



Level 3

Order Execution Policy - Corporate and Investment Bank

Retail Client Annex

Deutsche Bank AG (branches & relevant affiliates within the EEA)
Corporate and Investment Bank Division (“The Bank”)



Information on our MiFID order handling & execution policy – Retail Clients

1. Introduction

This Annex provides information on how, where and when best execution is delivered by Deutsche Bank's Corporate and Investment Bank division when handling or executing transactions with Retail Clients, as required by the MiFID II. The term "Client" should therefore be interpreted as referring to Retail Clients only in the context of this Annex.

This Annex should be read in conjunction with Deutsche Bank's overarching Order Execution Policy, available at <https://www.db.com/company/en/order-execution-policy.htm> (the **Policy**). All defined terms which have not been defined in this Annex shall have the meaning given in the Policy.

2. Scope

This Annex applies to business undertaken with Deutsche Bank's Corporate and Investment Bank division.

This Annex covers Orders in products in the following asset classes:

- Currency derivatives, including swaps, forwards, and other currency derivatives
- Interest rates derivatives
- Structured financial instruments
- Debt instruments
- Securitized derivatives

together, the **Retail Asset Classes**.

In addition, please see section 4 below in relation to foreign exchange transactions.

Note that this Annex does not apply to listed products.

3. Legitimate Reliance

As outlined in the Policy, best execution is owed where Deutsche Bank executes Orders on behalf of Clients where Clients place legitimate reliance on Deutsche Bank to protect their interests in relation to pricing and other elements of the transaction. Deutsche Bank's assumption is that Clients always place legitimate reliance on Deutsche Bank, and therefore that best execution applies.

If Deutsche Bank is not executing an Order on a Client's behalf, Deutsche Bank will not owe best execution to such Client and accordingly the Policy and this Annex will not apply.



4. Foreign exchange transactions Spot Foreign Exchange and Precious Metals

As outlined in Deutsche Bank's overarching order execution Policy, the scope of best execution is limited to dealings in Financial Instruments as defined in MiFID II. Deliverable spot foreign exchange and precious metals are not MiFID II Financial Instruments and as such are not required to be covered by the Deutsche Bank's MiFID II Best Execution arrangements.

Whilst deliverable spot foreign exchange and precious metals are not Financial Instruments, Foreign Exchange derivatives (FX Derivatives) do meet the definition of a financial instrument and are therefore subject to best execution obligations. FX Derivatives include FX forwards, FX swaps, non-deliverable forwards and options.

5. Execution Factors

When executing Orders for Clients in Financial Instruments, Deutsche Bank considers the Execution Factors as part of its obligation to take all sufficient steps to obtain the best possible result for its Clients. The categorisation of the Client as a Retail Client has a significant impact on the way in which Deutsche Bank considers the Execution Factors, as set out in more detail below.

When assessing how to achieve the best result for Orders placed by Retail Clients, Deutsche Bank will determine the best possible result only in terms of the total consideration, and therefore by reference to the Execution Factors of price of the Financial Instrument and the costs related to execution, including all expenses incurred by the client which are directly relating to the execution of the Order, including venue fees, clearing and settlement fees, plus any fee paid to a third party involved in executing the Order. Deutsche Bank may however on occasion also consider other Execution Factors such as speed, size, and likelihood of execution and/or settlement where it considers this appropriate or necessary, but only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Retail Client. For example, this may be the case where multiple execution venues offer the same total consideration or where the Execution Factor itself will or is likely to impact total consideration. In such circumstances, Deutsche Bank will determine the relative priority of each Execution Factor other than price and costs on an order-by-order basis.

Note that Deutsche Bank is not required to compare the results that would be achieved for an Order placed by a Retail Client on the basis of its own execution policy and its own commissions and fees, with results that might be achieved for the same Order by any other firm on the basis of a different execution policy or a different structure of commission or fees, nor is it required to compare the differences in its own commissions which are attributable to differences in the nature of the services that Deutsche Bank provides to its Clients.

The Execution Factors that may be considered by Deutsche Bank in the circumstances described above are explained in more detail below:

Likelihood of execution and settlement of the order

The likelihood of execution refers to the likelihood that an Order will actually be executed at an Execution Venue. Since Financial Instruments are usually subject to price fluctuations, and a price trend detrimental to the Client may arise following the Order being placed with an Execution Venue, priority may be given to venues where the Order is likely to be fully executed within a short space of time. The liquidity of an Execution Venue is especially significant for whether an Order is actually executed at this Execution Venue.

In respect of the likelihood of settlement, Deutsche Bank evaluates the risks of a problematic settlement of Financial Instruments, which may have an adverse effect on supply or payment.



Speed

Execution speed, which is largely determined by the market model and the execution channel, refers to the time period between receipt of the Order and the time the Order can be executed at the Execution Venue.

Size and nature of the order

When executing the Order, Deutsche Bank considers the size of the Order on the one hand and the nature of the Order on the other. The Client can determine the nature of the Order when issuing the Order (e.g. unlimited or limited, time limited). Accordingly, these Order and limit stipulations are considered by Deutsche Bank when executing the Order. The size and nature of the order may influence the price and costs and therefore the choice of an Execution Venue.

Other relevant criteria for execution

Deutsche Bank considers other relevant criteria for execution such as trading times, complaint handling and further criteria. Deutsche Bank will determine the relative importance of these other factors according to what Deutsche Bank considers to be most useful for the respective needs of the Client based upon the Order in question.

6. Choice of execution venue

Deutsche Bank itself is the sole Execution Venue used for executing Orders in the Retail Asset Classes for Clients and therefore is the Execution Venue on which it places significant reliance in meeting its obligation to take all sufficient steps to achieve the best possible result for Clients on a consistent basis. Deutsche Bank considers that by internalizing all Orders it is able to obtain best execution for Clients on a consistent basis. Deutsche Bank reasonably expects that, by selecting this Execution Venue, it will be able to obtain results for Clients that are at least as good as the results that it could reasonably expect from using alternative Execution Venues.

Deutsche Bank does not transmit orders in the Retail Asset Classes to any other entities for execution.

See Section 7 of the Policy for the risks associated with OTC execution.

7. Monitoring of Best Execution

In accordance with section 6 of the Policy, all transactions (executed either through voice or electronic channels) where Deutsche Bank has assessed that it owes best execution are benchmarked on an individual or aggregate basis against internal reference prices or relevant internal data to ensure that best execution is achieved on a consistent basis. Deutsche Bank may use a number of data sources including external and internal price data to produce the relevant internal reference price or relevant internal data.

The results and methodology of such benchmarking will be reviewed on a regular basis to identify if any corrective steps are required, or if alternative Execution Venues should be used. The scope of the application of the best execution obligation and arrangements, including this Policy, are subject to periodic review and will be revised as necessary.