

Deutsche Bank



Deutsche Bank

Information concerning the safeguarding of client assets

April 2025

Information Statement on the Safeguarding of Client Assets

1. Introduction

- 1.1 This Information Statement has been prepared to comply with our disclosure obligations under MiFID II in relation to safekeeping of financial instruments and funds and applies to clients of the Corporate Bank and/or Investment Bank divisions of any Deutsche Bank AG branch located outside Germany. It also applies to our disclosure obligations to those clients of the Corporate Bank and/or Investment Bank divisions of Deutsche Bank AG, Frankfurt that receive this Information Statement under their terms of business with Deutsche Bank AG, Frankfurt. It is not intended to be a complete disclosure of all risks which may arise in relation to your particular circumstances or as a result of our relationship with you.
- 1.2 This Information Statement is not intended to be, and should not be relied upon as, legal, financial, tax, accounting or other advice. Unless otherwise expressly agreed in writing, we are not providing you with any such legal, financial, tax, accounting or other advice and you should consult your own advisors for advice on the matters referred to in this Information Statement, including the impact on your business and the requirements of, and results of, entering into any transaction.
- 1.3 This Information Statement relates to our relationship with you under a Custody Agreement.
- 1.4 Terms used but not otherwise defined in this Information Statement shall have the meaning given to such terms in the Custody Agreement. In addition:
- (a) "we", "our", "ours" and "us" refer to the provider of this Information Statement that may conduct transactions with you (or, where we are acting on behalf of another person, including where that person is an affiliate, that person);
 - (b) "you", "your" and "yours" refer to each of the persons to which this Information Statement is delivered or addressed in connection with entering into, continuing, executing or agreeing upon the terms of transactions with us (or, where you are acting on behalf of other persons, each of those persons);
 - (c) "central securities depository" means any clearing agency, clearing house, settlement system, central securities depository or similar entity as may from time to time be used in connection with the safekeeping of, or transactions relating to, financial instruments or funds;
 - (d) "Custody Agreement" means any agreement under which we provide custody and/or safekeeping services to you;
 - (e) "financial instruments" has the meaning set out in MiFID II;
 - (f) "MiFID II" means (i) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU; (ii) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and (iii) any relevant secondary legislation and applicable enacting legislation or regulation; and

- (g) “right of use” means, where relevant, any right we have to use, in our own name and on our own account or the account of another client, financial instruments received by us;

2. Client financial instruments

- 2.1 In the course of our dealing with you, we may hold financial instruments on your behalf.

Protection of client financial instruments

- 2.2 We hold your financial instruments in custody subject to the protections provided by MiFID II, unless we have exercised any applicable right of use in relation to those financial instruments. Any financial instruments which are not subject to the rules of MiFID II will be clearly indicated in the statements we provide to you.
- 2.3 MiFID II requires us to keep accurate records and accounts enabling us to distinguish your financial instruments from those held for other clients and from our own assets, to regularly reconcile our internal records and accounts and those of any third parties with whom your financial instruments are held, to take the steps outlined below when we deposit your financial instruments with third parties and to have adequate organisational requirements to minimise the risk of loss or diminution of your financial instruments.

Use of sub-custodians

- 2.4 Where we deposit financial instruments with a third party sub-custodian, we carry out due diligence in the selection, appointment and periodic review of the third party and of the arrangements for the holding and safekeeping of those financial instruments. In particular, we take into account the expertise and market reputation of the third party, the supervisory regime to which it is subject and any legal requirements related to the holding of financial instruments that could adversely affect clients’ rights. In the event that the safekeeping of financial instruments for the account of another person is not subject to specific regulation and supervision in the jurisdiction where the third party is located, we will only deposit your financial instruments with such third party if the nature of the financial instruments or the investment services connected with those instruments requires them to be deposited with a third party in such jurisdiction, or if you are a professional client, where you have requested us to do so in writing.
- 2.5 The acts, omissions, default or insolvency of a third party sub-custodian or central securities depository may nonetheless result in the loss of your financial instruments and other losses. We have set out the allocation of liability in respect of acts and omissions of the relevant third party in the relevant Custody Agreement.

Omnibus accounts

- 2.6 Financial instruments held on your behalf by us with a third party sub-custodian or central securities depository may be pooled with financial instruments belonging to our other clients in an omnibus account on the books of such third party. Accordingly you will not necessarily have the right to any specific financial instruments but will instead be entitled, subject to any applicable laws, rules and regulations and to the Custody Agreement, to the transfer or delivery of an amount of financial instruments of the same description and of the same amount. As a result of certain of our other clients also beneficially owning financial instruments held in the omnibus account, you may be exposed to settlement risks arising from the transactions of such other clients in that financial instrument. Where

permitted by the Custody Agreement or you have otherwise granted a right of use, your financial instruments may be pooled with financial instruments of the same description of those of other customers, in the course of settlement, and as a result may be used by us for our own account or for the account of other customers. In the event of a loss of financial instruments held in an omnibus account that was not made good, it is likely that you would share in the shortfall together with other clients of ours who hold securities in the omnibus account on a pro rata basis.

Recording of financial instruments held in custody

- 2.7 Where your financial instruments are held with a central securities depository or sub-custodian, they may be recorded in the name of a third party or in our name (rather than in the name of a nominee). In the event of the third party's or our default those financial instruments may not be as well protected from claims made on behalf of the creditors of the third party or us, as applicable.

Financial instruments held in third country jurisdictions

- 2.8 Before investing in a third country jurisdiction (i.e., a country outside the European Economic Area), you should independently satisfy yourself that you understand and appreciate the significance of the relevant risks, and that such an approach is suitable for you.
- 2.9 When your financial instruments are held in a third country jurisdiction, they may be subject to the law of that jurisdiction and to different settlement and regulatory requirements. Your rights relating to those financial instruments may differ accordingly.
- 2.10 Where your financial instruments are held in a third country jurisdiction, the applicable law of that jurisdiction may prevent us from complying with the requirements set out in MiFID II to ensure that any client financial instruments deposited with a third party are identifiable separately from the financial instruments belonging to us and from financial instruments belonging to that third party. Where such applicable law prevents us from complying with such requirements, there is a risk that on our insolvency or that of the third party, your assets would not be separately identifiable and may therefore be available to our creditors or those of the third party. In the event that a valid order were served on the sub-custodian or central securities depository seeking to freeze, attach or otherwise restrict assets belonging to us, a court in such jurisdiction may treat your financial instruments as assets belonging to us and open to seizure or arrest and your beneficial interest may not be recognised or upheld.

Lien and security interests - security which you grant directly

- 2.11 The security which you grant to directly us or to a third party, and the terms on which such security is granted by you, is set out in the relevant Custody Agreement or other agreement to which you are a party.

Lien and security interests – security which we grant to sub-custodians

- 2.12 We may grant security interests or liens over your financial instruments enabling a third party sub-custodian to dispose of your financial instruments in order to recover debts that relate to our clients or the provision of services to our clients, or otherwise where this is required by applicable law in a third country jurisdiction in which your financial instruments are held.
- 2.13 Where your financial instruments are held in third country jurisdictions which require the grant of such security interests or liens there is a risk that, if we fail or are unable to make any payment due to a third

party sub-custodian, your financial instruments could be applied to discharge our liability to the extent required by the relevant law.

Lien and security interests – security which we grant to central securities depositories

- 2.14 Where we or a sub-custodian have appointed a central securities depository on your behalf to hold your financial instruments, the central securities depository may hold a security interest or lien over your financial instruments. Where your financial instruments are held in third country jurisdictions which require the grant of such security interests or liens there is a risk that, if we or a sub-custodian fail or are unable to make any payment due to a central securities depository, your financial instruments could be applied to discharge our or the sub-custodian's liability to the extent required by the relevant law.

Lien and security interests disclosure

- 2.15 A list of the jurisdictions in which security interests or liens have been granted by us to a sub-custodian or central securities depository, or in which we have been informed security interests or liens have been granted by our sub-custodian or agent, or its delegate, to a third party, is available at <https://www.db.com/legal-resources/information-on-safeguarding-of-client-assets> (also available at <https://www.db.com/legal-resources> under "Information on Safeguarding of Client Assets") or as separately notified to you.

Securities financing transactions

- 2.16 Pursuant to the terms of the relevant Custody Agreement, we may be authorised to enter into securities financing transactions in relation to the financial instruments which we hold on your behalf. Where you provide financial instruments under a securities financing transaction, you may not have the right to any specific financial instruments but will instead be entitled, subject to any applicable laws, rules and regulations and the provisions of the relevant Custody Agreement, to the transfer or delivery of an amount of financial instruments of the same description and amount. Those financial instruments will not be held in accordance with client asset rules and your ability to exercise rights (such as voting rights, corporate events and receipt of payments or distributions) attaching to the financial instruments may also be limited. The tax treatment that would have otherwise applied in relation to the financial instruments or any payments may differ. Further, your protections in the event of the entry into insolvency or resolution of the counterparty to the transaction may not be available.
- 2.17 To the extent that we enter into securities financing transactions in relation to financial instruments held by us on your behalf, or we use such financial instruments for our own account or for the account of another client, such financial instruments shall be returned in accordance with the terms of the Custody Agreement.

3. Client funds

- 3.1 Except where required by applicable law in the relevant jurisdiction where we are providing services, we will generally hold your money in our capacity as a bank and not as a trustee or agent, and such funds will not be subject to the rules of MiFID II.

4. Additional Disclosure for clients of Deutsche Bank AG, London Branch

- 4.1 The disclosures above are also addressed to clients who are party to a Custody Agreement with Deutsche Bank AG acting through its London branch, registered address Winchester House, 1 Great Winchester Street, London EC2N 2DB, subject to the modifications set out in paragraph 4.4 below. Certain additional disclosures set out in paragraphs 4.5 to 4.11 below are also addressed to such clients.
- 4.2 The disclosures in this section 4 have been prepared to comply with Deutsche Bank AG, London Branch's disclosure obligations under the rules of the Financial Conduct Authority, including CASS, in relation to safekeeping of financial instruments and the holding of client funds.
- 4.3 In this section 4:
- (a) "we", "our", "ours" and "us" refer to Deutsche Bank AG, London branch;
 - (b) "applicable assets" means a financial instrument or designated investment each as defined for the purposes of CASS;
 - (c) "CASS" means the Financial Conduct Authority's Client Assets sourcebook;
 - (d) "Client Money Distribution and Transfer Rules" means the CASS rules relating to client money distribution and transfer, as in force or amended from time to time;
 - (e) "Client Money Rules" means the CASS rules relating to client money, as in force or amended from time to time;
 - (f) "Custody Rules" means the CASS rules relating to custody of applicable assets, as in force or amended from time to time; and
 - (g) "financial instrument" means any financial instrument or custody asset, each as defined for the purposes of CASS.

Client financial instruments

- 4.4 The disclosures in section 2 above apply with the following modifications:
- (a) the information contained in section 2 applies to all financial instruments, as defined in section 4.3(g);
 - (b) references to "MiFID II" include applicable rules of the Financial Conduct Authority and to regulations and secondary and enacting legislation comprised in MiFID II as they form part of the domestic laws of the United Kingdom;
 - (c) certain due diligence measures outlined in paragraph 2.4 above also apply with respect to central securities depositories; and
 - (d) references to a third country jurisdiction in paragraphs 2.8 to 2.10 and 2.12 to 2.14 above are to a country outside the United Kingdom. To the extent that there is any inconsistency between the information contained in section 2 and the additional disclosures in this section 4, section

2 should be read subject to the further disclosures in this section 4. In addition, please note the following.

Registration and recording of title

4.5 Where we effect registration or recording of legal title to applicable assets, we may effect registration or recording of legal title to applicable assets in registrable form in such manner as is permitted by the Custody Rules which may be in your own name, or in the name of a nominee company which is controlled by us, an affiliated company, a recognised investment exchange or an eligible custodian, or in the name of a sub-custodian or other third party or in our name, in each case to the extent permitted by and in accordance with the Custody Rules. A list of the jurisdictions in which we effect registration or recording of legal title to applicable assets in the name of a third party or in our name is available at <https://www.db.com/legal-resources/information-on-safeguarding-of-client-assets> (also available at <https://www.db.com/legal-resources> under "Information on Safeguarding of Client Assets").

Use of nominee companies

4.6 We accept the same level of responsibility for the acts and omissions of any nominee company controlled by us, or controlled by one of our affiliated companies as we do for our own acts and omissions.

Shortfalls

4.7 When we identify that there is a discrepancy between: (i) the amount of financial instruments that we should be holding for you under the Custody Rules and (ii) the amount of financial instruments we actually hold for you (whether ourselves or through a third party), and such discrepancy has not been resolved and results in a shortfall in the amount of financial instruments held, we will as soon as reasonably practicable (unless we have promptly determined that the shortfall was caused by a third party or that the discrepancy giving rise to such shortfall was due to a timing difference between our accounting system and the accounting system of a third party) appropriate an amount of our own applicable assets to cover the monetary value of the shortfall; and segregate and hold such applicable assets in custody for your benefit, in accordance with the Custody Rules until the shortfall is resolved. When the monetary value of a shortfall changes, we will adjust the amount of applicable assets we have appropriated in order that the monetary value of the assets which we have segregated and held for you is sufficient to cover the changed value of the shortfall.

Client funds

4.8 Subject to the relevant Custody Agreement, we will hold cash received from you as banker and not trustee under the Client Money Rules. In that case, in the event of our failure, the Client Money Distribution and Transfer Rules will not apply to these cash balances meaning that you will not be entitled to share in any distribution under the Client Money Distribution and Transfer Rules.

Settlement of transactions

4.9 Subject to paragraph 4.10, we will credit financial instruments to your custody account upon receipt of financial instruments by final settlement determined in accordance with the practices of the relevant market. Final settlement depends on the market confirmation of settlement to us and may include real time movement with finality, real time movement without finality, or confirmation of settlement but with movement of securities at end of the day. If any clearing system reverses any credit of financial

instruments (or we are otherwise obligated to return financial instruments as a result of a settlement reversed in accordance with market requirements), you agree that we may reverse all or any part of the credit of the financial instruments to the custody account and make an appropriate entry in our records, including restatement of the custody account. In the event of any reversal of any credit of financial instruments, you agree that we may reverse any credit of cash provided to you with respect to the financial instruments, such as distributions or the proceeds of any transaction.

- 4.10 Settlement in respect of purchases of money market fund investments will be in accordance with normal market practice for transactions of the relevant type. We may reflect the credit of purchases of money market fund investments on receipt of the contract note from the agent of the investment fund. We may reverse all or any part of the credit of the money market fund investments where we determine that the relevant transaction has failed or is likely to fail for any reason and make an appropriate entry in our records. All entries relating to the settlement of a purchase of money market fund investments shall be provisional until such time as they can no longer be adjusted by a third party (i.e., when such third party cannot reverse the purchase of the money market fund investments).
- 4.11 Any debit from or credit to a cash account shall be made by us in accordance with our usual practice and, in the case of credits made in anticipation of the receipt of funds, subject to receipt of such immediately available funds. In the event that such funds are not received or payment is reversed, we may debit the cash account with an amount representing (i) funds which are not actually received for value at such later date or (ii) the reversed payment.