Deutsche Bank
Chief Investment Office

PERSPECTIVES Memo

India Budget – A fine balancing act

February 2, 2026

Authors:

Prof. Dr. Jacky Tang, Chief Investment Officer EM

Wolf Kisker, Senior Investment Strategist

Swati Bashyam, Investment Officer APAC

Kaniz Fatema Rupani, Investment Strategist

Please use the QR code to access a selection of other Deutsche Bank CIO reports www.wealth.db.com.

Key takeaways

- India's FY27 Union Budget balances debt reduction with slow fiscal consolidation and support for growth via both cyclical and structural measures.
- Significant allocations and policy incentives were directed toward six core sectors — Industrials, Healthcare, Consumer Discretionary, Materials & Utilities, Financials and Services — reinforcing long-term growth drivers such as manufacturing, semiconductors, biopharma, EVs, and logistics.
- Despite near-term equity market volatility due to the securities transaction tax hike, we maintain a constructive medium-term outlook on Indian equities, with a focus on Industrials, Financials, and Healthcare.

What happened?

The Finance Minister of India, Nirmala Sitharaman, presented the Union Budget for fiscal year 2027 (FY27, i.e. from April 2026 to March 2027) on February 1, formally launching the parliamentary approval process. The Budget is focused on long-term sectoral reforms and strengthening economic growth, while maintaining fiscal prudence. The budget aims to support growth via six core sectors — Industrials, Healthcare, Consumer Discretionary, Materials and Utilities, Financials and Services (mainly IT) — each aligned to long-term economic expansion.

While the government is stepping up spending on reforms and growth, it is important to understand the underlying fiscal math. India's Union Budget 2027 sets out a credible fiscal roadmap grounded in realistic revenue and expenditure assumptions. Revenue receipts are projected to grow around 6% to USD385bn, supported by robust increases in direct taxes (+11.4%) and corporate taxes (+11%), consistent with historical performance.

The government has also raised non-tax revenue expectations, driven by higher Reserve Bank of India (RBI) dividends and divestment proceeds to help fund planned expenditure.

On the spending front, revenue expenditure for FY27 is set at USD 449.5bn, rising 6.6% year-on-year. Capital expenditure remains a priority, with an allocation of USD133 bn — equivalent to 3.1% of GDP and up 11.5% year-on-year. Meanwhile, subsidies continue to moderate, declining about 4% to USD 44.7bn and now accounting for just 7% of total expenditure.

On the fiscal front, the government is transitioning to a debt-targeting framework, setting a path to bring the debt-to-GDP ratio down from 56.1% in FY26 to 55.6% in FY27, based on an assumed 10% nominal GDP growth for FY27. It has also outlined a medium-term glide path to gradually reduce the debt-to-GDP ratio toward 50% ± 1% by FY31. The fiscal deficit for FY27 is projected to be 4.3% of GDP, inching lower from 4.4% in the current year. To finance the fiscal gap, the central government has set gross borrowing at USD 187.67 billion and net borrowing at USD 127.6 billion. While gross issuance is to rise 16% from FY26's USD 161.5 billion, net borrowing is to increase by only 1.4% from USD 125.9 billion. This divergence stems from a sharp surge in debt redemptions, which inflates gross borrowing, at the same time as the government keeps net borrowing largely stable by maintaining its commitment to fiscal consolidation and debt sustainability.

However, the record gross supply has raised concerns about upward pressure on long term bond yields, given that long-term dated securities remain the government's primary instrument for deficit financing. In addition, with a new set of GDP data is expected by end-February, key debt ratios may shift once the revised macro framework becomes operational.

Within the six core sectors, the Union Budget allocates USD133bn in capital expenditure to strengthen the **industrial and infrastructure** ecosystem, marking an 11% year-on-year increase and supporting growth across construction, high-speed rail, waterways, transport, and logistics. The government has also committed USD 4.36bn to India Semiconductor Mission 2.0 and allocated an additional USD 4.36bn to the Electronics Components Manufacturing Scheme to deepen domestic manufacturing and supply-chain capabilities.

Defence capital expenditure has been increased to USD 23.9bn for FY27, up 17.6% from the FY26 revised estimate, underscoring the push toward a modern and self-reliant defence sector.

In **Healthcare**, the budget provides a major boost through the Biopharma Shakti initiative, allocating USD 1.09bn over five years to develop India as a global biopharma manufacturing hub. The plan includes building capabilities in biologics and biosimilars, creating 1,000 accredited clinical-trial sites, and expanding pharmaceutical education through new and upgraded National Institutes of Pharmaceutical Education and Research (NIPER). Additionally, five specialised medical-tourism hubs will be established to integrate hospitals, diagnostics, recovery facilities, and traditional Ayush treatments, strengthening India's position as a global healthcare destination.

For **Consumer Discretionary**, the Production Linked Incentive (PLI) outlay for autos and auto components has tripled to USD 648mn for FY27 from USD218mn in FY26, supporting faster electric-vehicle (EV) adoption and strengthening domestic component manufacturing. The government is also developing rare-earth magnet corridors in four states to reduce import dependence and reinforce the EV supply chain. In addition, the customs-duty exemption on equipment used for lithium-ion cell production has been extended to include Battery Energy Storage System (BESS) cells, helping expand India's battery-manufacturing ecosystem beyond EVs.

In the **Materials** sector, the government's plan to develop rare-earth magnet corridors aims to enhance domestic mining, processing, and manufacturing of critical minerals essential for advanced-materials production and to strengthen India's strategic supply chain. For **Utilities**, the budget maintains strong support, with capital expenditure rising 11% to USD 10bn, reinforcing ongoing investments in power, water, and grid infrastructure.

For **Financial**, the government has announced a high-level committee to strengthen bank governance and efficiency, potentially paving the way for broader reforms such as consolidation. For Non-Bank Financial Institutions (NBFIs), a structured plan has been introduced to support growth, encourage technological upgrades, and reorganise key institutions to enhance their role in infrastructure financing. Moreover, the record gross borrowing target for FY27 is expected to push bond yields higher, leading to mark-to-market pressures for banks, particularly public sector banks with large government-bond holdings. Additionally, in capital markets, the Securities Transaction Tax (STT) on Futures and Options (F&O) is to be raised (due to come into force on April 1, 2026), reversing expectations of tax relief. For futures, the transaction tax rate is to be hiked by a 0.03 percentage points (from 0.02% to 0.05%), while for options premium and exercise of options transaction tax rate was by 0.05 percentage points (from 0.1% to 0.15%) and a 0.025 percentage points (from 0.125% to 0.15%) respectively.

For futures, the transaction tax rate is to be hiked by a 0.03 percentage points (from 0.02% to 0.05%), while for options premium and exercise of options transaction tax rate was by 0.05 percentage points (from 0.1% to 0.15%) and a 0.025 percentage points (from 0.125% to 0.15%) respectively.

The Services sector is to receive strong support as Global Capability Centres (GCCs) will now have clear tax rules under a unified services category. The safe harbour margin — a preset profit margin under transfer pricing that companies can use to avoid detailed tax scrutiny and ensure certainty — is fixed at 15.5%. This fixed rate aims to provide companies with greater predictability, reduce compliance disputes, and make tax planning simpler. The eligibility threshold has been raised sharply — from USD 32mn to USD218mn — allowing many more firms to qualify. Safe-harbour approvals will now be automated through a rules-based system, making compliance easier for India's 1,800–1,900 GCCs. In addition, foreign companies that use data-centre services in India to provide global cloud services will receive a tax holiday until 2047, provided they serve Indian customers through an Indian reseller and apply a 15% safe-harbour margin when the data-centre provider is a related entity.

However, despite the budget's long-term orientation, what weighed on equity market investor sentiment was the hike in securities and transaction tax, instead of much anticipated capital gains taxes relief.

What does it mean for investors?

The FY27 Union Budget sets a market backdrop defined by fiscal discipline, sustained public investment, and targeted sector incentives. Given the government's solid majority, the budget is expected to pass smoothly, with few to no significant amendments. While the immediate market reaction was overshadowed by the sharper-than-expected increase in STT with the benchmark Sensex and Nifty indices falling by around 2% each, the broader policy framework continues to support India's medium-term growth story. Equities posted a partial recovery today rising around 1%. The recovery was supported by value-buying investors even amid a broader sell-off in Asian equities and tech sector today as markets recalibrate following the appointment of Kevin Warsh as the new Federal Reserve chair. For investors, the Budget should give rise to a mix of short-term volatility and long-term opportunity across asset classes.

Fixed Income – Constructive despite record supply

The fiscal deficit target of 4.3% of GDP aims to keep the consolidation path intact. The RBI's expected Open Market Operations — offsetting both FY26 spillovers and heavier FY27 issuance — should help anchor medium-term yields. Despite record gross borrowing, the government's disciplined fiscal stance and realistic revenue assumptions support overall bond-market stability.

Bond markets reacted negatively to the budget announcement, with the 2-year, 10-year, and 30-year yields rising 1.7bps, 6.3bps, and 8.7bps to 5.8%, 6.8%, and 7.4%, respectively, today. Yields remain elevated despite the RBI's unprecedented liquidity support via record bond purchases and FX swaps. A stronger US dollar and rising long-term US Treasury yields following the nomination of former Federal Reserve Governor Kevin Warsh as the next Fed chair are also weighing on bond prices.

Looking ahead, we expect the RBI to stay on hold as it assesses the transmission of last year's 125bps of rate cuts to the real economy. Investors should expect range-bound to mildly elevated yields in the short run, but with reduced risk of a sustained spike thanks to policy backstops. Duration exposure may require careful calibration, but the medium-term backdrop still favours a gradual cooling of yields once liquidity measures take hold and external pressures stabilise.

INR – Stable outlook

The currency stands to benefit from:

- Higher assumed RBI dividends improving fiscal math
- Conservative deficit assumptions
- Tariff rationalisation supporting external competitiveness

Overall, the INR is expected to remain broadly stable on fundamental grounds, while any positive developments on the long pending US India trade deal could serve as an additional tailwind.

The Budget should reinforce India's strong macro foundation and sets the stage for continued investment-led growth. While the STT hike has triggered near-term market discomfort, the underlying policy architecture remains supportive for equities, selective fixed-income strategies, and a stable currency outlook. Medium-term investors should stay constructive, focusing on industrials, healthcare, services, real estate, selective financials and discretionary consumption themes.

Equities – Constructive outlook despite near-term caution

Equity sentiment turned cautious following the announcement of the significant STT hike on derivatives, which dampened trading activity and added to market volatility. The absence of capital gains tax reform also created a short-term overhang. However, underneath this near-term noise, the structural equity narrative remains intact:

- Government capex is to continue its multi-year expansion, reinforcing the infrastructure and industrial cycle.
- Nominal GDP growth of around 10% should underpin earnings visibility for FY27.
- Manufacturing, defence, logistics, electronics, and services stand to receive meaningful, growth-oriented policy support.
- Domestic demand should remain resilient, with rising urban consumption and broad-based sector tailwinds

We maintain a constructive view on Indian equities and see ongoing market corrections as opportunities to accumulate quality names.

Double-digit earnings growth expected in 2026 strengthens the medium-term risk–reward profile. Earnings for the MSCI India index are expected to grow 18.6% and 15.5% in 2026 and 2027, respectively. Over the past five years, MSCI India's 12-month forward price-to-earnings (P/E) has fluctuated between 19x and 25x. At present, with the next 12-month forward P/E ratio at 21.1x, valuations are closer to the lower end of the band, offering potential buying opportunities for medium-term orientated investors. In terms of sectors, analysts expect EPS growth for our top pick sectors — industrials, financials, and healthcare — at 25%, 15% and 8% over the next 12 months, with 12-month forward P/E currently at 30.9x, 17.2x and 30.3x, respectively.

Appendix

Glossary

Capital expenditure is an expense that creates permanent assets and yields regular income for the government. It includes government's long-term investment or capital expenditure outlay in infrastructure, defence, energy, and other capital resources.

Capital receipts are non-recurring government inflows that create liabilities (debt) or reduce financial assets, typically used for long-term investments or debt repayment. Major sources include market borrowings, small savings, foreign loans, disinvestment of Public Sector Units (PSUs), and recovery of loans granted.

Earnings per share (EPS) are calculated as a companies' net income minus dividends of preferred stock all divided by the total number of shares outstanding.

A **global capability center (GCC)** is an offshore or nearshore entity established by a multinational corporation (MNC) to take advantage of lower costs or human or technological resources available in other geographies. GCC functions can include back-office operations, knowledge management, IT support, engineering, and research and development.

Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

The **Indian rupee (INR)** is the currency of India.

The **MSCI India Index** is a widely followed equity index designed to measure the performance of the large- and mid-cap segments of the Indian market. As of early 2026, it covers approximately 85% of the Indian equity universe, tracking over 160 companies.

The **NIFTY 50** is a benchmark Indian equity index representing the weighted average of 50 stocks over 12 sectors.

Open Market Operations (OMOs) are the buying and selling of government securities by a central bank (like the Federal Reserve Board (.gov) or Reserve Bank of India) in the open market to regulate money supply, liquidity, and interest rates.

Price/earnings (P/E) ratios measure a company's current share price relative to its per-share earnings. In this context, LTM refers to last twelve months' earnings.

The **Reserve Bank of India (RBI)** is the central bank of India.

Revenue expenditure is the day-to-day spending by the government that does not create productive assets or reduce liabilities. It includes recurring costs like salaries, pensions, interest payments on debt, subsidies, and administrative expenses.

Revenue receipts are the recurring, non-redeemable earnings of the government derived from tax and non-tax sources, which do not create liabilities or reduce assets. These include income from taxes (direct/indirect), interest, dividends, fees, and grants.

The **Securities Transaction Tax** is a tax levied on the purchase and sale of securities, such as equities, futures, options, etc, by the stock exchanges.

The **Sensex Index** comprises 30 companies traded on the Bombay stock exchange.

USD is the currency code for the U.S. Dollar.

Appendix

Historical performance

	30.1.2022 – 30.1.2023	30.1.2022-30.1.2023	30.1.2023–30.1.2024	30.1.2024-30.1.2025	30.1.2025-30.1.2026
MSCI India	27.4%	-0.2%	26.9%	8.8%	9.0%
Sensex	23.6%	4.0%	19.6%	7.9%	7.2%
Nifty	25.4%	3.2%	21.9%	8.0%	8.9%
Industrials	38.5%	24.7%	31.4%	9.4%	15.5%
Healthcare	7.9%	0.5%	40.1%	18.5%	0.7%
India 2-year Govt. Bond	-0.4%	-8.0%	1.3%	4.6%	0.7%
India 10-year Govt. Bond	-0.3%	0.7%	1.1%	0.6%	-2.3%
India 30-year Govt. Bond	-11.2%	2.8%	1.4%	0.9%	-2.4%
USD/INR	2.9%	8.6%	2.0%	4.1%	5.9%

Source: Deutsche Bank AG, Bloomberg Finance L.P., LSEG Datastream; Data as of February 02, 2026.

Appendix

Important note

General

This document may not be distributed in Canada or Japan. This document is being circulated in good faith by Deutsche Bank Aktiengesellschaft, its branches (as permitted in any relevant jurisdiction), affiliated companies and its officers and employees (collectively, "Deutsche Bank").

This document is for your information only and is not intended as an offer, or recommendation or solicitation of an offer to buy or sell any investment, security, financial instrument or other specific product, to conclude a transaction, or to provide any investment service or investment advice, or to provide any research, investment research or investment recommendation, in any jurisdiction. The information contained herein does not replace advice tailored to the individual circumstances of the investor.

All materials in this document are meant to be reviewed in their entirety.

If a court of competent jurisdiction deems any provision of this disclaimer unenforceable, the remaining provisions will remain in full force and effect. This document has been prepared as a general market commentary without consideration of the investment needs, objectives or financial circumstances of any particular investor. Investments are subject to market risks which derive from the instrument or are specific to the instrument or attached to the particular issuer. Should such risks materialise, investors may incur losses, including (without limitation) a total loss of the invested capital. The value of investments can fall as well as rise and an investor may not recover the amount originally invested at any point in time. This document does not identify all the risks (direct or indirect) or other considerations which may be material to an investor when making an investment decision.

This document and all information included herein are provided "as is", "as available" and no representation or warranty of any kind, express, implied or statutory, is made by Deutsche Bank regarding any statement or information contained herein or issued in conjunction with this document. To the extent permissible under applicable laws and regulations, Deutsche Bank makes no representation as to the profitability of any financial instrument or economic measure. All opinions, market prices, estimates, forward-looking statements, hypothetical statements, forecast returns or other opinions leading to financial conclusions contained herein reflect Deutsche Bank's subjective judgment as of the date of this document. Without limitation, Deutsche Bank does not warrant the accuracy, adequacy, completeness, reliability, timeliness or availability of this document or any information contained herein and expressly disclaims liability for errors or omissions herein (if any). Forward-looking statements involve significant elements of subjective judgments and analyses and changes thereto and/or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein.

Unless otherwise indicated in this document, all statements of opinion reflect the current assessment of Deutsche Bank, which may change at any time. Deutsche Bank does not assume any obligation to either update the information contained in this document or inform investors about available updated information. The information contained in this document is subject to change without notice and based on a number of assumptions, estimates, opinions and hypothetical models or analyses which – although from the Bank's current point of view are based on adequate information – may not prove valid or turnout in the future to be accurate or correct and may be different from conclusions expressed by other departments within Deutsche Bank. Although the information contained in this document has been derived from sources that Deutsche Bank considers trustworthy and reliable, Deutsche Bank does not guarantee the completeness, fairness, or accuracy of the information and it should not be relied upon as such. This document may provide, for your convenience, references to websites and other external sources. Deutsche Bank takes no responsibility for their content and their content does not form any part of this document. Accessing such external sources is at your own risk.

To the extent permissible under applicable laws and regulations, this document is for discussion purposes only and is not intended to create any legally binding obligations on Deutsche Bank and Deutsche Bank is not acting as your financial advisor or in a fiduciary capacity, unless otherwise expressly agreed by Deutsche Bank in writing. Before making an investment decision, investors need to consider, with or without the assistance of a financial professional, whether any investments and strategies described or provided by Deutsche Bank are appropriate in light of the investor's particular investment needs, objectives, financial circumstances or the possible risks and benefits of such investment decision. When making an investment decision, potential investors should not rely on this document but only on what is contained in the final offering documentation relating to the investment. As a global financial services provider, Deutsche Bank from time to time faces actual and potential conflicts of interest. Deutsche Bank's policy is to take all appropriate steps to maintain and operate effective organizational and administrative arrangements to identify and manage such conflicts.

Deutsche Bank does not give tax or legal advice, including in this document, and nothing in this document should be interpreted as Deutsche Bank providing any person with any investment advice. Investors should seek advice from their own tax experts, lawyers, and investment advisers in considering investments and strategies described by Deutsche Bank. Unless notified to the contrary in a particular case, investment

Appendix

instruments are not insured by any governmental entity, not subject to deposit protection schemes and not guaranteed, including by Deutsche Bank. This document may not be reproduced or circulated without Deutsche Bank's express written authorization. Deutsche Bank expressly prohibits the distribution and transfer of this document to third parties. Deutsche Bank accepts no liability whatsoever arising from the use or distribution of this document or for any action taken or decision made in respect of investments mentioned in this document which the investor may have made or may make in the future.

The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including, without limitation, the United States. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication use would be contrary to law or regulation or which would subject Deutsche Bank to any registration or licensing requirement within such jurisdiction which is not currently met. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions. Past performance is no guarantee of future results; nothing contained herein shall constitute any representation, warranty, or prediction as to future performance. Further information is available upon request.

Deutsche Bank AG is a stock corporation ("Aktiengesellschaft") incorporated under the laws of the Federal Republic of Germany with its head office in Frankfurt am Main. It is registered with the district court ("Amtsgericht") in Frankfurt am Main under number HRB 30 000 and licensed to carry out banking business and to provide financial services. Deutsche Bank AG is supervised by the European Central Bank ("ECB"), Sonnemannstrasse 22, 60314 Frankfurt am Main, Germany (www.ecb.europa.eu) and the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" or "BaFin"), Grauheindorfer Strasse 108, 53117 Bonn and Marie-Curie-Strasse24-28, 60439 Frankfurt am Main(www.bafin.de), and by the German Central Bank ("Deutsche Bundesbank"), Wilhelm-Epstein-Strasse 14, 60431 Frankfurt am Main (www.bundesbank.de).

This document has neither been submitted to nor reviewed or approved by any of the above or below mentioned supervisory authorities.

This document was generated or edited with the support of artificial intelligence (AI). It was reviewed by responsible employees of Deutsche Bank's Chief Investment Office.

For Residents of the United Arab Emirates

This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. By receiving this document, the person or entity to whom it has been issued understands, acknowledges and agrees that this document has not been approved by the UAE Central Bank, the UAE Securities and Commodities Authority, the UAE Ministry of Economy or any other authorities in the UAE. No marketing of any financial products or services has been or will be made from within the United Arab Emirates and no subscription to any funds, securities, products or financial services may or will be consummated within the United Arab Emirates. This does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended from time to time) or otherwise. This document may only be distributed to "Professional Investors", as defined in the UAE Securities and Commodities Authority's Rulebook on Financial Activities and Reconciliation Mechanism (as amended from time to time).

For Residents of Kuwait

This document has been sent to you at your own request. This presentation is not for general circulation to the public in Kuwait. The investments described herein have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of any investments in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of any investments is being made in Kuwait, and no agreement relating to the sale of any investments will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market any investments in Kuwait.

For Residents of the Kingdom of Saudi Arabia

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Fund Regulations issued by the Capital Market Authority. The Capital Market Authority does not take any responsibility for the contents of this document, does not make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the investments described herein should conduct their own due diligence on the accuracy of any information relating thereto. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Appendix

For Residents of Qatar

This document has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant Qatari governmental body or securities exchange or under any laws of the State of Qatar. This document does not constitute a public offering and is addressed only to the party to whom it has been delivered. No transaction will be concluded in Qatar and any inquiries or applications should be received, and allotments made, outside Qatar.

For Residents of the Kingdom of Bahrain

This document does not constitute an offer for sale of, or participation in, securities, derivatives or funds marketed in Bahrain within the meaning of Bahrain Monetary Agency Regulations. All applications for any investment should be received and any allotments should be made, in each case from outside of Bahrain. This document has been prepared for private information purposes of intended investors only who will be institutions. No invitation shall be made to the public in the Kingdom of Bahrain and this document will not be issued, passed to, or made available to the public generally. The Central Bank (CBB) has not reviewed, nor has it approved, this document or the marketing of any such securities, derivatives or funds in the Kingdom of Bahrain.

For Residents of Lebanon

By accepting this documentation, Client hereby represents that (i) this documentation was sent to it by Deutsche Bank in response to an unsolicited request made by it, (ii) it has or will execute any documents associated with any transaction described in this document (a "Transaction") outside of the Lebanese Republic in a jurisdiction in which it is lawful to do the same, (iii) any Transaction entered into shall be deemed to be concluded and booked outside of the Lebanese Republic in a jurisdiction in which it is lawful to do the same and (iv) it has entered or will enter into any Transaction for a bona fide commercial purpose and as part of a sound investment or financial management policy, namely for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or in connection with its line of business and not for speculative or illegal purposes.

Deutsche Bank has not obtained the authorization of the Central Council of the Central Bank of Lebanon to market, promote, offer or sell (“offered”) any product pursuant to any Transaction in Lebanon and no such product is being offered into Lebanon hereby.

For Residents of South Africa

This document does not constitute or form a part of any offer, solicitation or promotion in South Africa. This document has not been filed with, reviewed or approved by the South African Reserve Bank, the Financial Sector Conduct Authority or any other relevant South African governmental body or securities exchange or under any laws of the Republic of South Africa.

For Residents of Belgium

This document has been distributed in Belgium by Deutsche Bank AG acting though its Brussels Branch. Deutsche Bank AG is a stock corporation (“Aktiengesellschaft”) incorporated under the laws of the Federal Republic of Germany and licensed to carry on banking business and to provide financial services subject to the supervision and control of the European Central Bank (“ECB”) and the German Federal Financial Supervisory Authority (“BaFin”). Deutsche Bank AG, Brussels Branch, is also supervised in Belgium by the Financial Services and Markets Authority (“FSMA”, www.fsma.be). The branch has its registered address at Marnixlaan 13-15, B-1000 Brussels and is registered under number VAT BE 0418.371.094, RPM/RPR Brussels. Further details are available on request or can be found at www.deutschebank.be.

For Residents of the United Kingdom

This document is a financial promotion as defined in Section 21 of the Financial Services and Markets Act 2000 and is approved by and communicated to you by DB UK Bank Limited. DB UK Bank Limited is a member of the Deutsche Bank AG group and is registered at Companies House in England & Wales with company number 315841 with its registered Office at 21 Moorfields, London, United Kingdom, EC2Y 9DB. DB UK Bank Limited is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. DB UK Bank Limited’s Financial Services Registration Number is 140848.

Deutsche Bank Aktiengesellschaft is incorporated in the Federal Republic of Germany and its members’ liability is limited.

For Residents of Hong Kong

This document is intended for Professional Investors in Hong Kong. Furthermore, this document is provided to the addressee only, further distribution of this document is strictly prohibited. This document and its contents are provided for information only. Nothing in this document is intended to be an offer of any investment or a solicitation or recommendation to buy or to sell an investment and should not be interpreted or construed as such an offer, solicitation, or recommendation.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the investments contained herein (if any). If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Appendix

This document has not been approved by the Securities and Futures Commission in Hong Kong ("SFC"), nor has a copy of this document been registered by the Registrar of Companies in Hong Kong, unless specified otherwise. The investments described herein may or may not be authorised by the SFC. Any such investment may not be offered or sold in Hong Kong, by means of any document, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)(the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O. No person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the investments described herein, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to investments which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

For Residents of Singapore

This document is intended for Accredited Investors / Institutional Investors in Singapore. Furthermore, this document is provided to addressee only, further distribution of this material is strictly prohibited.

For Residents of the United States of America

In the United States, brokerage services are offered through Deutsche Bank Securities Inc., a broker-dealer and registered investment adviser, which conducts securities activities in the United States. Deutsche Bank Securities Inc. is a member of FINRA, NYSE and SIPC. Banking and lending services are offered through Deutsche Bank Trust Company Americas, member FDIC, and other members of the Deutsche Bank Group. In respect of the United States, see earlier statements made in this document. Deutsche Bank makes no representations or warranties that the information contained herein is appropriate or available for use in countries outside of the United States, or that services discussed in this document are available or appropriate for sale or use in all jurisdictions, or by all counterparties. Unless registered, licensed as otherwise may be permissible in accordance with applicable law, none of Deutsche Bank or its affiliates is offering any services in the United States or that are designed to attract US persons (as such term is defined under Regulation S of the United States Securities Act of 1933, as amended). This United States-specific disclaimer will be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflicts of law provisions that would mandate the application of the law of another jurisdiction.

For Residents of Germany

This information in this document is advertising. The text does not meet all legal requirements to ensure the impartiality of investment and investment strategy recommendations or financial analyses. There is no prohibition for the compiler or for the company responsible for the compilation to trade with the respective financial instruments before or after the publication of these documents.

General information on financial instruments is contained in the brochures "Basic Information on Securities and Other Investments", "Basic Information on Financial Derivatives" and "Basic Information on Forward Transactions" which the customer can request from Deutsche Bank free of charge.

For Residents of India

The investments mentioned in this document are not being offered to the Indian public for sale or subscription. This document is not registered and/or approved by the Securities and Exchange Board of India, the Reserve Bank of India, or any other governmental/ regulatory authority in India. This document is not and should not be deemed to be a "prospectus" as defined under the provisions of the Companies Act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued thereunder, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India including any investments mentioned in this document.

For Residents of Italy

This report is distributed in Italy by Deutsche Bank S.p.A., a bank incorporated and registered under Italian law subject to the supervision and control of Banca d'Italia and CONSOB. Its registered office is located at Piazza del Calendario 3 – 20126 Milan (Italy) and it is registered with the Chamber of Commerce of Milan, VAT and fiscal code number 001340740156, part of the interbank fund of deposits protection, enrolled in the Bank Register and the head of Deutsche Bank Banking Group, enrolled in the register of the Banking Groups pursuant to Legislative Decree September 1st , 1993 n. 385 and subject to the direction and coordination activity of Deutsche Bank AG, Frankfurt am Main (Germany).

For Residents of Luxembourg

This report is distributed in Luxembourg by Deutsche Bank Luxembourg S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg in the form of a public limited company (Société Anonyme), subject to the supervision and control of the European Central Bank ("ECB") and Commission de Surveillance du Secteur Financier ("CSSF"). Its registered office is located at 2, boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg and is registered with Luxembourg Registre de Commerce et des Sociétés ("RCS") under number B 9.164.

Appendix

For Residents of Spain

This document has been distributed by Deutsche Bank, Sociedad Anónima Española Unipersonal is a credit institution regulated by the Bank of Spain (registered in its Official Registry under the Code 019) and the CNMV. Deutsche Bank, Sociedad Anónima Española Unipersonal may only undertake the financial services and banking activities that fall within the scope of its existing license. Its registered office in Spain is located in Paseo de la Castellana number 18, 28046 - Madrid. Registered in the Mercantile Registry of Madrid, Volume 28100, Book 0, Folio 1, Section 8, Sheet M506294, Registration 2. NIF: A08000614.

For Residents of Portugal

Deutsche Bank AG, Portugal Branch is a credit institution regulated by the Bank of Portugal and the Portuguese Securities Commission ("CMVM"), registered with numbers 43 and 349, respectively and with commercial registry number 980459079. Deutsche Bank AG, Portugal Branch may only undertake the financial services and banking activities that fall within the scope of its existing license. Its registered address is Rua Castilho, 20, 1250-069 Lisbon, Portugal.

For Residents of Austria

This document is distributed by Deutsche Bank AG, Vienna Branch, registered in the commercial register of the Vienna Commercial Court under number FN 140266z.Deutsche Bank AG's Vienna branch is also supervised by the Austrian Financial Market Authority (FMA), Otto-Wagner-Platz 5, 1090 Vienna. This document has neither been submitted to nor approved by the aforementioned supervisory authorities.

For Residents of the Netherlands

This document is distributed by Deutsche Bank AG, Amsterdam Branch, with registered address at De entree 195 (1101 HE) in Amsterdam, the Netherlands, and registered in the Netherlands trade register under number 33304583 and in the register within the meaning of Section 1:107 of the Netherlands Financial Supervision Act (Wet op het financieel toezicht). This register can be consulted through www.dnb.nl.

For Residents of France

Deutsche Bank AG is an authorized credit institution, subject to the overall supervision of the European Central Bank and BaFin, the German Federal Financial Supervisory Authority. Its various branches are locally supervised, for certain activities, by the competent banking authorities, such as the Prudential Control and Resolution Authority (Autorité de Controle Prudentiel de Résolution, "ACPR") and the Financial Markets Authority (Autorité des Marchés Financiers, "AMF") in France.

057608 020226

SB/RD