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Dear Mr. Farkas,

DB response to the EBA's consultation on Draft Implementing Technical Standards on procedures, forms and templates for the provision of information for resolution plans under Article 11(3) of Directive 2014/59/EU of the European Parliament and the Council

Deutsche Bank (DB) welcomes the opportunity to comment on the European Banking Authority's (EBA) draft Implementing Technical Standards (ITS) on procedures, forms and templates for resolution planning. Having a common set of templates will contribute to ensuring a consistent approach to resolution plans across the European Union (EU).

The EBA intends to avoid duplication of information requests by inviting competent authorities to cooperate with resolution authorities, which we support. Nevertheless, the templates as currently drafted contain some requests for information which is already provided to supervisory authorities. We have highlighted these cases of duplication in our response.

In the recital, the EBA could also acknowledge that given the on-going resolution planning and resolvability assessment work carried out by resolution authorities, they may already have gathered some of the information requested in the EBA's templates. Resolution authorities should have the possibility to ask for less information to avoid duplications.

In addition, we are concerned by the lack of guidance for the draft templates. Many information requests leave too much room for interpretation. For instance, with the current drafting, it is difficult to understand what data is requested in the annexes relating to payment systems and interconnectedness. Ideally, reporting templates should give as precise instructions as possible; unambiguous definitions; and clear information on intended content of individual fields.

Finally, the EBA should clarify the scope it is referring to for the provision of information. Reporting information on all entities of a large banking group would be very burdensome and with limited benefit in terms of resolution planning. The requests for information should focus on Significant Legal Entities only. In addition, firms should have the opportunity to determine themselves legal entity materiality thresholds that reflect their business model. By focusing on legal entities that are deemed to be significant through



reasoned materiality assessments, the reporting would be more relevant for the purposes of resolution planning.

Yours sincerely,

A handwritten signature in black ink that reads "Daniel Trinder".

Daniel Trinder
Global Head of Regulatory Policy



Draft Implementing Technical Standards on procedures, forms and templates for the provision of information for resolution plans

Q1: Do you agree with the level of details of this minimum set of forms and templates for resolution planning?

Generally, for reporting to be practical and useful, templates need to (i) provide clear instructions, (ii) focus on Significant Legal Entities only while allowing firms to define a level of materiality threshold reflecting their business model, and (iii) avoid 'catch-all' categories which leave room for interpretation by being prescriptive and specific with regard to definitions, e.g. materiality.

Please find below some comments on each annex of the draft ITS.

Annex I - Organisation structure

We have noticed that the information requested is already provided in the context of the consolidated framework for financial reporting (FINREP), tables 40.1 and 40.2 in particular.

Annex II - Governance

Competent authorities already have some of the information (such as the licensing authority; the type of license; and the key managers).

Annex III – Critical functions and core business lines

Critical functions and core business lines are already available in the Group Recovery Plan and resolvability assessment therefore the resolution authorities do not need to request it again.

With 'legal entity', it is unclear whether the templates refer to all legal entities or Significant Legal Entities (SLEs) only. As stated above, we recommend focusing on SLEs in order for the reporting to be efficient.

The EBA should clarify what 'material assets' constitute for the purposes of these templates by providing clearer guidance to financial institutions providing the information.

Annex IV – Critical counterparties (assets and liabilities)

As drafted, the templates and instructions do not provide enough guidance on what constitutes a 'critical counterparty'. We recommend defining the scope more precisely. In our view, critical counterparties could be identified by looking at Risk Weighted Assets (RWA) capital consumption and total exposure. The benefits of RWA are that it factors in elements such as exposure size, maturity, rating, collateral, counterparty type and it covers loans, derivatives and below the line exposure.

In addition, it is not clear what organisational level 'counterparty' refers to (e.g. client group, legal entity or account).

It would be helpful to have more precision on what 'funding' (columns 050-060) refers to (i.e. type and amount) in order to provide the resolution authority with the right information.



Regarding 'gross exposure', it is not clear whether gross exposure should encompass any sort of netting (for derivatives, SFT or securities) eligible under IFRS.

We would also welcome more instructions on Column 090 regarding the approach to determine the impact on CET1 ratio in the event of a counterparty default.

Annex V – Liabilities structure

Although we understand the rationale for requesting this information, we believe the EBA is going into a level of detail that is unnecessary.

While banks are able to provide counterparty breakdown for issued bank debt based on primary market issuance data, it would be much more difficult for debt that is traded on a secondary market.

It would be helpful for the EBA to determine whether counterparties should be identified at individual entity level or at the counterparty parent level.

In addition, in the current templates it is unclear where derivatives should be reported and whether the net liability should be set forth in senior unsecured debts.

Deposits should be divided between corporate and retail/SME deposits given that they have a different position in the bail-in hierarchy.

Liabilities excluded from bail-in should also be requested in these templates in a specific category.

Finally, we have noticed that some of the reporting on liabilities broken down by counterparty type (e.g. rows 080 and 090 at domestic level) is already provided to competent authorities at national level in the context of monthly balance sheet statistics.

Annex VI – Funding sources

Annex VI requires data at a very deep level of granularity; we believe the reporting should cover only Significant Legal Entities.

Further clarification is needed around what the EBA means by 'assets pledged'. This could be similar to IFRS 7.14 where the concern is around assets pledged against on-balance sheet liabilities only (e.g. repo and derivatives) or this could cover all types of pledging including where there is an off-balance sheet liability or no liability (e.g. collateral swaps, default funds)

Annex VII – Off balance sheet

This request seems reasonable, however the EBA needs to highlight that the resolution authority will not ask data for all counterparties but focus on Significant Legal Entities.

Annex VIII – Payment systems

The EBA needs to provide clear definitions of payment systems in order for the data to be meaningful. To define 'financial market infrastructures' the EBA could use the definition adopted by the Committee on Payments and Settlement Systems (CPSS) and



the Technical Committee of the International Organization of Securities Commissions (IOSCO). Similarly, the EBA needs to clarify what ‘substitutability’ means in this context.

It would also be helpful for the EBA to refer to the definition of ‘critical functions’ and ‘core business lines’ that will be provided in the future European Commission’s delegated acts. At this stage, there is no harmonised definition of critical functions and core business lines at EU level.

Annex IX – Information systems

Given the wide spectrum of information that can be covered by this annex, we would welcome a clearer scope and specific definitions, especially of the notion of ‘criticality’.

The requests should apply to key information systems based on criteria developed by the firm. A materiality threshold needs to be defined in order for the reporting to be meaningful.

Annex X – Interconnectedness

While we understand the necessity to capture interconnectedness, we believe the request is not practical as currently drafted. The chapter on interconnectedness is too vague, and therefore unlikely to provide resolution authorities with the right data. It would be helpful to know what resolution authorities seek to understand to ensure that banks provide information that is useful in light of the resolution authority’s expectations.

We believe that there should be sub-categories and clear guidance on the level of detail required when providing information. We would suggest breaking the annex X into two subcategories: Financial (x-guarantees, intra-group funding, set-offs, etc.) and Non-Financial (people, property, systems, etc.).

Several notions need to be clarified by the EBA to ensure that institutions understand the information request, especially ‘risk transfers’, ‘back-to-back trading arrangements’, and ‘cross guarantee agreements’. It is also unclear what the difference is between ‘credit exposure’ in section X and ‘intra-group liabilities’ in section V.

Banks already report on large loans, which provides partial information on interconnectedness. For instance, Deutsche Bank reports on large loans to the Deutsche Bundesbank at the end of each quarter in the context of the German Banking Act.

Annex XI – Authorities

This information should be provided directly by competent authorities.

Annex XII – Legal impact of resolution

It would be helpful if the EBA could clarify this requirement. As currently drafted, the RTS could imply that assessing the legal impact of resolution would be a matter of interpretation, difficult to quantify.

Q2: Do you think that forms and templates capturing necessary information for resolution planning purpose are missing in this minimum set?



Regarding annex V on liabilities structure, deposits should be divided between corporate and retail/SME deposits given that they have a different position in the bail-in hierarchy. Also, liabilities excluded from bail-in should also be requested in these templates in a specific category.

In annex X on interconnectedness, the EBA might want to clarify what the resolution authorities are seeking to achieve from the interconnectedness analysis, in order for the information to be relevant for resolution planning.