

General Meeting 2016

Key Topics (Convenience Translation)

Passion to Perform



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Strategy 2020

1. Last year, you communicated the cornerstones of Strategy 2020. What were the key medium- and long-term objectives for Deutsche Bank?

Following a comprehensive strategic review, we developed the next phase in our strategy covering the period through 2020, which we refer to as Strategy 2020 and was announced in April 2015 and detailed in October last year.

To develop Strategy 2020, we conducted a detailed examination of our corporate divisions, infrastructure functions, and regions, and an assessment of our ability to serve our clients' future needs. This was done in the context of the macro economic outlook, anticipated upcoming regulatory changes and the evolving competitor landscape. Based on this analysis, we made our intention clear to keeping our global footprint but with a more focused geographic reach, maintaining a universal banking product offering but tightening it in some areas and while maintaining a holistic client coverage, being very targeted toward profitable client relationships. These changes are aimed at making DB less complex, more efficient, less risky and better capitalized.

In detail, our four strategic goals comprise:

- **First**, to become **simpler and more efficient** by focusing on the markets, products, and clients where we are better positioned to succeed. We expect this to lead to greater client satisfaction and lower costs. We want to achieve this via a material reduction in the number of locations, products and clients, as well as a simplified organization with fewer legal entities. Moreover, we intend to move towards a competitive cost structure, based on a more efficient infrastructure.
- **Second**, to become **less risky** by modernizing our technology and withdrawing from higher-risk client relationships. We also intend to improve our control framework and to prioritize investments in the Know-Your-Customer (KYC) and Anti-Money-Laundering (AML) infrastructure.
- **Third**, to become **better capitalized**. We want to reduce Risk Weighted Assets by approximately € 90 billion to approximately € 320 billion by 2018 and approximately € 310 billion by 2020, excluding RWA inflation on the back of changing regulatory requirements, which is expected to be at least € 100 billion by 2019/2020. Furthermore, we seek to reduce our net CRD 4 leverage exposure by approximately € 170 billion by 2018. Key components of our execution plan include the deconsolidation of Postbank, the planned sale of our entire stake in Hua Xia Bank and the substantial wind-down of the Non-Core Operations Unit, as well as the exit of selected Global Markets business lines. We intend to partially reinvest in order to pursue selected growth opportunities.
- **Fourth**, to run DB with **more disciplined execution**. We strive to secure disciplined execution of our main initiatives through the establishment of a fully accountable management team at the Management Board with all corporate divisions and functions represented. Furthermore, we are committed to favoring personal accountability over committees wherever possible. We intend to combine this with a better alignment of our reward system to good performance and conduct.

2. Which concrete financial targets do you aim to achieve with Strategy 2020 and how ambitious do you consider these to be?

- **Common Equity Tier 1 capital ratio** of at least 12.5% from the end of 2018
- **Leverage ratio** of at least 4.5% at the end of 2018 and at least 5% at the end of 2020
- **Net savings in our adjusted costs**¹ of approximately € 1.0 to € 1.5 billion by 2018 against restructuring and severance costs of approximately € 3.0 to € 3.5 billion
- **Reduction of total adjusted costs** to below € 22 billion by 2018
- **Cost-income ratio** of approximately 70% by 2018 and approximately 65% by 2020
- **Post-tax return** on tangible equity of greater than 10% by 2018

Our entire focus is on the execution of our planned Strategy 2020 actions and we aim to have our cost reductions and capital measures materially completed by the end of 2018.

3. In autumn you have additionally announced profound organizational changes for Deutsche Bank. What is the contribution of this reorganization to successful execution of Strategy 2020?

As of 1 January 2016, we have completed the reorganization of our operating businesses along our key client segments under the new leadership structure, to better address customer needs and emerging regulatory requirements.

The Corporate Banking & Securities (CB&S) corporate division was split into two operating divisions. CB&S's sales and trading activities were combined into a newly created corporate division called Global Markets (GM) with a primary focus on institutional clients. A new corporate division called Corporate & Investment Banking (CIB) was created by combining the Corporate Finance business in CB&S with Global Transaction Banking (GTB). CIB is focused primarily on servicing corporate clients. Furthermore, Deutsche Asset & Wealth Management was split. Deutsche Bank Wealth Management (WM) is now run as a business unit alongside the Private and Business Client (PBC) business to form the new Private, Wealth & Commercial Clients (PW&CC) corporate division focusing on private, commercial and high net worth clients. Postbank became a separate segment. Deutsche Asset Management (AM) became a stand-alone corporate division focused exclusively on institutional clients and the funds business.

We believe that these structural changes better equip us to deliver on Strategy 2020.

4. What execution successes can you report to date? To what extent are you meeting the planned transformation targets? Are you already falling behind your plans?

The execution of Strategy 2020 has already made significant progress. Many important milestones have been completed, which drive the achievement of our four strategic goals. The simplification of DB is supported by good progress made on the operational Postbank separation, 43 successful retail branch closures across Spain and Poland and the sale of Asset Management India; 11 Legal Entities have been optimized and additional 61 identified for further optimization. Furthermore, 500 IT applications (12%) have been decommissioned and 700 vendors off-boarded through the procurement rationalization program. The risk profile of the bank has been improved by the realignment of regional/country governance. Good progress on DB USA (IHC), where Board members have been appointed and the strategic and capital plan

¹ Total non-interest expenses excluding restructuring and severance, litigation, impairment of goodwill and intangibles and policyholder benefits and claims.

has been submitted to US regulators, and strengthened KYC policies and new/stricter client onboarding processes further contribute to this. The improvement of our capital position is supported by ongoing NCOU wind-down as well as on-track sales and disposals (e.g. Hua Xia). Finally, a higher discipline of execution is promoted by ensuring holistic representation of corporate divisions and infrastructure functions in the new Management Board and successfully reorganizing the bank into its new divisional structure. Significant simplification of the Management Board-level committee landscape and the implementation of a redesigned compensation framework further contribute to discipline adherence. Moreover, we have been making significant progress on digitalizing the bank, with the development of a new banking app and the Digital Factory, where ~400 digital specialists and banking experts will push forward our digital agenda.

Headcount Reductions

1. Which headcount reduction plans did Deutsche Bank announce as part of its Strategy 2020?

During its Strategy 2020 Investor Day in October 2015, Deutsche Bank announced that it will deconsolidate Postbank and related service legal entities (~19,000 full-time equivalent positions or FTE) plus other service legal entities (~1,000 FTE).

In addition, the Bank announced plans to reduce its work force by approximately 9,000 net FTE by year-end 2018, of which ~5,000 net FTE positions will be outside of and ~4,000 net FTE within Germany. In Germany, the Bank also anticipates to close approximately 200 retail branches.

As part of Strategy 2020, the Bank plans to close onshore operations in 10 countries. Per year-end 2015, ~300 FTE were employed in these countries.

2. What is the status at the end of the first quarter 2016?

As announced in October 2015, Deutsche Bank began consultations with employee representatives in Germany during the last quarter of 2015. Throughout the entire process, the Management Board counts on a spirit of trust and constructive cooperation in conducting the negotiations with employee representatives.

In the first quarter of 2016, we reached some important milestones as far as codetermination in Germany is concerned – including a framework balance of interest agreement and a framework social compensation plan agreed between Deutsche Bank and employee representatives. The framework balance of interest agreement determines the ground rules and process that apply for all further individual settlements of interests. In addition, the framework balance of interest agreement determined that the restructuring measures will be grouped and negotiated in clusters. Three clusters were created for Germany.

Negotiations for individual settlements of interests for cluster 1, which includes the PW&CC business division including retail branches in Germany, have begun during the first quarter 2016.

The presentation of measures for clusters 2 and 3 to the Group Works Council, which then kicks-off negotiations for the individual settlements of interest, took place at the beginning of the second quarter 2016.

3. When do you expect to implement the remaining measures?

Once negotiations with employee representatives will have been completed in the coming months, we expect to implement the majority of the individual restructuring measures beginning from the second half of 2016 and during 2017. We expect to complete all measures during the course of 2018.

Corporate Governance

The improvement of corporate governance has become a priority for financial institutions, latest since the financial crisis. We at Deutsche Bank are intensely aware of the paramount importance of the strengthened corporate governance-focus. Effective corporate governance in accordance with high international standards is an integral part of our management. We work constantly on the enhancement of our governance structures.

Recent years have brought the financial sector many new legal and regulatory requirements as well as new international standards, 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:

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

Deutsche Bank strives to achieve an optimal implementation of those elements taking into account the German, European and international legal and regulatory requirements as well as industry standards.

1. What is Deutsche Bank's top governance?

The Management Board of Deutsche Bank AG is responsible for managing the company, 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 – in addition to mandatory law – governed by formal terms of reference, which specify their rights and responsibilities within Deutsche Bank's corporate framework.

Additional information can be found on our Investor Relations website <https://www.db.com/ir/en/documents.htm>.

2. Does Deutsche Bank comply 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 carried out certain initiatives launched 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+ and the new Strategy 2020.

The Global Corporate Governance function (the GCG function), which was established by the Management Board in 2013, has completed one of the important initiatives at our Bank – the House of Governance Initiative. The initiative had three objectives: The first was to identify Management Board duties and their proper delegation in line with legal requirements. The second objective was to harmonize and streamline Deutsche Bank's committee structures. Thirdly, the initiative aimed at documenting Deutsche Bank's management and decision-making structures to increase transparency and improve the system of controls for the long term.

The new organizational structures, the transparency created and the clear allocation of responsibilities and accountabilities strengthen management and oversight in a sustainable manner and thus the governance structure and processes. The House of Governance Initiative has well prepared the Bank for the new regulatory requirements, as stipulated, for example, in the UK.

To build on the achievements, the Management Board decided in March 2016, following completion of the House of Governance Initiative, to establish an expanded Corporate Governance function which combines existing functions and teams that already had responsibility for governance matters and already worked closely together before. To that end, the Global Corporate Governance function formally came together with parts of Corporate & Governance (Legal), Regional & Country Governance (Regional Management), the Corporate Secretariat and the Office of the Supervisory Board (both formerly Legal) to form a new Global Governance function under single leadership from April 1, 2016.

4. Where does governance stand in the future?

We are taking firm steps to ensure Deutsche Bank's focus in the modern landscape of enhanced global financial regulatory and supervisory oversight. The GCG-function is an integral part of our organization, and its aim is to sustainably enhance and strengthen our corporate governance.

RMBS Loan Repurchase Claims

1. What are the key issues in the RMBS Repurchase cases?

Deutsche Bank, like its peers, continues to defend mortgage-related legal claims being asserted by purchasers of whole loans and RMBS trustees and is cooperating in industry-wide investigations.

Key Issues in Mortgage Repurchase Cases:

- When Deutsche Bank subsidiaries sold loans to a counterparty or deposited them in an RMBS trust, they made certain representations and warranties concerning the loans.
- A breach of the representations and warranties entitled the purchaser of whole loans or the RMBS trustee to seek repurchase of a loan if certain conditions were met.
- Deutsche Bank has received and may in the future receive repurchase demands from purchasers of loans or RMBS trustees.
- Deutsche Bank established provisions upon receipt of valid and timely demands.
- The New York Court of Appeals has issued a decision limiting the time for RMBS trustees to bring repurchase claims.
- Over the past year, demands have come in at a very reduced rate.

Certain of the mortgage repurchase demands have resulted in litigation.

Mortgage repurchase demand activity is disclosed on a quarterly basis in Deutsche Bank's financial statements.

2. How many mortgage repurchase demands does Deutsche Bank have in total?

At the end of Q4 2015, Deutsche Bank had approximately USD 2.4 billion in outstanding mortgage repurchase demands.

3. How much mortgage repurchase reserves does Deutsche Bank have in total?

At the end of Q4 2015, Deutsche Bank had approximately USD 337 million in mortgage repurchase reserves (after accounting for related receivables).

4. How many mortgage repurchase cases does Deutsche Bank have?

Deutsche Bank is currently defending 13 litigations in the US regarding mortgage repurchase demands.

5. In what stages are the litigations?

The cases asserting mortgage repurchase demands in the USA are in various stages:

- Five are stayed in contemplation of settlement;
- Deutsche Bank has moved to dismiss two cases as barred by the statute of limitations; one other case was recently dismissed on statute of limitations grounds and plaintiff has filed a notice of appeal;
- Four cases are in discovery; and
- Deutsche Bank's time to respond to the complaint in one case has not yet run.

Russia/UK Equities Trading Investigation

Deutsche Bank is investigating the circumstances around equity trades entered into by certain counterparties of Deutsche Bank in Moscow and London that partially offset one another.

The total volume of the transactions under review is significant.

1. What is the status of the investigation?

The investigation of the transactions as well as any related potential violations of law, regulation and policy and the related internal control environment remains ongoing.

To date, the investigation has identified certain violations of Deutsche Bank's policies and deficiencies in Deutsche Bank's control environment.

2. What kind of controls related deficiencies have been identified and what is being done about them?

Several deficiencies in our systems and controls have been identified, especially with regard to the onboarding of new clients.

Since then, we have worked to address these deficiencies and are fundamentally reviewing our client onboarding and monitoring processes.

3. What has the investigation shown in terms of the money flowing through the bank? Do we know the sources and are they tied to criminal behavior?

The investigation and accompanying regulator reviews remain ongoing so we are not in a position where we can comment on detail with respect to findings.

4. Have you found any misconduct by employees and have any disciplinary measures been taken?

Deutsche Bank has taken disciplinary measures with regard to certain individuals in this matter and will continue to do so with respect to others as warranted.

As of today, we can confirm that Deutsche Bank has separated from various employees.

5. Did anyone at the Management Board level have knowledge of the conduct at issue?

While the investigation and accompanying regulator reviews remain ongoing, to date, we have not identified any contemporary Management Board level knowledge of the conduct

6. Are Regulators involved in this matter and are regulatory fines expected?

Deutsche Bank has advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the U.K. and U.S.) of the investigation proactively and is fully cooperating with these regulators and authorities.

The Group has recorded a provision with respect to this matter. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of this matter.

7. When will the matter conclude?

We have devoted significant resources to the investigation and are making good progress. We are hopeful that we can work with regulators to resolve their investigations within coming months.

Basic Principles of D&O Insurance

I. General questions relating to D&O insurance

1. What is understood by D&O insurance?

D&O insurance stands for "directors' and officers' liability insurance" and represents a pecuniary loss liability insurance for directors and officers of legal persons. In some cases, insurance coverage nowadays is extended to executive employees of the legal persons (e.g. employees with signing authority (*Prokuristen*)).

2. Between what parties is a D&O insurance contract entered into?

A D&O insurance contract is entered into between the company as policyholder and the insurer with the peculiarity that claims under the insurance contract to the grant of insurance coverage are vested with the insured persons, i.e. the directors and officers and – to the extent also insured – the executive employees.

3. Which persons or companies are typically insured under a D&O insurance policy?

Present, future and former directors and officers and, where applicable, present, future and former executive employees of the company as policyholder are insured under a D&O insurance policy. Also insured are the present, future and former directors and officers and, where applicable, the present, future and former executive employees of the subsidiaries of the company, which are normally included under the insurance contract as co-insured companies.

4. What is typically insured under a D&O insurance policy?

Under a D&O insurance policy, damage claims against the insured persons for breaches of duties in the performance of their work as directors and officers of the company are insured. If executive employees are co-insured, the insurance coverage relates to their scope of duties as executive employees.

5. What claims are normally excluded from insurance coverage of a D&O insurance policy?

Standard exclusions in a D&O insurance policy as a general rule relate to damage claims for breaches of duty committed knowingly, damage claims aiming at the payment of contractual penalties, fines and financial penalties, as well as damage claims made in the US or on the basis of US law. In some cases, the exclusions themselves are restricted in their scope of application, i.e. in the context of the respective exclusions cases are provided for in which the insurance cover remains effective.

6. What claims fall under the temporal scope of a D&O insurance policy?

Normally, claims arising from those breaches of duty committed during the term of the insurance contract or, if they were not known when the contract was entered into, also prior to its term (known as retroactive coverage), fall under a D&O insurance policy. As a rule, the precondition for the insurer's liability for insurance claims is that such damage claims were made due to such breaches of duty during the term of the contract or, if applicable, a contractually agreed run-off coverage term (referred to as claims-made principle) and were notified to the insurer.

A run-off coverage period refers to the period from termination of the insurance contract in which the insurer treats the notice of claims made against an insured person as still falling under the expired insurance period. The (residual) insured sum of the terminated insurance contract is then available for the respective damage claim. The conditions on agreeing run-off coverage terms vary on an individual case basis.

7. What is understood by a deductible?

In connection with insurance contracts, that amount is generally referred as the deductible which an insuree has to bear in the event of an insurance claim, i.e. the recovery of which the insuree cannot claim from the insurer.

For stock corporations it has been stipulated since 5 August 2009 that a member of a management board with an obligation to pay damages, where a D&O insurance policy is liable for such damage, is required to bear himself a deductible of at least 10 per cent of the damage up to an amount at least equal to one and a half times his fixed annual remuneration (cf. section 93 (2) sentence 3 of the German Stock Corporation Act (*Aktiengesetz – AktG*)). The members of management boards may each themselves take out insurance coverage against this risk.

8. What is a claims series clause?

A claims series clause is a general condition of insurance whereby several insurance claims which are based on the same breach of duty or have another close economic or legal connection are deemed to be a single insurance claim arising at the time when the first of the aggregated insurance claims has occurred.

9. Who bears the costs of a D&O insurance policy?

The premiums for the D&O insurance are borne by the company as policyholder.

10. What is the typical structure of a large-volume D&O insurance programme?

A D&O insurance policy basically consists of the description of an insured risk, the formulation of exclusions, i.e. cases in which the insurer does not grant any insurance coverage, as well as provisions on the settlement of the insurance claims falling under the D&O insurance policy.

At large companies, multiple insurance contracts each having a separate insured sum are frequently entered into, with the insured sums building up on one another and together forming an aggregate insured sum. Such contracts are referred to as basic and excess policies (cf. also questions under items I.12. and I.13.).

11. What is understood by a primary policy?

In an insurance programme whose aggregate insured sum is made up of different layers building up on one another, the primary policy is the policy under which insurance payments are due first.

12. What is understood by a primary insurer?

A primary insurer is an insurer that is party to the primary policy. The primary policy may be entered into with a single insurer. However, more than one insurer may also be party to a primary policy.

13. What is an excess insurance policy?

By excess insurance policy, the additional insurance coverage building up on the primary policy and conferred by an additional insurance policy with its own insured sum which, together with the primary policy, forms the aggregate insured sum, is understood. At large companies, multiple excess policies building up on the primary or respective preceding excess insurance policies and forming a D&O insurance programme comprising several layers are frequently entered into. In this context, as a rule, the excess insurers in each case are liable for insurance claims if insurance payments in the amount defined in the policies have been made under the preceding primary or excess insurance policy/policies.

14. Are the terms and conditions of insurance of individual excess insurers party to a D&O insurance programme identical?

Excess insurance policies are usually "follow form" to the primary policy, i.e. the terms and conditions of insurance of the primary policy as a general rule are also decisive for the respective excess policies. In specific provisions, however, the excess policies may deviate from the terms and conditions of the primary policy.

15. Can several insurers underwrite a layer of a D&O insurance programme?

Yes. Several insurers may share the risk of being liable for insurance payments under the respective layer up to the amount of that layer's insured sum (referred to as co-insurance). This is possible in the case of both the primary policy and the excess policies. In such cases, the insurers are referred to as co-insurers. The number of insurers may therefore significantly exceed the number of primary and excess layers.

16. What is understood by a lead insurer?

If several insurers share the risk under an insurance policy (co-insurance), a lead co-insurer is designated to conduct communication with the policyholder and the insured persons and, where applicable, to exercise further-reaching powers (e.g. litigation) on behalf of the other co-insurers.

17. What is understood by coverage claims?

Coverage claims are the claims of an insured person against an insurer to be granted insurance coverage, especially in the form of the assumption of defence costs (in particular lawyers' fees) against justified or unjustified damage claims raised by the company or a third person, or in the form of an indemnification from justified damage claims of the company or third parties by the insurer. Under certain prerequisites set forth in the D&O policy, the defence costs also cover costs for the defense in criminal law proceedings.

18. What is understood by coverage settlement?

A coverage settlement is a settlement between the policyholder, the insurer, and possibly the insured person, regarding claims under the insurance policy.

II. Questions regarding the D&O insurance programme of Deutsche Bank AG for 2002

1. Do essentially the same terms and conditions apply to the primary and excess insurance policies of the 2002 D&O Insurance Programme?

Yes. The General Terms and Conditions of Insurance for Primary Insurance of Deutsche Bank AG for the 2002 Insurance period (*Allgemeine Versicherungsbedingungen für die Grundversicherung der Deutsche Bank AG für die Versicherungsperiode 2002*) (in short: "D&O Policy 2002") in principle apply "follow form" for the excess policies. That means that the D&O Policy 2002 is basically also decisive for the excess insurance policies provided that their terms and conditions do not deviate from the D&O Policy 2002. In some cases, the excess insurance policies provide for such deviations, especially the excess insurance policies of the eighth and ninth layers.

2. When do the insurers grant insurance coverage under the D&O Policy 2002?

When the insurers grant insurance coverage is basically defined in § 1 no. 1 of the D&O Policy 2002. There it is stated:

“§ 1 Subject matter of the insurance

1. *The insurer shall grant insurance coverage in the event that claims are made under statutory liability provisions against any of the insured persons for pecuniary losses due to a breach committed in performance of insured activities.*

Pecuniary losses shall be any losses other than bodily injury (death, injury, harm to health or psychical impairment/disturbance of persons) or material damage (damage, deterioration or destruction of property) or damage derived from such damage.

The subject matter of insurance shall not include claims

- a) *based on contractual penalties and/or fines*
- b) *based on breaches committed in performing any activity other than the insured activity (e.g. position as director or officer at any other company at the instigation of the policyholder or any subsidiary (except for § 1 no. 5); professional liability)."*

§ 1 no. 5 D&O Policy 2002 referred to in § 1 no. 1 b) D&O Policy 2002 provides as follows in its first paragraph:

"5. Outside mandates

The coverage includes – in derogation from § 1 no. 1 b) – the statutory liability of the persons delegated by the policyholder for pecuniary loss which they have caused in their capacity as directors and officers in companies (third companies) – which are not companies within the meaning of § 1 no. 4 [Explanation: § 1 no. 4 D&O Policy 2002 contains the definition of the term "subsidiaries"] – if the activity of the policyholder is appropriate and performed in its interest."

This is followed in § 1 no. 5 a) to e) D&O Policy 2002 by individual provisions on the insurance coverage of such activities in outside mandates.

3. To what extent does the D&O Policy 2002 offer insurance coverage?

The insured sum of the D&O Insurance Programme 2002, i.e. of all primary and excess insurance policies entered into for the 2002 insurance period, totals €500 million, with the fifth and, in part, seventh excess layer falling under the deductible of Deutsche Bank AG and coverage gaps existing due to the change of currency from DM to €. Including these deductions, the insured sum de facto amounts to approx. €450 million. In this regard, the term "deductible" used in the Coverage Settlement (*Deckungsvergleich*) was chosen based on the statements in paragraph 1 of item I.7. above. The scope of the benefits paid under the D&O Policy 2002 is set out in detail in § 3 D&O Policy 2002 under the header "Scope of insurance":

"§ 3 Scope of insurance

- 1. The insurance coverage includes judicial and extra judicial defence against all claims as well as settlement of all justified claims for damages.*

Claims are defended against by the insured persons in consensus with the Insurer.

- 2. If a breach capable of resulting in a liability claim falling under the insurance cover is the subject matter of a criminal or administrative offence proceeding, the Insurer shall bear the costs according to the application fee ordinance, where applicable such higher costs of the defence counsel as agreed separately with the Insurer.*
- 3. The insured persons against whom claims are made shall bear the amount agreed on the face of the policy under 10 by themselves (deductible amount). This shall apply both for the defence against and for the settlement of claims.*
- 4. If the policyholder and/or its subsidiaries have discharged the insured persons, held them harmless from liability, declared waiver or entered into a settlement agreement, instead of the deductible to be borne by the insured person, the deductible amount agreed on the face of the policy under 10 shall apply for cases of company reimbursement.*

In this event, the insurance protection shall also extend to the policyholder and its subsidiaries.

If indemnification of the insured persons by the policyholder and/or its subsidiaries is admissible or required by law or statute, and the policyholder and/or its subsidiaries have not indemnified the insured persons, or have not indemnified them completely, the deductible amount agreed on the face of the policy under 10 shall apply for company reimbursement.

In this context, laws and statutes shall be interpreted so as to allow indemnification by the policyholder and/or its subsidiaries as far as possible.

5. *The insured sum shall represent the maximum amount of the benefit for which the Insurer is liable for each individual insurance claim, subject to the proviso that only a one-off payment of benefit of the insured sum is possible*
 - a) *to several insured persons eligible for compensation to which the insurance coverage extends,*
 - b) *in respect of a single damage resulting from several breaches*
 - c) *in respect of all consequences of a breach. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a single breach if the matters in question are legally or economically connected to one another.*

Likewise the deductible, in the cases specified above, shall apply only once.

6. *The Insurer's performance obligation for all insurance claims of an insurance year shall be limited to the insured sum specified in the face of the policy under 9. This shall include all costs.*
7. *If the asserted loss is also insured under another insurance contract, such other insurance contract shall prevail. The Insurer shall have a performance obligation if and to the extent that the loss is not covered by the other insurance policy.*
8. *If the termination, as requested by the Insurer, of a claim for damages by acknowledgement, satisfaction or settlement fails due to resistance on the part of the policyholder, a subsidiary or an insured person, or if the Insurer makes available a contractual share to the injured party, the Insurer shall not be required to bear the additional expense of the main matter, interest and costs resulting from the refusal or making-available.*
9. *If a claim falling under this coverage is not entirely covered by the scope of coverage, the following shall apply in respect of the allocation of defence costs and determination of the share of insurance pecuniary loss:*

The Insurer and the insured persons shall comply with the provisions on the share of insured costs of defence, and/or of the insured pecuniary loss, as

agreed by court judgments, out-of-court settlements or other legally binding agreements. If no express provision is made, a distribution giving due regard to the Parties' respective interests shall be made between the Insurer, policy holder, subsidiaries and the insured person and weighing up the prospects of success of the claims asserted against the Parties. If as a result of these efforts no agreement on the determination of the share of insured pecuniary loss is reached, the binding arrangement – also on the costs of the arbitration proceeding – shall, at the request of an insured person concerned, be made by an arbitrator. The provisions of § 11 "Procedure in the event of disputes" shall apply.

Any assumption of defence costs by the Insurer under this provision shall be without prejudice to questions of liability or coverage with regard to the asserted pecuniary losses."

Points 9. and 10. on the face of the policy read as follows:

"9. Insured sum: EUR 25,000,000.000 (in words: twenty-five million euros) per claim made and in the aggregate for all insurance claims of the insurance period after agreed deductibles

10. Deductibles:

EUR 500,000.00 per claim made in the event of company reimbursement worldwide; in derogation from this, the special deductibles as set out below apply for SEC claims and for claims in connection with the performance of outside mandates at third companies

EUR 5,000.00 per claim made and insured person

USD 10 million per claim made in the event of company reimbursement for SEC Claims (valid as of 1 October 2001)

USD 10 million per claim made in the event of company reimbursement for so-called "indemnifiable losses" in connection with the performance of outside mandates at third companies pursuant to § 1 no. 5 of the Policy.

It is expressly pointed out that costs are deducted from the insured sum, i.e. are not available separately."

The referenced § 11 of the D&O Policy 2002 quoted in the answer given to question no. 6.

4. What exclusions from insurance coverage are provided for in the D&O Policy 2002?

Exclusions from insurance coverage are set out in detail in § 5 D&O Policy 2002. There it is stated:

"§ 5 Exclusions

Excluded from insurance coverage are damage claims within the meaning of § 1

1. *that are due to conscious deviation from laws, ordinances, statutes, decisions, authorisations and instructions or any other conscious breach of duty; if the claim to damage compensation pursuant to § 1 could also arise from intent or conscious breach of duty, insurance protection shall apply subject to the proviso that intent or conscious breach of duty are not established by a court decision, settlement or acknowledgement; if such is established, the insurance cover shall terminate retroactively and the insured persons in question, or in the case of indemnifications from liability pursuant to § 3 no. 4 of the policyholder / subsidiaries, shall be obliged to return to the insurer the performances rendered.*

For the determination of whether the exclusion applies, insured persons shall not be imputed acts and omissions committed without their knowledge by other insured or non-insured persons, the policyholder or subsidiaries.

2. *to the extent that liability claims are asserted on the initiative of*
 - *the policyholder, i.e. by the policyholder itself or at its instigation or instruction,*
 - *the subsidiaries, the insured persons or joint venture partners, i.e. by those parties themselves or at their instigation or instruction,*
 - *shareholders or contractual groups of shareholders represented on the supervisory board, management board or management body of a subsidiary, i.e. through one or more of these shareholders or at their instigation or instruction.*

Liability claims of the policyholder or the subsidiaries by reason of an instruction of authorities, supervisory bodies with mandates under public law, or independent shareholders shall remain covered; however, such shareholders shall not include the policyholder, the subsidiaries, the insured persons or the partners of joint ventures.

3. *based on or in connection with*
 - (a) *irregularities in the disbursement or receipt of funds;*
 - (b) *shortfall amounts in the closing of cash accounts, or missing funds, securities or other valuables;*
 - (c) *loss or damage to securities, deeds and written documents or any kind as well as to electronically stored data;*
 - (d) *investment of assets, to the extent such claims are attributable to external influences such as value fluctuations, price losses, poor returns or speculative or aleatory transactions;*
 - (e) *the provision of services by the policyholder, any subsidiary or an insured person.*

4. *that are made on the basis of or in connection with any provisions of the Employee Retirement Income Security Act of 1974, all amendments thereto as well as similar rules relating to pension, profit participation or social programmes which have been created by federal, state and local legislation or with any involvement of the same.*
5. *that are made on the basis of or in connection with violations of any kind of Section 16(b) (Insider Trading/Short Swing Profit) of the Federal Securities Exchange Act of 1934 as well as all amendments thereto, or violations of similar provisions or rules in state statutory law.*
6. *that are made on the basis of or in connection with actual and planned/intended public placements of securities – including: sale, distribution, issue/execution, etc. of such securities – of the policyholder and/or its subsidiaries after 3 October 2001, regardless of whether or not a prospectus was made."*

5. What obligations does the D&O Policy 2002 provide for?

The obligations are set out in detail in the D&O Policy 2002 in §§ 6, 7. § 6 of the D&O Policy 2002 reads as follows:

"§ 6 Obligations, procedures

1. *An insurance claim shall exist if during the contract term for the first time*
 - *a liability claim is made against insured persons which falls or might fall under this insurance policy, or procedural steps have been taken against insured persons from which a liability claim falling under this insurance policy might arise;*
 - *a third party notifies that it shall or can file against insured persons a claim falling under this insurance policy.*

2. Claims notice

Each insurance claim shall be notified to the Insurer without undue delay.

If an investigation proceeding is initiated, or an arrest warrant, or notice whose object is, or which might result in, the compensation of a pecuniary loss, the policyholder shall send notice to the Insurer without undue delay, also if it has already given notice of the insurance claim itself.

If a claim is made against the policyholder judicially or if the policyholder is judicially served third party notice, it must moreover send notice to the Insurer without undue delay. The same shall apply in the event of an attachment, a preliminary injunction or a procedure for the preservation of evidence.

3. *The policyholder shall ensure to avert and to mitigate the damage and do everything expedient to clarify the insurance claim to the extent it may be*

reasonably expected to do so. It shall inform the Insurer, provide the Insurer with detailed and truthful claims reports, notify all elements having a reference to the claim and send in all documents deemed by the Insurer to be relevant for evaluating the claim.

4. *The policyholder is not entitled to acknowledge, settle or satisfy a liability claim, either in whole or in part, without the prior consent of the Insurer. In the event of contravention the insurer shall be discharged from its performance obligation unless the policyholder based on the circumstances was not able to refuse such satisfaction or acknowledgement without manifest unreasonableness.*
5. *The notification duties and obligations of the policyholder shall also apply to its subsidiaries and insured persons."*

§ 7 D&O Policy 2002 reads:

"§ 7 loss of rights

If an obligation to be fulfilled towards the Insurer pursuant to § 6 is breached, the Insurer shall be released from its obligation to perform unless the breach is based on neither intent nor gross negligence. In the event of gross negligence the Insurer remains under an obligation to perform to the extent that the breach has influenced neither the determination nor the scope of the performance owed by the Insurer. If the breach of obligations in question was committed to avert or mitigate the loss, the Insurer, in the event of grossly negligent breach, shall continue to have an obligation to perform to the extent that the scope of damage would not have been less if the obligations had been properly performed."

6. What law applies under the D&O Policy 2002 and what is the procedure in the event of disputes?

§ 10 of the D&O Policy 2002 defines the governing law as follows:

"§ 10 Governing law

1. *This Contract shall be governed exclusively by the law of the Federal Republic of Germany. For the assessment of liability of an insured person, the law applicable to the liability shall be reserved.*
2. *In all other respects, this insurance policy shall be subject to the provisions of the German Insurance Contract Act (Versicherungsvertragsgesetz – VVG)."*

The choice of law clauses contained in the excess insurance policies of the eighth layer partially deviate from § 10 of the D&O Policy 2002, amongst others in favour of the law of the Federal State of New York or in favour of English law.

§ 11 D&O Policy 2002 provides for the applicable procedure for disputes:

"§ 11 Procedure in the event of disputes

In the event of disputes arising under this Contract, the following shall apply:

- (a) Application to the ordinary courts is excluded.*
- (b) "Zürich" and the policyholder shall each appoint one arbitrator. The latter in turn shall appoint the 3rd arbitrator. The decision of the arbitration tribunal shall be final. The provisions of the German Code of Civil Procedure (Zivilprozessordnung – ZPO) on the arbitration procedure shall apply.*
- (c) The substantive law on which the arbitration decision is based is set out in § 10."*

In deviation from the D&O Policy 2002, the excess insurance policies entered into with the excess insurers of the eighth and ninth layers in some cases state that disputes with individual excess insurers are not subject to an arbitration procedure but subject to legal proceedings before the ordinary courts. Moreover, the excess insurance policies of the eighth layer in some cases provide that, in the event of disputes with individual excess insurers of the eighth layer, rules of arbitration procedure (e.g. Bermuda International Conciliation and Arbitration Act of 1993, English Arbitration Act 1996) and venues (Bermuda, London) are to apply other than those provided for under the D&O Policy 2002.

Diversity & Inclusion

1. How does Deutsche Bank implement the requirements of the Gender Quota Law?

Deutsche Bank will continue its efforts to advance women in leadership positions under new gender quota legislation introduced in Germany in 2015. The percentage of women on Deutsche Bank's Supervisory Board stood at 35% at the end of 2015, above the new statutory requirement of 30% for listed and co-determined German companies.

The Supervisory Board set a target of at least one female member of the Management Board by June 30, 2017. The target was met with the appointment of Sylvie Matherat, Chief Regulatory Officer, to the Management Board on November 1, 2015. It is planned that another female executive, Chief Operating Officer Kim Hammonds, will join the Management Board in the course of 2016.

For the management boards or management committees of the other Group companies in the scope of the gender quota law, the Bank has set the same target of at least one female member to the extent legally permissible in the respective jurisdiction.

As of year-end 2015, 17.9% of positions at the first management level below the Management Board of Deutsche Bank were held by female executives. At the second level below the Management Board, this percentage stood at 15.3%. The Bank has set itself targets for these levels for 2017 and 2020 in accordance with legal requirements in Germany, and its implementation approach has been widely recognized by external stakeholders.

2. What is the position of Deutsche Bank in terms of promotion of women?

Together with the other DAX 30 companies, Deutsche Bank signed a voluntary declaration in 2011 to substantially raise the proportion of female managers by the end of 2018. To achieve this, the Bank focuses on building a steady pipeline of female executives for broader and more senior positions.

In 2015, the percentage of women at Managing Director and Director level rose to 20.5% from 19.4% in 2014. The share of female officers increased to 32.5% (2014: 31.7%).

Furthermore, the Bank's Accomplished Top Leaders Advancement Strategy (ATLAS) and Women Global Leaders (WGL) programs have continued with success. Since its launch in 2009, 56 women (2015: 15) have participated in the award-winning ATLAS program, with around 50% having taken on more responsibility since completion.

In 2015, 37 female Directors from across Deutsche Bank participated in the WGL program, designed and delivered in partnership with INSEAD business school. Since inception in 2010, one in two participants has been promoted within three years of completion.

In its recruitment activities, Deutsche Bank also focuses on achieving a better balance between male and female candidates.

In early May 2016, Deutsche Bank has been recognized in the inaugural Bloomberg Financial Services Gender-Equality Index (BFGEI). The Bank is one of 26 firms that have made strong commitments to gender equality and scored at or above 60 points in a Bloomberg survey, a global threshold established by Bloomberg to reflect disclosure and the achievement or adoption of best-in-class statistics and policies.

3. What are Deutsche Bank's additional diversity initiatives?

The Bank has further aligned its activities to country-specific or regional requirements. For example, a new crossdivisional initiative in Germany – Working@DB 4.0 – responds to demands and needs arising from mega trends including digitalization and demographic changes as well as a growing expectation by employees to enjoy a healthy work-life balance. This is of particular importance for workforce planning and development, accounting for aspects such as the impact of digitalization and a multi-generational workforce on talent retention and leadership behavior. Following the 2015 launch, the initiative delivered a number of initial results and mid- to long-term initiatives, including knowledge transfer tools, fostering cross-divisional internal career paths and specific measures to maintain the motivation and employability of staff aged 50+. In close cooperation with the Bank's social partners as well as internal and external experts, Working@DB 4.0 will continue in 2016.

Age diversity has been a particular focus in Germany, given that employees' average age and length of company service there is higher than in other regions. Deutsche Bank offers active support throughout the working lifecycle of its staff. It also fosters dialogue and knowledge transfer between younger and older generations as well as offering flexible work solutions for employees.

The Bank has also increased efforts to ensure male staff are included in discussions and benefits relating to, for example, parental leave, childcare and part-time job schemes. In the Asia-Pacific region, men have been addressed through various initiatives and the topic featured prominently on the agenda of the Bank's fifth annual Women in Asian Business conference.

In 2015, Deutsche Bank celebrated its fifth annual Global Diversity Week, encompassing topics from age and gender diversity to inclusion. Employees from more than 35 countries participated in around 350 events and activities worldwide. In addition to the Asia forum, the 21st Women on Wall Street conference was held.

The Bank actively supports LGBTI (lesbian, gay, bisexual, transgender, intersexual) initiatives around the world. It takes part in several events every year, with many activities led by or involving dbPride, the dedicated employee resource group for LGBTI employees and their allies. Deutsche Bank has received various accolades honoring its commitment to LGBTI causes. For example, it was awarded the maximum score of 100 in the Human Rights Campaign's annual Corporate Equality Index for the 13th consecutive year.

There are various – largely cross-regional – resource groups for employees at Deutsche Bank, focused on topics including women, veterans, families or multicultural backgrounds. The Bank's efforts to embed diversity and inclusion across the organization are widely recognized. In October 2015, dbGO in the UK was named among the top ten female employee networks on the inaugural Global Diversity List, supported by The Economist. The group, 26% of whose 1,000 members are male, has four key objectives: inspiration, visibility, career development and influence. Another resource group, dbEnable, deals with disability in the workplace. In Germany, HR also works closely with the representative body for disabled employees as well as sheltered workshops in order to promote the employment of disabled people.

Mountain Top Removal

1. Please explain Deutsche Bank's position on Mountain Top Removal mining.

Mountain Top Removal (MTR) mining, while an established and regulated mining method, continues to be subject to political, judicial and regulatory scrutiny. We have noted a steady decline in MTR production since 2008. In recognition of this ongoing industry trend, we have updated our policy position in relation to MTR. Accordingly, Deutsche Bank and its subsidiaries have begun to phase out the provision of credit and the underwriting of debt/equity to mining companies which use MTR as an extraction method and make a material contribution to the total annual MTR coal production in the US.

Our updated position was disclosed in our CR Report (<https://cr-report.db.com/2015/en/index.html>) in the section "Managing environmental and social risks"/"Our positions". This section is regularly used to disclose the Bank's position on certain sectors and/or cross-cutting topics that are subject to public debate.

2. The published policy lacks transparency regarding the timeline of the announced phase-out and the type of financing affected by the policy. Can you clarify this?

The policy was effective at the time of disclosure in March 2016. Pursuant to this policy, no new financing will be provided. For the purpose of the policy financing is defined as any provision of credit and/or the underwriting of debt/equity. While acting in line with our policy, we will respect existing business relationships based on pre-existing contracts.

3. Societal groups argue that mountaintop removal coal production has particularly severe health and environmental impacts. Why is Deutsche Bank willing to support this form of coal production by using a materiality threshold?

The materiality threshold is set in an appropriately conservative way to prevent the financing of MTR expansion or the direct financing of MTR projects. All mining companies involved in coal extraction are subject to due diligence on environmental and social risk, which includes questions regarding the use of MTR and plans to reduce/completely stop MTR production that may still be continuing. The MTR production data are and will continue to be updated at least annually and ad hoc if required. To update this data, we rely on different external data sources.

Climate Change

1. What is the significance of combating climate change for the bank's current strategic decisions?

We are aware that climate change represents a serious threat to human society and the planet. It is therefore the duty of all parties, especially governments and businesses, to jointly develop measures to combat climate change.

Deutsche Bank fulfils its responsibility through various activities which are explained in more detail on our Corporate Responsibility (CR) website (https://www.db.com/cr/index_en.htm), as well as in our recently published 2015 CR report (<https://cr-report.db.com/2015/en/index.html>).

In addition, we have expressed our commitment to accelerating the transformational changes needed to reduce global warming by signing the Paris Pledge for Action.

To consolidate the expertise of our business and infrastructure units as we discuss and develop further actions on how we, as Bank, can better address the topic of climate change, we recently established an internal working group.

2. Why has Deutsche Bank not published any targets for reducing its own greenhouse gas (GHG) emissions?

Deutsche Bank's business operations have been carbon neutral since 2012. We aim to continuously reduce our carbon footprint (Total market-based GHG emissions (tCO₂e) in 2015: 272k (-5%), 2014: 285k (-5%), 2013: 299k). As our unavoidable emissions are offset by purchasing and retiring emission credits, we have an economic interest in further reducing GHG emissions from our own operations. Bearing the implementation of the EU Energy Efficiency Directive in Germany in mind, we decided to set up an energy management system in Germany that will be certified according to ISO 50001. This certification requires the determination of specific goals and measures to reduce emissions.

3. When will Deutsche Bank publish information on its financed GHG emissions?

Those "financed emissions" are classed as Scope3 emissions in the Greenhouse Gas Protocol developed by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). Companies only bear indirect responsibility for such emissions. Currently, there are no widely recognized methods for calculating these emissions in a comprehensible way. We are bringing our positions and recommendations to discussions and initiatives working on the future of this matter.

4. Has Deutsche Bank set measurable targets to decrease financing of the fossil fuel industry and to increase your engagement in the renewable energy sector?

The amount of financing in the renewable energy sector will continuously increase due to growing demand arising from a change in consumer behavior and worldwide legal regulation. Currently, we make financing decisions on a case by case basis. In the decision making process, we apply the highest standards with respect to the technology used, environmental and social standards, and general conditions that have to be met before financing can take place.

5. Against the decisions of various other international banks to phase out financing the coal industry does Deutsche Bank see any need to change its policies for its business with the coal industry?

The decision on which technologies can and should be used to satisfy the globally increasing demand for energy has a large political dimension. In many countries, there is political and social demand to generate energy from coal. In our due diligence on business with clients active in the coal sector, we apply high standards with regard to the technology used, environmental and social standards, as well as general conditions. Among other matters, we also review whether the use of alternative energy sources has been considered.

6. Is Deutsche Bank ignoring the increasing economic risks from business relationships with the fossil fuel industry e.g. through new regulations, decreasing performance of those companies or stranded assets?

The analysis of economic risks directly linked to the development of industry sectors in which our clients are active is part of our regular credit risk management process. Our credit and research units regularly produce internal and external industry reports used by relevant decision-makers as sources of information on particular industry risks. Through these means, the risks mentioned in the question above are also taken into account during our decision making processes.

7. With your current approach, how does Deutsche Bank think to become in line with the commitments under the Paris Pledge for Action that you have signed?

Deutsche Bank is still committed to fostering a low carbon economy. We strive to continuously reduce the carbon footprint of our own operations. Because we have been purchasing and retiring emission credits to offset our unavoidable emissions, our own operations have been carbon neutral since 2012.

We apply high standards in our due diligence process for our business with carbon-intensive industries. In this way, as well as through our accreditation by the UN Green Climate Fund (GCF), wind and solar parks, and our support of the Green Bonds market, we are on track to live up to our commitments.

In addition, we have recently established an internal Task Force that consolidates the expertise of our business and infrastructure units as we discuss and develop further actions regarding how we, as a Bank, can better address the topic of climate change. The Task Force will also address this question.

