

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

FILED

2015 APR 23 P 4: 25

US DISTRICT COURT
HARTFORD CT
3:15CR62(RNC)

----- X
UNITED STATES OF AMERICA, :
 :
 Plaintiff, :
 :
 v. :
 :
 DB GROUP SERVICES UK LIMITED, :
 :
 Defendant, :
----- X

CRIMINAL NO.

PLEA AGREEMENT

The United States of America, by and through the Fraud Section of the Criminal Division ("Fraud Section") and the Antitrust Division of the United States Department of Justice (together, the "Department"), and DB GROUP SERVICES UK LIMITED ("defendant" or "DBGS"), by and through its undersigned attorneys, and through its authorized representative, pursuant to authority granted by DBGS's Board of Directors, hereby submit and enter into this plea agreement (the "Agreement"), pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. The terms and conditions of this Agreement are as follows:

The Defendant's Agreement

1. DBGS agrees to waive indictment and plead guilty to a one-count criminal Information filed in the District of Connecticut

charging DBGS with wire fraud, in violation of Title 18, United States Code, Section 1343. DBGS further agrees to persist in that plea through sentencing and, as set forth below, to cooperate fully with the Department in its investigation into all matters related to the conduct charged in the Information.

2. DBGS understands and agrees that this Agreement is between the Department and DBGS and does not bind any other division or section of the Department of Justice or any other federal, state, or local prosecuting, administrative, or regulatory authority. Nevertheless, the Department will bring this Agreement and the cooperation of DBGS, its direct or indirect affiliates, subsidiaries, and parent corporation, to the attention of other prosecuting authorities or other agencies, if requested by DBGS.

3. DBGS agrees that this Agreement will be executed by an authorized corporate representative. DBGS represents that a resolution duly adopted by DBGS's Board of Directors is attached to this Agreement as Exhibit 1 and represents that the signatures on this Agreement by DBGS and its counsel are authorized by DBGS's Board of Directors, on behalf of DBGS.

4. DBGS agrees that it has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

5. DBGS agrees to abide by all terms and obligations of this Agreement as described herein, including, but not limited to, the following:

- (1) to plead guilty as set forth in this Agreement;
- (2) to abide by all sentencing stipulations contained in this Agreement;
- (3) to appear, through its duly appointed representatives, as ordered for all court appearances, and obey any other court order in this matter;
- (4) to commit no further federal crimes;
- (5) to be truthful at all times with the Court;
- (6) to pay the applicable fine and special assessment; and
- (7) to work with its parent corporation, Deutsche Bank AG ("Deutsche Bank"), in fulfilling the obligations described in the undertakings given by Deutsche Bank in connection with resolving investigations by the Department of Justice, the U.S. Commodity Futures Trading Commission ("CFTC") (attached to this Agreement as Exhibit 2) and the U.K. Financial Conduct Authority ("FCA").

6. DBGS agrees that in the event DBGS sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, DBGS shall include in any contract for sale, merger, or transfer a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the obligations described in this Agreement.

7. DBGS agrees to continue to cooperate fully with the Department, the Federal Bureau of Investigation (the "FBI"), and any other law enforcement or government agency designated by the Department in a manner consistent with applicable law and regulations. At the request of the Department, DBGS shall also cooperate fully with foreign law enforcement authorities and agencies. DBGS shall, to the extent consistent with the foregoing, truthfully disclose to the Department all factual information not protected by a valid claim of attorney-client privilege or work product doctrine protection with respect to the activities of DBGS and its affiliates, its present and former directors, officers, employees, and agents, between the date of this Agreement and the expiration of the Deferred Prosecution Agreement dated April 23, 2015 between the Department and Deutsche Bank AG ("Attachment A" to the "DPA"), in *United States v. Deutsche Bank AG*, concerning all matters relating to (a) the manipulation, attempted manipulation, or

interbank coordination of USD LIBOR, EURIBOR, Yen LIBOR, CHF LIBOR, GBP LIBOR, and Euroyen TIBOR, or (b) violations of United States laws concerning fraud or antitrust, or governing securities or commodities markets, about which DBGS has any knowledge or about which the Department, the FBI, or any other law enforcement or government agency designated by the Department, or, at the request of the Department, any foreign law enforcement authorities and agencies, shall inquire. This obligation of truthful disclosure includes the obligation of DBGS to provide to the Department, upon request, any non-privileged or non-protected document, record, or other tangible evidence about which the aforementioned authorities and agencies shall inquire of DBGS, subject to the direction of the Department.

8. DBGS agrees that any fine or restitution imposed by the Court will be due and payable within ten (10) business days of sentencing, and DBGS will not attempt to avoid or delay payments. DBGS further agrees to pay the Clerk of the Court for the United States District Court for the District of Connecticut the mandatory special assessment of \$400 within ten (10) business days from the date of sentencing.

9. DBGS will immediately file an application for a prohibited transaction exemption with the United States Department of Labor ("DoL") requesting that DBGS, its subsidiaries, and

affiliates be allowed to continue to be qualified as a Qualified Professional Asset Manager pursuant to Prohibited Transactions Exemption 84-14 (the "QPAM Exemption"). DBGS will seek such exemption in the form and manner that permits such exemption to be considered in the most expeditious manner possible, and will provide all information requested of it by DoL in a timely manner. The decision regarding whether or not to grant an exemption, temporary or otherwise, is committed to DoL, and the Department takes no position on whether or not an exemption should be granted. If DoL denies the exemption, or takes any other action adverse to DBGS, DBGS may not withdraw its plea or otherwise be released from any of its obligations under this Plea Agreement. The Department agrees that the Department will support a motion or request by DBGS that sentencing in this matter be adjourned until DoL has issued a ruling on DBGS's request for an exemption, temporary or otherwise, so long as DBGS is proceeding with the DoL in an expeditious manner.

10. To the extent that this Agreement triggers regulatory exclusions, disqualifications or penalties, the Fraud Section agrees that, if requested, it will advise the appropriate officials of any governmental agency considering such action, or any waiver or exemption therefrom, of the fact, manner, and extent of the cooperation of Deutsche Bank, its affiliates and subsidiaries, and the relevant facts regarding the charged conduct as a matter for

that agency to consider before determining what action, if any, to take. The triggering of any such regulatory exclusions, disqualifications or penalties by other governmental agencies does not entitle Deutsche Bank to withdraw its plea or otherwise be released from any of its obligations under this Agreement.

11. DBGS agrees that if the defendant company, its parent corporation, or any of its direct or indirect affiliates or subsidiaries issues a press release or holds a press conference in connection with this Agreement, DBGS shall first consult with the Department to determine whether (a) the text of the release or proposed statements at any press conference are true and accurate with respect to matters between the Department and DBGS; and (b) the Department has no objection to the release or statement. Statements at any press conference concerning this matter shall be consistent with such a press release.

The Department's Agreement

12. In exchange for the guilty plea of DBGS and the complete fulfillment of all of its obligations under this Agreement, the Department agrees it will not file additional criminal charges against DBGS relating to (a) any of the conduct described in the Statement of Facts attached hereto as Exhibit 3, (b) any of the conduct described in the Statement of Facts attached as Attachment A to the DPA, or (c) information disclosed by DBGS or Deutsche Bank to

the Department prior to the date of this Agreement relating to the manipulation, attempted manipulation, or interbank coordination of USD LIBOR, EURIBOR, Yen LIBOR, CHF LIBOR, GBP LIBOR, and Euroyen TIBOR. This paragraph does not provide any protection against prosecution for manipulation of interest rates, any scheme to defraud counterparties to interest rate derivatives trades placed on its behalf, or any antitrust violation in the future by DBGS or by any of its officers, directors, employees, or agents, whether or not disclosed by DBGS pursuant to the terms of this Agreement. This Agreement does not close or preclude the investigation or prosecution of any natural persons, including any officers, directors, employees, or agents of DBGS, who may have been involved in any of the matters set forth in the Information, Attachment A of the DPA, or in any other matters.

Factual Basis

13. DBGS is pleading guilty because it is guilty of the charge contained in the Information. DBGS admits, agrees, and stipulates that the factual allegations set forth in the Information are true and correct, that it is responsible for the acts of its present and former officers and employees described in the Statement of Facts attached hereto and incorporated herein as Exhibit 3, and that Exhibit 3 accurately reflects DBGS's criminal conduct. DBGS also admits, agrees, and stipulates that Attachment A to the DPA, to

the extent that Attachment A describes the conduct of employees of DBGS, is true and correct, and that DBGS is responsible for such conduct.

DBGS's Waiver of Rights,

Including the Right to Appeal

14. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. DBGS expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, DBGS voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, DBGS understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if, even though the Department has fulfilled all of its obligations under this Agreement and the Court has imposed the agreed-upon sentence, DBGS nevertheless withdraws its guilty plea.

15. DBGS knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. DBGS similarly knowingly, intelligently, and voluntarily waives the right to appeal

the sentence imposed by the Court. In addition, DBGS knowingly, intelligently, and voluntarily waives the right to bring any collateral challenge, including challenges pursuant to Title 28, United States Code, Section 2255, challenging either the conviction, or the sentence imposed in this case. Nothing in this paragraph, however, will act as a bar to Deutsche Bank perfecting any legal remedies it may otherwise have on appeal or collateral attack respecting claims of ineffective assistance of counsel or prosecutorial misconduct. DBGS waives all defenses based on the statute of limitations and venue with respect to any prosecution that is not time-barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) DBGS violates this Agreement; or (c) the plea is later withdrawn, provided such prosecution is brought within one year of any such vacation of conviction, violation of agreement, or withdrawal of plea plus the remaining time period of the statute of limitations as of the date that this Agreement is signed. The Department is free to take any position on appeal or any other post-judgment matter.

Penalty

16. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1343, if the violation affects a financial institution, is a fine of

\$1 million or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, Title 18, United States Code, Section 3571(c)(3), (d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400, Title 18, United States Code, Section 3013(a)(2)(B).

Sentencing Recommendation

17. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Department and DBGS have agreed to a specific sentence of a fine in the amount of \$150,000,000 and a special assessment of \$400. The Parties agree that this \$150,000,000 fine and the \$400 special assessment shall be paid to the Clerk of Court, United States District Court for the District of Connecticut, within ten (10) business days after sentencing. The Department and DBGS have agreed that all or a portion of the fine may be paid by one or more related Deutsche Bank entities, including DBGS's parent company, Deutsche Bank AG, on behalf of DBGS, consistent with Deutsche Bank policy and practice. DBGS acknowledges that no tax deduction may be sought in connection with the payment of this \$150,000,000 fine.

18. The parties further agree, with the permission of the Court, to waive the requirement of a Pre-Sentence Investigation report pursuant to Federal Rule of Criminal Procedure 32(c)(1)(A)(ii), based on a finding by the Court that the record

contains information sufficient to enable the Court to meaningfully exercise its sentencing power. The parties agree, however, that in the event the Court orders the preparation of a pre-sentence report prior to sentencing, such order will not affect the agreement set forth herein.

19. In the event the Court directs the preparation of a Pre-Sentence Investigation report, the Department will fully inform the preparer of the pre-sentence report and the Court of the facts and law related to DBGS's case. Except as set forth in this Agreement, the parties reserve all other rights to make sentencing recommendations to address questions posed by the Court or the Probation Office and to respond to motions and arguments by the opposing party.

20. This agreement is presented to the Court pursuant to Fed. R. Crim. P. 11(c)(1)(C). DBGS understands that, if the Court rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement; (b) advise DBGS's counsel that the Court is not required to follow the Agreement and afford DBGS the opportunity to withdraw its plea; and (c) advise DBGS that if the plea is not withdrawn, the Court may dispose of the case less favorably toward DBGS than the Agreement contemplated. DBGS further understands that if the Court refuses to accept any provision of

this Agreement, except paragraph 18 above, neither party shall be bound by the provisions of the Agreement.

Breach of Agreement

21. DBGS agrees that if it breaches this Agreement, commits any federal crime between the date of this Agreement and the expiration of the DPA, or has provided or provides deliberately false, incomplete, or misleading information in connection with this Agreement, the Department may, in its sole discretion, characterize such conduct as a breach of this Agreement. In the event of such a breach, (a) the Department will be free from its obligations under the Agreement and may take whatever position it believes appropriate as to the sentence; (b) DBGS will not have the right to withdraw the guilty plea; (c) DBGS shall be fully subject to criminal prosecution for any other crimes that it has committed or might commit, if any, including perjury and obstruction of justice; and (d) the Department will be free to use against DBGS, directly and indirectly, in any criminal or civil proceeding any of the information or materials provided by DBGS pursuant to this Agreement, as well as the admitted Statement of Facts attached as Exhibit 3.

22. In the event of a breach of this Agreement by DBGS, if the Department elects to pursue criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

- a. DBGS agrees that any applicable statute of limitations is tolled between the date of DBGS's signing of this Agreement and the discovery by the Department of any breach by DBGS plus one year; and
- b. DBGS gives up all defenses based on the statute of limitations (as described in Paragraph 14), any claim of pre-indictment delay, venue, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

Complete Agreement

23. This document states the full extent of the agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

AGREED:

FOR DB GROUP SERVICES UK LIMITED:

Date: 4/23/15

By: _____



Steven F. Reich
General Counsel - Americas
Deutsche Bank AG

Date: _____

By: _____
Roberto Finzi, Esq.
Andrew Finch, Esq.
Theodore V. Wells, Jr., Esq.
Paul, Weiss, Rifkind, Wharton &
Garrison LLP

Steven F. Reich
General Counsel - Americas
Deutsche Bank AG

Date: 4/23/15

By: 
Roberto Finzi, Esq.
Andrew Finch, Esq.
Theodore V. Wells, Jr., Esq.
Paul, Weiss, Rifkind, Wharton &
Garrison LLP

FOR THE DEPARTMENT OF JUSTICE, CRIMINAL DIVISION, FRAUD SECTION:

ANDREW WEISSMANN
Chief, Fraud Section
Benjamin D. Singer
Deputy Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 4/23/15

By: Jennifer L. Saulino
Jennifer L. Saulino
Assistant Chief, Fraud Section

Date: 4/23/15

By: Alison Anderson
Alison L. Anderson
Trial Attorney, Fraud Section

FOR THE DEPARTMENT OF JUSTICE, ANTITRUST DIVISION:

JEFFREY D. MARTINO
Chief, New York Field Office
Antitrust Division
United States Department of Justice

Date: 4/23/15

By: Richard A. Powers
Richard A. Powers
Trial Attorney, Antitrust Division

CERTIFICATE OF COUNSEL

We are counsel for DB Group Services (UK) Ltd. ("DBGS") in the matter covered by this Agreement. In connection with such representation, we have examined relevant DBGS documents and have discussed the terms of this Agreement with DBGS's Board of Directors. Based on our review of the foregoing materials and discussions, we are of the opinion that the representative of DBGS has been duly authorized to enter into this Agreement on behalf of DBGS and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of DBGS and is a valid and binding obligation of DBGS. Further, we have carefully reviewed the terms of this Agreement with the Board of Directors and the legal counsel of DBGS. We have fully advised them of the rights of DBGS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. To our knowledge, the decision of DBGS to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

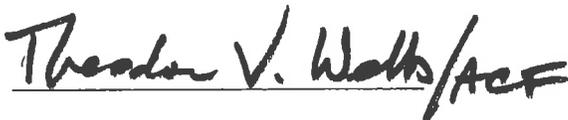
Date: April 23, 2015

By: 

Roberto Finzi, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Counsel for DBGS

By: 

Andrew C. Finch, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Counsel for DBGS

By: 

Theodore V. Wells, Jr., Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Counsel for DBGS

COMPANY OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for DB GROUP SERVICES UK LIMITED ("DBGS"). I understand the terms of this Agreement and voluntarily agree, on behalf of DBGS, to each of its terms. Before signing this Agreement, I consulted outside counsel for DBGS. Counsel fully advised me of the rights of DBGS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I understand that outside counsel for DBGS has advised the Board of Directors fully of the rights of DBGS, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of DBGS, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am General Counsel - Americas for Deutsche Bank AG and am duly authorized by DBGS to execute this Agreement on behalf of DBGS.

Date: April 23, 2015

DB Group Services UK Limited

By:

A handwritten signature in black ink, appearing to read "Steven F. Reich", is written over a horizontal line.

Steven F. Reich
General Counsel - Americas
Deutsche Bank AG

EXHIBIT 1

Certificate of Corporate Resolutions

A copy of the executed Certificate of Corporate Resolutions is annexed hereto as "Exhibit 1."

COPY OF THE RESOLUTIONS OF THE BOARD OF DIRECTORS
OF
DB GROUP SERVICES (UK) LIMITED

Background

On 22 April 2015, the board of directors (the **Board**) of DB Group Services (UK) Limited (the **Company**) considered:

- (a) the discussions between the Company, through its legal counsel, and the United States Department of Justice, Criminal Division, Fraud Section, and the Antitrust Division (together, the **DOJ**) regarding its investigation into potential criminal violations related to the London Interbank Offered Rate (**LIBOR**) and the Euro Interbank Offered Rate (**EURIBOR**) (the **LIBOR Investigation**);
- (b) a pack of settlement documents, pursuant to which the Company and Deutsche Bank AG (**DBAG**) proposed to settle the LIBOR Investigation, including:
 - (i) a draft Plea Agreement, with appendices, between the Company and the DOJ (the **Draft Plea Agreement**);
 - (ii) as an appendix to the Draft Plea Agreement, a draft statement of facts relating to the involvement of the Company's employees in misconduct in relation to the LIBOR and EURIBOR benchmarks; and
 - (iii) a draft Information expected to be filed in the U.S. District Court for the District of Connecticut, charging the Company with one count of wire fraud, in violation of Title 18, United States Code, Section 1343.
- (c) a draft written special resolution to be passed by the Company's sole shareholder (the **Written Shareholder Resolution**) containing a direction in relation to the matters referred to in sub-paragraphs (a) and (b) above;
- (d) the terms of a proposed resolution of the board of DBAG (the **DBAG Resolution**) to the effect that DBAG be authorised to sign and execute any documents and take all other steps that are necessary or deemed useful to ensure and facilitate, to the extent legally possible, the entering of a guilty plea in the U.S. vis-à-vis the DOJ by the Company; and
- (e) the advice to the Board from its legal counsel regarding the terms of the Draft Plea Agreement, as well as advice regarding the waiver of rights and other consequences of signing the Draft Plea Agreement.

Resolutions

After careful consideration the Board **RESOLVED**, conditionally upon receipt by the Board of (i) a copy of the DBAG Resolution duly passed and (ii) a copy of the signed Written Shareholder Resolution, **THAT**:

1. It was in the best commercial interests of the Company and would promote the success of the Company for the benefit of its members as a whole, having regard to the factors set out in section

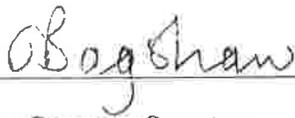
172 of the Companies Act 2006 and other factors, for the Company to enter into the Draft Plea Agreement and to enter into the guilty plea referred to therein (the **Guilty Plea**).

2. Any director of the Company (a **Director**), Christian Sewing, Richard Walker, Simon Dodds, Christof von Dryander, Kieran Garvey, Maureen Lewis and Gayathri Kamalanathan and Roberto Finzi, Andrew C. Finch and Theodore V. Wells, Jr. of the U.S. law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP, acting individually or jointly, be authorised on behalf of the Company to:
 - (a) agree any amendment to the Draft Plea Agreement prior to execution provided that the plea agreement to be entered into by the Company be substantially in the same form and substance as the Draft Plea Agreement;
 - (b) agree the terms of, and sign on behalf of the Company, any related document; and
 - (c) take any and all actions as may be necessary or appropriate, and to approve the forms, terms and provisions of any agreement or other documents as may be necessary or appropriate, to carry out or give effect to the purpose and intent of these Resolutions (including signing and delivering any such agreement or document on behalf of the Company).
3. The execution of any relevant document as a deed in relation to these Resolutions be authorised and that this be effected by that document being signed by any Director in the presence of a witness or by any two Directors or by any one Director and either of the joint company secretaries of the Company, in each case on behalf of the Company.
4. Christian Sewing, Richard Walker, Simon Dodds, Christof von Dryander, Kieran Garvey, Maureen Lewis and Gayathri Kamalanathan and Roberto Finzi, Andrew C. Finch and Theodore V. Wells, Jr. of the U.S. law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP, or any delegate who he/she may select, acting individually or jointly, be authorised:
 - (a) to execute the Draft Plea Agreement on behalf of the Company with any such amendments as may have been approved in accordance with these Resolutions provided that the plea agreement executed on behalf of the Company be substantially in the same form and substance as the Draft Plea Agreement;
 - (b) to act and speak on behalf of the Company in any proceeding, or as otherwise necessary, for the purpose of executing the Draft Plea Agreement (with any amendments as referred to above), including the entry of the Guilty Plea on behalf of the Company; and
 - (c) to take such further action as appears to him/her necessary or desirable to carry into effect the intent and purpose of these Resolutions.
5. All of the actions of the Directors and any individuals authorised to act on behalf of the Company by the above Resolutions, which actions would have been within the scope of and authorised by the above Resolutions except that such actions were taken prior to the passing of such Resolutions, be severally ratified, confirmed, approved and adopted as actions on behalf of the Company;
6. Any Director and Joanne Bagshaw and Andrew Bartlett, both joint company secretaries of the Company, who was in attendance at the Board meeting at which these Resolutions were passed, be individually authorised to certify a copy of these Resolutions.
7. Christian Sewing, Richard Walker, Simon Dodds, Christof von Dryander, Kieran Garvey, Maureen Lewis and Gayathri Kamalanathan and Roberto Finzi, Andrew C. Finch and Theodore V. Wells, Jr.

of the U.S. law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP be individually authorised to provide to the DOJ a certified copy of these Resolutions.

8. Each joint company secretary of the Company be individually authorised to file with the Registrar of Companies a record of the Written Shareholder Resolution and the relevant forms.

I, Joanne Bagshaw, being the joint company secretary of the Company, certify that the resolutions set out above are the resolutions that were passed by the Directors of the Company at a board meeting duly held on 22 April 2015.

A handwritten signature in cursive script, appearing to read "J. Bagshaw", is written over a horizontal line.

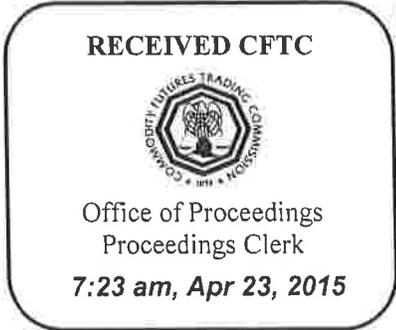
Joint Company Secretary

EXHIBIT 2

Corporate Compliance Undertakings

Attached are the relevant excerpts of the agreements entered into by DBGS Limited's parent, Deutsche Bank AG ("Deutsche Bank"), in resolving regulatory investigations in this matter with the United States Commodity Futures Trading Commission.

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION



In the Matter of:)
)
)
Deutsche Bank AG,) CFTC Docket No. 15 – 20
)
)
Respondent.)
)
)
_____)

ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTIONS 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

I.

The Commodity Futures Trading Commission (“Commission” or “CFTC”) has reason to believe that Deutsche Bank AG (“Deutsche Bank” or “Respondent”) has violated Sections 6(c), 6(d) and 9(a)(2) of the Commodity Exchange Act (the “Act” or the “CEA”), 7 U.S.C. §§ 9, 13b and 13(a)(2) (2006). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent has engaged in the violations set forth herein, and to determine whether any order shall be issued imposing remedial sanctions.

II.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying the findings or conclusions herein, except to the extent Respondent admits those findings in any related action against Deutsche Bank by, or any agreement with, the Department of Justice or any other governmental agency or office, Respondent herein consents to the entry and acknowledges service of this Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”).¹

¹ Respondent consents to the entry of this Order and to the use of these findings in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party; provided, however, that Respondent does not consent to the use of the Offer, or the findings or conclusions in this Order, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce the terms of this Order. Nor does Respondent consent to the use of the Offer or this Order, or the findings or conclusions in this Order consented to in the Offer, by any other party in any other proceeding.

III.

The Commission finds the following:

A. Summary

For more than six years, from at least 2005 through early 2011 (the “relevant period”), Deutsche Bank, by and through the acts of certain employees, engaged in systemic and pervasive misconduct directed at manipulating critical, international financial benchmark rates, the London Interbank Offered Rate (“LIBOR”) and the Euro Interbank Offered Rate (“Euribor”). Deutsche Bank’s profit-driven misconduct undermined the integrity of LIBOR and Euribor and the integrity of the U.S. and global financial markets.

LIBOR and Euribor are the basis for trillions of dollars of financial instruments, particularly derivatives contracts, including interest rate swaps and futures contracts. The Eurodollar futures contract traded on the Chicago Mercantile Exchange (“CME”) is one of the largest futures contract in the world based on open interest and notional value of trading volume and settles against U.S. Dollar LIBOR. Rates for consumer loans, such as mortgages, student loans, car loans, and credit card accounts, are tied to LIBOR. Markets, investors and consumers around the world rely on the integrity of these benchmark rates.

The benchmark rates are determined by contributions from select panel banks, including Deutsche Bank, and are supposed to reflect each bank’s honest assessment of the costs of borrowing unsecured funds in the cash markets. More than two dozen Deutsche Bank traders and benchmark submitters violated this fundamental precept by focusing on the need to generate trading profits instead of providing honest and accurate information to the relevant cash markets. As a result, Deutsche Bank routinely based its U.S. Dollar, Yen, Sterling, and Swiss Franc LIBOR and Euribor submissions on its cash and derivatives trading positions, the profitability of which were tied to LIBOR and Euribor. Through its regular, false LIBOR and Euribor submissions, Deutsche Bank routinely attempted to manipulate LIBOR and Euribor in order to ensure that the published rates for each benchmark benefited its trading positions. At times, Deutsche Bank was successful in its attempts to manipulate LIBOR for U.S. Dollar, Yen, Sterling, and Swiss Franc, and Euribor.

Over this more than six year period and across currencies, Deutsche Bank’s submitters routinely took into account other Deutsche Bank traders’ derivatives trading positions, as well as their own cash and derivatives trading positions, when making the bank’s LIBOR and Euribor submissions. On other occasions, Deutsche Bank aided and abetted other panel banks’ attempts to manipulate Euribor and Yen LIBOR. The conduct of Deutsche Bank’s submitters, traders, desk managers, and at least one senior manager was systemic and pervasive, occurring across

multiple trading desks and offices, including London, Frankfurt, New York, Tokyo,² and Singapore.³

Allowing submitters and traders to prioritize profit motives over appropriate submission considerations, Deutsche Bank permitted a culture of trader self-interest to exist and created conflicts of interest, which allowed the misconduct to occur. Certain managers encouraged continual information sharing between derivatives traders, money market traders, and submitters for the various benchmarks, even restructuring business lines such that, in Deutsche Bank's London office, derivatives traders and submitters sat together. In addition to making routine written requests for beneficial LIBOR and Euribor submissions, the traders often shouted their requests for beneficial submissions across the trading floor to the submitters.⁴ A senior manager⁵ regularly sat with the traders and encouraged them and their counterparts in other offices to communicate and exchange trading positions, so submitters became clearly aware of the submissions that were most favorable to the various desks' trading positions. Senior desk managers in London, Frankfurt, New York, and in the Deutsche Tokyo Subsidiary also made requests to benefit their own trading positions, facilitated the requests from their traders for beneficial submissions, and generally promoted the practice of inappropriately using benchmark interest rate submissions to help the traders increase profits and minimize losses on their and the desk's trading positions. The cash and derivatives trading on the desks responsible for Deutsche Bank's misconduct increased throughout the relevant period and the desks generated significant revenues for Deutsche Bank, particularly during the global financial crisis of 2007 through 2009.

Despite the obvious conflict of interest, Deutsche Bank, at times, allowed its traders who primarily traded derivatives, such as its Yen derivatives trader, to be responsible for making its submissions, thus making it easy to skew the bank's submissions to benefit their own positions and to accommodate the requests of their fellow derivatives traders.⁶ These improper submission

² The Deutsche Bank Tokyo office referenced herein is Deutsche Securities, Inc. Japan ("Deutsche Tokyo Subsidiary"). The Deutsche Tokyo Subsidiary is the brokerage and investment banking arm located in Tokyo, Japan for Deutsche Bank AG. It is not registered with the Commission in any capacity.

³ Deutsche Bank's misconduct extended beyond the LIBOR and Euribor benchmarks. Through its internal investigation, Deutsche Bank identified evidence of similar misconduct with respect to attempts to influence, and at times attempts to manipulate, other interest rate benchmarks, including, but not limited to, Singapore Interbank Offered Rate, Singapore Swap Offer Rate, and Tom/Next Indexed Swaps for the Swiss Franc.

⁴ For purposes of this Order, the term "request" means a request for a preferential LIBOR or Euribor submission for a particular tenor.

⁵ The term "senior management" or "senior manager" refers to Deutsche Bank employees with responsibilities (formally or informally delegated) broader than the management of trading desks, although their responsibilities may have at times included managing trading desks. The term "senior management" or "senior manager" does not include executive managers or members of Deutsche Bank's Management Board, Supervisory Board, or Group Executive Committee.

⁶ In June 2008, the British Bankers' Association ("BBA") clarified in guidance provided to panel banks that the basis for a bank's submission must be the rates at which bank staff members primarily responsible for management of the bank's cash, rather than the bank's derivative trading book, consider

practices continued even after the BBA, the trade association responsible for the management and publication of LIBOR, clarified in June 2008 that submissions should be made by those who are responsible for management of the bank's cash, rather than the bank's derivatives trading book. One particular Deutsche Bank derivatives trader-submitter used his position as the bank's submitter to assist the senior yen trader at UBS ("UBS Senior Yen Trader") in his massive scheme to manipulate Yen LIBOR over the same relevant period.⁷

As a result of this profit-based submission process, improper written and oral submission requests were common practice, and LIBOR and Euribor submitters routinely skewed Deutsche Bank's contributions, routinely made false submissions, and routinely attempted to manipulate, and, at times, successfully manipulated LIBOR and Euribor. Thus, Deutsche Bank's LIBOR and Euribor submissions were not a reflection of Deutsche Bank's honest assessment of the costs of borrowing funds in the relevant interbank markets, as required by each of the benchmarks' definitions.

Deutsche Bank's traders were able to accommodate and facilitate the attempts to manipulate LIBOR and Euribor for years because Deutsche Bank lacked internal controls, procedures and policies concerning its LIBOR and Euribor submission processes, and failed to adequately supervise its trading desks and traders. Deutsche Bank did not have any policies, internal controls, or procedures for determining or monitoring its submissions to ensure that Deutsche Bank's LIBOR and Euribor submissions reflected an honest assessment of the costs of borrowing unsecured funds in the interbank markets. Deutsche Bank's failure to provide internal training or implement standards addressing benchmark interest rate submissions, allowance of inappropriate communications amongst traders and submitters, and related conflicts of interest amplified the potential for misconduct and permitted the misconduct to continue for a number of years. Deutsche Bank engaged in this wrongful conduct even after the Division of Enforcement requested in April 2010 that Deutsche Bank conduct an internal investigation of its U.S. Dollar LIBOR submission practices. In fact, Deutsche Bank did not make meaningful improvements in its internal controls until mid-2011 and did not formalize a policy about conflicts of interest among traders and submitters relating to benchmark submissions until February, 2013.

that the bank can borrow unsecured interbank funds in the London market. The BBA also clarified that panel banks could not contribute a rate based on the pricing of any derivative financial instrument.

⁷ On December 19, 2012, the Commission issued an Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act Making Findings and Imposing Remedial Sanctions against UBS AG and UBS, finding, among other things, that UBS AG and UBS, through the UBS Senior Yen Trader, attempted to manipulate Yen LIBOR, at times successfully, through multiple methods. The Commission's Order found that one of the UBS Senior Yen Trader's strategies included coordinating with traders at other Yen panel banks, including Deutsche Bank, identified in the Order as the Yen Bank F, to attempt to manipulate Yen LIBOR by making false Yen LIBOR submissions beneficial to their respective derivatives trading positions. *See In re UBS AG et al.*, CFTC Docket No. 13-09 (CFTC filed December 19, 2012), available at <http://www.cftc.gov/ucm/groups/public/@enforcementactions/documents/legalpleading/enfubsorder121912.pdf>.

In accepting Deutsche Bank's Offer, the Commission recognizes Respondent's cooperation with the Division of Enforcement's investigation of this matter. The Commission notes that at the outset of the Division of Enforcement's investigation in April 2010 and continuing until mid-2011, Deutsche Bank's cooperation was not sufficient, and, in part, this affected a timely resolution of this matter. After mid-2011, Deutsche Bank provided significant cooperation and assistance to the Division of Enforcement.

B. Respondent

Deutsche Bank AG is a German global banking and financial services company headquartered in Frankfurt, Germany. Deutsche Bank operates in over 70 countries and has offices in major financial centers including Frankfurt, London, New York City, Tokyo, Singapore, and Hong Kong. On December 31, 2012, Deutsche Bank AG was provisionally registered as a swap dealer with the Commission.

C. Facts

1. The Fixing of LIBOR and Euribor

a. LIBOR and its Fixing

LIBOR is the most widely used benchmark interest rate in the world and affects market participants and consumers throughout the world, including in the United States. LIBOR is used as a barometer to measure strain in money markets and is often a gauge of the market's expectation of future central bank interest rates. LIBOR is used in interest rate transactions, including loans, over-the-counter swaps, and exchange-traded interest rate futures and options contracts on many of the world's major futures and options exchanges. For example, U.S. Dollar LIBOR is used as the basis for settlement of the CME's Eurodollar futures contracts. The products indexed to LIBOR have an approximate notional value of \$500 trillion.

During the relevant period, under the auspices of the BBA,⁸ LIBORs were issued on a daily basis for ten currencies, including U.S. Dollar, Yen, Sterling, and Swiss Franc, with fifteen tenors (*i.e.*, durations for interest rates) ranging from overnight through twelve months.⁹ Certain currencies, such as U.S. Dollar, Yen, Sterling, and Swiss Franc are more widely referenced in interest rate contracts. One, three and six-months are the most common tenors referenced in LIBOR-indexed transactions.

According to the BBA, LIBOR "is based on offered inter-bank deposit rates contributed in accordance with the Instructions to BBA LIBOR Contributor banks." The BBA explained that:

⁸ On February 1, 2014, ICE Benchmark Administration Limited was appointed as the new administrator for LIBOR, following authorization by the U.K. Financial Conduct Authority ("FCA").

⁹ In 2013, the BBA discontinued publication of LIBOR for five currencies, namely the Canadian Dollar, Australian Dollar, New Zealand Dollar, Danish Krone, and Swedish Krona.

[a]n individual BBA LIBOR Contributor Panel Bank will contribute the rate at which it could borrow funds, were it to do so by asking for and then accepting inter-bank offers in reasonable market size just prior to [11:00 a.m. London time].¹⁰

Every business day shortly before 11:00 a.m. London time, the banks on the LIBOR panels submitted their rates to Thomson Reuters. A trimmed averaging process excluded the top and bottom quartile of rates and the remaining rates were averaged for each tenor. That averaged rate became the official BBA daily LIBOR (the “LIBOR fixing”) for each tenor.

The BBA made public the daily LIBOR fixing for each currency and tenor, as well as the daily submissions of each panel bank, through Thomson Reuters and the other data vendors licensed by the BBA. This information was made available and relied upon by market participants and others throughout the world, including in the United States.

By its definition, LIBOR requires that the submitting panel banks exercise their judgment to determine the rates at which they may obtain unsecured funds in the London interbank market. These definitions require that submissions relate to funding and do not permit consideration of factors unrelated to the costs of borrowing unsecured funds, such as the benefit to a bank’s derivatives or money market trading positions.¹¹

b. Euribor and its Fixing

Euribor is used internationally in derivatives contracts, including interest rate swaps and futures contracts.¹² According to the Bank for International Settlements, over-the-counter interest rate derivatives, such as swaps and FRAs, comprised contracts worth over \$187 trillion in notional value at the end of 2012.

During the relevant period, daily Euribors were issued on behalf of the European Banking Federation (“EBF”)¹³ for fifteen tenors, ranging from one week to twelve months. One, three and six months are the most common tenors referenced in Euribor-indexed transactions.

¹⁰ This definition of LIBOR has been used since 1998 to the present.

¹¹ In June 2008, the BBA clarified that panel banks could not contribute a rate based on the pricing of any derivative financial instrument. BBA guidelines issued in October 2009 further clarified that LIBOR submitters “should not ask intermediaries where they believe LIBOR rates will set on a given day and use this as a basis for submissions. This misses the point of the benchmark, and is a circular process that would rapidly lead to inaccurate rates.”

¹² In October 2011, the CME launched the Euribor Futures contract, which settles based on the three-month Euribor.

¹³ The EBF is an unregulated non-profit association of the European banking sector based in Brussels, Belgium. Among other functions, the EBF oversees the publication of Euribor.

According to the EBF, Euribor is defined as the rate “at which Euro interbank term deposits are offered by one prime bank to another prime bank” within the Economic and Monetary Union of the European Union (“EMU”) at 11:00 a.m. Central European Time (“CET”) daily.

Euribor is determined using submissions from a panel of over 40 mostly European banks considered to be the most active in the Euro zone with the highest volume of business in the EMU. According to the EBF instructions, panel banks “must quote the required euro rates to the best of their knowledge,” based on their observations of where the Euro is trading in that market.

Like the BBA panel banks, the Euribor panel banks submit their rates electronically to Thomson Reuters, which manages the official Euribor process by collecting the submitted rates from the contributing banks, calculating the rate, and then releasing it for publication just before noon CET. Thomson Reuters computes that day’s published Euribor by eliminating the highest and lowest fifteen percent of submissions collected, and averaging the remaining submissions. That average rate becomes the official daily EBF Euribor (the “Euribor fixing”). On behalf of EBF, Thomson Reuters then issues the Euribor fixing and the submissions of each panel bank to its subscribers and other data vendors. Through these licensing agreements with third parties, such as Thomson Reuters, EBF disseminates the information throughout the world, including in the United States.

By their definitions, LIBOR and Euribor require that the submitting panel banks exercise their judgment to determine the rates at which, depending on the benchmark, they or a prime bank may obtain unsecured funds in the respective London and Euro interbank markets. These definitions require that submissions relate to funding and do not permit consideration of factors unrelated to the costs of borrowing unsecured funds, such as cash or derivatives trading positions.

2. Deutsche Bank’s LIBOR and Euribor Submission Processes and the Embedded Conflicts of Interest

a. Deutsche Bank’s Submission Processes in London and Frankfurt

Deutsche Bank is a member of both the BBA and the EBF, and is one of the panel banks that submits rates for the determination of LIBOR for various currencies, including U.S. Dollar, Yen, Sterling, and Swiss Franc, and Euribor.¹⁴ During the relevant period, Deutsche Bank made its LIBOR submissions for U.S. Dollar, Sterling, and Yen out of its London office and made Swiss Franc LIBOR and Euribor submissions out of its Frankfurt office. Deutsche Bank’s LIBOR and Euribor submission processes and the traders and trading desks involved in this misconduct were part of the Global Finance and Foreign Exchange Group (“GFFX”).

¹⁴ During the relevant period, Deutsche Bank was also a member of the LIBOR panels for the Canadian Dollar, Australian Dollar, Danish Krone, New Zealand Dollar, and, beginning in June, 2006, the Swedish Krona.

Deutsche Bank's GFFX Group consisted of two main lines of businesses, including Global Finance and FX Forwards. Included in this group were Pool Trading desks and Money Market Derivatives ("MMD") desks. Deutsche Bank's LIBOR and Euribor submitters sat on the Pool Trading desks, where they traded both cash and derivatives trading products. While the submitters and other pool traders regularly transacted in interbank cash deposits and loans to meet the bank's funding needs each day in all currencies, they also had their own derivatives trading books that allowed them not only to hedge risk in their cash trading but also to generate profits for the desk in a proprietary fashion. MMD traders, who also held proprietary books, primarily traded derivatives trading products with a focus on short term maturities from overnight to two years. Some of the derivatives products traded by both pool and MMD traders included futures (including the CME Eurodollar futures contract), interest rate swaps, forward rate agreements, overnight index swaps and tenor basis swaps. The cash and derivatives positions held by the Deutsche Bank pool traders and MMD traders were often priced off of LIBOR and Euribor. Some of these positions settled or reset on International Monetary Market ("IMM") dates, which are quarterly dates in March, June, September, and December.

The Pool Trading and MMD desks were organized by currency and comprised of senior traders who oversaw the desks and often trained junior traders. A regional manager in Deutsche Bank's Frankfurt and New York offices oversaw the business lines for that location, including the Pool Trading and MMD desks. One senior manager located in London had global responsibility for the Pool Trading and MMD desks ("Global Senior Manager"). Prior to 2006, the Pool Trading desks and MMD desks operated mostly independent of each other, despite their overlapping trading responsibilities.

b. The LIBOR and Euribor Submitters' Conflicts of Interest Created by Deutsche Bank

In 2006, Deutsche Bank merged the Pool Trading and MMD desks in its bank branches in an effort to increase the bank's trading profits through an alignment of the desks' related trading positions. The merger of the business lines resulted in the MMD derivatives traders in Deutsche Bank's London office sitting next to, or in close proximity to, Deutsche Bank cash traders. Some of those cash traders were the bank's LIBOR submitters. From London, the Global Senior Manager instructed all traders to have open communication across offices and instilled an expectation that the derivatives traders and submitters would communicate routinely about relevant market conditions and individual trading positions.

This commingling of business lines caused a significant cultural shift within the bank globally, where traders were incentivized to engage in improper communications with the bank's LIBOR and Euribor submitters. As a result, traders routinely communicated to submitters their preferential requests for LIBOR and Euribor submissions which were beneficial to individual and desk trading positions. Because the bank's Euribor and Swiss Franc LIBOR submissions were set in Frankfurt, the Global Senior Manager encouraged the Frankfurt Euribor and Swiss Franc LIBOR submitters to contact derivatives traders in London to obtain the preferred rates to submit each day. In addition to the pervasive oral requests, some of which were shouted across the combined trading desks, submitters and traders routinely communicated on Bloomberg chat terminals or internal Deutsche Bank messaging systems to discuss preferential LIBOR and

Euribor requests. The Global Senior Manager regularly sat amongst the traders on the trading floor and was aware of the many oral and written requests for preferential LIBOR and Euribor submissions.

Deutsche Bank further embedded this inherent conflict of interest in its Pool Trading desks when it allowed its pool traders to fill dual roles as both submitters and derivatives traders. This enabled submitters to prioritize their individual and the desk's profits over their responsibility to make honest assessment of the costs of borrowing unsecured funds when submitting rates to the BBA and EBF. Not only did the submitters routinely take into account the traders' preferential LIBOR and Euribor requests, the submitters also regularly and improperly considered their own trading positions when determining their LIBOR and Euribor submissions.

Deutsche Bank's merger of Pool Trading and MMD desks proved successful and resulted in significant profits for the bank. For example, throughout the relevant period, the Pool Trading and MMD desks together utilized a basis spread trading strategy (*i.e.*, trading the spread between two or more tenors) to generate profits. By mid-2008, during the global financial crisis, rates among the different tenors of LIBOR and Euribor began to widen dramatically. The Global Senior Manager and the London manager of the MMD desks ("London MMD Manager"), one of the most senior, highly regarded and highly compensated derivatives traders at Deutsche Bank,¹⁵ recognized the basis spread trading strategy as a way to generate significant profits off of the turbulent interest rate markets, and Deutsche Bank's traders entered into massive derivatives basis trading positions based upon the bet that the spread between tenors would continue to widen.

The Global Senior Manager and other senior traders often discussed this strategy openly during weekly meetings, ensuring that their strategy was well known and utilized across currency desks in both Pool Trading and MMD. As a result, Deutsche Bank's LIBOR and Euribor submitters were aware of this strategy, particularly during the financial crisis, and were cognizant of the particular LIBOR and Euribor submissions desired by traders to benefit those positions based on this strategy. As such, the submitters routinely built this bias into Deutsche Bank's LIBOR and Euribor submissions, even in the absence of oral or written communications from traders. Deutsche Bank's Pool Trading and MMD desks posted tremendous profits during 2008 and 2009, at the height of the financial crisis, due in part to this trading strategy.¹⁶

By failing to separate responsibilities for making LIBOR and Euribor submissions from its trading functions, Deutsche Bank allowed an environment to exist that yielded significant opportunities for traders and submitters to attempt to manipulate LIBOR and Euribor submissions to the benefit of the bank's trading positions, and the traders and submitters took full

¹⁵ The London MMD Manager relocated to Deutsche Bank's Singapore office in March 2010, where he became the Global Manager of MMD.

¹⁶ In 2007, Deutsche Bank's MMD desks reported trading revenue and commissions of €399 million (1.29% of total bank revenue); in 2008, €1.942 billion (14.27% of total revenue); and in 2009, €992 million (3.55% of total revenue).

advantage of those opportunities. As a result, the submitters routinely skewed Deutsche Bank's LIBOR and Euribor submissions to benefit the bank's trading positions by attempting to manipulate the fixings of LIBOR and Euribor. At times, their attempts to manipulate U.S. Dollar, Yen, Sterling, and Swiss Franc LIBOR and Euribor were successful.

3. Deutsche Bank's Inadequate Internal Controls and Failure to Appreciate the Scope of Misconduct

During the relevant period, Deutsche Bank allowed the conflicts of interest to flourish by failing to put in place sufficient benchmark-specific systems or controls surrounding risk and compliance to adequately supervise its derivatives traders and submitters. Deutsche Bank did not have any policies, internal controls, or procedures for determining, monitoring, or supervising its LIBOR and Euribor submissions to ensure that Deutsche Bank's submissions reflected an honest assessment of the costs of borrowing unsecured funds in the relevant interbank markets. Deutsche Bank's failure to provide internal training or standards addressing benchmark interest rate submissions, allowance of inappropriate communications amongst traders and submitters, and related conflicts of interest amplified the potential for misconduct and permitted it to continue for over six years. Further, Deutsche Bank did not begin to put into place any specific policies, procedures, or controls around its benchmark submission processes until mid-2011, and the Bank did not formalize a policy addressing conflicts of interests between traders and submitters for another two years, in February 2013.

In investigating the conduct at issue here, Deutsche Bank failed to appreciate until mid-2011 the extent to which it had systemic and pervasive manipulative conduct by its traders and managers across multiple lines of businesses in offices around the world. As a result, this conduct continued well after the Division of Enforcement began its investigation of Deutsche Bank's U.S. Dollar LIBOR submissions in early 2010.

4. Deutsche Bank's False Reporting, Attempted Manipulation, and Manipulation of U.S. Dollar LIBOR

During the relevant period, Deutsche Bank, through its submitters and traders, routinely made false U.S. Dollar LIBOR submissions in furtherance of its attempts to manipulate U.S. Dollar LIBOR. At times, they were successful in their attempts to manipulate. This misconduct originated primarily out of Deutsche Bank's London offices, and at times, its New York and Frankfurt offices.

The U.S. Dollar Pool Trading desk in London was responsible for submitting Deutsche Bank's U.S. Dollar LIBOR submissions. The head of the U.S. Dollar pool trading desk ("London Pool Trading Manager") oversaw various junior traders who worked daily with him and made the bank's U.S. Dollar LIBOR submissions under his direction. Similar to the London MMD Manager, the London Pool Trading Manager was a well-respected Deutsche Bank trader and highly compensated. From 2004 throughout the rest of the relevant period, a trader supervised by the London Pool Trading Manager ("U.S. Dollar LIBOR Submitter") became the primary U.S. Dollar LIBOR submitter and, at times, the London Pool Trading Manager acted as a back-up submitter.

During the relevant period, Deutsche Bank pool and MMD traders in London routinely made requests to the U.S. Dollar LIBOR Submitter or the London Pool Trading Manager for submissions that would benefit their derivatives trading positions. As described above, as a result of the pool and MMD traders working side-by-side, this conduct was pervasive with requests for beneficial U.S. Dollar LIBOR submissions being either shouted across the trading floor, passed from one trader to another trader sitting next to the submitter, or sent to submitters through electronic communications. On occasion, pool and MMD traders and managers in Deutsche Bank's New York office and at least one pool trader in Frankfurt also asked for LIBOR submissions that benefited their positions. The U.S. Dollar LIBOR Submitter, at times, contacted the pool and MMD traders in the various offices to solicit whether they had requests for beneficial LIBOR submissions. The submitter resolved any conflicts between the requests by first checking with the London Pool Trading Manager. The U.S. Dollar LIBOR Submitter routinely accommodated the traders' requests in making Deutsche Bank's U.S. Dollar LIBOR submissions.

The U.S. Dollar LIBOR Submitter also acted as a trader but only occasionally traded his own book. Rather, he worked closely with the London Pool Trading Manager and other pool and MMD traders, and was expected to understand and be aware of their derivatives trading positions. Over the relevant period, the submitter became so familiar with the trading positions of the U.S. Dollar traders that he either informed the traders of his intent to submit a skewed LIBOR without waiting for a request or he simply submitted U.S. Dollar LIBOR submissions in a manner he believed would benefit their derivatives trading positions.

As described above, Deutsche Bank U.S. Dollar pool and MMD traders, particularly the London Pool Trading Manager, utilized the basis spread trading strategy promoted by the Global Senior Manager and the London MMD Manager. The U.S. Dollar LIBOR Submitter was clearly aware of this trading strategy and, throughout the relevant period, but primarily during the global financial crisis of 2008 through 2009, often skewed, without written or oral requests from traders, Deutsche Bank's U.S. Dollar LIBOR submissions in order to benefit the bank's trading positions based on this strategy. Deutsche Bank's U.S. Dollar Pool and MMD trading desks were some of the most highly profitable trading desks during this time.

Below are examples of the requests that numerous traders communicated to the U.S. Dollar Submitter and the London Pool Trading Manager:¹⁷

March 22, 2005: (emphasis added)

U.S. Dollar LIBOR Submitter:

if you need something in particular in the libors i.e. you have an interest in a high or a low fix let me know and there's a high chance i'll be able to go in a different level. just give

¹⁷ The communications quoted in this Order contain shorthand trader language and many typographical errors. The shorthand and errors are explained in brackets within the quotations only when deemed necessary to assist with understanding the discussion. Unless otherwise noted the communications are by email, chat, or other electronic messaging system.

New York U.S. Dollar Trader 1: **me a shout the day before or send an email from your blackberry first thing.**

U.S. Dollar LIBOR Submitter: Thanks - our CP guys have been looking for it a bit higher - not a big deal

April 1, 2005: (emphasis added)
London U.S. Dollar Trader 1: **if anything the cash has actually cheapened up since yesterday too albeit by 1/2 tick - true could get some sub 75 days thru the next week**

September 21, 2005: (emphasis added)
London MMD Manager: **COULD WE PLS HAVE A LOW 6MTH FIX TODAY OLD BEAN?**

U.S. Dollar LIBOR Submitter: Subject: "\$ LIBORS: 83, 89, 96 and 11 **LOWER MATE LOWER !!**

London MMD Manager: will see what i can do but it'll be tough as the cash is pretty well bid **[Another U.S. Dollar Panel Bank] IS DOIN IT ON PURPOSE BECAUSE THEY HAVE THE EXACT OPPOSITE POSITION - ON WHICH THEY LOST 25MIO SO FAR - LETS TAKE THEM ON!!**

U.S. Dollar LIBOR Submitter: **ok, let's see if we can hurt them a little bit more then**

November 28, 2005: (emphasis added)
London Pool Trading Manager: **[an]ything either way from you guys? we are still short basis in 1 mth so lowere the better HAHAAH, NEVER FAILS. WE WOULD PREFER IT HIGHER... WE HAVE ABOUT 15BB 1MO RECEIVES...THANKS, JUST ASKING IS VERY MUCH APPRECIATED....**

New York Regional Manager: will do like [U.S. Dollar LIBOR Submitter] then - ask, and do the opposite... let us know the days you rec, first fix tom will set the tone

London Pool Trading Manager: **JUST TOMOORROW ON THE REC, THEN PAYING 15BB 12/12 THRU**

New York Regional Manager:

December 29, 2006: (emphasis added)
London U.S. Dollar Trader 2: Hello [U.S. Dollar LIBOR Submitter] Come on 32 on 1. Mth Cu my frd

U.S. Dollar LIBOR Submitter: **ok will try to give you a belated christmas present...! have a good new year**

February 28, 2007: (emphasis added)

New York U.S. Dollar Trader 2:
U.S. Dollar LIBOR Submitter:
New York U.S. Dollar Trader 2:

LIBOR HIGHER TOMORROW?

shouldn't be

COME ON. WE ALWAYS NEED HIGHER LIBORS !!! HAHA

U.S. Dollar LIBOR Submitter:
New York U.S. Dollar Trader 2:

haha, i'll do my best fkeer

NO WORRIES. JUST CURIOUS, U SURVE THE DEBACLE OF TH PAST 24 HRS>

March 28, 2007:

Frankfurt Non-Euro Desk Manager: ...I WOULD NEED A HIGH 3MTS LIBOR TODAY, BUT I THINK YOU DO TOO!!

London Pool Trading Manager: 35?

Frankfurt Non-Euro Desk Manager: YEP PSE

August 13, 2008: (response to U.S. Dollar LIBOR Submitter's email) (emphasis added)

New York U.S. Dollar Senior Trader: **Subject: \$ lbors unch**

Oh bullshit.....strap on a pair and jack up the 3M. Hahahahaha

In addition to the LIBOR requests traders made to benefit specific trading positions, traders also requested gradual movements in LIBOR in order to set the trend in upcoming LIBOR fixings to benefit longer term derivatives trading positions, which the U.S. Dollar LIBOR submitter routinely accommodated. Similarly, the U.S. Dollar LIBOR submitter was also aware of month-end derivatives trading positions held by the traders and often submitted Deutsche Bank U.S. Dollar contributions skewed to benefit those positions. The submitter routinely accommodated these requests by skewing Deutsche Bank's daily U.S. Dollar LIBOR contributions at month-end, over a period of days, weeks, or even months. Below are examples of such requests:

November 28, 2006: (email to London Pool Trading Manager) (emphasis added)

New York U.S. Dollar Senior Trader: **Altho I don't have a huge 1 mL fix tomw, I am paying 1 mL on about 40bn throughout December so I was hoping for a low 1 mL fix tomw to set the tone**

August 12, 2007: (emphasis added)

New York Regional Manager:

If possible, we need in NY 1mo libor as low as possible next few days....tons of pays coming up overall....thanks!

U.S. Dollar LIBOR Submitter:

Will do our best [New York Regional Manager]. I'll coordinate the overnight in the same way as we did last week with [New York U.S. Dollar Trader 1] tomorrow

December 13, 2007: (emphasis added)

Frankfurt Non-Euro Desk Manager: [London Pool Trading Manager], **I NEED YOUR HELP...IF IT SUITS YOU CAN WE PUT IN A HIGH LIBOR TILL NEXT TUESDAY IN THE 3 MTS?**

London Pool Trading Manager: ok

On a handful of occasions, either the London Pool Trading Manager or the U.S. Dollar LIBOR submitter contacted interdealer brokers in attempts to influence the overall LIBOR fixing by requesting the brokers to make preferential LIBOR predictions in specific tenors.¹⁸ Below are examples of these communications:

March 14, 2007:

London Pool Trading Manager: These markets falling in is not good for us personally. We need good old fashioned boom time [. . .]

U.S. Dollar LIBOR Submitter: [. . .][Broker 1] reckon 3s libor only 34.75 fyg even with edh where it is now which is blx

London Pool Trading Manager: Get it lower, we need it. [. . .]

U.S. Dollar LIBOR Submitter: just spoke to him. now thinking 34.5, i think should be lower still will keep pressing will do

February 27, 2008:

Broker 2: which direction do you want tom 1 mth libor pushed ?

London Pool Trading Manager: lower and 3mth higher

Broker 2: imafraid thats not going to happen big boy

London Pool Trading Manager: its worked so far

Broker 2: 13-08 for them tom

Accordingly, throughout the relevant period, Deutsche Bank routinely made false reports regarding U.S. Dollar LIBOR and attempted to manipulate U.S. Dollar LIBOR in order to benefit Deutsche Bank's trading positions. As such, Deutsche Bank's U.S. Dollar LIBOR submissions were not made in accordance with the BBA definitions and criteria for LIBOR submissions. At times, they were successful in their attempted manipulations.

¹⁸ Brokers act as intermediaries between major dealers in the cash and derivatives markets to facilitate execution of interdealer trades. Brokers assist banks in obtaining funding by facilitating the negotiation of deposits and loans, and in hedging those transactions with derivatives trades often referenced to LIBOR.

5. Deutsche Bank's False Reporting, Attempted Manipulation, and Manipulation of Euribor

Over the relevant period, Deutsche Bank's Euribor submitters routinely skewed Euribor submissions based upon requests from Deutsche Bank derivatives traders for rates set to benefit derivatives trading positions that were linked to Euribor. The Frankfurt-based submitters also routinely took their own trading positions into account in making the bank's Euribor submissions. In addition, Deutsche Bank derivatives traders coordinated on several occasions with derivatives traders at other Euribor panel banks to ensure Euribor contributions benefited their respective trading positions. Deutsche Bank routinely made false Euribor contributions in furtherance of its attempts to manipulate Euribor. At times, Deutsche Bank was successful in its attempts to manipulate Euribor.

The London MMD Manager made the majority of the traders' requests, although several traders on multiple desks also made such requests. The London MMD Manager, Deutsche Bank's highly regarded senior trader, routinely used several means in his attempts to manipulate the Euribor fixing. His approach to manipulating Euribor encompassed the following: (1) he regularly requested Deutsche Bank's Frankfurt-based submitters to make Euribor submissions beneficial to his derivatives trading positions; (2) he at times worked with the Euribor submitters to make bids or offers in the market at rates intended to influence market perception of prevailing cash rates (known as "pushing cash"), and, thereby, potentially influence other banks' Euribor submissions; (3) he coordinated on several occasions with derivatives traders at other Euribor panel banks by entering into agreements to make requests for preferential Euribor submissions to their respective submitters; and (4) he coordinated with traders at other Euribor panel banks to convince interdealer brokers to post false rates on their cash market screens for the purpose of potentially influencing other banks' Euribor submissions.

a. Deutsche Bank's Internal Attempts to Manipulate Euribor in Order to Benefit Trading Positions

Deutsche Bank assigned responsibility for making its Euribor submissions to traders and managers on the Euro Pool Trading desk in Frankfurt. Among other duties, these pool traders had responsibility for raising cash in Euro, Swiss Franc and other currencies, and traded Euro-based interest rate swaps and forward rate agreements generally tied to various tenors of Euribor.¹⁹

The Euribor submitters, some of whom were desk managers, continued the systemic practice of focusing on their derivatives trading positions as a basis for their Euribor submissions. The submitters also maintained daily contact with MMD Euro traders in London, including the London MMD Manager, to ensure they were aware of the bank's various trading positions tied to Euribor. Multiple traders regularly and openly made requests to the submitters

¹⁹ At least one of the traders on the Frankfurt Non-Euro Pool Trading Desk also had responsibility for making the bank's Euribor submissions, either as a back-up submitter or, as of mid-2010, as part of the team of Euribor submitters. The Deutsche Bank Swiss Franc submitter(s) involved in the Euribor conduct described here also routinely attempted to manipulate Swiss Franc LIBOR. See *infra*, pp. 32-35.

for Euribor submissions beneficial to their derivatives trading positions. When requests were not forthcoming from London, the Euribor submitters actively solicited them from the traders as part of their effort to coordinate the offices' trading books and the bank's Euribor submissions in a manner to maximize their profits.

The Euribor submitters regularly accommodated these requests unless at times the requests conflicted with their own needs for their derivatives trading positions. As the London MMD Manager's stature as a successful trader grew within the bank, his requests for beneficial Euribor submissions often were accommodated over competing requests from other traders. When the basis trading strategy implemented by the Global Senior Manager and the London MMD Manager began to generate significant profits in mid-2008, the Euribor submitters understood the Euribor submission(s) needed each day to benefit the spread positions and made their Euribor submissions accordingly, even absent a specific request from traders.

The following are some examples of the many improper communications between the Euribor submitters and the MMD Euro traders:

July 10, 2005: (emphasis added)

London MMD Manager:

Euribor Submitter:

London MMD Manager:

Euribor Submitter:

London MMD Manager:

HI FRDS ANY CHANCE TO PUSH UP
YOUR CONTRIBUTION TO THE 3MTH
EURIBOR FIX?

HI [Euribor Submitter] HERE USUALLY IT
WOULD BE 11 ON OUR SIDE SO DO U
REALLY NEED A 12 FOR TODAY AS DB
CONTRIBUTION?

EONIA AT 2.068 AND O/N TRADING 2.08
IT WUD MAKE SENSE TO HAVE A
HIGHER 3MTH FIX. WE SHORT A LOT
OF JUNES ABOUT 40000 LOTS

OK WE WILL CONTRIBUTE A 12 FOR
TODAY AND MONDAY HAVE A NICE
WEEKEND

THX A LOT [. . .]

July 6, 2006: (emphasis added)

Frankfurt Euro Desk Manager:

HIHI [London MMD Manager], I JUST
WANT TO CHECK WHETHER WE HAVE
CONFLICTING INTERESTS IN THE
JUNE 06 SETTLEMENT. IT DOESN'T
MAKE SENSE IF WE TRY TO PUSH ONE
WAY AND U WLD LIKE TO HAVE IT
THE OTHER WAY AROUND. WE WLD
PREFER A LOW 3ME FIXING TO PUSH
JUNE06 HIGH. IS THIS UR
PREFERENCE AS WELL?

London MMD Manager:

THX VM FOR CHECKING [Frankfurt Euro Desk Manager] - YES WE WOULD PREFER A LOW FIXING AS WELL

Frankfurt Euro Desk Manager:

THX [London MMD Manager], THAT WILL MAKE US MORE POWERFUL IN PUSHING THE FIX WE WANT IT.

March 23, 2007: (emphasis added)

Frankfurt Euro Desk Manager:

FIXINGS AS USUAL MONSIEUR? LOW 1M HIGH 6M (SAME HERE)

London MMD Manager:

yes please - thank you very much [Frankfurt Euro Desk Manager]
DE RIEN

Frankfurt Euro Desk Manager:

July 26, 2007: (emphasis added)

London MMD Euro Trader:

[. . .]... IS IT TOO LATER TO ASK FOR SOME NICE LIBOR FIXINGS?

Frankfurt Regional Manager:

ILL PUT LOW 1M OK FOR U
WE ACTUALLY NEED HJIGHEE EVERYTHING

London MMD Euro Trader:

Frankfurt Regional Manager:

I AM SORRY I SHOULD KNOW UR SIDE SO YOU HAVE ALREADY SENT THNM? THEY REE WE CAN CHANGE IT UNTIL 11:59 ... SO WE HAVE ENOUGH TIME .. TELL ME EXACTLY WHICH RATE U WANT TO HAVE IN WE NEED HIGH 6M PLS, AS MUCH AS YOU CAN PUSH IT

London MMD Euro Trader:

Frankfurt Regional Manager:

London MMD Euro Trader:

WELL EEEE WILL PUT 39 FOR U IN AND WHAT IS ABOUT 1 AND 3 M WE HAVE SMALL 1M - NEED HIGH AS WELL .. AND NOTHING IN 3M SO .. THANK YOU VERY MUCH!

Frankfurt Regional Manager:

London MMD Euro Trader:

1M WILL PUT 4.11 OK FOR U
GREAT THANK EEEEEEEEEEE MOM SORRY SORRY JUST HIGH 6M... THE ONE MONTH WE ACTUALLY NEED LOW, EVEN THOUGH WE HAVE IT THE OTHER WAY ROUND TODAY WE NEED IT LOW TO PREPARE FOR THE FIXINGS IN AUG.. SO LOW 1M 3M DONT HAVE 6M HIGH SO THAT WAS ALSO MY IDEA.. LOW 1M FOR U TALKED TO [London MMD Manager] YESTERDAY.. WAS VERY SURPRICE WHEN YOU TOLD ME HIOGH.. THAT IS

Frankfurt Regional Manager:

London MMD Euro Trader:

Frankfurt Regional Manager:

London MMD Euro Trader:

FINE I CHEANGE IT TO 09 AS BEFORE ..
ALL OK NOW
GREAT THXS, SORRY FOR
MISSUNDERSTANDING, WAS JUST
LOOKING ONLY AT TODAY'S FIXINGS..
THXS BIBIBI FN

July 03, 2008: (emphasis added)

London MMD Manager:

[Frankfurt Regional Manager], **I have a big favor to ask you.**

Frankfurt Regional Manager:

Tell me.

London MMD Manager:

And, uh ... **a big, big, big favor.**

Frankfurt Regional Manager:

Ok.

London MMD Manager:

Bon. In March ...

Frankfurt Regional Manager:

Yes.

London MMD Manager:

We have, eh, **we have 20 yards of a 6 month fixing.** [. . .] A lot in in March. **So, basically, um, basically, uh, we need high 6 month.**

Frankfurt Regional Manager:

You need high 6 month, ok.

London MMD Manager:

High 6 month, yes.

Frankfurt Regional Manager:

Sure, we will get high 6 month, no worries.

London MMD Manager:

High.

Frankfurt Regional Manager:

We will get high 6 month.

London MMD Manager:

Es . . . **especially on the IMM, on the 19th I have 7 yards.**

September 26, 2008: (emphasis added)

London MMD Euro Trader 2:

Just to let you know, it would suit me very much to have a high LIBOR tomorrow. So, I don't know if you can put it high or not or whatever it is, just to let you know, tomorrow it suits me to have high 3s.

Euribor Submitter:

Umm. Yeh, there's one thing. **We have to be careful. Usually we quote below Euribor, and right now we usually quote around 4 to 5 basis points below the expected Euribor just to show that we are on the better quality of the range of the contributors.**

London MMD Euro Trader 2:

I see ...

Euribor Submitter:

So that's why, right now, if you look at our quote compared to the other contributors . . .

London MMD Euro Trader 2:

I know, **I've been noticing that, that's why I thought I would ask you if there is there any chance if you can put it up for me.** I would really appreciate that. Just for tomorrow, ok?

Euribor Submitter:

My coworker here says something, maybe 21 is possible.

June 4, 2009:

Euribor Submitter:

we will know until tom morning how the others apply trichets comments in the market i think for fixings it sounds like a non event apart from lower 1mth and higher 6m pleaaaaaaaaaaaaase

London MMD Manager:

Euribor Submitter:

its likely that many contributors keep their rates unchanged :-) except for 1m and 6m of cause :-)

The Euribor submitters and the London MMD Manager also coordinated, at times, to “push cash” in the market, or, in other words, make bids or offers in the market at rates other than what they normally would have bid or offered. By this practice, the traders intended to signal to other market participants (including other Euribor panel bank submitters) that market prices were moving in a certain direction. The Deutsche Bank MMD traders and submitters wanted the other banks’ Euribor submitters to factor these market moves into their Euribor submissions, thereby increasing Deutsche Bank’s chances that the Euribor fixing would move in the direction they desired.

The following are examples of the traders and the submitters openly discussing their strategy of pushing cash in the market:

April 13, 2007: (to Yen Desk Manager) (emphasis added)

Frankfurt Euro Desk Manager:

HI MATE, JUST FOR UR GUIDE. WE TRY TO BID UP IN THE 3M TO PUSH THE FIX A BIT.

June 21, 2007: (to London MMD Manager) (emphasis added)

Frankfurt Euro Desk Manager:

WE CONTINUE TO OFFER 1M CASH IN THE MARKTE TO KEEP 1ME FIX ON THE LOW SIDE.

b. Deutsche Bank’s Coordination with Other Euribor Panel Banks to Manipulate Euribor

From at least 2005 through at least 2008, the London MMD Manager coordinated with derivatives traders at other Euribor panel banks on several occasions in attempts to manipulate the Euribor fixing. In addition to his regular internal requests to Deutsche Bank Euribor submitters, the London MMD Manager also utilized his friendships and past working relationships with derivatives traders at other Euribor panel banks to further his attempts to manipulate Euribor. While he spoke daily to traders at several banks and other financial

institutions, he primarily coordinated with derivatives traders at Barclays²⁰ (“Barclays Senior Euro Swaps Trader”) and at Euribor Bank A (“Euribor Bank A Swaps Trader²¹”).

The London MMD Manager and these derivatives traders regularly exchanged information about their derivatives trading positions and the Euribor fixing that they preferred to benefit those positions. They agreed, at times, to transmit requests to their respective Euribor submitters for Euribor submissions that would benefit their trading positions. They also discussed reaching out to other Euribor panel banks to influence those banks’ Euribor submissions in furtherance of their attempts to manipulate the Euribor fixings. When the London MMD Manager was not available, he instructed the London MMD Euro Trader to communicate his positions and Euribor preferences to at least the Barclays Senior Euro Trader or his junior traders, and to the Deutsche Bank Euribor submitters.

The following are examples of the communications between the London MMD Manager and the derivatives traders with whom he coordinated:

June 9, 2005: (emphasis added)
Bank A Euro Swaps Trader:

Amigo checked with my FFT their 3m euribor contribution which seems v low at 2.11 like ur FFT have u checked with yuoyr guys???
will tell them from tomorrow to put a higher fix..its way too low

London MMD Manager:

September 29, 2005: (emphasis added)
London MMD Manager:

DON'T FORGET TO SET A HIGH FIX TODAY!

Barclays Senior Euro Swaps Trader: I told them they're going to set it at 2.13
London MMD Manager: goodness! that's going to hurt

That same day:
London MMD Manager:

DONT FORGET THIS HIGH 3M FIX FOR THE FRA/EONIA SPREADS

²⁰ On June 27, 2012, the Commission issued an Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, As Amended, Making Findings and Imposing Remedial Sanctions against Barclays, finding, among other things, that the London MMD Manager, identified in the Barclays Order as Trader at Bank A, and a Barclays Senior Euro Swaps Trader coordinated in their attempts to manipulate Euribor. *See In re Barclays PLC, Barclays Bank PLC and Barclays Capital Inc.*, CFTC Docket No. 12-25 (June 27, 2012), pp. 16-17; available at <http://www.cftc.gov/ucm/groups/public/@enforcementactions/documents/legalpleading/enfbarclaysorde r062712.pdf>.

²¹ In mid-2006, Euribor Bank A Swaps Trader moved to another Euribor panel bank. The London MMD Manager continued to have regular discussions with him regarding their respective trading positions, and, at times, made requests of each other for preferential Euribor submissions.