



THE CNMV INITIATES DISCIPLINARY PROCEEDINGS AGAINST DEUTSCHE BANK SAE FOR VERY SERIOUS INFRINGEMENTS WHEN MARKETING COMPLEX PRODUCTS FOR SPANISH CLIENTS

11 January 2024

In its session of 15 December 2023, the Executive Committee of the Spanish National Securities Market Commission (CNMV) agreed to initiate disciplinary proceedings against DEUTSCHE BANK, S.A.E., for the advisory service provided to Spanish clients in relation to highly complex and high-risk financial derivative instruments on currencies – in particular the so-called Target Profit Forwards and Pivot TPF –, a conduct which may constitute:

- A very serious infringement defined under Article 284.1 of the Recast Text of the Spanish Securities Market Act, approved by Spanish Royal Legislative Decree 4/2015, of 23 October (hereinafter LMV), for breaching, in a non-occasional or isolated manner, the due diligence and transparency obligations established in Article 208 of the aforementioned legal text, regarding the duty of disclosure to clients laid down in its Articles 209, 210 and 211, and its implementing regulations, within the period from 1 January 2018 to 31 March 2021.
- A very serious infringement defined under Article 283.12 of the LMV, for breaching, in a non-occasional or isolated manner, the due diligence and transparency obligations and that of acting in the best interest of its clients, established in its Article 208ter and its implementing regulations, within the period from 1 October 2018 to 31 March 2021.

This statement is issued pursuant to the provisions of Article 336 of Spanish Law 6/2023, of 17 March, on Securities Markets and Investment Services (LMVSI), and does not prejudice the final outcome of the disciplinary proceedings, whereby the party against which they are being brought shall have all the means to which it is entitled under the legal system available to defend its rights.

These disciplinary proceedings are initiated regarding facts that were also determined by internal investigations carried out by the Deutsche Bank Group, to which the party the disciplinary proceedings are brought against belongs. Potential non-compliances with the applicable regulation have been identified within the scope of structured OTC currencies derivatives, in particular regarding Spanish clients.

Regarding these same facts, at the time different information was disclosed in the specialised press and legal proceedings were initiated by certain clients who had been affected.

It is particularly important to recall that the entities marketing or advising with regard to financial instruments, must inform investors in a balanced, clear, impartial and non-misleading manner on the characteristics, operation, risks and costs associated with such products, particularly when they are very complex; and they must always act in the best

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interest of the clients, advising on products that suit their investment needs and objectives, and especially their risk profile.

This resolution has been published once the interested party has been notified and the conflicting interests have been reasonably considered, in line with the provisions of Article 336 of the LMVSI.