

DC STATEMENT 15 March 2019

(1) Senior Non-Preferred SRO in respect of Commerzbank AG

The EMEA DC met on 15 March 2019 to consider a challenge received by the SRO Administrator to the SRO Identification Resolution published on 12 March 2019 in respect of the Potential SRO with ISIN DE000CZ40NG4 with respect to Commerzbank AG for the Senior Non-Preferred Level.

The challenge was made on the basis that (i) the Potential SRO that was identified did not have a maturity date falling in the first Maturity Bucket; and (ii) an alternative shorter-dated obligation issued by Commerzbank AG exists and the maturity date of such obligation does fall in the first Maturity Bucket (such obligation as identified below, the **New Commerzbank Potential SRO**).

The EMEA DC resolved as follows:

- (a) that the challenge to the SRO Identification Resolution published on 12 March 2019 was successful, in accordance with SRO Rule 2.3(d) and accordingly such SRO Identification Resolution is deemed not to have been passed under the SRO Rules;
- (b) to publish an SRO Identification Resolution in respect of the New Commerzbank Potential SRO with respect to Commerzbank AG for the Senior Non-Preferred Level (i.e. for 2014 Transactions which incorporate the Additional Provisions for Senior Non-Preferred Reference Obligations published by ISDA on December 8, 2017); and
- (c) in light of the Roll Date, to shorten the relevant Challenge Deadline for the SRO Identification Resolution in respect of the New Commerzbank Potential SRO to 5:00 pm London time on Tuesday 19 March 2019.

As a result, the attached resolution is subject to challenge by Eligible Market Participants until 5:00 pm London time on Tuesday 19 March 2019. Following such deadline and subject to there being no challenges received, the resolution shall constitute the final SRO Identification Resolution and the New Commerzbank Potential SRO contained in the SRO Identification Resolution will constitute the Standard Reference Obligation for Commerzbank AG specified below for the Senior Non-Preferred Level and will be published.

Note that in accordance with the EMEA DC Statement of 14 September 2018, the DC has determined that the New Commerzbank Potential SRO should constitute the Standard Reference Obligation for the Senior Non-Preferred Level and, notwithstanding this, would constitute a valid replacement Standard Reference Obligation for the current Standard Reference Obligation in respect of Commerzbank AG for the Senior Level (ISIN DE000CZ226Y9, which was redeemed in whole on 22 March 2017).

Please send any challenges in respect of the New Commerzbank Potential SRO to the SRO Administrator by 5:00 pm London time on Tuesday 19 March 2019.

Reference Entity	ISIN	Seniority Level
Commerzbank Aktiengesellschaft	DE000CZ302M3	Senior Non-Preferred

(2) **Senior Preferred SRO in respect of Deutsche Bank AG**

The EMEA DC also resolved to publish an SRO Identification Resolution in respect of the obligation identified below with respect to Deutsche Bank AG for the Senior Level (i.e. in respect of a senior preferred obligation of Deutsche Bank AG) (the **DB Potential SRO**).

The attached resolution is subject to challenge by Eligible Market Participants until 5:00 pm London time on Friday 22 March 2019. Following such deadline and subject to there being no challenges received, the resolution shall constitute the final SRO Identification Resolution and the DB Potential SRO contained in the SRO Identification Resolution will constitute the Standard Reference Obligation for Deutsche Bank AG for the Senior Level and will be published.

Assuming that the DB Potential SRO is not challenged or any challenges are unsuccessful, Eligible Market Participants that wish to enter into a market standard senior 2014 Transaction during the Relevant Period (see below) referencing Deutsche Bank AG at the senior preferred level and specifying Standard Reference Obligation, or Standard Reference Obligation at the Senior Level as applicable, should note that they should ensure that such Transaction is expressly specified as being a senior preferred CDS transaction (including by specifying that the Standard Reference Obligation is the senior preferred obligation).

Reference Entity	ISIN	Seniority Level
Deutsche Bank AG	DE000DL19UC0	Senior*

Please send any challenges in relation to the DB Potential SRO in respect of Deutsche Bank AG at the Senior Level to the SRO Administrator by 5:00 pm London time on Friday 22 March 2019.

(3) **Amendment to DC Statement dated 19 September 2018 (as previously amended on 20 September 2018).**

The EMEA DC has previously considered as a question of interpretation, in its statement of 19 September 2018 (as amended on 20 September 2018), the Seniority Level for a market standard senior 2014 Transaction referencing Deutsche Bank AG and specifying Standard Reference Obligation, or Standard Reference Obligation at the Senior Level, as applicable, without differentiation (unless expressly specified as being a senior preferred CDS transaction, including by specifying a senior preferred obligation), which has been entered into during the Relevant Period. For this purpose, "**Relevant Period**" meant the period on or after publication on the SRO List of a Standard Reference Obligation for the Senior Non-Preferred Level and prior to publication on the SRO List of a Standard Reference Obligation for the senior preferred Seniority Level, in each case in respect of Deutsche Bank AG. The DC determined that such 2014 Transaction will be interpreted as referring to the Standard Reference Obligation for the Senior Non-Preferred Level in respect of Deutsche Bank AG. This interpretation would also apply in respect of Commerzbank AG following publication of the Standard Reference Obligation for the Senior Non-Preferred Level in respect of Commerzbank AG.

In light of the publication of the ISDA 2019 German Bank CDS Protocol and the extension to the Cut-off Date for adherence and the Implementation Date of such Protocol to 26 April 2019 and 29 April 2019 respectively the EMEA DC determined that the Relevant Period in respect of a Transaction referencing Deutsche Bank AG should be amended such that the Relevant Period ends on and excludes the Implementation Date of the ISDA 2019 German Bank CDS Protocol.

Accordingly, a market standard senior 2014 Transaction referencing Deutsche Bank AG specifying Standard Reference Obligation, or Standard Reference Obligation at the Senior Level, as applicable, without differentiation (unless expressly specified as being a senior preferred CDS transaction, including by specifying a senior preferred obligation or expressly specifying that the Standard Reference Obligation is the senior preferred obligation), which has been entered into during the Relevant Period will continue to be interpreted as referring to the Standard Reference Obligation for the Senior Non-Preferred Level in respect of Deutsche Bank AG.

***IMPORTANT NOTE: The effect of the amendment to the DC Statement of 19 September 2018 is that prior to the Implementation Date of the ISDA 2019 German Bank CDS Protocol any trades at the Senior Preferred SRO level must explicitly reference a Senior Preferred Reference Obligation. Until the Protocol is implemented a trade which refers to the Senior SRO without such explicit reference will be treated as being as the Senior Non-Preferred level.**