



September 30, 2019

Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

RE: Notice; request for comment, Proposed Agency Information Collection Activities for the Capital Assessments and Stress Testing Reports (FY Y-14A/Q/M; OMB No. 7100-0341)

Deutsche Bank appreciates the opportunity to comment on the proposed Agency Information Collection Activities the Board of Governors of the Federal Reserve System (the “Board”) issued on the Capital Assessments and Stress Testing Reports.

This letter comments on both proposals to revise the Capital Assessments and Stress Testing Reports (OMB No. 7100-0341 FR Docs. 2019-16340 & 2019-16341), covering Current Expected Credit Loss (CECL) and non-CECL methodology revisions into the FR Y-14A/Q/M reports.

Deutsche Bank recognizes the importance that these reports have in regards to the successful execution of the Federal Reserve’s Comprehensive Capital Analysis and Review (CCAR) process and the significant role that the stress testing framework has played in reducing the overall level of risk in the financial services industry.

We also want to ensure that the changes to CCAR related reports are done appropriately and that the bank has the necessary time to make the changes and review the output prior to formal submission. Given the automated nature of components of our reporting, sufficient lead time is required to properly effect changes. In addition, we leverage third party software (e.g. Axiom, a provider of CCAR reporting functionality) for our reporting and this provider will also require time to update their applications to reflect the revised reporting requirements, changes which we will then need to incorporate into our processes.

Changes are required for both proposals, CECL and non-CECL related, and both require additional time to implement as compared to what has been proposed by the Board. The technical changes associated with incorporating the CECL standard into CCAR reporting present particular challenges as the Standard is going live on January 1, 2020. Thus, as banks finalize the implementation of the CECL Standard, they also need to incorporate those results into the CCAR projections for FR Y-14A, per the formatting instructions that have been issued. Given the limited amount of time banks would have to produce this report as of December 31, 2019 and the automated nature of these reports, the implementation date cannot be achieved without unduly increasing the operational risk in the reporting.



In addition, the removal of the deposit-funding threshold associated with the non-CECL related proposal presents significant implementation challenges given the amount of time proposed by the Board. Removing the threshold would establish certain line items of A.7.c (Pre-Provision Net Revenue (PPNR) Metrics) and the entire schedule A.7.b (PPNR Net Interest Income (NII)) as new requirements. Incorporating these projections cannot be achieved in such a short period of time, due to the significant resources required to implement the changes and perform the appropriate level of quality assurance. As a result, we recommend that the first FR Y-14A report is produced as of December 31, 2020.

Thus, we are requesting a revision to the as-of effective dates for these reporting changes. In order to properly implement the changes associated with both proposals, we would request that the first:

- 1) FR Y-14A report is produced as of December 31, 2020.
- 2) FR Y-14Q report is produced as of March 31, 2020
- 3) FR Y-14M report is produced as of March 31, 2020
- 4) Delivery of the supplemental information would be as of December 31, 2020

We appreciate your consideration of our comments. Please contact Erik Soderberg at 212 250 3729 if you require further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Eric Smith', with a long, sweeping flourish extending to the right.

Eric Smith  
Chief Financial Officer – Americas  
CCAR Sponsor

Cc:

Tom Patrick, CEO Americas

Christiana Riley, Senior Group Director with responsibility for Americas

Amberish Ratanghayra, Head of US Regulatory Management Group