

Compliance with the **Dutch Banking Code**



IFN Finance B.V. is a member of Deutsche Bank Group

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For IFN Finance B.V., good corporate governance is critical in order to realise its strategic goal of creating sustainable long-term value for all IFN Finance B.V.'s stakeholders – including the clients, its shareholder and its employees.

The Banking Code drawn up by the Dutch Bankers' Association (NVB) came into effect as of 1 January 2010. The implementation of the Banking Code, already initiated in 2009, took further shape in 2010. After the acquisition of IFN Finance B.V. by Deutsche Bank AG on 1 April 2010, this implementation process ran parallel to and coincided with the integration into Deutsche Bank Group. Existing standards had to be adapted to Deutsche Bank Group policies, procedures and practices.

IFN Finance B.V. fully supports the principles as set out in the Banking Code. The Deutsche Bank Group Code of Business Conduct and Ethics being an integral part of the employment contracts, the mandatory Onboarding Day for every new joiner whereby this Deutsche Bank Group code and the Deutsche Bank's core values are explained, the specially appointed supervisors certifying employees' attendance to the duty of care towards customers training and the New Product Approval procedure, are good examples of Deutsche Bank's commitment to the minimum standards for honest and ethical business conduct as embedded in the Deutsche Bank Group code and in the Banking Code.

IFN Finance B.V. complies with the Banking Code with the following deviations:

- *Life-long learning programme for the members of the Supervisory Board and the Managing Board*
Although initiated in 2010, the kick-off and roll out of the life-long training programme took place during the first half of 2011. This was caused by the fact that during the second half of 2010 the content and set-up of the programme had to be discussed and approved by the newly established Boards in consultation with the new owner of the bank, following the closing on 1 April 2010.
- *Moral and ethical conduct declaration*
The Code of Business Conduct and Ethics for Deutsche Bank Group applies to all employees of Deutsche Bank Group, including the members of the Managing Board of IFN Finance B.V. This code sets the minimum standards for ethical business conduct for employees of Deutsche Bank Group. These standards follow the same intention as the items set forth in the model of the moral and ethical declaration of the Banking Code. On certain aspects however, the Deutsche Bank Group code is more far-reaching. The Code of Business Conduct and Ethics for Deutsche Bank Group can be consulted via the internet site of IFN Finance B.V. in 2011.
- *Periodical assessment by the Supervisory Board at the strategic level whether the commercial activities in the general sense are appropriate in the context of the bank's risk appetite*
A thorough method for this periodical assessment has been developed. It will be introduced in 2011, following the integral alignment with the Deutsche Bank Group practices.

- *The responsibility of the Supervisory Board for the implementation and evaluation of the remuneration policy*

The formal responsibility for execution and evaluation of the remuneration policy within IFN Finance B.V. rests with the Supervisory Board. However, as subsidiary of Deutsche Bank AG, IFN Finance B.V. is subject to Deutsche Bank's Group Compensation Policy. Within Deutsche Bank AG, the Senior Executive Compensation Committee is the main body to determine such policy. The core responsibilities of this committee include establishing quantitative and qualitative factors to assess performance as a basis for compensation related decisions. Deutsche Bank views compensation as an ongoing process and continually reviews, monitors and updates its incentive compensation arrangements to continue to align with, among other things regulatory guidance.

- *Discretionary power of the Supervisory Board to adjust the variable remuneration of members of the Managing Board in exceptional circumstances*

Pursuant to the Deutsche Bank Group Compensation Policy, only deferred variable compensation awarded is at risk and subject to claw back in the event of a significant policy or regulatory breach. This is strict group policy, applicable across the entire Deutsche Bank Group.

- *Initiative by the internal auditor to arrange annual talks with DNB and the external auditor to discuss risk analysis, findings and audit plan*

The framework and action plan for these talks were set up during 2010. However a meeting of the relevant parties has not taken place yet, due to circumstances related to the acquisition of IFN Finance B.V. by Deutsche Bank AG on 1 April 2010 and the involvement of the newly appointed external auditor of IFN Finance B.V. The first meeting has been scheduled for the second half of 2011.

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unless we expressly state otherwise.