the Prospectus after subsection (3) of the subsection "Cross-Reference List of Documents Incorporated by Reference":

- "(3a) *The following information is set forth in the Q2 Interim Report of the Issuer for the six months ended 30 June 2017:*

	Page(s)
<b>Unaudited Consolidated Interim Financial Information Q2 2017</b>	
Review Report	106
Consolidated Statement of Income (unaudited)	57
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**B. Amendments of other Disclosure Relating to the Issuer**

**I. SUMMARY**

1. In the subsection "Known trends affecting the Issuer and the industries in which it operates" on page 11 of the Prospectus in Element B.4b of the Summary the text in the right column shall be replaced by the following:

"With the exception of the effects of the macroeconomic conditions and market environment, litigation risks associated with the financial markets crisis as well as the effects of legislation and regulations applicable to financial institutions in Germany and the European Union, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects in its current financial year."

2. In the subsection "Issuer's principal activities" on pages 12 and 13 of the Prospectus in Element B.15 of the Summary the text in the right column shall be replaced by the following:

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

- Corporate & Investment Bank (CIB);
- Deutsche Asset Management (Deutsche AM); and
- Private & Commercial Bank (PCB).

The three corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank Group has a regional management function that covers regional responsibilities worldwide.

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

- subsidiaries and branches in many countries;
  - representative offices in other countries; and
  - one or more representatives assigned to serve customers in a large number of additional countries."
3. In the subsection "Key information on the key risks that are specific to the Issuer" on pages 26 to 30 of the Prospectus in Element D.2 of the Summary the text of the second bullet point shall be replaced by the following:

"- Deutsche Bank's results of operation and financial condition, in particular those of its Global Markets business, continue to be negatively impacted by the challenging market environment, unfavourable macro-economic and geopolitical conditions, lower client activities, increased competition and regulation, and the immediate impacts resulting from Deutsche Bank's strategic decisions as Deutsche Bank makes progress on the implementation of its strategy. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds as well as persistently high litigation costs, Deutsche Bank may be unable to meet many of its strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage ratios at levels expected by market participants and Deutsche Bank's regulators."

## **II. RISK FACTORS – RISK FACTORS IN RESPECT OF THE ISSUER**

The text of the second bullet point in the subsection "Factors that May Adversely Affect Deutsche Bank's Financial Strength" on page 41 of the Prospectus shall be replaced by the following:

"- Deutsche Bank's results of operation and financial condition, in particular those of its Global Markets business, continue to be negatively impacted by the challenging market environment, unfavourable macro-economic and geopolitical conditions, lower client activities, increased competition and regulation, and the immediate impacts resulting from Deutsche Bank's strategic decisions as Deutsche Bank makes progress on the implementation of its strategy. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds as well as persistently high litigation costs, Deutsche Bank may be unable to meet many of its strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage ratios at levels expected by market participants and Deutsche Bank's regulators."

### III. DESCRIPTION OF THE ISSUER –BUSINESS OVERVIEW

The text of the subsection "BUSINESS OVERVIEW" on pages 76 to 77 of the Prospectus shall be replaced by the following:

#### "BUSINESS OVERVIEW

##### *Principal activities*

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

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

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

- Corporate & Investment Bank (CIB);
- Deutsche Asset Management (Deutsche AM); and
- Private & Commercial Bank (PCB).

The three corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank Group has a regional management function that covers regional responsibilities worldwide.

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

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

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

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

Corporate & Investment Bank combines the Corporate Finance, Global Markets and Global Transaction Banking business.

Corporate Finance is responsible for mergers and acquisitions (M&A) as well as debt and equity advisory and origination. Regional, industry-focused coverage teams ensure the delivery of the entire range of financial products and services to the Bank's corporate clients.

The Global Markets business includes the sales, trading and structuring of a wide range of financial markets products. This incorporates Debt Trading, including FX, Rates, Credit, Structured Finance and Emerging Markets; Equities and equity-linked products; exchange-traded and over-the-counter derivatives and money market and securitised instruments. Coverage of institutional clients is provided by the Institutional Client Group, while Research

provides analysis of markets, products and trading strategies for clients.

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

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

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

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

Private & Commercial Bank includes the Postbank business, Deutsche Bank's German Private & Commercial Clients business, the global Wealth Management business and the Private & Commercial Clients International business. This division provides the full range of banking, insurance and investment products to retail clients, high net-worth clients, as well as small and medium-sized businesses.

#### **Principal Markets**

Deutsche Bank Group operates in approximately 60 countries out of approximately 2,500 branches worldwide, of which approximately 1,600 are in Germany. Deutsche Bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world."

#### **IV. DESCRIPTION OF THE ISSUER – TREND INFORMATION**

The text of the subsection " *Outlook*" on pages 81 to 85 of the Prospectus shall be replaced by the following:

"As part of its updated strategy communication in March 2017, Deutsche Bank has adjusted the composition and the characteristics of its most important financial targets. Deutsche Bank aims to achieve its adjusted cost targets by 2018 and 2021 respectively and its remaining key performance indicators in the long-term, consistent with a simpler and safer bank. These key performance indicators are shown in the table below.

<b>Group Key Performance Indicators</b>	<b>30 June 2017</b>	<b>Target Key Performance Indicators</b>
CRR/CRD 4 Common Equity Tier 1 capital ratio (fully loaded) <sup>1,4</sup>	14.1 % (pro-forma)	comfortably above 13.0 %
CRR/CRD 4 leverage ratio according to transitional rules (phase-in) <sup>4</sup>	4.2 % (pro-forma)	4.5 %
Post-tax Return on Average Tangible Equity <sup>2</sup>	3.2 %	approximately 10.0 %
Adjusted costs <sup>3</sup>	EUR 12.0 bn	2018: circa EUR 22 bn 2021: circa EUR 21 bn

<sup>1</sup> The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents Deutsche Bank's calculation of its Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4.



<sup>2</sup> Based on Net Income attributable to Deutsche Bank shareholders. Calculation is based on an effective tax rate of 39 % for six months ended 30 June 2017.

<sup>3</sup> Adjusted costs are noninterest expenses excluding impairment of goodwill and other intangible assets, litigation and restructuring and severance.

<sup>4</sup> Regulatory capital and related capital and leverage ratios as of 30 June 2017 are presented on a pro-forma basis to reflect the € 8 billion gross proceeds of the capital raise completed in April 2017, the inclusion of which the ECB formally approved on 26 July 2017.

The subsections "Other Information (unaudited) – Non-GAAP Financial Measures", "Risk Report – Risk and Capital Performance" and "Risk Report – Leverage Ratio" set forth in the Q2 Interim Report of the Issuer for the six months ended 30 June 2017 are incorporated by reference in, and form part of, this Prospectus (see the section entitled "Documents Incorporated by Reference").

Deutsche Bank expects its CRR/CRD 4 Common Equity Tier 1 capital ratio (fully loaded) to be at or above 13 % and its CRR/CRD 4 leverage ratio according to transitional rules (phase-in) to stay broadly at current levels by year-end 2017. Risk weighted assets (RWA) are expected to increase in the financial year 2017, notably from operational risk, methodology changes and selected business growth.

Revenues of Deutsche Bank's operating businesses are expected to be lower than last year. This reflects its expectation that market volatility and related client activity remain muted, whereas its macro outlook remains broadly positive. This comparison excludes the contributions of the significant businesses exits Abbey Life, PCS and HuaXia disposed of in 2016, as well as credit-spread driven Debt Valuation Adjustments and valuation of its own debt.

Deutsche Bank is committed to work towards its target of 10 % Post-tax Return on Average Tangible Equity, assuming a normalized revenue environment and on the basis of the achievement of its cost targets. The measures currently underway, and planned for implementation in 2017 and the following years, are key elements for reaching that target. However, given the continued burden, mainly from litigation and restructuring costs, Deutsche Bank currently expects only a moderate improvement of its Post-tax Return on Average Tangible Equity in 2017.

As part of the Group-wide cost reduction program, Deutsche Bank plans to complete its branch network optimization, deliver efficiencies through digitalization of processes and streamline the infrastructure functions to reduce headcount and cost. In parallel, Deutsche Bank plans to continue its investments in strengthening the control functions and the supporting infrastructure environment. Deutsche Bank is targeting approximately € 22 billion in adjusted costs in 2018, which includes Postbank's adjusted costs. Deutsche Bank targets a further reduction to approximately € 21 billion by 2021. In 2017, Deutsche Bank expects to see net cost reductions flow through from investments made last year, as well as from the impact of expected headcount reductions, and the successful completion of its NCOU disposals. Deutsche Bank plans to return to its normal compensation programs in 2017 after the Management Board decided for 2016 to substantially limit bonus payments. Overall, Deutsche Bank expects its adjusted costs to further decline in 2017 compared to 2016.

Deutsche Bank targets a competitive dividend payout ratio for the financial year 2018 and thereafter. If Deutsche Bank reports sufficient levels of distributable profits under its stand-alone financial statements in accordance with German accounting rules (HGB) for the fiscal year 2017, Deutsche Bank expects to recommend at least a dividend payment of € 0.11 per share for the fiscal year 2017.

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 continue to be challenging. Although in the first half of 2017 Deutsche Bank recorded virtually no litigation expense Deutsche Bank anticipates these expenses to be higher in the second half of 2017.

## The Business Segments

In accordance with Deutsche Bank's strategy announcement on 5 March 2017, Deutsche Bank reorganized its business operations under a new divisional structure comprising the divisions Corporate & Investment Bank (CIB), Private & Commercial Bank (PCB), and Deutsche Asset Management (Deutsche AM) in the second quarter of 2017. The following paragraphs contain the outlook of its business segments in that structure.

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

Deutsche Bank's Global Markets and existing Corporate & Investment Banking divisions have been combined into a new Corporate & Investment Bank division.

For full year 2017, Deutsche Bank expects Corporate & Investment Bank revenues to be slightly lower compared to full year 2016. Deutsche Bank expects Sales & Trading (FIC) revenues to be slightly lower. A supportive macroeconomic backdrop and stable credit fundamentals are expected to drive higher revenues from Credit products, whilst diverging monetary policies are expected to drive demand for Rates products. However, the low volatility environment experienced in the second quarter of 2017 may continue into the second half of the year and result in persistently lower client activity levels. Deutsche Bank expects Sales & Trading (Equity) revenues to be slightly lower year on year. Sluggish Cash Equity volumes may persist into the second half of the year. In addition low volatility may potentially impact client demand for Derivatives products. Deutsche Bank expects Financing revenues to be slightly lower year-on-year.

Deutsche Bank expects Origination & Advisory revenues to improve slightly with growth expected to come from its equity origination businesses, building on positive momentum seen at the beginning of the year, with debt origination and advisory staying broadly flat. In Global Transaction Banking, higher funding charge allocations, a persistently low interest rate environment in Europe and the strategic rationalization of its perimeter are expected to continue to weigh on revenues. For full year 2017, Deutsche Bank expects these to be lower compared to the prior year.

Deutsche Bank remains committed to reduce costs across CIB and drive platform efficiency while enhancing regulatory compliance, control and conduct. Deutsche Bank's adjusted cost base (excluding litigation, impairment of goodwill and intangibles, severance and restructuring) is trending slightly lower for the full year 2017, in part due to favourable FX movements. The new CIB division expects to achieve a reduction of its adjusted costs by 2018 through streamlining its infrastructure to achieve further efficiencies in the CIB front and middle office functions and the supporting infrastructure, without exiting whole business lines. Nonetheless, in the near term, Deutsche Bank expects to continue to face pressure on its returns as Deutsche Bank continues to experience RWA increases, mainly driven by Operational Risk RWA and methodology changes. Deutsche Bank will maintain its focus on regulatory compliance, know-your-client (KYC) and client on-boarding process enhancement, system stability and control and conduct.

Risks to outlook include the implementation of MiFID2 in 2018 and the potential impact on Deutsche Bank's business model of the exit process of the UK from the European Union. Uncertainty around central bank policies and ongoing regulatory developments also pose a risk, while challenges such as event risks and a slow-down in client activity may also impact financial markets. Despite this, Deutsche Bank believes that continued execution on the announced strategic priorities will position Deutsche Bank favourably to face potential challenges and capitalize on future opportunities.

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

The corporate division Private & Commercial Bank combines Deutsche Bank's business areas Private & Commercial Clients Germany, Private & Commercial Clients International, Postbank and Wealth Management.

Deutsche Bank's objective in this reorganized division with nearly 25 million clients is to provide a seamless client coverage while continuing its investments into digitalization to broaden the client base and to drive efficiencies. In

Germany, Deutsche Bank is targeting to be the leading German private and commercial bank by integrating the Private & Commercial Clients Germany and Postbank businesses. The improvement of their technology platform in Italy is one of the current objectives in their Private & Commercial Clients International business. In Wealth Management, Deutsche Bank will continue to follow its strategy which includes to invest in key growth markets, e.g. Asia, Americas and the Middle East as well as selected de-risking and transformation initiatives.

In Deutsche Bank's Private & Commercial Clients (PCC) businesses, Deutsche Bank expects a similar year-on-year decline as in 2016 in net interest income driven by lower deposit products, which continue to suffer from the low interest rate environment throughout 2017. PCC's commission and fee income is anticipated to be higher in 2017 after it had been negatively impacted by a turbulent market environment with low client activity in 2016. Excluding specific items like the sale of VISA Europe in 2016, Deutsche Bank expects total revenues in the PCC businesses to remain essentially flat despite the negative impact from the continued low interest rate environment. In its Postbank business, Deutsche Bank also expects that net interest income will continue to be negatively impacted by the low interest rate environment. The impact of lower interest rates on its deposit revenues will be reduced by growth in loan revenues in line with its strategy to selectively expand its loan book. Deutsche Bank expects commission and fee income to be higher in 2017 in light of its strengthened advisory approach and the revised pricing model for accounts. Postbank's remaining income is expected to be on a significantly lower level compared to 2016 mainly due to reduced asset disposal activities and the negative impact of the termination of a legacy Trust Preferred Security in 2017. Excluding these specific items, Deutsche Bank expects Postbank's total revenues to remain essentially flat compared to 2016 levels despite the negative impact of the low interest rate environment. Wealth Management business is expected to have higher revenues in 2017. The impact of the lower revenue base after the sale of the Private Client Services (PCS) unit in 2016 is expected to be more than compensated by gains from workout activities in the Sal. Oppenheim franchise. Excluding these items, Deutsche Bank expects revenues to be slightly higher supported by growth in its key regions in Germany and Asia Pacific. Excluding specific items mentioned above, Deutsche Bank expects PCB's total net revenues to remain essentially flat despite the negative impact from the continued low interest rate environment

In 2017 Deutsche Bank expects PCB's RWA to be slightly higher.

Deutsche Bank's loan loss provisions were low in 2016 following sales of selected portfolios. In 2017, Deutsche Bank expects loan loss provisions to be slightly lower, based on similar effects combined with a specific release in Postbank in the second quarter 2017.

In line with Deutsche Bank's strategy and its objectives of standardization and simplification, Deutsche Bank plans to continue to optimize its branch networks and to improve its efficiency, and thus expect the number of employees to further decline in 2017. The resulting decrease in compensation expenses combined with the deconsolidation impact from the sale of the PCS business in 2016 is expected to reduce Deutsche Bank's cost base. Inflation rate effects as well as continued investment spending (e.g. in digitalization) will partly counteract this. Deutsche Bank's noninterest expenses will also continue to be influenced by further transformation and integration measures, including measures which will be taken for the foreseen integration of its German retail operations.

Uncertainties around Deutsche Bank's performance in 2017 include slower economic growth in its main operating countries and higher than expected volatility in equity and credit markets, which could adversely affect investor risk appetite and asset flow as well as decline in interest rates globally. In addition, fierce competition, tighter regulatory requirements as well as delays in the execution of its strategic projects could negatively impact both its revenue generating capacity and its cost base.

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

In Deutsche Asset Management, the outlook centers around the potential market impacts of initial Brexit negotiations, policy developments in the U.S., and China's response to mounting corporate debt; as well as markets being influenced by ongoing geopolitical events such as monetary policy continuing to diverge and oil production changes. Bouts of further volatility across markets are possible. Throughout this uncertain period for investors, Deutsche AM remains focused on delivering as a trusted partner and solutions provider to Deutsche Bank's clients.

As announced in March 2017, Deutsche Bank is taking steps to prepare Deutsche AM for a partial initial public offering within 24 months in order to unlock the intrinsic value of Deutsche Bank's business. Deutsche Bank continues to view longer term industry growth trends favoring its capabilities in beta (passive) products, alternative investments and active multi-asset solutions, areas where it believes it can grow market share both in its home market and abroad. With the net new asset growth reported in the first six months of 2017 and clarity around not only the future structure of Deutsche AM, but also the improved capital outlook for Deutsche Bank Group, Deutsche Bank sees client confidence increasing and is cautiously optimistic about asset development for the remainder of 2017. In the medium term, Deutsche Bank expects industry assets to grow, albeit at a lower organic rate than in prior years, and profit pools to be challenged by fee compression, rising costs of regulation, and competitive dynamics. In the face of this challenge, Deutsche Bank intends to balance growth through product and coverage expansion with initiatives to ensure an efficient cost base and operating platform.

Excluding prior year items not expected to recur, such as the proceeds from the sale of Asset Management India, the write up relating to HETA exposure and Abbey Life revenues, Deutsche Bank expects full year 2017 underlying revenues to be slightly higher year-on-year driven by revenue growth from Active and Alternatives businesses reflecting improved market conditions. Following the sale of Abbey Life in the fourth quarter of 2016, noninterest expenses are expected to be significantly lower as policyholders, benefits and claims ceased following the sale, and Deutsche Bank does not anticipate a repeat of material impairments incurred in 2016. Risks to Deutsche AM's outlook include the pace of net new assets growth, the exposure to global macroeconomic growth and the political developments including Brexit negotiations, and policy developments in the U.S."

## V. DESCRIPTION OF THE ISSUER – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The text of the subsection on pages 85 to 88 of the Prospectus shall be replaced by the following:

"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:

John Cryan	Chairman; Communications and Corporate Social Responsibility (CSR); Group Audit (administratively only, in all other aspects collective responsibility of the Management Board); Corporate Strategy; Incident and Investigation Management (IMG); Head of Region Americas; Joint Execution Tracking; Business Selection and Conflicts Office
Dr. Marcus Schenck	Deputy Chairman; Co-Head of Corporate & Investment Bank (CIB); Head of Region EMEA
Christian Sewing	Deputy Chairman; Head of Private & Commercial Bank (including Postbank) (PCB); Head (CEO) of Region Germany; Art, Culture and Sports
Kimberly Hammonds	Chief Operating Officer
Stuart Wilson Lewis	Chief Risk Officer
Sylvie Matherat	Chief Regulatory Officer
James von Moltke	Chief Financial Officer; Investor Relations; Group Management Consulting (GMC); Corporate M&A and Corporate Investments

Nicolas Moreau	Head of Deutsche Asset Management (Deutsche AM)
Garth Ritchie	Co-Head of Corporate & Investment Bank (CIB); Head (CEO) of Region UKI (UK & Ireland)
Karl von Rohr	Chief Administrative Officer
Werner Steinmüller	Head (CEO) of Region APAC

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

Dr. Paul Achleitner	Chairman of the Supervisory Board of Deutsche Bank AG
Stefan Rudschäfski*	Deputy Chairman of the Supervisory Board of Deutsche Bank AG; Chairman of the General Staff Council of Deutsche Bank; Chairman of the Group Staff Council of Deutsche Bank; Exempted Staff Council member, Deutsche Bank Privat- und Geschäftskunden AG, Hamburg; Chairman of the Staff Council of Deutsche Bank, Hamburg
Wolfgang Böhr*	Chairman of the Staff Council of Deutsche Bank, Düsseldorf; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank
Frank Bsirske*	Chairman of the trade union ver.di ( <i>Vereinte Dienstleistungsgewerkschaft</i> )
Dina Dublon	Member of the Board of Directors of PepsiCo Inc.
Jan Duscheck**	Head of national working group Banking, trade union (ver.di)
Gerhard Eschelbeck	Vice President Security & Privacy Engineering, Google Inc.
Katherine Garrett-Cox	No further member of other supervisory boards/other directorships
Timo Heider*	Chairman of the Group Staff Council of Deutsche Postbank AG; Chairman of the General Staff Council of BHW Kreditservice GmbH; Chairman of the Staff Council of BHW Bausparkasse AG, BHW Kreditservice GmbH, Postbank Finanzberatung AG and BHW Holding AG; Member of the Group Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank
Sabine Irrgang*	Head of Human Resources Baden-Württemberg, Deutsche Bank AG
Prof. Dr. Henning Kagermann	President of acatech – German Academy of Science and Engineering
Martina Klee*	Chairperson of the Staff Council Group COO Eschborn/Frankfurt of Deutsche Bank

Henriette Mark*	Chairperson of the Combined Staff Council Munich and Southern Bavaria of Deutsche Bank; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank
Richard Meddings	Non-Executive Director in Her Majesty's Treasury Board;
Louise M. Parent	Of Counsel, law firm Cleary Gottlieb Steen & Hamilton LLP, New York
Gabriele Platscher*	Chairperson of the Combined Staff Council Braunschweig/Hildesheim of Deutsche Bank
Bernd Rose*	Chairman of the General Staff Council of Postbank Filialvertrieb AG; Member of the General Staff Council of Deutsche Postbank; Member of the General Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank
Gerd Alexander Schütz	Founder and Member of the Management Board, C-QUADRAT Investment Aktiengesellschaft
Prof. Dr. Stefan Simon	Self-employed attorney at law with his own law firm, SIMON GmbH; Member of the Advisory Council of Leop. Krawinkel GmbH & Co. KG, Bergneustadt
Dr. Johannes Teysen	Chairman of the Management Board of E.ON SE

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\* Elected by the employees in Germany.

\*\* Appointed by court as representative of the employees until conclusion of the ordinary Annual General Meeting in 2018.

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

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

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

Deutsche Bank has issued and made available to its shareholders the declaration prescribed by § 161 AktG."A."."

## **VI. DESCRIPTION OF THE ISSUER – FINANCIAL INFORMATION CONCERNING DEUTSCHE BANK'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

The text of the subsection "*Legal and Arbitration Proceedings*" on pages 89 to 103 of the Prospectus shall be replaced by the following:

### ***"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.

#### Charter/BMY Matter

On 8 December 2014, the United States Department of Justice ("DOJ") filed a civil complaint against, among others, Deutsche Bank, seeking to recover more than U.S.\$ 190 million in taxes, penalties, and interest owed by a third party relating to two transactions that occurred between March and May 2000. The DOJ's complaint arises out of Deutsche Bank's March 2000 acquisition of Charter Corp. ("Charter") and its subsequent sale in May 2000 of Charter to an unrelated entity, BMY Statutory Trust (the "Trust"). Charter's primary asset, both at the time of purchase by Deutsche Bank and sale to the Trust, was appreciated Bristol-Myers Squibb Company ("BMY") stock. When the BMY stock was sold by the Trust, the Trust offset its gain with a loss from an unrelated transaction. The Internal Revenue Service subsequently disallowed the loss on audit exposing the BMY gain to taxation. The IRS assessed additional tax, penalties and interest against the Trust, which have not been paid. Relying on certain theories, including fraudulent conveyance, the DOJ sought to recoup from Deutsche Bank the taxes, plus penalties and interest, owed by the Trust. Deutsche Bank and the DOJ agreed to a final settlement of the case, and the Court dismissed the case with prejudice on 4 January 2017. Under the terms of the settlement, Deutsche Bank agreed to pay U.S. \$ 95 million.

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

In May 2016, Deutsche Bank'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 Frankfurt am Main District Court (Landgericht), contesting (amongst others) 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 district 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 the appeal, as this decision is concerned, prior to Deutsche Bank's 2017 General Meeting, whereupon the contested resolution became void. Deutsche Bank's General Meeting in May 2017 resolved the payment of a dividend of approximately € 400 million from Deutsche Bank's distributable profit for 2016 which amount contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million. Such dividend was paid to the shareholders shortly after the annual General Meeting. The decision meanwhile was contested at court, again, claiming that the way the decision was taken was not correct. Such lawsuit, which was filed with the Frankfurt am Main District Court (Landgericht), is in a very early stage.

#### CO2 Emission Rights

The Frankfurt am Main Office of Public Prosecution (the "OPP") is investigating 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's head office and London branch in April 2010 and issued various requests for documents. In December 2012, the OPP widened the scope of its investigation and again searched Deutsche Bank's head office. It alleges that certain employees deleted e-mails of suspects shortly before the 2010 search and failed to issue a suspicious activity report under the Anti-Money Laundering Act which, according to the OPP, was required. It also alleges that Deutsche Bank filed an incorrect VAT return for 2009 and incorrect monthly returns for September 2009 to February 2010. Deutsche Bank is cooperating with the OPP. On 13 June 2016, the Frankfurt District Court 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. Appeals are pending with respect to some of such former employees. The investigation by the OPP with respect to other employees is continuing.

The insolvency administrators of three German traders who sold emission certificates to Deutsche Bank in 2009/2010 were trying to refute the transactions as a voidable preference under German insolvency law and, in some cases, started civil litigation. In mid-2015, the Frankfurt am Main District Court dismissed the insolvency administrator's claim in full in one of the cases. An appeal was filed against the decision. In July 2017, a settlement was agreed with the three insolvency administrators. In 2015, five insolvent English companies, which are alleged to have been involved in VAT fraud in connection with trading CO2 emission rights in the UK, and their respective liquidators, started civil proceedings in London against four defendants including Deutsche Bank AG claiming that the defendants dishonestly assisted directors of the insolvent companies in breaching duties, and alternatively that the defendants were party to carrying on the companies' business with fraudulent intent (giving rise to a claim under Section 213 of the Insolvency Act 1986). Deutsche Bank is defending the claim and the proceedings are at an early stage.

#### Deutsche Bank Shareholder Litigation

Deutsche Bank and certain of its current and former officers and management board members are the subject of two purported class actions, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased or otherwise acquired securities of Deutsche Bank on a United States exchange or pursuant to other transactions within the United States between 15 April 2013 and 29 April 2016. Plaintiffs allege that Deutsche Bank's SEC Annual Reports on Form 20-F for the years 2012, 2013, 2014 and 2015 were materially false and misleading in failing to disclose (i) serious and systemic failings in controls against financing terrorism, money laundering, aiding organizations subject to international sanctions and committing financial crime and (ii) that the Bank's internal control over financial reporting and its disclosure controls and procedures were not effective. The court consolidated the two actions and on 4 October 2016 appointed a lead plaintiff and lead counsel. On 16 December 2016, plaintiffs filed a consolidated amended complaint, expanding the proposed class period to 31 January 2013 through 26 July 2016, and adding several additional defendants. On 21 February 2017, Deutsche Bank moved to dismiss the consolidated amended complaint. On 28 June 2017, the court granted defendants' motion to dismiss the consolidated amended complaint for all defendants. On 30 June 2017, the court entered judgment dismissing the lawsuit. On 14 July 2017, plaintiffs moved to alter or amend the court's order and judgment, and for leave to file an amended complaint.

#### Esch Funds Litigation

Sal. Oppenheim jr. & Cie. AG & Co. KGaA ("Sal. Oppenheim") was prior to its acquisition by Deutsche Bank in 2010 involved in the marketing and financing of participations in closed end real estate funds. These funds were structured as Civil Law Partnerships under German law. Usually, Josef Esch Fonds-Projekt GmbH performed the planning and project development. Sal. Oppenheim held an indirect interest in this company via a joint-venture. In relation to this business a number of civil claims have been filed against Sal. Oppenheim. Some but not all of these claims are also directed against former managing partners of Sal. Oppenheim and other individuals. The claims brought against Sal. Oppenheim relate to investments of originally approximately € 1.1 billion. After certain claims have either been dismissed or settled, claims relating to investments of originally approximately € 320 million are still pending. Currently, the aggregate amounts claimed in the pending proceedings are approximately € 360 million. The investors are seeking to unwind their fund participation and to be indemnified against potential losses and debt related to the investment. The claims are based in part on an alleged failure of Sal. Oppenheim to provide adequate information on related risks and other material aspects important for the investors' investment decision. Based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim. Appeals are pending. The Group has recorded provisions and contingent liabilities with respect to these cases but has not disclosed the amounts thereof because it has concluded that such disclosure can be expected to prejudice seriously their outcome.



## EVAF Matter

RREEF European Value Added Fund I, L.P. (the "Fund") is a fund managed by Deutsche Bank's subsidiary, Deutsche Alternative Asset Management (UK) Limited (the "Manager"). On 4 September 2015, the Fund (acting through a committee of independent advisers of the General Partner of the Fund, which is also a Deutsche Bank subsidiary) filed in the English High Court a claim against the Manager alleging that the Manager's decision to make a German real estate investment had been grossly negligent and had caused the Fund losses of at least € 158.9 million plus interest, for which the Manager was liable in damages. On 25 January 2017, the Fund and the Manager reached a settlement of the proceedings. The settlement amount is already fully reflected in existing litigation provisions and has been paid in the first quarter of 2017.

## FX Investigations and Litigations

Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies who are investigating trading in, and various other aspects of, the foreign exchange market. Deutsche Bank is cooperating 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, Division of Enforcement ("CFTC") issued a letter ("CFTC Letter") notifying Deutsche Bank that the CFTC "is not taking any further action at this time and has closed the foreign exchange investigation of Deutsche Bank." As is customary, the CFTC Letter states that the CFTC "maintains the discretion to decide to reopen the investigation at any time in the future." The CFTC Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

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

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

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

Investigations conducted by certain other regulatory agencies are ongoing and Deutsche Bank is cooperating with these investigations.

Deutsche Bank also has been named as a defendant in multiple putative class actions brought in the U.S. District Court for the Southern District of New York alleging antitrust and U.S. Commodity Exchange Act claims relating to the alleged manipulation of foreign exchange rates. The complaints in the class actions do not specify the damages sought. On 28 January 2015, the federal court overseeing the class actions granted the motion to dismiss with prejudice in two actions involving non-U.S. plaintiffs while denying the motion to dismiss in one action involving

U.S. plaintiffs then pending. Additional actions have been filed since the court's 28 January 2015 order. There are now four U.S. actions pending. The first pending action is a consolidated action brought on behalf of a putative class of over-the-counter traders and a putative class of central-exchange traders, who are domiciled in or traded in the United States or its territories, and alleges illegal agreements to restrain competition with respect to and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates; the complaint further alleges that those supposed conspiracies, in turn, resulted in artificial prices on centralized exchanges for foreign exchange futures and options. Deutsche Bank's motion to dismiss the consolidated action was granted in part and denied in part on 20 September 2016. A second action tracks the allegations in the consolidated action and asserts that such purported conduct gave rise to, and resulted in a breach of, defendants' fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974 (ERISA). The third putative class action was filed in the same court on 21 December 2015, by Axiom Investment Advisors, LLC alleging that Deutsche Bank rejected FX orders placed over electronic trading platforms through the application of a function referred to as "Last Look" and that these orders were later filled at prices less favorable to putative class members. Plaintiff has asserted claims for breach of contract, quasi-contractual claims, and claims under New York statutory law. Filed on 26 September 2016, amended on 24 March 2017, and later consolidated with a similar action that was filed on 28 April 2017, the fourth putative class action (the "Indirect Purchasers" action) tracks the allegations in the consolidated action and asserts that such purported conduct injured "indirect purchasers" of FX instruments. These claims are brought pursuant to the Sherman Act and various states' consumer protection statutes.

On 24 August 2016, the Court granted defendants' motion to dismiss the ERISA action. Plaintiffs in that action have filed a notice of appeal to the United States Court of Appeals for the Second Circuit. On 13 February 2017, Deutsche Bank's motion to dismiss the Last Look action was granted in part and denied in part. Plaintiffs in the Indirect Purchasers action filed an amended complaint on 24 March 2017. Deutsche Bank intends to move to dismiss this action. Discovery has commenced in the consolidated and Last Look actions. Discovery has not yet commenced in the Indirect Purchasers action.

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.

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.

#### High Frequency Trading/Dark Pool Trading

On 16 December 2016, the United States Securities and Exchange Commission ("SEC"), the State of New York Office of the Attorney General ("NYAG"), and the U.S. Financial Industry Regulatory Authority ("FINRA") announced settlements with the Bank relating to the Bank's electronic order routing, its alternative trading system ("ATS" or "Dark Pool") SuperX, and related disclosures. The SEC and NYAG settlements primarily involve a first-generation order routing algorithm used by the Bank prior to 2014, while the FINRA settlement primarily involves disclosure concerning certain functionality available to customers utilizing SuperX. The Bank admitted the allegations made by the SEC and NYAG, but neither admitted nor denied FINRA's allegations. In connection with the resolution of all three matters, the Bank agreed to pay a total of U.S.\$ 40.25 million.

#### Interbank Offered Rates Matters

*Regulatory and Law Enforcement Matters.* Deutsche Bank has received requests for information from various regulatory and law enforcement agencies, including various U.S. state attorneys general, 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 offered rates. Deutsche Bank is cooperating with these investigations.

As previously reported, Deutsche Bank reached a settlement with the European Commission on 4 December 2013 as part of a collective settlement to resolve the European Commission's investigations in relation to anticompetitive conduct in the trading of Euro interest rate derivatives and Yen interest rate derivatives. Under the terms of the settlement agreement, Deutsche Bank agreed to pay € 725 million in total. This fine has been paid in full and does not form part of the Bank's provisions.

Also as previously reported, on 23 April 2015, Deutsche Bank entered into separate settlements with the U.S. Department of Justice (DOJ), the U.S. Commodity Futures Trading Commission (CFTC), the U.K. Financial Conduct Authority (FCA), and the New York State Department of Financial Services (DFS) to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, Deutsche Bank agreed to pay penalties of U.S.\$ 2.175 billion to the DOJ, CFTC and DFS and GBP 226.8 million to the FCA. As part of the resolution with the DOJ, DB Group Services (UK) Ltd. (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. The fines referred to above, which include a U.S.\$ 150 million fine paid in April 2017 following the 28 March 2017 sentencing of DB Group Services (UK) Ltd., have been paid in full and do not form part of the Bank's provisions.

On 29 November 2016, the U.S. Securities and Exchange Commission staff informed Deutsche Bank that it has concluded its IBOR investigation and that it does not intend to recommend an enforcement action by the Commission.

On 21 December 2016, the Swiss Competition Commission, WEKO, formally announced its IBOR-related settlement decisions addressing various banks, including Deutsche Bank AG, relating to EURIBOR and Yen LIBOR. On 20 March 2017, Deutsche Bank paid a fine of CHF 5.0 million with respect to Yen Libor and approximately CHF 0.4 million for WEKO's fees. Deutsche Bank received full immunity from fines for EURIBOR in return for being the first party to notify such conduct to WEKO. The settlement amount was already fully reflected in the existing litigation provisions.

Other investigations of Deutsche Bank concerning the setting of various interbank offered rates remain ongoing, and Deutsche Bank remains exposed to further action. As reported above, Deutsche Bank is subject to an inquiry by a working group of U.S. state attorneys general in relation to the setting of LIBOR, EURIBOR, and TIBOR. The Bank continues to cooperate with the U.S. state attorneys generals' inquiry.

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 seriously prejudice their outcome.

*Overview of Civil Litigations.* Deutsche Bank is party to 45 U.S. civil actions concerning alleged manipulation relating to the setting of various Interbank Offered Rates which are described in the following paragraphs, as well as one action pending in the U.K. 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 six 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 six civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include two actions concerning Yen LIBOR and Euroyen TIBOR, one action concerning EURIBOR, 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 45 of the U.S. civil actions discussed have been asserted under various legal theories, including violations of the U.S. Commodity Exchange Act (CEA), federal and state antitrust laws, the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO), and other federal and state laws. In all but five cases, the amount of damages has not been formally articulated by the plaintiffs. The five cases that allege a specific amount of damages are individual actions consolidated in the U.S. dollar LIBOR multidistrict litigation and seek a minimum of more

than U.S.\$ 1.25 billion in damages in the aggregate from all defendants including Deutsche Bank. 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 one exception, all of the U.S. civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "U.S. dollar LIBOR MDL") in the SDNY. (Another, previously pending non-MDL U.S. dollar LIBOR action concluded after its dismissal became final, as described below.) 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 December 2016 narrowing their claims, plaintiffs are currently asserting antitrust claims, CEA claims 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 23 May 2016, the U.S. Court of Appeals for the Second Circuit issued an opinion reinstating antitrust claims against the defendants in the U.S. dollar LIBOR MDL, and remanded to the district court for further consideration. 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 Second Circuit, and those appeals are proceeding in parallel with the ongoing proceedings in the district court. Those appeals are in their early stages, and briefing has not yet begun.

Discovery is underway in several of the cases, with motions for class certification currently scheduled to be briefed by August 2017.

On 10 January 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle 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 (*FTC Capital GmbH v. Credit Suisse Group AG*). The settlement agreement was executed on 13 July 2017. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

Finally, one of the actions in the U.S. dollar LIBOR MDL has been dismissed in its entirety, including (as to Deutsche Bank and other foreign defendants) on personal jurisdiction grounds, and plaintiffs have filed an appeal to the Second Circuit. The appeal has been fully briefed, and oral argument has not yet been scheduled.

Plaintiffs in the non-MDL case proceeding in the SDNY have moved to amend their complaint following a dismissal of their claims, and a decision on that motion to amend is pending. The dismissal of another non-MDL case, which was proceeding in the U.S. District Court for the Central District of California, was affirmed by the Ninth Circuit in December 2016 and time to file further appeals has expired.

There is a further civil action regarding U.S. dollar LIBOR to which Deutsche Bank is a party in the U.K., 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 U.K. Competition Act 1998 and U.S. state laws. The U.K. action was served on Deutsche Bank in July 2017.

*Yen LIBOR and Euroyen TIBOR.* On 24 January 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle two putative class actions pending in the SDNY alleging manipulation of Yen LIBOR and Euroyen TIBOR (*Laydon v. Mizuho Bank, Ltd. and Sonterra Capital Master Fund Ltd. v. UBS AG*). On 21 July 2017, Deutsche Bank and plaintiffs executed a settlement agreement in the amount of U.S.\$ 77 million and submitted the agreement to the court for preliminary approval. The settlement amount, which is scheduled to be paid by 11 August 2017, is

fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further review and approval by the court.

*EURIBOR.* On 24 January 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle a putative class action pending in the SDNY alleging manipulation of EURIBOR (*Sullivan v. Barclays PLC*). On 10 May 2017, Deutsche Bank and plaintiffs executed a settlement agreement in the amount of U.S.\$ 170 million, which was submitted to the court for preliminary approval on 12 June 2017. The court granted preliminary approval on 7 July 2017.. The settlement agreement is subject to further review and final approval by the court. Under the terms of the settlement, Deutsche Bank has paid U.S.\$170 million, and is no longer reflecting that amount in its litigation reserves.

*GBP LIBOR, CHF LIBOR, and SIBOR and SOR.* Putative class actions alleging manipulation of Pound Sterling (GBP) LIBOR, Swiss Franc (CHF) LIBOR, and the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR), respectively, are each pending in the SDNY. Each of these actions is the subject of fully briefed motions to dismiss. Decisions are pending.

*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"). The complaint alleges that the defendants, among other things, engaged in money market transactions intended to influence the BBSW fixing, made false BBSW submissions, and used their control over BBSW rules to further the alleged misconduct. Plaintiffs bring suit on behalf of persons and entities that engaged in U.S.-based transactions in BBSW-linked financial instruments from 2003 through the present. An amended complaint was filed on 16 December 2016, and is the subject of fully briefed motions to dismiss.

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

Certain regulators and law enforcement authorities in various jurisdictions, including the U.S. Securities and Exchange Commission and the U.S. Department of Justice, are investigating, among other things, Deutsche Bank's compliance with the U.S. Foreign Corrupt Practices Act and other laws with respect to the Bank's hiring practices related to candidates referred by clients, potential clients and government officials, and its engagement of finders and consultants. Deutsche Bank is responding to and continuing to cooperate with these investigations. Certain regulators in other jurisdictions have also been briefed on these investigations. The Group has recorded a provision with respect to certain of these regulatory investigations. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these regulatory investigations. Based on the facts currently known, it is not practicable at this time for the Bank to predict the timing of a resolution.

#### ISDAFIX

Deutsche Bank has received requests for information from certain regulatory authorities concerning the setting of ISDAFIX benchmarks, which provide average mid-market rates for fixed interest rate swaps. The Bank is cooperating with these requests. In addition, the Bank has been named as a defendant in five putative class actions that were consolidated in the United States District Court for the Southern District of New York asserting antitrust, fraud, and other claims relating to an alleged conspiracy to manipulate the U.S. dollar ISDAFIX benchmark. On 8 April 2016, Deutsche Bank settled the class actions for U.S.\$ 50 million, which is subject to final court approval. The settlement was preliminarily approved by the court on 11 May 2016.

#### Kaupthing CLN Claims

In June 2012, Kaupthing hf, an Icelandic stock corporation, acting through its winding-up committee, issued Icelandic law claw back claims for approximately € 509 million (plus costs, as well as interest calculated on a damages rate basis and a late payment rate basis) against Deutsche Bank in both Iceland and England. The claims were in relation to leveraged credit linked notes ("CLNs"), referencing Kaupthing, issued by Deutsche Bank to two British Virgin Island

special purpose vehicles ("SPVs") in 2008. The SPVs were ultimately owned by high net worth individuals. Kaupthing claimed to have funded the SPVs and alleged that Deutsche Bank was or should have been aware that Kaupthing itself was economically exposed in the transactions. Kaupthing claimed that the transactions were voidable by Kaupthing on a number of alternative grounds, including the ground that the transactions were improper because one of the alleged purposes of the transactions was to allow Kaupthing to influence the market in its own CDS (credit default swap) spreads and thereby its listed bonds. Additionally, in November 2012, an English law claim (with allegations similar to those featured in the Icelandic law claims) was commenced by Kaupthing against Deutsche Bank in London (together with the Icelandic proceedings, the "Kaupthing Proceedings"). Deutsche Bank filed a defense in the Icelandic proceedings in late February 2013. In February 2014, proceedings in England were stayed pending final determination of the Icelandic proceedings. Additionally, in December 2014, the SPVs and their joint liquidators served Deutsche Bank with substantively similar claims arising out of the CLN transactions against Deutsche Bank and other defendants in England (the "SPV Proceedings"). The SPVs claimed approximately € 509 million (plus costs, as well as interest), although the amount of that interest claim was less than in Iceland. Deutsche Bank has now reached a settlement of the Kaupthing and SPV Proceedings which has been paid in the first quarter of 2017. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement.

### 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 Munich District Court regarding the main investigation involving Jürgen Fitschen and four other former Management Board members, the Munich District 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.

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

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

### KOSPI Index Unwind Matters

Following the decline of the Korea Composite Stock Price Index 200 (the "KOSPI 200") in the closing auction on 11 November 2010 by approximately 2.7 %, 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 bas-

ket 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 the 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. There was an exemption to the business suspension which permitted DSK to continue acting as liquidity provider for existing derivatives linked securities. On 19 August 2011, the Korean Prosecutor's Office announced its decision to indict DSK and four employees of the 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 a guilty verdict against a DSK trader and a guilty verdict against 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 verdict has been appealed by both the prosecutor and the defendants.

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 known claims have an aggregate claim amount of less than € 50 million (at present exchange rates). The Group has recorded a provision with respect to these outstanding civil matters. 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 matters.

#### Life Settlements Investigation

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

#### Monte Dei Paschi

In February 2013 Banca Monte Dei Paschi Di Siena ("MPS") issued 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 SPV of MPS, which helped MPS defer losses on a previous transaction undertaken with Deutsche Bank. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, 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 by the Fondazione Monte Dei Paschi, in which damages of between € 220 million and € 381 million are claimed, remain pending. The Fondazione's separate claim filed in July 2014 against their former administrators and a syndicate of 12 banks including DB S.p.A. for € 286 million has resumed before the Florence Court.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions 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 AG 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 DB employees who are being criminally prosecuted. Trial commenced on 15 December 2016 and is ongoing. Deutsche Bank continues to cooperate and update its regulators.

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

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

Discussions with the U.S. Department of Justice (DOJ) concerning a settlement of potential claims that the DOJ was considering bringing based on its investigation of Deutsche Bank's RMBS origination and securitization activities began with an initial demand of U.S.\$ 14 billion on 12 September 2016. On 23 December 2016, Deutsche Bank announced that it reached a settlement-in-principle with the DOJ to resolve potential claims related to its RMBS business conducted from 2005 to 2007. The settlement became final and was announced by the DOJ on 17 January 2017. Under the settlement, Deutsche Bank paid a civil monetary penalty of U.S.\$ 3.1 billion and agreed to provide U.S.\$ 4.1 billion in consumer relief.

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

The Group has recorded provisions with respect to some of the outstanding regulatory investigations but not others. 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 regulatory investigations.

*Issuer and Underwriter Civil Litigation.* Deutsche Bank has been named as defendant in numerous civil litigations brought by private parties in connection with its various roles, including issuer or underwriter, in offerings of RMBS and other asset-backed securities. These cases, described below, allege that the offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination. The Group has recorded provisions with respect to several of these civil cases, but has not recorded provisions with respect to all of these matters. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these matters.

Deutsche Bank is a defendant in a class action relating to its role as one of the underwriters of six RMBS offerings issued by Novastar Mortgage Corporation. No specific damages are alleged in the complaint. The lawsuit was brought by plaintiffs representing a class of investors who purchased certificates in those offerings. The parties reached a settlement to resolve the matter for a total of U.S. \$ 165 million, a portion of which was paid by the Bank. The settlement is subject to final court approval.

Aozora Bank, Ltd. (Aozora) filed lawsuits against Deutsche Bank entities (among others) asserting fraud and related claims in connection with Aozora's investments in various CDOs, which allegedly declined in value. On 14 January 2015, the court granted the motion of Deutsche Bank AG and its subsidiary Deutsche Bank Securities Inc. to dismiss the action brought against both entities by Aozora relating to a CDO identified as Blue Edge ABS CDO, Ltd. Aozora appealed this decision and on 31 March 2016, the appellate court affirmed the lower court's dismissal. Aozora has not sought a further appeal. Separately, another Deutsche Bank subsidiary, Deutsche Investment Management Americas, Inc., is a defendant, along with UBS AG and affiliates, in an action brought by Aozora relating to a CDO identified as Brooklyn Structured Finance CDO, Ltd. On 13 October 2015, the court denied defendants' motion to dismiss Aozora's claims for fraud and aiding and abetting fraud, and defendants appealed the decision. Oral argument was held on 14 September 2016, and on 3 November 2016, the appellate court reversed the lower court deci-



sion and granted defendants' motions to dismiss Aozora's claims. Aozora has not sought a further appeal, and on 15 December 2016, the court entered judgment dismissing the complaint.

Deutsche Bank is a defendant in three actions related to RMBS offerings brought by the Federal Deposit Insurance Corporation (FDIC) as receiver for: (a) Colonial Bank (alleging no less than U.S. \$ 189 million in damages against all defendants), (b) Guaranty Bank (alleging no less than U.S.\$ 901 million in damages against all defendants), and (c) Citizens National Bank and Strategic Capital Bank (alleging no less than U.S. \$ 66 million in damages against all defendants). In each of these actions, the appellate courts have reinstated claims previously dismissed on statute of limitations grounds. In the case concerning Guaranty Bank, petitions for rehearing and certiorari to the U.S. Supreme Court were denied and discovery is ongoing. In the case concerning Colonial Bank, a petition for rehearing was denied and on 6 October 2016, defendants filed a petition for certiorari to the U.S. Supreme Court, which was denied on 9 January 2017. On 21 June 2017, the FDIC filed a second amended complaint. In the case concerning Citizens National Bank and Strategic Capital Bank a similar appeal was denied on 18 January 2017, and on 26 June 2017, defendants filed a petition for certiorari to the U.S. Supreme Court.

Residential Funding Company brought a repurchase action against Deutsche Bank for breaches of representations and warranties on loans sold to Residential Funding Company and for indemnification for losses incurred as a result of RMBS-related claims and actions asserted against Residential Funding Company. The complaint did not specify the amount of damages sought. On 20 June 2016, the parties executed a confidential settlement agreement, and on 24 June 2016, the Court dismissed the case with prejudice.

Deutsche Bank recently reached a settlement to resolve claims brought by the Federal Home Loan Bank of San Francisco on two resecuritizations of RMBS certificates for an amount not material to the Bank. Following this settlement and two other previous partial settlements of claims, Deutsche Bank remained a defendant with respect to one RMBS offering, for which Deutsche Bank, as an underwriter, was provided contractual indemnification. On 23 January 2017, a settlement agreement was executed to resolve the claims relating to that RMBS offering and the matter has been dismissed.

Deutsche Bank is a defendant in an action brought by Royal Park Investments (as purported assignee of claims of a special-purpose vehicle created to acquire certain assets of Fortis Bank) alleging common law claims related to the purchase of RMBS. The complaint did not specify the amount of damages sought. On 17 April 2017, the court dismissed the complaint, and the plaintiff has appealed.

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.

Deutsche Bank was named as a defendant in a civil action brought by the Charles Schwab Corporation seeking rescission of its purchase of a single Countrywide-issued RMBS certificate. In the fourth quarter of 2015, Bank of America, which indemnified Deutsche Bank in the case, reached an agreement to settle the action with respect to the single certificate at issue for Deutsche Bank. On 16 March 2016, the court finalized the dismissal with prejudice of Deutsche Bank Securities Inc. as a defendant.

On 18 February 2016, Deutsche Bank and Amherst Advisory & Management LLC (Amherst) executed settlement agreements to resolve breach of contract actions relating to five RMBS trusts. On 30 June 2016, the parties executed settlement agreements, amending and restating the agreements the parties signed on 18 February 2016. Following an August 2016 vote by the certificate holders in favor of the settlement, the trustee accepted the settlement agreements and dismissed the actions. On 17 October 2016, the parties filed stipulations of discontinuance with prejudice, which were so-ordered by the court on 18 October and 19 October 2016, thereby resolving the five actions. A portion of the settlement funds paid by Deutsche Bank was reimbursed by a non-party to the litigations.

Deutsche Bank was a defendant in an action brought by Phoenix Light SF Limited (as purported assignee of claims of special purpose vehicles created and/or managed by former WestLB AG) alleging common law and federal securities law claims related to the purchase of RMBS. On 14 October 2016, the parties finalized a settlement to resolve the matter for an amount not material to the Bank. On 2 November 2016, the court so-ordered a stipulation of discontinuance with prejudice, thereby resolving the action.

On 3 February 2016, Lehman Brothers Holding, Inc. (Lehman) instituted an adversary proceeding in United States Bankruptcy Court for the Southern District of New York against, among others, MortgageIT, Inc. (MIT) and Deutsche Bank AG, as alleged successor to MIT, asserting breaches of representations and warranties set forth in certain 2003 and 2004 loan purchase agreements concerning 63 mortgage loans that MIT sold to Lehman, which Lehman in turn sold to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The complaint seeks indemnification for losses incurred by Lehman in connection with settlements entered into with Fannie Mae and Freddie Mac as part of the Lehman bankruptcy proceedings to resolve claims concerning those loans. On 29 December 2016, Lehman filed its second amended complaint against DB Structured Products, Inc. and MIT alleging damages of approximately U.S. \$ 10.3 million. Defendants filed a motion to dismiss the second amended complaint on 31 March 2017.

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 eight separate 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 Trust Indenture Act of 1939, based on the trustees' alleged failure to perform adequately certain obligations and/or duties as trustee for the trusts. The eight actions include two putative class actions brought by a group of investors, including funds managed by BlackRock Advisors, LLC, PIMCO-Advisors, L.P., and others (the BlackRock Class Actions), one putative class action brought by Royal Park Investments SA/NV, and five individual lawsuits. One of the BlackRock Class Actions is pending in the U.S. District Court for the Southern District of New York in relation to 62 trusts, which allegedly suffered total realized collateral losses of U.S.\$ 9.8 billion, although the complaint does not specify a damage amount. On 23 January 2017, the Court granted in part and denied in part the trustees' motion to dismiss. On 3 February 2017, the Court entered an order dismissing plaintiffs' representations and warranties claims as to 21 trusts whose originators or sponsors had entered bankruptcy. The only claims that remain are for violation of the Trust Indenture Act of 1939 as to some trusts, and breach of contract. On 27 March 2017, the trustees filed an answer to the complaint. Discovery is ongoing. The second BlackRock Class Action is pending in the Superior Court of California in relation to 465 trusts, which allegedly suffered total realized collateral losses of U.S.\$ 75.7 billion, although the complaint does not specify a damage amount. The trustees filed a demurrer seeking to dismiss the tort claims asserted by plaintiffs and a motion to strike certain elements of the breach of contract claim, and on 18 October 2016, the court sustained the trustees' demurrer, dismissing the tort claims, but denied the motion to strike. On 19 December 2016, the trustees filed an answer to the complaint. Discovery is ongoing in that action. The putative class action brought by Royal Park Investments SA/NV is pending in the U.S. District Court for the Southern District of New York and concerns ten trusts, which allegedly suffered total realized collateral losses of more than U.S.\$ 3.1 billion, although the complaint does not specify a damage amount. Royal Park filed a renewed motion for class certification on 1 May 2017, and the motion is pending. Discovery is ongoing.

The other five individual lawsuits include actions by (a) the National Credit Union Administration Board ("NCUA"), as an investor in 97 trusts, which allegedly suffered total realized collateral losses of U.S. \$ 17.2 billion, although the complaint does not specify a damage amount; (b) certain CDOs (collectively, "Phoenix Light") that hold RMBS certificates issued by 43 RMBS trusts, and seeking over U.S. \$ 527 million of damages; (c) the Western and Southern Life Insurance Company and five related entities (collectively "Western & Southern"), as investors in 18 RMBS trusts, against the trustee for 10 of those trusts, which allegedly suffered total realized collateral losses of "tens of millions of dollars in damages," although the complaint does not specify a damage amount; (d) Commerzbank AG, as an investor in 50 RMBS trusts, seeking recovery for alleged "hundreds of millions of dollars in losses;" and (e) IKB International, S.A. in Liquidation and IKB Deutsche Industriebank AG (collectively, "IKB"), as an investor in 37 RMBS trusts,

seeking more than U.S. \$ 268 million of damages. In the NCUA case, the trustee's motion to dismiss for failure to state a claim is pending and discovery is stayed. In the Phoenix Light case, discovery is ongoing as to the 43 trusts that remain in the case. In the Western & Southern case, the trustee filed its answer to the amended complaint on 18 November 2016, and discovery is ongoing as to the ten trusts that remain in the case. In the Commerzbank case, the trustee's motion to dismiss for failure to state a claim was granted in part and denied in part on 10 February 2017, and the trustee filed its answer on 1 May 2017 discovery is ongoing as to the 50 trusts in the case. In the IKB case, the court heard oral argument on the trustee's motion to dismiss on 3 May 2017, but has not yet issued a decision. On 20 June 2017, the IKB plaintiffs stipulated to the dismissal with prejudice of all claims asserted against Deutsche Bank concerning four trusts. Discovery is ongoing..

The Group believes a contingent liability exists with respect to these eight cases, but at present the amount of the contingent liability is not reliably estimable.

#### Parmalat Litigation

Following the bankruptcy of the Italian company Parmalat, prosecutors in Parma conducted a criminal investigation against various bank employees, including employees of Deutsche Bank, and brought charges of fraudulent bankruptcy and usury against a number of Deutsche Bank employees and others. The trial commenced in September 2009 and a verdict was recently delivered in July 2017. The Deutsche Bank employees were acquitted and, as a result thereof, Deutsche Bank will not be held to have vicarious liability in connection with the actions of the bank employees. The court is due to publish its reasoning by October 2017, after which it will be open to the prosecutors to consider the possibility of an appeal.

#### Pas-de-Calais Habitat

On 31 May 2012, Pas-de-Calais Habitat ("PDCH"), a public housing office, initiated proceedings before the Paris Commercial Court against Deutsche Bank in relation to four swap contracts entered into in 2006, restructured on 19 March 2007 and 18 January 2008 and subsequently restructured in 2009 and on 15 June 2010. PDCH asks the Court to declare the 19 March 2007 and 18 January 2008 swap contracts null and void, or terminated, or to grant damages to PDCH in an amount of approximately € 170 million on the grounds, inter alia, that Deutsche Bank committed fraudulent and deceitful acts, manipulated the LIBOR and EURIBOR rates which are used as a basis for calculating the sums due by PDCH under the swap contracts and breached its obligations to warn, advise and inform PDCH. A decision on the merits is not expected until the fourth quarter of 2017 at the earliest.

#### 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 with the relevant lower fiscal court. 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. The decision may be appealed by the tax authorities and thus a resolution of the matter may not take place 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 Cologne District Court 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. The Cologne appellate court has scheduled a further hearing for 8 November 2017.

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 Cologne District Court. After some of these plaintiffs applied for model case proceedings (Musterverfahren) under the German Capital Markets Model Case Act, Deutsche Bank decided to support the initiation of model case proceedings and filed motions for this with the Cologne District Court. The Cologne District Court announced its intention to publish a decision at the end of September 2017.

In September 2015, former shareholders of Postbank filed in the Cologne District Court shareholder actions against Postbank to set aside the squeeze-out resolution taken in the shareholders meeting of Postbank in August 2015. Among other things, the plaintiffs allege that Deutsche Bank was subject to a suspension of voting rights with respect to its shares in Postbank based on the allegation that Deutsche Bank failed to make a mandatory takeover offer at a higher price in 2009. The squeeze out is final and the proceeding itself has no reversal effect, but may result in damage payments. The claimants in this proceeding refer to legal arguments similar to those asserted in the Effecten-Spiegel proceeding described above. The Cologne District Court indicated its intention to publish a decision at the end of September 2017.

The legal question 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 compensation paid in connection with the squeeze-out of Postbank shareholders in 2015 and the execution of a domination and profit and loss transfer (*Beherrschungs- und Gewinnabführungsvertrag*) agreement between DB Finanz-Holding AG and Postbank in 2012.

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.

#### Precious Metals Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. Deutsche Bank is cooperating with these investigations, and engaging with relevant authorities, as appropriate. Relatedly, Deutsche Bank has been conducting its own internal review of Deutsche Bank's historic participation in the precious metals benchmarks and other aspects of its precious metals trading and precious metals business.

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

actions, the financial terms of which are not material to Deutsche Bank. The agreements remain subject to final court approval.

In addition, Deutsche Bank is a defendant in Canadian class action proceedings in the provinces of Ontario and Quebec concerning gold and silver. Each of the proceedings seeks damages for alleged violations of the Canadian Competition Act and other causes of action.

The Group has recorded provisions with respect to certain of these matters. The Group has not disclosed the amount of these provisions, nor has it disclosed whether it has established provisions with respect to other matters referred above or any contingent liability with respect to any of those matters, because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

#### 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 the transactions under review 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 is assessing 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 U.S.) of this investigation. Deutsche Bank has taken disciplinary measures with regards to certain individuals in this matter and will continue to do so with respect to others as warranted.

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

Deutsche Bank continues to cooperate with regulators and law enforcement authorities, including the DOJ, which has its own ongoing investigation into these securities trades. The Group has recorded a provision with respect to the remaining investigation.

The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of this matter.

#### Sebastian Holdings Litigation

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

### 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.

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 alleging violations of U.S. antitrust law and common law related to alleged manipulation of the secondary trading market for SSA bonds. These cases are in their early 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.

### Trust Preferred Securities Litigation

Deutsche Bank and certain of its affiliates and former officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. On 25 July 2016, the court issued a decision dismissing all claims as to three of the five offerings at issue, but allowed certain claims relating to the November 2007 and February 2008 offerings to proceed. On 17 November 2016, plaintiffs moved for class certification as to the November 2007 offering. On 20 January 2017, plaintiffs amended their motion for class certification to include the February 2008 offering and seek to add an additional individual as a proposed class representative. The court stayed all proceedings pending a decision by the Supreme Court of the United States in *California Public Employees' Retirement System v. ANZ Securities* in which the Supreme Court was expected to consider whether the filing of a putative class action serves to toll the three-year time limitation in Section 13 of the Securities Act with respect to the claims of putative class members. This related to claims relating to the February 2008 offering. On 26 June 2017, the Supreme Court issued its opinion, holding that the three year provision in Section 13 is a statute of repose and is not subject to equitable tolling. By order dated 20 July 2017, the court invited defendants to move to dismiss all claims as to the February 2008 offering, and the court has scheduled a conference for 16 October 2017 to discuss the impact of *ANZ*. Once the court rules on the request, it is anticipated that the parties will proceed to plaintiffs' request for class action certification and begin the discovery process.

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 seriously prejudice its outcome.

### U.S. Embargoes-Related Matters

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

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

#### U.S. 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 is 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 are in their early stages and have been consolidated in the Southern District of New York.

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

#### Vestia

In December 2016, Stichting Vestia, a Dutch housing association, commenced proceedings against Deutsche Bank in England. The proceedings relate to derivatives entered into between Stichting Vestia and Deutsche Bank between 2005 and 2012. Stichting Vestia alleges that certain of the transactions entered into by it with Deutsche Bank should be set aside on the grounds that they were not within its capacity and/or were induced by the bribery of Vestia's treasurer by an intermediary involved in those transactions. The sums claimed by Stichting Vestia are made up of different elements, some of which have not yet been quantified. The quantum of the claims as articulated at this stage ranges between € 717 million and € 834 million, plus compound interest. Deutsche Bank is defending the claim."

#### **C. Amendment of the ANNEXES TO THE TERMS AND CONDITIONS**

The subsection "CREDIT LINKED NOTES ANNEX B" shall be amended by the deletion of lit. g) of the definition "Successor" in paragraph (10) "Applicable Definitions" of No. 6 therein on page 681 of the Prospectus and the substitution of the following therefor:

- "g) Where, pursuant to paragraph (a) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the applicable Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2014 Definitions."

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 PROSPECTUS, THE STATEMENTS IN (A) ABOVE SHALL PREVAIL.