General Meeting 2014
Key Topics (Convenience Translation)

Passion to Perform
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Corporate Governance

The improvement of corporate governance has become a priority for financial institutions, most recently since the 2008 financial crisis. We at Deutsche Bank are intensely aware of the paramount importance of the strengthened corporate governance focus and have taken measures to address what we perceive to be core issues at a group level.

Recent years have brought the financial services industry many new legal and regulatory requirements, which Deutsche Bank has implemented or is in the course of implementing. Maintaining effective corporate governance in adherence with international standards and best practices is of major importance for Deutsche Bank. Our corporate governance system is based on five elements:

– Effective decision making on the basis of appropriate information;
– Good relations with shareholders;
– Effective cooperation between the Management Board and Supervisory Board;
– Performance-based compensation system with a sustainable and long-term focus;
– Transparent and timely reporting.

Deutsche Bank strives to achieve an optimal implementation of those elements as guided by German, mostly European-law-based legal and regulatory requirements, taking into account any relevant regional requirements.

1. What is Deutsche Bank’s governance?

The Management Board of Deutsche Bank is responsible for managing the Bank, while the Supervisory Board appoints, supervises and advises the Management Board. The Supervisory Board is also directly involved in decisions of fundamental importance to the Bank. Both the Management Board and the Supervisory Board are governed by formal terms of reference, which establish their rights and responsibilities within Deutsche Bank’s corporate framework. Additional information can be found on our Investor Relations website [https://www.deutsche-bank.de/ir/en/content/terms_of_reference.htm](https://www.deutsche-bank.de/ir/en/content/terms_of_reference.htm).

2. Does Deutsche Bank align with the Corporate Governance Codex?

In accordance with German law, we declare our compliance with the recommendations of the German Corporate Governance Code as well as the reasons for any non-compliance, by publication of a Declaration of Conformity each year. This includes the issuance of a Corporate Governance Report, which provides additional detail about Deutsche Bank’s corporate governance organization.

3. What role does governance play in the Bank’s strategy?

Deutsche Bank has implemented multiple initiatives in the last year that are relevant to the promotion of good corporate governance practices as part of and in tandem with its Strategy 2015+.

Key among these initiatives was the hiring of a Chief Governance Officer (CGO) and the establishment of a Global Corporate Governance function. The CGO role reports into the Management Board and acts as an adviser to the Management Board on the governance structures and processes of Deutsche Bank. The Management Board chose for this position an independent and recognized expert.
The Global Corporate Governance team is currently managing a program to strengthen mandates, achieve transparent and fully-aligned position and mandate descriptions of top-level executives, and refine the documentation of governance control processes. This encompasses the delegation of authority, reporting lines, information flows and escalation lines both at the individual and the committee level.

We believe that this function and work plan creates synergies with and complements other key initiatives of the Management Board, e.g. the Strategy 2015+ and the “3-Lines of Defense” project.

The new organizational structures and the work plan further reinforce the focus on corporate governance and strengthen management oversight in a sustainable manner.

4. Where does governance stand in the future?

We are taking firm steps to ensure Deutsche Bank’s continued growth in the modern landscape of enhanced global financial regulatory and supervisory oversight. The Global Corporate Governance function is an integral part of our organization. Its aim is to sustainably enhance and strengthen our corporate governance.
Progress on Cultural Change

1. What did Deutsche Bank do to drive cultural change forward?

We started by listening: we sought the views of 52,000 of our colleagues – the most in-depth consultation in recent years. We also sought the ‘outside in’ view of an independent compensation review panel. We formulated a new set of values and beliefs after intensive discussions with our top 250 people across all parts of the world.

We led by example: the senior leadership group extended the vesting horizon of the deferred portion of variable compensation from 3 to 5 years – which was a ‘first’ for the industry at that time. Client satisfaction metrics (net promoter score) are being embedded into the way Management Board and Group Executive Committee (GEC) members are assessed and compensated.

We engaged the organization: cascading the values and beliefs throughout the organization, achieving a 94% awareness ratio after 12 weeks via an intensive, multi-channel internal communications program.

We set clear metrics around the values and beliefs and reinforced them, by strengthening our internal control environment, and linking adherence to the values and beliefs explicitly to pay and performance.

2. How does the Bank ensure that its employees embrace the values and beliefs as cornerstones of cultural change and align their behavior accordingly? How is cultural change embedded in the organization?

- Direct ownership from the Co-Chief Executive Officers, who led the effort to communicate the new values and beliefs into the organization, has been key.
- Assigning clear responsibility as “culture carriers” to the top 250 leadership cadre – they were given clear responsibility to roll out the values and beliefs to their teams and had to report back directly to the Co-Chief Executive Officers on their progress.
- Training and skills development of senior managers as culture carriers is an important element. For instance, we have launched a program for all Managing Directors in Germany that includes a 2-day seminar at the Economics Institute of Cologne (Institut der Deutschen Wirtschaft in Köln).
- We have embedded the values and beliefs into our performance management processes, which are now aligned not only around what our employees do but how they do it. Starting in 2014, adherence to the values and beliefs will carry a 50% weighting in performance assessment at year-end. This will influence both compensation and career development.
- An intensive, continued multi-channel internal communication and awareness program – including town halls, workshops, videos, articles on the intranet, in newsletters and employee magazines – explains to employees what the values and beliefs mean in practice and communicates tangible examples of behaviors which exemplify the new culture. Since July 2013, the Co-Chief Executive Officers and members of the Group Executive Committee have discussed the values and beliefs with 20,000 employees around the world at various town hall meetings and internal conferences.
- A revised Code of Conduct and Ethics for all employees, based on the new values and beliefs, has been developed and launched. Failure to comply with any provision of the Code is a serious violation and may result in disciplinary action.
3. What measures are being undertaken to strengthen internal controls?

Deutsche Bank is spending around EUR 1 billion to reinforce its systems and controls and adapt these to changes in regulation by 2015. The Bank will add over 500 people over the course of our Strategy 2015+, both to strengthen Group Compliance and to strengthen the supervision capacity of the front office. This will be done in context of our “3-Lines of Defense” initiative, a special project reporting directly to the Co-Chief Executive Officers which spans the front office, infrastructure control functions and Group Audit.

In some cases, extra supervisory capacity is embedded directly into the front office (our “first line of defense”) – for example, in respect of the Bank’s interbank offered rate submissions, we now have an Independent Benchmark Oversight Function monitoring IBOR submissions.

4. What measures are planned to further drive cultural change?

- The values and beliefs will be cascaded and embedded further by contextualizing and specifying what they mean for specific businesses.
- Business practices, Bank-wide processes and policies will be further aligned to the values and beliefs.
- Bank-wide and division-specific training modules are under development and will be rolled out.
- Ongoing internal communications programs feature case studies of the new culture at work and recognize good examples of living the values.

5. How do you measure progress in implementing cultural change?

Deutsche Bank is developing metrics and systems that enable detailed measurement of the implementation of the values and beliefs. These include client management information systems, key metrics related to client satisfaction and performance review systems which will be enhanced by a scorecard comprising both financial and non-financial indicators. The Bank also tracks changes in its corporate culture via its annual employee survey.
Progress on the Operational Excellence (OpEx)-Program

In September 2012, Deutsche Bank announced its bank-wide Operational Excellence (OpEx)-Program. OpEx is a key component of the Bank’s Strategy 2015+ and represents our answer to the fundamental change in the underlying market characteristics for the banking industry. Customers are seeking world-class solutions on a global scale at attractive prices, which requires improved services while margins are declining.

OpEx is about creating a better platform that will help the Bank to be more efficient and flexible when responding to these challenges. The key objective of the program is to achieve a long-term, sustainable standard of Operational Excellence along four dimensions: improved quality through superior service to clients and business, strategic flexibility through a reduced fixed cost base, robust and effective centralized controls with zero tolerance for control breaks, and becoming a world-class cost player. Through OpEx, we have identified potential cost savings of EUR 4.5 billion by 2015. To achieve these savings, we are investing EUR 4 billion until 2015 – the biggest investment for a single program in our history. We are moving to a leaner, more consolidated organization, with more sharing of resources and less duplication in silos. We are centralizing and standardizing many of our governance processes and control frameworks, as well as increasing the use of automation and straight-through processing.

1. What are Deutsche Bank’s achievements through the OpEx program to date?

By the end of 2013, OpEx has delivered savings of EUR 2.1 billion, thereby exceeding the communicated target of EUR 1.6 billion by EUR 0.5 billion. We also invested approximately EUR 1.8 billion in the program by the end of 2013, thus under spending our stated target of EUR 2.3 billion by EUR 0.5 billion.

For 2014, OpEx remains well ahead of plan with savings of EUR 2.3 billion by the first quarter, more than half way to its target saving of EUR 4.5 billion by the end of 2015, and cost-to-achieve of EUR 2.1 billion.

2. What improvements does Deutsche Bank’s OpEx program deliver and how do the divisions contribute to these?

Three quarters of OpEx initiatives have now progressed through the program control framework to the validation and execution phases. We are not only making progress in terms of cost reduction, but also in strengthening our platform in a sustainable way by improving quality, flexibility, and control, e.g.:

- Global Transaction Banking (GTB) created a new standard for its Trade Finance and Cash Management business for corporate clients. By aligning services to the needs of different client segments, GTB can respond faster to a broad section of client requests and free up resources that can be devoted to clients who need customized service.

- Deutsche Asset & Wealth Management (DeAWM) offers institutional and retail clients as well as wealthy individuals one point of access to the full breadth of its services and product offering. To achieve this holistic client-centric approach to coverage, DeAWM created a single global investment platform and a common investment process across all regions and assets that ensures market expertise while reducing costs by eliminating duplications and unnecessary complexity.

- By consolidating its footprint, Deutsche Bank has disposed of over 60,000 square meters of office space.
Group Technology & Operations (GTO) has eliminated approximately 1,300 applications and is creating a cost-efficient and scalable platform.

3. What can we expect from OpEx in 2014 and beyond?

In 2014, we are focusing on front-to-back re-engineering and footprint rationalization. On our way to the 2015 target, we aim to deliver EUR 2.9 billion in cumulative savings by the end of 2014.

Beyond 2015, OpEx will further strengthen the Bank’s drive to reduce complexity, facilitate cultural change and drive integration.
1. **What is the proportion of female employees in the different corporate levels at Deutsche Bank?**

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<thead>
<tr>
<th>Level</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Total</td>
<td>42.0%*</td>
</tr>
<tr>
<td>Tariff percentage</td>
<td>55.8%*</td>
</tr>
<tr>
<td>Management percentage</td>
<td>31.1%*</td>
</tr>
<tr>
<td>Senior Management percentage</td>
<td>18.7%*</td>
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</tbody>
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Women on the Executive Board: none
Women on the Supervisory Board: 7 (out of a total of 20 Supervisory Board members) = 35%
                                 of which 3 shareholder representatives and 4 employee representatives

* Definition based on DAX-30 voluntary commitment: figures on full-time equivalent basis, excl. Postbank, the last 3 figures (tariff, management and senior management) do not include the acquisition of Sal Oppenheim and BHF BANK as no corporate titles have been introduced; as of 31.12.2013

2. **What is Deutsche Bank’s position in terms of “Female Pipeline”?**

Building the female pipeline across all levels is an integral part of our management agenda.

Deutsche Bank and the other 29 DAX companies, made a voluntary commitment to the German Federal Government to increase the proportion of females (subject to applicable laws worldwide) in:

– senior management positions (Managing Director and Director) to 25% by the end of 2018;

– all officer positions (Managing Director, Director, Vice President, Assistant Vice President and Associate) to 35% by the end of 2018.

Each year we identify annual goals based on promotion, hiring and attrition and we report internally on progress.

In the past years, we have consistently progressed toward our aspirational goals for the advancement of women in all levels of management as well as senior management.

With a view to a sustainable progress, the focus is on establishing, maintaining and advancing a pipeline of female talents on all levels. Since 2010, we have increased the percentage of women in all management levels from 29.3% to 31.1% and in senior management positions from 16.2% to 18.7% in 2013.

Our aspirational goals for 2018 are ambitious but achievable.

We believe that the voluntary commitment to the German Federal Government is a sound basis.

Within the context of the various draft legislative initiatives regarding gender balance in management positions currently in the pipeline (e.g. in Germany), we are pleased that we have been voluntarily committed to increasing gender balance in management positions and believe our goals are in line with legislative initiatives. We continue to monitor the status of the various legislative proposals and once final laws are legislated we will continue and expand our activities as appropriate.

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1 Staff with corporate titles
2 Managing Director and Director
3. What are Deutsche Bank’s key initiatives to promote advancement of female employees?

Global:

– Our Award winning ATLAS (Accomplished Top Leaders Advancement Strategy) initiative was launched in 2009 by the Chairman of the Management Board and Group Executive Committee, with the goal of increasing the number of women in senior management positions. Participants are provided with direct sponsorship from Senior Management. Since inception, 59% of ATLAS participants have moved into larger roles (4 women have moved into larger roles twice, one woman is now in her third bigger role).

– Deutsche Bank Women Global Leaders (DB WGL) at INSEAD launched in 2010. It is a one week program designed to accelerate the progress of high performing female Directors into Managing Director positions.

– Since 1995, Deutsche Bank has hosted annual Women in Business Conferences in Frankfurt, London, New York, Singapore, Milan and Sydney attracting more than 5,000 clients, industry leaders and employees globally. This year the 20th Women on Wall Street conference will be held in New York.

– Twelve established Women’s Network Groups across all 5 regions with senior business women chairing.

Germany:

– The Women on Boards initiative aims to increase the proportion of females in the supervisory boards of our operational subsidiaries in Germany and in the regional advisory boards.

– Diversity Leadership Training on unconscious bias covering various diversity topics including gender.

– Work life balance initiatives e.g. through flexible work arrangements, childcare facilities (300 kindergarten places at 6 different locations) cooperation with pmf Familienservice, Leistungskontensystem “db Zeitinvest” etc.

– Deutsche Bank has established policies around work and life (e.g. flexible working, return to work and part time arrangements etc).

4. What are Deutsche Bank’s main achievements with regard to female advancement?

– ATLAS selected as one of Catalyst’s 2013 Recognized Practices. Through this award, Catalyst recognizes organizational programs that help make real change for women and other diverse groups (February 2013).


– United Kingdom: Deutsche Bank included in the Times Top 50 Employers for Women list (April 2014).

– USA: “One of the 100 Best Companies for Working Mothers, 2013” by Working Mother Magazine. This year marks the 14th time that Deutsche Bank (or Bankers Trust) has appeared on the list since 1996.

– USA: Traders Magazine selected Deutsche Bank to receive “Diversity Achievement Award”. Award cited quantitative and qualitative achievements in improving gender diversity in the executive ranks (October 2011).
– United Kingdom: “Best for Mothers Award” at the Top Employers for Working Families Benchmark and Awards (June 2011).

– Germany: Recertification of our family-aware HR policies under Hertie Foundation’s job and family audit (August 2013).

– Germany: One of the first companies to sign the Diversity Charta for Companies in Germany (December 2006), since 2010 a member of the association, since December 2012 board member of the association.
Allegations of Manipulation in the Foreign Exchange (FX) market

1. What are the allegations that Deutsche Bank faces?

On June 12, 2013 a Bloomberg article alleging potential manipulation and other potential misconduct by large FX Houses was published; Deutsche Bank is one of the largest FX houses worldwide. This potential misconduct was reported to have happened daily over the last ten years. It was reported to involve the “WM/Reuters 4pm” benchmark. This benchmark provides, in essence, daily exchange rates for different currency pairs and is being derived from underlying market transactions.

2. What did Deutsche Bank do in light of the allegations?

Deutsche Bank moved quickly to launch a wide-ranging internal investigation into the matter once becoming aware of potential issues in the FX market. The Bank deals with the allegations in a very serious way.

External counsel and external subject matter experts have been included into the investigation setup and the Bank has devoted a significant amount of resources to said internal investigation.

The internal investigation is sufficiently broad to review the conduct in question; we are committed to conducting a robust review in every reasonable way.

3. Has the Bank found evidence that confirms the allegations?

To date, we have not found evidence supporting the allegations publicized in 2013 regarding widespread misconduct surrounding the “WM/Reuters 4pm” fix.

We are committed to addressing any potential wrongdoing in a timely manner. This commitment is unwavering as to any misconduct of any nature we may find during the course of the review.

We have used the investigation to identify further areas that require further strengthening of the control environment.

4. What has Deutsche Bank done to improve the control framework within this business area?

The Bank continually assesses businesses, products and the control environment and takes appropriate corrective action where necessary to meet our high standards and best serve our shareholders.

In line with our objective of Strategy 2015+ to strengthen the control framework, Deutsche Bank has, to date, executed a significant amount of measures that are also partially induced by investigation observations; examples include:

- Rollout of enhanced communications guidance and surveillance alongside new policies regarding Market Conduct, and specific trainings of around 2,000 staff globally;

- Multiple benchmark submissions were withdrawn (or decided to withdraw) and the control environment around those benchmark submissions is being strengthened further.

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3 Benchmark for currency pairs, being determined by WM/Reuters at 4pm London time; this benchmark is used to determine prices of manifold other financial instruments.
Those measures were augmented by clear and direct communication from Senior Management emphasizing the firm’s values and beliefs – particularly relating to partnership and integrity.

5. What can you tell us about the personnel measures?

The Bank is continually reviewing the conduct of our employees and we will continue to take actions that are appropriate if we determine that further employee conduct falls short of required or expected levels. As of today, we can confirm media reports that five Deutsche Bank traders located in the Americas were terminated. Other employees received other disciplinary measures.

6. What is the progress of the investigation?

Deutsche Bank’s investigation has been ongoing for several months and has made meaningful progress. Investigation resources are continually adjusted in line with the investigation’s requirements. Deutsche Bank is cooperating closely with all regulatory inquiries and investigations globally in that regard.
Cluster Munitions

1. Has Deutsche Bank stopped financing Cluster Munitions?

The Deutsche Bank Group Cluster Munitions Policy has been in effect since autumn 2011 following the earlier decision of the Management Board to exit relationships and not engage in new business with clients involved in this line of business.

The Deutsche Bank Group Cluster Munitions Policy reflects the complexity of the issue and goes beyond our previous approach whereby the Bank did not provide direct funding for cluster munitions (production or trade).

2. Does the Policy on Cluster Munitions apply to all transactions?

The policy prohibits doing business with conglomerates (and their subsidiaries) that manufacture or distribute cluster munitions, banned under the Oslo Convention on Cluster Munitions or similar to those, as well as key components.

3. How does Deutsche Bank implement the Policy on Cluster Munitions?

Deutsche Bank has exited banking relationships with most identified conglomerates. Residual relationships relate to pre-existing contracts, which will not be extended.

We consider doing business with clients in this segment only if we obtain confirmation that the client’s cluster munitions-related business has been terminated. If clients have existing contracts, we may accept the time-bound intent to terminate production.

4. How is Asset Management covered by the Cluster Munitions Policy?

Following the establishment of an ESG\(^4\) Head Office in our Deutsche Asset & Wealth management division (DeAWM), ESG policies applicable for portfolio managers are currently reviewed and in the process of a global extension. The policies will take into account the fiduciary nature of the business duty but at the same time will outline an exclusion process for companies involved in cluster munitions.

5. Who monitors compliance with Deutsche Bank’s Policy on Cluster Munitions?

The Group Reputational Risk Committee reviews the implementation of the policy on a quarterly basis.

\(^4\) ESG: Environmental, Social and Governance.
Nuclear Power

1. Deutsche Bank has been criticized for supporting the nuclear industry. Why does Deutsche Bank continue to be involved?

Deutsche Bank supports a well-balanced global energy system that is forward-looking and that takes account of economic conditions as well as environmental and health and safety considerations.

At present, it is still not possible to meet the substantial global energy demand solely through renewable energy sources. For this reason, we will continue to finance a diversified range of energy including nuclear power in countries where it might be appropriate. Given the increasing energy demand, we believe that nuclear power will remain a key source of low-carbon electricity generation.

At the same time, we provide financing also for the development and utilization of renewable energies. In this field, Deutsche Bank is among the most important investors and providers of financing worldwide.

2. Can you specify how specific criteria and standards are incorporated in your day to day decisions on business with the nuclear industry?

An explicit sustainability guidance related to civil nuclear energy was introduced in 2012. It ensures that specific country and project-related criteria are thoroughly reviewed. These criteria apply to any type of financial involvement by Deutsche Bank and refer to adherence to international conventions and treaties as well as environmental, safety, and social standards (e.g. Convention on Nuclear Safety, Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, Convention on Early Notification of a Nuclear Accident and the Nuclear Non-Proliferation Treaty).

On the project side, the evaluation of significant seismic or flood risks, the impact on and protection of communities and the adherence of the project design, construction, and operation to the minimum health and safety standards by International Atomic Energy Authority receive special attention.

3. Is there any type of transaction related to the civil nuclear sector that you generally would object to support?

Potential business opportunities are reviewed on a case by case basis by applying our internal criteria. The decision to pursue or to withdraw from a particular business opportunity is based on the due diligence results.

For details see our Corporate Responsibility report 2013:
Coal Mining and Coal-Fired Power

1. Why does Deutsche Bank still support transactions in the coal and mining industry?

Deutsche Bank supports a well-balanced global energy system that is forward-looking and that takes account of economic conditions as well as environmental and health and safety considerations.

At present, it is still not possible to meet the substantial global energy demand solely through renewable energy sources. For this reason, we will continue to finance a diversified range of energy. Given the increasing energy demand, in some regions of the world coal cannot be avoided. If we are involved in transactions in this sector, we make sure that the most appropriate technology will be used and the highest efficiency levels are met.

At the same time, we provide financing also for the development and utilization of renewable energies. In this field, Deutsche Bank is among the most important investors and providers of financing worldwide.

2. How can Deutsche Bank justify doing business with mining companies given the negative environmental and social impacts?

Deutsche Bank’s Environmental and Social Reputational Risk Framework requires environmental and social due diligence as an integral part of the approval process for doing business in sectors such as the extractive industry and utilities. The decision to pursue or to withdraw from a particular business opportunity is based on the due diligence results, and can be escalated to divisional or group-wide Reputational Risk Committees.
Agricultural Commodities

1. Why is Deutsche Bank continuing to offer its clients staples-based financial products?

The agricultural sector is a key component of the global economy. In developing countries alone, more than USD 80 billion needs to be invested every year in order to increase productivity levels to meet the increasing demand for food in the coming decades.

2. To what extent is Deutsche Bank involved in transactions in the agricultural sector?

We support these investment needs. We offer credit facilities and financing for farm operators, trading companies and food processors. We also provide investment opportunities for our clients in the form of a variety of which cover the entire value chain in agriculture, including in innovations and technology. We no longer offer commodity price hedging products as we are restructuring our commodities business as announced in December 2013.

We continue to provide our clients with investment opportunities in the form of commodity index products. These index products have been the subject of controversial discussions for some time now as some observers believe these products to be responsible for higher and more volatile agricultural prices, and ultimately for hunger in the poorest countries.

3. Are financial investors responsible for increased food prices that lead to so many people suffering from hunger?

Over the past two years, we have continued to engage with non-governmental organizations (NGO), clients and academia on a bilateral basis and at public events. In April 2014, one of our Co-Chief Executive Officers hosted a private round table discussion with key stakeholders, including those who have been most critical of our actions.

This discussion confirmed once more the fundamental cause of rising food prices is fast growing demand that is not yet matched by supply as production is constrained by water scarcity, climate change, lack of infrastructure and harvest waste. Drought and political interventions such as export bans have proven to be key reasons for temporary price spikes in recent years.

The discussion revealed that academics have not yet reached consensus on whether or not the growth of agricultural-based financial investments has led to either higher or more volatile prices. While some studies suggest a temporary influence for some commodities in a specific time period, the same methodology cannot confirm such influence for other commodities or other time periods. Moreover, there is a strong body of literature that cannot identify index investors as responsible for price movements at all.

As such the bank maintains that there is no convincing evidence that the products we offer have a destabilizing impact on prices and cause more people to go hungry.

4. But is it not true that speculating on commodities drives up the price in local markets?

There are many kinds of index products and we believe most are straightforward ways to invest and do not contribute to problems such as food price inflation. But we have taken a careful look at the different kinds of index products and we make sure that when we launch new products, the underlying investment strategies are not likely to lead to price
spikes. Specifically we have decided not to offer products that are based on “momentum strategies.”

At the same time, we will continue to work with stakeholders to identify potential approaches that can help shed more light on the complex issues around causes of hunger and the responsibilities of investors.

5. **Do we need more regulation in these derivative markets? Should we ban financial investments in commodities markets?**

We continue to support regulatory actions in both the U.S. and in Europe to avoid market abuse and enhance market transparency.
Palm Oil

1. What is Deutsche Bank’s position in respect to the palm oil sector?

Growth of the palm oil industry has had positive economic benefits, especially for Asian countries seeking access to global markets. However, the production of palm oil can raise environmental and social challenges if not conducted responsibly.

2. How can Deutsche Bank ignore the negative impact of the current approach of the palm oil industry?

Deforestation of tropical forests for palm oil plantations destroys habitats, threatens extinction of some species, contributes to greenhouse gas emissions and climate change and creates land conflicts with local communities.

To reflect these concerns and promote more sustainable palm oil production, Deutsche Bank introduced a set of guiding principles for transactions in this sector 2012. As a minimum, clients are required to provide a certification plan for their plantation or mills in accordance with the Roundtable on Sustainable Palm Oil (RSPO) criteria.

The RSPO standard was established in 2004 and is widely supported by international consumer goods manufacturers and financial institutions. The bank also engages with clients during the certification process when requested.

3. What does Deutsche Bank undertake to contribute to an improvement of the situation in the palm oil sector?

To broaden our understanding of challenges associated with the palm oil sector, we engage with experts e.g. research institutions active on the ground in Asia. We are also in dialogue with the German Forum for Sustainable Palm Oil.

In addition, Deutsche Bank has developed, with a number of other banks, the so-called “soft commodities compact” to support the objective of major consumer goods companies to achieve zero net deforestation in their supply chains by 2020. This initiative covers palm oil and other commodities such as timber, soy and beef, which together account for about half of global carbon emissions arising from deforestation. The compact sets minimum standards for bank lending policies that align with the Consumer Goods Forum (CGF) sustainable procurement standards for the priority soft commodities. For palm oil, the minimum standard is based on RSPO criteria.

The compact also encourages banks to work with clients toward sustainable financing solutions. As a result, Deutsche Bank contributed to the development of the “Sustainable Shipment Letter of Credit”. This is a letter of credit for goods that attaches a certification document (such as RSPO certified) to standard documentation. This will allow trade finance banks to differentiate between conventional and ‘Sustainable Shipments’. Our Trade Finance business is ready to work with consumer goods companies and support them in their effort to reduce deforestation.