Deutsche Bank

General Meeting 2016

Extension of the Agenda

Passion to Perform

Extension of the Agenda

After the convening of our Ordinary General Meeting for Thursday, May 19, 2016, in Frankfurt am Main (publication in the Bundesanzeiger (Federal Gazette) on March 31, 2016), Attorney Dr. Oliver Krauß, TRICON Rechtsanwälte Steuerberater, Munich, through power of attorney for Marita Lampatz, Gelsenkirchen, requested, in accordance with § 122 (2) and § 124 (1) Stock Corporation Act, that an additional four Items be put on the Agenda of the General Meeting and published without delay.

The following Items are therefore added to the Agenda:

11. Special Audit of the Annual Financial Statements

Adoption of a resolution to appoint a special auditor to examine the question as to whether the members of the Management Board and/or Supervisory Board of Deutsche Bank AG breached their legal obligations in connection with the recognition of provisions for contingent liabilities and for potential losses from pending transactions as well as contingent liabilities in the respective Annual Financial Statements of Deutsche Bank AG for the 2011 to 2015 financial years relating to the risks from litigation cases, regulatory matters and/or authorities' audits in connection with the matters specified below because the amounts recognized for the provisions and contingent liabilities were lower than allowed according to the regulations for the Annual Financial Statement set out in § 249 (1), § 251 and § 253 of the German Commercial Code and as a result caused damage to the company.

Especially in relation to the following matters:

- Payments of settlement fines in connection with the manipulation of the LIBOR interest rate
- Payments of settlement fines in connection with the manipulation of the Euribor interest rate
- Authorities' audits and litigation cases in connection with the repurchase of mortgages
- Authorities' audits and litigation cases in connection with the origination, acquisition, securitization and sale of mortgage loans, Residential Mortgage-Backed Securities (RMBS), Commercial Mortgage-Backed Securities (CMBS), in connection with Collateralized Debt Obligations (CDOs), Asset-Backed Securities (ABS) and other credit derivatives
- Litigation cases in connection with the "Oppenheim-Esch funds"
- Litigation cases in connection with the "Kirch proceedings"
- Authorities' audits and litigation cases in connection with the manipulation of foreign exchange trading, in particular, through the use of special software on the bank's own trading platform "Autobahn"
- Authorities' audits and litigation cases in connection with money laundering allegations in Russia
- Authorities' audits and litigation cases in connection with breaches of political sanctions, in particular, of sanctions against Russia, which the USA and EU imposed during the Ukraine crisis
- Authorities' audits and litigation cases in connection with the "CO_2 scandal"
- Authorities' audits and litigation cases in connection with the market index for "swap transactions" (ISDAFIX)
- Authorities' audits and litigation cases in connection with the manipulation of precious metals trading
- Authorities' audits and litigation cases in connection with the breach of tax law regulations, e.g. the claims of the State of Virginia in the USA due to fraud and breach of the Virginia Fraud Against Taxpayers Act

To be audited are whether the provisions and contingent liabilities disclosed in the Annual Financial Statements as of December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014 and/or December 31, 2015, were below the mandatorily required level in consideration of all of the litigation and regulatory risks known and reported in the media at the time of establishing the respective Annual Financial Statements. In this context, to be audited in particular are whether

- the appropriate estimation criteria and basis of measurement were applied to the provisions, contingent liabilities and contingent assets,
- the value of the provisions as well as the contingent liabilities relating to the matters specified above corresponds to the amount to fulfill the obligations as of the reporting date and
- sufficient information was disclosed in the notes to the financial statements to enable addressees to understand their nature, composition, character, changes, timing and amount as well as the assessment of the risk of their being drawn upon.

Insofar as the number of cases in one of the litigation and regulatory risks specified above exceeds a reasonable level for the audit, the special audit can be restricted to the largest individual cases or groups of cases. In this event, the scope of the audit shall be restricted to the largest individual cases or groups of cases up to a coverage amounting to 80% of the amounts set aside for all litigation and regulatory risks.

It is proposed that

the Auditor, Tax Consultant
Dr. Marian Ellerich
c/o PKR Fasselt Schlage Partnerschaft mbB
Schifferstr. 210
47059 Duisburg

shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Dr. Marian Ellerich cannot or will not accept such office:

the *"Diplom-Volkswirt"* (Economist), Auditor, Tax Consultant
Markus Morfeld
c/o Roever Broenner Susat Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Rankestraße 21
10789 Berlin

shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Markus Morfeld cannot or will not accept such office:

the Auditor, Tax Consultant
Dr. Wolfgang Russ
c/o Ebner Stolz Mönning Bachem
Wirtschaftsprüfer Steuerberater Rechtsanwälte
Partnerschaft mbB
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The Special Auditor can draw on the assistance of professionally qualified persons, in particular, persons with knowledge of bookkeeping, accounting, equities and tax law and/or persons with knowledge of the company's sector.

Reasons:

1. Annual Financial Statements

Provisions are intended to recognize future expenses that have already been triggered on the financial statements and to take them into account in the financial year in which the respective cause took place. They are the outcome of the principle of exercising due care as an elementary principle of proper accounting. The amount of the provision is to correspond to the best possible estimate of the amount that would be necessary to settle the obligation as of the reporting date. In determining this, risks and uncertainties are to be taken into account regarding the amount, the existence or the creation of the obligation. Contingent liabilities are understood to be various forms of obligations of a subsidiary nature that are not yet permitted to be reported as liabilities or provisions. These are nonetheless to be disclosed with an amount that is to be understandably estimated and shows the entire possible future drawdown.

Pursuant to §249 (1) German Commercial Code, provisions are to be recognized in the Annual Financial Statements for contingent liabilities and for potential losses from pending transactions. Pursuant to §253 (1) sentence 2 German Commercial Code, the measurement of the provisions is to be aligned to the amount necessary in accordance with the principles of prudent commercial judgement to fulfill the obligation. The provision recognized has to reflect the actual (objective) commercial situation. Prudent commercial judgement comprises the principle of exercising due care (§252 (1) No. 4 German Commercial Code). Pursuant to §285 No. 12 German Commercial Code, other provisions are to be explained, in particular with regard to their composition and amount, material changes, type, nature and timing and accordingly for contingent liabilities, pursuant to §285 No. 27 German Commercial Code, the assessment of the risk of the being drawn.

The Annual Financial Statements of a company can fulfill their statutory purpose, i.e. their function to inform the addressees of the Annual Financial Statements as well to determine the uncritical amount of the distributable profits only if the accuracy of the figures they contain is ensured. To be audited is whether the commercial regulations on establishing the Annual Financial Statements were observed with regard to the provisions as well as the contingent liabilities for existing litigation risks and/or authorities' sanctions and fines. If this does not apply, the basis is lacking for achieving the purpose of the Annual Financial Statements. As a result of breaches of content requirements, the Annual Financial Statements are potentially null and void due to overvaluation pursuant to §256 (5) sentence 1 No. 1 Stock Corporation Act and the thus related severe financial damages to Deutsche Bank.

The term overvaluation is defined in §256 (5) sentence 2 Stock Corporation Act. Pursuant to this, asset items are overvalued if they are carried at a higher value, and liability items if they are carried at a lower value, than permitted pursuant to §253 to §256 German Commercial Code. Accordingly, there is an overvaluation if the provisions required by law are not or are not fully recognized. Pursuant to the completeness

requirement of §246 (1) German Commercial Code, all assets and liabilities must be reported. In this context, the prohibition on recognition is regulated in §248 German Commercial Code, the obligations and prohibitions relating to the recognition of provisions in §249 German Commercial Code, and accrual and deferral items in §250 German Commercial Code. Finally, §251 German Commercial Code regulates the treatment of contingent liabilities that are not to be recognized under liabilities. The regulations on measurement, in addition, serve primarily for the protection of creditors, as they regulate to what extent assets and liabilities must or may or may not be recognized in the financial statements. The picture shown by the Annual Financial Statements is thus significantly shaped by these regulations. Consequently, regulations on the measurement of asset and liability items are to be seen as a sub-category of the regulations on valuation. A breach of these measurement regulations thus leads to invalidity pursuant to §256 (5) Stock Corporation Act. According to another opinion, such a breach constitutes an error in terms of content leading to invalidity pursuant to §256 (1) No. 1 Stock Corporation Act (cf. in summary *Hüffer* in: MünchKomm AktG, 3rd Ed. 2011, §256 margin No. 58 f.; BGH NJW 1983, 42; LG Stuttgart AG 1994, 473, 474).

2. Litigation cases and authorities' criminal proceedings

Through the non-recognition and/or undervaluation of provisions or contingent liabilities for trial risks, there is a material measurement and/or valuation error because the asset situation, the financial condition and the profitability significantly change through the omission of the provisions and/or information on the contingent liabilities.

The risks from and in connection with the litigation cases (legal actions in the USA, etc.) and/or the various investigative proceedings of the authorities (Libor, Euribor, CO_2 certificates, CumEx proceedings, etc.) according to press reports amount to – up to – €20 billion. The probability of a conviction relating to these proceedings has not been disclosed but based on everything that you can read and hear is mostly probable. Deutsche Bank thus possibly, counter to recognized accounting principles, did not recognize adequate provisions and/or contingent liabilities as risk provisions. Thus, CFO Marcus Schenck only recently made the following statement at the Annual Press Conference on January 28, 2016, to the effect that:

– *Provisions are only recognized within the scope permitted under Deutsche Bank's capital ratio.*

Within the framework of the Annual Press Conference on January 28, 2016, Management Board Chairman Cryan emphasized the importance provisions have for Deutsche Bank to the following effect:

– *The provision of €1.2 billion recognized in the fourth quarter is not related to any new matters that first arose in the fourth quarter. It is primarily due to a revaluation of existing provisions.*
– *The reason for this is that Deutsche Bank had new information, in particular, relating to U.S. mortgages and a new law of the Department of Justice.*
– *Furthermore, provisions were recognized in one or two cases from contingent liabilities, which declined as a result by €2.2 billion. Following consultations with its attorneys, Deutsche Bank decided to examine settlement possibilities. For this reason, based on accounting rules, provisions are now to be reported and a treatment as contingent liabilities is no longer possible.*
– *Mr. Cryan stated in this context: There are simply cases where it is in the bank's interest to simply have them off the table, also because you don't know how the courts will react. And then it is right for the bank to try to reach a settlement, and if a settlement becomes the right option – in our opinion – and we have a sum in mind, then this is to be reported as a provision.*

Against the backdrop of what appears to be, according to the views of the management bodies of Deutsche Bank, the apparently arbitrary duty to recognize provisions in delineation to the disclosure of contingent liabilities, but also the measurement of contingent liabilities, the review of the recognition of provisions as well as the measurement of contingent liabilities over the last few years by an objective special auditor is urgently called for.

The insufficiently performed consideration of the existing risks in measuring the provisions and/or contingent liabilities is also shown from the statements of Deutsche Bank within the framework of the General Meeting 2013. Thus, it stated – several times – in response to questions about the overall risks:

Krause: We do not record the sum of all litigation claims that have been quantified for the reasons we have already stated today. Here, too, I repeat myself and can repeat it once again: We do not record this figure because it does not provide meaningful information concerning the bank's risks.

How is the proper recognition of provisions to be carried out without being based on the concrete amount of the asserted, *"quantified"* claims as the starting point. This dogmatic error in the starting point alone shows that Deutsche Bank's recognition of provisions for court proceedings and authorities' investigative proceedings does not correspond to the proper standard. This applies accordingly to the recognition and measurement of contingent liabilities.

According to information of DSW Deutsche Schutzvereinigung für Wertpapierbesitz e.V. regarding the Annual Financial Statements and Consolidated Financial Statements as of December 31, 2014, Deutsche Bank had mortgage repurchase demands outstanding as of December 31, 2014, amounting to USD 4.8 billion, for which Deutsche Bank had recognized provisions of only USD 813 million. According to its own statements, no such indemnity receivables had been recognized in the years 2011 to 2013, although the claims had already been asserted at the time. In total by December 31, 2014, Deutsche Bank completed repurchases for loans with an original principal balance of USD 5.3 billion, obtained agreements to rescind or otherwise settled claims, with the result that Deutsche Bank, according to its own statements, obtained releases for potential claims on approximately USD 72.9 billion of loans sold. The provisions recognized in the amount of USD 813 million clearly were not sufficient for this. Additional mortgage repurchase demands relating to mortgage loans sold are more probable than not.

Over the last few years, several criminal and regulatory investigations have been conducted against Deutsche Bank that have resulted in exorbitant payment obligations. There is significant doubt as to whether Deutsche Bank always reported the existing risks in accordance with applicable law in the Annual Financial Statements and/or Consolidated Financial Statements for the years 2011 to 2015. The special audit is necessary to clarify the various sets of issues in the interests of Deutsche Bank and of the shareholders as well as to avoid further financial losses.

The results of the special audit are to be summarized in a written audit report. As of the date of the convocation of the Ordinary General Meeting 2017, the Management Board of Deutsche Bank is to make the written special audit report accessible to the shareholders of Deutsche Bank on the internet site of Deutsche Bank. In the written audit report, the special auditors are to state whether the information they requested was provided and the documents they requested were submitted and whether they were hindered in their work.

12. Special audit of claims for damages against the Management Board and Supervisory Board

Adoption of a resolution to appoint a special auditor pursuant to § 142 (1) Stock Corporation Act to examine the question as to whether the members of the Management Board and/or Supervisory Board of Deutsche Bank AG breached their legal obligations in connection with the matters specified below and caused damage to the company in connection with authorities' audits and litigation cases in 2011, 2012, 2013, 2014 and/or 2015.

Especially in relation to the following matters:

- Manipulation of the LIBOR interest rate
- Manipulation of the Euribor interest rate
- Repurchase of mortgages
- Origination, acquisition, securitization and sale of mortgage loans, Residential Mortgage-Backed Securities (RMBS), Commercial Mortgage-Backed Securities (CMBS), in connection with Collateralized Debt Obligations (CDOs), Asset-Backed Securities (ABS) and other credit derivatives
- Oppenheim-Esch funds
- Kirch proceedings
- Manipulation of foreign exchange trading, in particular, through the use of special software on the bank's own trading platform "Autobahn"
- Money laundering allegations in Russia
- Breaches of political sanctions, in particular, the breaching of sanctions against Russia that were imposed by the US and the EU during the Ukraine crisis
- CO_2 scandal
- Manipulation of the market index for "swap transactions" (ISDAFIX)
- Manipulation of precious metals trading
- Breach of tax law regulations, e.g. the claims of the State of Virginia in the USA due to fraud and breach of the Virginia Fraud Against Taxpayers Act

To be audited are

- whether heavier penalties were imposed by authorities because incumbent and/or former members of the Management Board and/or Supervisory Board of Deutsche Bank AG obstructed and/or misled investigations, and/or did not cooperate sufficiently with the authorities;
- whether the incumbent and/or former members of the Management Board and/or Supervisory Board fulfilled their control obligations properly;
- whether the incumbent and/or former members of the Management Board and/or the Supervisory Board created or did not eliminate a work organization and a working environment which allowed the persons involved to manipulate reference rates, for example;
- since when the incumbent and/or former members of the Management Board and/or the Supervisory Board knew or should have known that at least the possibility of a breach of material rules of conduct by employees of Deutsche Bank Group existed, especially in connection with the manipulation of reference rates, for example;
- which measures the incumbent and/or former members of the Management Board and/or Supervisory Board have implemented to review internal and external notifications of the breach of material rules of conduct by employees of Deutsche Bank Group, especially in connection with the possibility of manipulation of reference rates, for example;

- which reporting and risk management system was set up and how it was ensured that this was complied with in order to prevent a breach of material rules of conduct by employees of Deutsche Bank Group, especially in connection with the manipulation of reference rates, for example; and
- whether the incumbent and/or former members of the Management Board and/or Supervisory Board are responsible for the fact that for internal investigations into breaches of material rules of conduct by employees of Deutsche Bank Group, especially in connection with the manipulation of reference rates, for example, not all sources of information were used.

It is proposed that

the Auditor, Tax Consultant
Dr. Wolfgang Russ
c/o Ebner Stolz Mönning Bachem
Wirtschaftsprüfer Steuerberater Rechtsanwälte
Partnerschaft mbB
Kronenstraße 30
70174 Stuttgart

shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Dr. Wolfgang Russ cannot or will not accept such office:

the *"Diplom-Volkswirt"* (Economist), Auditor, Tax Consultant
Markus Morfeld
c/o Roever Broenner Susat Mazars GmbH & Co. KG,
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
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shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Markus Morfeld cannot or will not accept such office:

the Auditor, Tax Consultant
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47059 Duisburg

The Special Auditor can draw on the assistance of professionally qualified persons, in particular, persons with knowledge of bookkeeping, accounting, equities and tax law and/or persons with knowledge of the company's sector.

The findings of the special audit are to be summarized in a written audit report. The Management Board of Deutsche Bank AG is to make the written special audit report accessible to the shareholders of Deutsche Bank AG on the internet site of Deutsche Bank AG as of the date of the convocation of the Ordinary General Meeting 2017. In the written audit report, the special auditors are to state whether the information they requested was provided and the documents they requested were submitted and whether they were hindered in their work.

Reasons:

Deutsche Bank and its management bodies were the subject of several criminal and regulatory investigations between 2011 and 2015.

Deutsche Bank had to pay heavy fines between 2011 and 2015, in particular to the Financial Conduct Authority (FCA), the United States Securities and Exchange Commission (SEC), the Federal Financial Supervisory Authority (BaFin) and/or over the course of public prosecutors' investigations.

The FCA increased its fine on Deutsche Bank by GBP 100.8 million to a total of GBP 226.8 million due to insufficient cooperation during the investigation. The decision was based on Principle 11 of its Principles for Businesses, which specifies that a firm *"must deal with the regulator in an open and cooperative way."* At Deutsche Bank's Annual Press Conference on January 28, 2016, Mr. Cryan confirmed that one of the persons mentioned in connection with the Final Notice from the FCA is a member of the Supervisory Board of the company. That is the reason why – following the press release – the Management Board allegedly also launched an internal investigation of the matters. The U.S. authorities have also increased their Libor fines on Deutsche Bank due to lack of cooperation from employees of Deutsche Bank Group. The bank had to pay the US a total of USD 2.5 billion.

It is therefore absolutely imperative to review the conduct of the members of the Management Board and Supervisory Board in connection with the obstruction of authorities' investigations, which has resulted in a significant increase in fines over recent years. According to the bank, in particular, the responsibility of the Supervisory Board Chairman, Dr. Paul Achleitner, is to be investigated *"internally"*. Comparable *"internal"* investigations conducted in recent years, however, have not yielded any findings, nor were they made transparent to shareholders.

The conduct of Deutsche Bank management creates the impression that profits should be generated at all costs. The shareholders pay the bill for this.

Furthermore, Deutsche Bank has been a defendant in numerous civil actions over recent years. Deutsche Bank has for instance spent around EUR 12.7 billion on litigation cases and their resolution since 2012.

For additional details about the matters to be audited we refer to the reasons for Agenda Item *"Special audit of the Annual Financial Statements"*.

13. Special audit of Deutsche Postbank AG

Deliberation and adoption of a resolution on the appointment of a special auditor pursuant to § 142 (1) Stock Corporation Act to investigate the question of whether the members of the Management Board and/or Supervisory Board of Deutsche Bank AG breached their legal obligations in connection with the acquisition of shares in Deutsche Postbank AG, the conclusion of a domination and profit and loss transfer agreement on March 30, 2012, and/or within the framework of the squeeze-out executed on December 30, 2015, and caused damage to the company.

To be examined individually are the following business transactions as well as these sets of issues and questions:

- Whether Deutsche Bank performed a proper legal, financial and commercial due diligence before the respective acquisition of shares in Deutsche Postbank AG,
- whether Deutsche Bank's acquisition of Deutsche Postbank AG shares was motivated solely by economic considerations or whether interests of third parties were represented through the takeover and, if so, whether Deutsche Bank received appropriate compensation for this,
- whether the respective acquisition of Deutsche Postbank AG shares by Deutsche Bank was based on internal or external valuations of Deutsche Postbank AG and whether these valuations were based on complete sets of information and data,
- whether the reasons and risks that led to the writedowns on the value of the Deutsche Postbank AG shares were already known, or should have already been known, to the former and/or incumbent members of the Management Board and/or Supervisory Board of Deutsche Bank AG when the original agreement was concluded,
- whether or not, against the background of the capital situation of Deutsche Postbank AG in September 2008 (possibly also due to instructions of the regulatory authorities), it was already apparent that a capital increase would be required at Deutsche Postbank AG already in 2008 because Deutsche Postbank AG needed a capital increase in any event in order to secure its banking license,
- whether Deutsche Post AG and Deutsche Bank intentionally structured the transaction to take over the Deutsche Postbank AG shares in such a way as to conceal Deutsche Bank's acquisition of control at the time of the original agreement, put option, call option or mandatory convertible bond and/or to "avoid" a compulsory public tender offer by Deutsche Bank at this point in time to enable Deutsche Bank to submit a voluntary takeover bid to Postbank shareholders at a time convenient to itself in order to obtain control of Postbank in this way,
- whether the former and incumbent members of the Management Board and Supervisory Board of Deutsche Bank weighed up the pros and cons of the conclusion of the domination and profit and loss transfer agreement with Deutsche Postbank AG dated March 30, 2012, on the basis of complete information and whether this satisfied the Stock Corporation Act requirements, and
- whether the members of the Management Board and Supervisory Board of Deutsche Bank weighed up the pros and cons of the resolved squeeze-out of the minority shareholders of Deutsche Postbank AG on the basis of complete information, whether they fully and correctly informed the shareholders on the preparation and execution of the squeeze-out and whether the compensation to be paid to the shareholders within the framework of the special proceeding (*"Spruchverfahren"*) is financially appropriate from Deutsche Bank's perspective.

It is proposed that

the *"Diplom-Volkswirt"* (Economist), Auditor, Tax Consultant
Markus Morfeld
c/o Roever Broenner Susat Mazars GmbH & Co. KG,
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
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shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Markus Morfeld cannot or will not accept such office:

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47059 Duisburg

The Special Auditor can draw on the assistance of professionally qualified persons, in particular, persons with knowledge of bookkeeping, accounting, equities and tax law and/or persons with knowledge of the company's sector.

The results of the special audit are to be summarized in a written audit report. As of the date of the convocation of the Ordinary General Meeting 2017, the Management Board of Deutsche Bank AG is to make the written special audit report accessible to the shareholders of Deutsche Bank AG on the internet site of Deutsche Bank AG. In the written audit report, the Special Auditors shall state whether the information they requested was provided and the documents they requested were submitted and whether they were hindered in their work.

Reasons:

On the basis of several transaction steps, namely,

- original agreement dated September 12, 2008 ("Original Agreement"),
- capital increase at Postbank in November 2008,
- postponement and Clarification Agreement dated December 22, 2008,
- pledge agreements dated December 30, 2008,
- payment of a sum amounting to €3.1 billion on January 2, 2009,
- amendment agreement dated January 14, 2009, with the resultant transaction structure providing for an equity swap, mandatory convertible bond and put/call options,
- pledge agreements dated February 25, 2009,
- voluntary public takeover offer dated October 7, 2010, and
- a squeeze-out of the minority shareholders of Deutsche Postbank AG executed on December 30, 2015,

Deutsche Bank acquired 100% of Deutsche Postbank AG. Deutsche Bank substantially wrote down the value of the Deutsche Postbank AG shares it had acquired, and there is a risk of further substantial writedowns.

1. Transaction structure: Acquisition of Deutsche Postbank AG

Deutsche Bank disclosed the following contents of the Original Agreement in its presentation dated September 12, 2008.

- By way of agreement dated September 12, 2008, Deutsche Bank had committed to take over 29.75% of the shares in Deutsche Postbank AG for a total purchase price of €2.79 billion (€57.25/Postbank share).
- This share in Postbank could be increased by 18% to 47.75% (purchase price: €1.62 billion = €55/Postbank share) through a Deutsche Bank call option, or by 20.25% + 1 share to a maximum 50% + 1 share (purchase price: €1.42 billion = €42.80/Postbank share) through a Deutsche Post AG put option. The options could be exercised at different times and at different strike prices.
- In the event of a capital increase at Deutsche Postbank AG, Deutsche Bank and Deutsche Post AG had agreed to directly participate in such capital increase and subscribe at least in percentage terms to the level of their current shareholdings (defendant: 29.75%; Post: 20.25% + 1 share).
- The Deutsche Bank/Deutsche Post AG call/put options were also hedged in the event of a future capital increase at Deutsche Postbank AG. The strike price was to be adjusted in each case on a volume-weighted basis by taking into account the originally agreed strike price (call option: €55.00/share; put option: €42.80/share) in relation to the subscription price for the new shares.

Hence, according to the disclosed contents of the agreement, Deutsche Bank was to acquire, in an initial step, merely 29.25% of Deutsche Postbank AG shares at a purchase price of €2.79 billion in total.

The Chairman of the Management Board of Deutsche Bank at the time, Dr. Josef M. Ackermann, stated with regard to this transaction: *"Deutsche Bank has taken a stake in one of the leading retail banks in Germany at attractive conditions. This is a good financial investment, reinforcing our own retail business and creating value for our shareholders. At the same time, the option to increase the stake in Postbank in the future provides us with additional long-term growth possibilities."*

Already six weeks after the agreement was signed, Deutsche Postbank AG was compelled to conduct a capital increase in order to secure its funding. According to the ad hoc disclosure of Deutsche Postbank AG dated October 27, 2008, Postbank had generated negative Group income before income taxes amounting to €449 million in the third quarter of 2008. The core capital ratio according to Basel II fell from 6.3% to 5.5% during the period from June 30, 2008, to September 30, 2008. Therefore, to strengthen the capital base, the Management Board of Deutsche Postbank AG, with the consent of the Supervisory Board, had resolved to conduct a capital increase already during the fourth quarter of 2008 and, in so doing, to fully utilize the authorized capital with shareholders' pre-emptive rights amounting to 54.8 million shares as resolved by the General Meeting 2006. The subscription price for the capital issue was set at €18.25. At the same time, Postbank announced that its majority shareholder, Deutsche Post AG, had unconditionally and irrevocably committed,

- in line with its shareholding of 50% + 1 share, to subscribe to its attributable share of this issue at the subscription price of €18.25, and
- similarly to take up all shares from the capital increase that could not be placed otherwise also at the subscription price.

As a result, Deutsche Post AG was required to nearly fully subscribe the shares offered in the capital increase conducted between November 13 and 24, 2008, and in this way acquired 54,471,431 more Deutsche Postbank AG shares (= 99.3% of the capital increase).

This meant that Deutsche Post AG had substantially increased its shareholding in Deutsche Postbank AG over the course of the capital increase, from 50% + 1 share to roughly 62.35% of the Deutsche Postbank AG shares. This was necessary to ensure the inflow of liquidity urgently needed by Deutsche Postbank AG.

Deutsche Bank published a voluntary public takeover offer to the shareholders of Deutsche Postbank AG to acquire the shares of Deutsche Postbank AG ("Takeover Offer") on October 7, 2010. The Takeover Offer was addressed to all Deutsche Postbank AG shareholders and relates to the acquisition of all Deutsche Postbank AG shares at a purchase price of €25.00 per Postbank share. According to a Deutsche Bank disclosure dated September 21, 2010, this purchase price corresponds to the weighted average share price of the Deutsche Postbank AG share listed on stock exchanges in Germany during the last three months before the publication of the decision on the takeover by the Federal Financial Supervisory Authority (BaFin). For the reference date of September 11, 2010, BaFin calculated the 3-month average price at €25.00 per Deutsche Postbank AG share.

2. Writedowns on the Deutsche Postbank AG shareholding

Deutsche Postbank AG, which is reportedly still carried on the books of Deutsche Bank at close to €4.5 billion, is to be written down further to €2.8 billion, according to press reports that refer to persons familiar with the bank.

3. Actions against Deutsche Bank in connection with the takeover of Deutsche Postbank AG

Deutsche Bank is the defendant in legal actions, or claims are being asserted, by several (former) shareholders of Deutsche Postbank AG who accepted the Takeover Offer and who are seeking a higher acquisition price per share on the grounds that Deutsche Bank had already acquired control of Deutsche Postbank AG, as defined by the German Securities Acquisition and Takeover Act (WpÜG), at an earlier point in time (Original Agreement, put option, call option or mandatory convertible bond). The amount of the claims asserted is not disclosed but probably ranges between €50 million and €100 million.

4. Domination and Profit and Loss Transfer Agreement

DB Finanz-Holding GmbH – a 100% subsidiary of Deutsche Bank – and Deutsche Postbank AG concluded a Domination and Profit and Loss Transfer Agreement on March 30, 2012. The General Meeting of Deutsche Postbank AG consented to the conclusion of the Domination and Profit and Loss Transfer Agreement on June 5, 2012. By contrast, consent was not obtained from the General Meeting of Deutsche Bank.

5. Squeeze-out at Deutsche Postbank AG

On April 27, 2015, Deutsche Bank requested that Deutsche Postbank AG prepare a squeeze-out of the minority shareholders pursuant to §327a ff. Stock Corporation Act. On July 7, 2015, Deutsche Bank specified its squeeze-out request to Deutsche Postbank AG, including the amount of cash compensation, which was set at €35.05 per Postbank share. Following the conclusion of the clearance proceeding before the Higher Regional Court Cologne, the squeeze-out was entered in the Commercial Register on December 21, 2015. With the winding-up on December 30, 2015, Deutsche Bank AG acquired the remaining 3.2% of Deutsche Postbank AG shares for a total of €245 million and now directly and indirectly holds 100% of the Deutsche Postbank AG shares.

6. Summary

The preceding considerations show that a review of the conduct of the members of the Management Board and Supervisory Board is necessary in connection with the acquisition and the (announced) disposal of Deutsche Postbank AG, which also brought Deutsche Bank substantial legal risks and losses through writedowns, even though the Management Board and Supervisory Board have always repeatedly emphasized that Deutsche Postbank AG (in the years 2008 through 2012) was acquired at particularly favorable terms. The conclusion of the Domination and Profit and Loss Transfer Agreement with Deutsche Postbank AG in 2012 and the squeeze-out of the minority shareholders of Deutsche Postbank AG that was resolved and executed in 2015 should be examined at the same time.

14. Special audit of the Consolidated Financial Statements

Adoption of a resolution to appoint a special auditor to examine the question as to whether the members of the Management Board and/or Supervisory Board of Deutsche Bank AG breached their legal obligations in connection with the recognition of provisions for contingent liabilities and for potential losses from pending transactions as well as contingent liabilities in the respective Consolidated Financial Statements of Deutsche Bank AG for the 2011 to 2015 financial years relating to the risks from litigation cases, regulatory matters and/or authorities' audits in connection with the matters specified below because the amounts recognized for the provisions and contingent liabilities were lower than allowed for the Consolidated Financial Statements according to the rules of International Accounting Standards (IAS) 37 of the International Financial Reporting Standards (IFRS) and as a result caused damage to the company.

Especially in relation to the following matters:

– Payments of settlement fines in connection with the manipulation of the LIBOR interest rate
– Payments of settlement fines in connection with the manipulation of the Euribor interest rate
– Authorities' audits and litigation cases in connection with the repurchase of mortgages
– Authorities' audits and litigation cases in connection with the origination, acquisition, securitization and sale of mortgage loans, Residential Mortgage-Backed Securities (RMBS), Commercial Mortgage-Backed Securities (CMBS), in connection with Collateralized Debt Obligations (CDOs), Asset-Backed Securities (ABS) and other credit derivatives
– Litigation cases in connection with the "Oppenheim-Esch funds"
– Litigation cases in connection with the "Kirch proceedings"
– Authorities' audits and litigation cases in connection with the manipulation of foreign exchange trading, in particular, through the use of special software on the bank's own trading platform "Autobahn"
– Authorities' audits and litigation cases in connection with money laundering allegations in Russia
– Authorities' audits and litigation cases in connection with breaches of political sanctions, in particular, of sanctions against Russia, which the USA and EU imposed during the Ukraine crisis
– Authorities' audits and litigation cases in connection with the "CO_2 scandal"
– Authorities' audits and litigation cases in connection with the manipulation of the market index for "swap transactions" (ISDAFIX)
– Authorities' audits and litigation cases in connection with the manipulation of precious metals trading
– Authorities' audits and litigation cases in connection with the breach of tax law regulations, e.g. the claims of the State of Virginia in the USA due to fraud and breach of the Virginia Fraud Against Taxpayers Act

To be audited are whether the provisions and contingent liabilities disclosed in the Consolidated Financial Statements as of December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, and/or December 31, 2015, were below the mandatorily required level in consideration of all of the litigation and regulatory risks known and reported in the media at the time of establishing the respective Consolidated Financial Statements. In this context, to be audited in particular are whether

– the appropriate estimation criteria were applied to the provisions, contingent liabilities and contingent assets,
– the measurement of the provisions and the contingent liabilities relating to the contingent liabilities of the matters specified above correspond to the amount to fulfill the obligations as of the reporting date,
– sufficient information was disclosed in the Notes to the Consolidated Financial Statements to adequately present the extent of the not improbable outflows of resources from litigation cases, regulatory matters and/or authorities' audits as well as the impact of these legal risks on the earnings and net assets including the uncertainties related to this as well as the principles of measurement used (IAS 1.125 in conjunction with IAS 1.129 and IAS 37.85 f.). Furthermore, as to whether this enables addressees to understand the provisions, their nature, development, timing, uncertainties and assumptions as well as reimbursements (rights to recourse) (IAS 37.85 f.), and

– sufficient information is disclosed in the Notes to the Consolidated Financial Statements on the legal risks for which no provisions are recognized as a reliable estimate is not possible (IAS 37.26) and on the litigation cases, regulatory matters and/or authorities' audits for which contingent liabilities have been quantified or only verbally disclosed (IAS 37.86) as well as whether the preconditions of IAS 37.92 exist for a waiver of the information required under IAS 37.85 f. and the corresponding reasons have been justified in the Notes to the Consolidated Financial Statements.

Insofar as the number of cases in one of the litigation and regulatory risks specified above exceeds a reasonable level for the audit, the special audit can be restricted to the largest individual cases or groups of cases. In this event, the scope of the audit shall be restricted to the largest individual cases or groups of cases up to a coverage amounting to 80% of the amounts set aside for all litigation and regulatory risks.

It is proposed that

the Auditor, Tax Consultant
Dr. Marian Ellerich
c/o PKR Fasselt Schlage Partnerschaft mbB
Schifferstr. 210
47059 Duisburg

shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Dr. Marian Ellerich cannot or will not accept such office:

the *"Diplom-Volkswirt"* (Economist), Auditor, Tax Consultant
Markus Morfeld
c/o Roever Broenner Susat Mazars GmbH & Co. KG,
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Rankestraße 21
10789 Berlin

shall be appointed as Special Auditor, or as replacement in the event that the Special Auditor Markus Morfeld cannot or will not accept such office:

the Auditor, Tax Consultant
Dr. Wolfgang Russ
c/o Ebner Stolz Mönning Bachem
Wirtschaftsprüfer Steuerberater Rechtsanwälte
Partnerschaft mbB
Kronenstraße 30
70174 Stuttgart

The Special Auditor can draw on the assistance of professionally qualified persons, in particular, persons with knowledge of bookkeeping, accounting, equities and tax law and/or persons with knowledge of the company's sector.

Reasons:

1. Consolidated Financial Statements

At the Group level, according to IAS 37, provisions are to be recognized for potential losses when there is a present obligation arising from a past event that is probable to result in an economic outflow and that can be reliably estimated. This applies to provisions, in particular, for risks relating to regulatory proceedings and litigation cases. If an outflow of resources is less than probable, provisions must not be recognized. In this case, however, possible obligations with a probability of occurring that is more than remote must be disclosed under contingent liabilities. Here, too, the possible loss is to be estimated, whereby the accounting principles assume that a reliable estimate is possible except for in extremely seldom cases. The assessment of the degree of probability of a payment takes numerous factors into account, including the status of the proceedings, the experiences of the Group and those known of third parties in comparable cases, such as the settlements of other banks with regulatory authorities as well as expert opinions and estimates from legal advisors and other specialists.

Furthermore, according to IAS 37, extensive disclosures are to be made and descriptions provided, e.g. concerning the nature, timing, uncertainties, assumptions and reimbursements (IAS 37.85 f.). In addition, also to be disclosed in the Notes to the Consolidated Financial Statements are the uncertainties in connection with the assessment of the future outflow of resources as well as the basis of measurement used for the estimate in accordance with IAS 1.125 in conjunction with IAS 1.129 and IAS 37.85 f. In extremely rare cases, disclosure of certain information need not be made if disclosure of such information would seriously prejudice the outcome of the proceeding and the reason for this is stated in the Notes to the Consolidated Financial Statements (IAS 37.92).

The Consolidated Financial Statements have direct effects on the Annual Financial Statements. Furthermore, the Consolidated Financial Statements have had and have direct effects on the compensation paid to the members of the Management Board and to the employees of Deutsche Bank. Thus, members of the Management Board have received since January 1, 2013, variable compensation comprising two components, the Annual Performance Award and the Long-Term Performance Award. 60% of the Annual Performance Award amount depends on Group-wide targets/benchmarks.

2. Litigation cases and authorities' criminal proceedings

Through the non-recognition and/or undervaluation of provisions or contingent liabilities for litigation risks, there is a material measurement and/or valuation error because the asset situation, the financial condition and the profitability significantly change through the omission of the provisions and/or information on the contingent liabilities. The risks from and in connection with the litigation cases (legal actions in the USA, etc.) and/or the various investigative proceedings of the authorities (Libor, Euribor, CO_2 certificates, CumEx proceedings, etc.) according to press reports amount to – up to – €20 billion. The probability of a conviction relating to these proceedings has not been disclosed but based on everything that you can read and hear is mostly probable. Deutsche Bank thus possibly, counter to recognized accounting principles, did not recognize adequate provisions and/or contingent liabilities as risk provisions. Thus, CFO Marcus Schenck only recently made the following statement at the Annual Press Conference on January 28, 2016, to the effect that:

- *Provisions are only recognized within the scope permitted under Deutsche Bank's capital ratio.*

Within the framework of the Annual Press Conference on January 28, 2016, Management Board Chairman Cryan emphasized the importance provisions have for Deutsche Bank to the following effect:

- *The provision of €1.2 billion recognized in the fourth quarter is not related to any new matters that first arose in the fourth quarter. It is primarily due to a revaluation of existing provisions.*
- *The reason for this is that Deutsche Bank had new information, in particular, relating to U.S. mortgages and a new law of the Department of Justice.*
- *Furthermore, provisions were recognized in one or two cases from contingent liabilities, which declined as a result by €2.2 billion. Following consultations with its attorneys, Deutsche Bank decided to examine settlement possibilities. For this reason, based on accounting rules, provisions are now to be reported and a treatment as contingent liabilities is no longer possible.*
- *Mr. Cryan stated in this context: "There are simply cases where it is in the bank's interest to simply have them off the table, also because you don't know how the courts will react. And then it is right for the bank to try to reach a settlement and if a settlement becomes the right option – in our opinion – and we have a sum in mind, then this is to be reported as a provision."*

Against the backdrop of what appears to be, according to the views of the management bodies of Deutsche Bank, the apparently arbitrary duty to recognize provisions in delineation to the disclosure of contingent liabilities, the review of the recognition of provisions over the last few years by an objective special auditor is urgently called for. The related insufficiently performed consideration of the existing risks in measuring the provisions and/or contingent liabilities is also shown from the statements of Deutsche Bank within the framework of the General Meeting 2013. Thus, it stated – several times – in response to questions about the overall risks:

Krause: We do not record the sum of all litigation claims that have been quantified for the reasons we have already stated today. Here, too, I repeat myself and can repeat it once again: We do not record this figure because it does not provide meaningful information concerning the bank's risks.

How is the proper recognition of provisions to be carried out without being based on the concrete amount of the asserted, *"quantified"* claims as the starting point. This dogmatic error in the starting point alone shows that Deutsche Bank's recognition of provisions for court proceedings and authorities' investigative proceedings does not correspond to the proper standard. This applies accordingly to the recognition and measurement of contingent liabilities.

According to information of DSW Deutsche Schutzvereinigung für Wertpapierbesitz e.V. regarding the Annual Financial Statements and Consolidated Financial Statements as of December 31, 2014, Deutsche Bank had mortgage repurchase demands outstanding as of December 31, 2014, amounting to USD 4.8 billion, for which Deutsche Bank had recognized provisions of only USD 813 million. According to its own statements, no such indemnity receivables had been recognized in the years 2011 to 2013, although the claims had already been asserted at the time. In total by December 31, 2014, Deutsche Bank AG completed repurchases for loans with an original principal balance of USD 5.3 billion, obtained agreements to rescind or otherwise settled claims, with the result that Deutsche Bank, according to its own statements, obtained releases for potential claims on approximately USD 72.9 billion of loans sold. The provisions recognized in the amount of USD 813 million apparently were not sufficient for this. Additional mortgage repurchase demands relating to mortgage loans sold are more probable than not. Over the last few years, several criminal and regulatory investigations have been conducted against Deutsche Bank that have resulted in exorbitant payment obligations. There is significant doubt as to whether Deutsche Bank always reported the existing risks in accordance with applicable law in the Annual Financial Statements and/or Consolidated Financial Statements for the years 2011 to 2015. The special audit is

necessary to clarify the various sets of issues in the interests of Deutsche Bank AG and of the shareholders as well as to avoid further financial losses.

The results of the special audit are to be summarized in a written audit report. As of the date of the convocation of the Ordinary General Meeting 2017, the Management Board of Deutsche Bank AG is to make the written special audit report accessible to the shareholders of Deutsche Bank AG on the internet site of Deutsche Bank AG. In the written audit report, the special auditors are to state whether the information they requested was provided and the documents they requested were submitted and whether they were hindered in their work.

Frankfurt am Main, April 2016
The Management Board

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0800 910-80 00*

General Meeting hotline:
0800 100-47 98*

*Available from within Germany

2016

Financial Calendar

April 28, 2016
Interim Report as of March 31, 2016

May 19, 2016
Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)

July 27, 2016
Interim Report as of June 30, 2016

October 27, 2016
Interim Report as of September 30, 2016

2017

Financial Calendar

February 2, 2017
Preliminary results for the 2016 financial year

March 17, 2017
Annual Report 2016 and Form 20-F

April 27, 2017
Interim Report as of March 31, 2017

May 18, 2017
Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)

July 27, 2017
Interim Report as of June 30, 2017

October 26, 2017
Interim Report as of September 30, 2017