

DEUTSCHE HOLDINGS LIMITED

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors of Deutsche Holdings Limited ("the Company") present their annual report and audited financial statements for the year ended 31 December 2019. These financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* ("FRS 101"). In so doing, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the European Union ("IFRSs"), but has made amendments, where necessary, in order to comply with the requirements of Companies Act 2006.

Objectives

The primary objective of the Company is to function as an intermediate holding company of DB UK Bank Limited, a United Kingdom bank authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and Financial Conduct Authority. The Company is also involved in the provision of funding to other Group companies.

The Company is one of the subsidiaries of Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"). Deutsche Bank AG and its other subsidiaries are collectively referred to as "the Group" in these financial statements.

Section 172 Companies Act 2006 Statement

Deutsche Holdings Limited (the "Company") is a holding company and has no operating business, employees or relationships with suppliers or customers. Consistent with DB Group policies, the directors are committed to implementing and maintaining strong disciplines in their decision making and high standards of business conduct. Insofar as the directors have made decisions during the financial year, they have had regard to the factors set out above where relevant in performing their duties under Section 172, particularly the likely consequences of such decisions in the long term and their impact on the wider DB Group.

The Company operates in accordance with relevant DB Group policies, procedures, principles and codes of conduct as well as its framework of prudent controls which enables risk to be assessed and managed. The DB Group is committed to the Paris Pledge for Action and has recently been part of the first round of signatories to the UN Principles for Responsible Banking.

Principal risks and uncertainties

The Company is subject to a range of risks which are primarily internal to the Group and include interest rate and credit risk stemming from its loans and deposits. These loans and deposits were settled in the year. Remaining risks in the entity are managed within the risk and control functions of the Group and those of its subsidiaries.

The Directors acknowledge their responsibility for the overall management of the risks faced by the Company and note that the key business risks and uncertainties affecting the Company are considered to relate to the performance of its subsidiary company, DB UK Bank Limited.

Key performance indicators

The key business metric for the Company which is monitored by the Board is:

	<u>2019</u>	<u>2018</u>
Net Assets (£m)	372	372

Current period results and dividends

The result of the Company for the year ended 31 December 2019 shows a post-tax profit of £6,777 (2018: £4.30m).

The decrease in profit for the current year was driven by the maturity of the Company's interest-bearing loans in 2018.

No dividend is paid or proposed by the Directors during the year (2018: £938.38m).

Events after balance sheet date

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. The impact of COVID-19 is expected to continue on the global economy for the coming months with likely adverse effects on the operations and financial position of businesses. The Directors do not consider there to be a material impact on the operations and financial position of the Company. The Company has and continues to assess material risks and their implications to the business operations as a result of the global spread of COVID-19. As this is an evolving situation, emerging risks are reviewed and actively managed accordingly as they arise.

This is a non-adjusting event and an estimate of the financial effect cannot be made at the date of approving these financial statements as the situation remains a rapidly evolving one.

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Future outlook

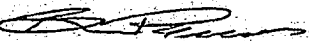
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

On 31 January 2020, the United Kingdom ("UK") formally left the European Union ("EU") ("Brexit"), by reaching an agreement with the EU. UK is now in the transition period which is due to end on 31 December 2020. The future impacts of Brexit to the Company cannot be predicted but the Directors will continue to closely monitor the developments and assess the possible impacts of these developments on the Company. As at the date of this report the Directors have no reason to believe that any of these uncertain factors will have any impact on the Company given that the Company does not have any balances that are external to the Group.

The global spread of COVID-19 has resulted in governments taking varied actions towards stemming its spread and also bolstering economies. Consequently, the global economy has seen a slowdown of economic activity in many sectors and increased volatility in the financial markets including the UK. Since the Company does not have any trading operations, COVID-19 is not expected to have any significant impact on the business. The Company is closely monitoring the spread of COVID-19, the actions and reactions of Governments and the potential effects it will have on its business.

The outlook of the business is stable, and it is expected that the Company will maintain its current level of activity and profitability.

By order of the Board of Directors



Benjamin Pallas

Director

Registered office

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Dated: 21 September 2020

Company number: 05593555