

To: Mr. Stuart Lewis
Deutsche Bank Chief Risk Officer
stuart.lewis@db.com

Cc: Mr. Werner Steinmüller
Deutsch Bank Chief Executive Officer Asia Pacific
werner.steinmuller@db.com

28 February 2018

Dear Mr Lewis,

A report launched today shows that Deutsche Bank is still profiting from controversial palm oil companies, despite its own policies and its participation in the development of the so-called “soft commodities compact”.

The report ‘*Maybank: the single largest palm oil financier*’¹, by TuK Indonesia and Profundo, finds that Maybank provided 11% of all loans and underwriting to 85 palm oil companies in the period 2010-2016. However, the bank has no publicly available palm oil policy. Instead, it has financial relationships with a large number of controversial palm oil companies that are involved in environmental, social and governance issues. This implication leaves Maybank exposed to significant financial and reputational risk.

The report also finds that several large financiers that have already adopted ESG policies, and that are member of the RSPO and/or signatories of the UN-supported Principles for Responsible Investment (PRI), or the soft commodities compact, are still profiting from controversial palm oil companies by financing Maybank. This indirect involvement in controversial palm oil companies is not in accordance with the intention of these commitments and also leaves these financiers exposed to financial and reputational risk.

We would like to express our concern over the fact that this is also the case for Deutsche Bank. The report finds that between 2010 and 2016, Deutsche Bank provided Maybank with underwriting services worth USD 167 million. That is equivalent to 4% of Maybank’s total loans and underwritings for the palm oil sector for that period.

As a member of the soft commodities compact, we strongly recommend Deutsche Bank to adopt policies that will prevent it from providing financial services to financial institutions that have weak or even no ESG policies. We also urge you to follow the example of the Norwegian Government Pension Fund Global (GPF),² and support Maybank in the development of ESG policies. Maybank should commit to a time-bound plan to do so. If Maybank fails to implement an adequate policy within the stated timeframe, we recommend you to break ties with the bank.

We look forward to hear from you what measure your organization will put in place to support Maybank in the development of new policies, and to strengthen your bank’s own policies.

Yours sincerely,

Rahmawati Retno Winarni, Executive Director - TuK Indonesia
Peter Gerhardt, Director Denkhausbremen
Dr. Yvonne Kunz, Environment and climate desk officer, Watch Indonesia!

¹ Available online: <http://www.tuk.or.id/maybank-single-largest-palm-oil-financier/>

² Rainforest Foundation Norway, 16 February 2018. Norway’s Government Pension Fund puts pressure on companies driving deforestation <https://www.regnskog.no/en/news/norwayss>