

1 official indicated to Deutsche Bank that, “[i]n order to avoid any unforeseen
2 circumstance, we are not incorporating the name of the beneficiary in our instruction
3 letter and please follow our instruction according.”

4 65. Under Malaysian law, 1MDB was required to obtain approval from Bank
5 Negara, Malaysia’s Central Bank, before completing either of the ordered wire transfers.
6 On or about September 30, 2009, at approximately 2:05 p.m., the Acting Deputy
7 Director of Bank Negara’s Foreign Exchange Administration Department sent a letter
8 via facsimile to 1MDB OFFICER 1 (the “Bank Negara Letter”). In this letter, Bank
9 Negara acknowledged that “the funds for the approved investment will be remitted to
10 PetroJV’s account maintained with J.P. Morgan SA and RBS Coutts Bank Ltd.” The
11 reference to “PetroJV” was intended to refer to the 1MDB-PetroSaudi JV.

12 66. Later that same day, 1MDB OFFICER 1 provided a copy of the Bank
13 Negara Letter to Deutsche Bank, prior to Deutsche Bank’s initiation of the \$700 million
14 wire transfer.

15 67. On September 30, 2009, at approximately 2:39 p.m., the Deutsche Bank
16 Employee, a Deutsche Bank supervisor (“Deutsche Bank Supervisor”), and 1MDB
17 OFFICER 1 had a telephone conversation regarding the requested \$700 million wire
18 transfer. During this conversation, 1MDB OFFICER 1 falsely represented that the
19 beneficiary of the \$700 million wire was PetroSaudi. In truth, the beneficiary of the wire
20 was Good Star. Their exchange, conducted in English, was as follows:

21
22 1MDB OFFICER 1 Hey, No [mah], I, whatever mistake they’ve made you
23 cannot go back [ask] them. They [already] give you
24 approval from [Bank Negara] all the way to the top.

25 Deutsche Bank Um-hum . . .
26 Supervisor

27 1MDB OFFICER 1 Uh. You want to, hang on, this one _____. The _____ is
28 asking me to go and send it now.

1 Deutsche Bank Okay, okay, okay. Let, let, let me just convince my
2 Supervisor compliance person. This is, I'm, I'm fine with you about
3 the compliance side, uh, it's. It's a little bit sticky with
4 this. But let me just try –
5
6 1MDB OFFICER 1 Good.
7
8 Deutsche Bank --and convince her
9 Supervisor
10
11 1MDB OFFICER 1 Yeah, and ___ I don't know how to answer you know,
12 that's why I'm under tremendous pressure –
13
14 1MDB OFFICER 1 Then, they going to be so upset ____?
15
16 Deutsche Bank Um-hum-hum. But it is okay for us to call [Bank
17 Supervisor Negara] if we need to, huh? Just, just to uh –
18
19 1MDB OFFICER 1 Yeah, yeah, yeah, yeah, yeah, yeah
20
21 Deutsche Bank Because it's not my decision.
22 Supervisor
23
24 1MDB OFFICER 1 But—
25
26 Deutsche Bank --[it's my] compliance uh person.
27 Supervisor
28
29 1MDB OFFICER 1 [You tell your] compliance.
30
31 Deutsche Bank Yeah.
32 Supervisor
33
34 1MDB OFFICER 1 If they don't send it [ah]
35
36 Deutsche Bank Yeah.
37 Supervisor
38
39 1MDB OFFICER 1 ____ will [blame] them [____], the deal goes off, you
40 know.

1 Deutsche Bank Okay, okay, okay.
2 Supervisor

3 1MDB OFFICER 1 No, I'm serious you know, you know this ___?
4

5 Deutsche Bank No, no, I understand. Understand. Yeah.
6 Supervisor

7 1MDB OFFICER 1 You know, if, do whatever you [can] do, either they send
8 it now or they, they, they double [back], or whatever, but
9 they cannot wait for this, you know.

10 Deutsche Bank Yeah, just, just, just one quick question [1MDB
11 OFFICER 1], what—

12 1MDB OFFICER 1 But if they're going to overkill on the compliance thing
13 uh they have to be responsible you know.

14 Deutsche Bank I understand that. Uh—
15 Supervisor

16 Deutsche Bank Yes, that's, that's fine. But just one question as to why is
17 it going to [PetroSaudi] itself? Is there any particular
18 reason?

19 1MDB OFFICER 1 Actually –

20 Deutsche Bank Ah—
21 Employee

22 1MDB OFFICER 1 --for us, we don't care. Because 700 million I mean it's a
23 ___ advance [that's] owed to them.

24 Deutsche Bank Oh, I see.
25 Employee

26 1MDB OFFICER 1 Alright. They give us instructions, send [whatever] they
27 want to send it. ____.

28 Deutsche Bank Ah, I see, I see. Okay. Okay.
Employee

1 1MDB OFFICER 1 And for us what we care about making sure they have
2 issue us one billion dollars [shares].

3 Deutsche Bank Ah.
4 Employee

5 1MDB OFFICER 1 --and the three hundred million goes to the account where
6 [we control].

7 Deutsche Bank Ah. Okay. That, that's—
8 Employee

9 1MDB OFFICER 1 _____ to them. This is where they want to send, they want
10 to send to Timbuktu also, we don't care.

11 Deutsche Bank Yeah, that's fine. Alright. We just wanted to understand
12 Employee the background.

13 1MDB OFFICER 1 So [if] your compliance is overkill in terms _____ --
14

15 Deutsche Bank Yeah.
16 Employee

17 1MDB OFFICER 1 --the message—

18 *****

19 68. On September 30, 2009, at approximately 2:51 p.m., the Deutsche Bank
20 Supervisor had a telephone conversation with a Bank Negara official (“Bank Negara
21 Official”). Their conversation included the following exchange:

22

23 Deutsche Bank I understand that. I understand that. Okay. So you
24 Supervisor know in terms of account it's basically a business
25 decision for the [client] [now].

26 Bank Negara Official Yeah, yeah, yeah, because we, we, I mean we do not
27 know of the, all that when there applied to us, they got
28 1.5 billion will be put by the Saudi MDB, one billion by
Deutsche Bank us, uh by Malaysia –
Um-hum, um-hum—

1 Supervisor

2 Bank Negara Official --and that, and the crediting of the account and so on , is
3 this their business decision, la, so long as it does not
4 deviate from the original intention and that is not for
5 Bank Negara to say but more of the government [la]
6 because this is MOF's . . . baby [la].

7 69. When the Bank Negara Official used the words "original intention," he/she
8 meant the \$1 billion in funds that were meant to be sent to the 1MDB-PetroSaudi JV.

9 70. At approximately 3:14 p.m., Deutsche Bank transmitted to RBS Coutts a
10 SWIFT payment order requesting that \$700 million be credited to an account at RBS
11 Coutts.⁷ The SWIFT message did not identify the owner of the RBS Coutts account, but
12 the account number listed on the SWIFT as the recipient of the \$700 million wire
13 transfer was the number of the Good Star Account.

14 71. Approximately six minutes later, at about 3:20 p.m., Deutsche Bank
15 transmitted a second SWIFT payment order to J.P. Morgan (Suisse) requesting that \$300
16 million be credited to an account at J.P. Morgan (Suisse). As with the other SWIFT
17 message, the SWIFT message for the \$300 million wire transfer did not identify the
18 owner of the beneficiary account. The account number listed in the SWIFT for the \$300
19 million wire transfer matched the number for the J.P. Morgan JV Account.

20 72. At approximately 5:08 p.m., a Deutsche Bank compliance officer sent an
21 email to the Deutsche Bank Employee seeking "email confirmation from 1MDB of the
22 names of the beneficiaries to both payments." The compliance officer also advised the
23 Deutsche Bank Employee that Bank Negara approved the wire transfers for the purpose
24 of allowing 1MDB to acquire an equity interest in the 1MDB-PetroSaudi JV. The email

25
26 ⁷ SWIFT is an abbreviation for Society for Worldwide Interbank Financial
27 Telecommunication, and a SWIFT payment order is a standard electronic
28 communication used by and between financial institutions to conduct monetary
transactions.