

DEUTSCHE HOLDINGS NO.3 LIMITED

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors of Deutsche Holdings No.3 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 The Companies Act 2006.

Objectives

The primary objective of the Company is to function as a holding company.

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" for the purpose of these financial statements.

Section 172 Companies Act 2006 Statement

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 management of the business is subject to a number of risks. While the Directors acknowledge their responsibility for the overall management of these risks, as a wholly owned subsidiary of the Group, they are centrally managed within the risk and control functions of the Group.

The Directors note that the key business risks and uncertainties affecting the Company stem from the market and credit risks associated with its investments and amounts owed to group undertakings. Management of any market and credit risks will involve undertaking transactions with the ultimate parent and fellow subsidiary undertakings of the Company.

Market and credit risk

The Company's market and credit risk is primarily attributable to unsecured amounts owed to the Group and the risk of losses in its subsidiaries, impacting the carrying value of investments and their potential for impairment.

The risks faced by the Company are predominantly internal to the Group and include interest rate and credit risk stemming from its funding activities. As a wholly owned subsidiary within the Group, these and other risks are managed within the risk and control functions of the Group.

Key performance indicators

The key business metrics for the Company which are regularly monitored by the Board include:

	<u>2019</u>	<u>2018</u>
	€	€
Pre-tax Profit	59,165,392	138,343,249
Net Assets	234,020,052	174,822,681

Current period results and dividends

The result of the Company for the year ended 31 December 2019 shows a post-tax profit of €59,197,371 (2018: €138,010,066).

The profit for the year was, primarily, driven by dividend income received on 31 May 2019 from the Company's subsidiary, DB UK Holdings Limited, amounting to €61,000,000 (2018: €139,000,000). Additionally, the Company recognised net interest income of €1,406,602 (2018: €1,458,513) and investments were written off during the year €1,666,298 (2018: €2,410,344).

No dividend is paid or proposed by the Directors during the year (2018: €294,000,000).

STRATEGIC REPORT (continued)
For the year ended 31 December 2019

Events after the 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.

On 8 April 2020, the Company's subsidiary, Deutsche Morgan Grenfell Group Limited has been re-registered from a public limited company to a private limited company.

On 5 June 2020, the Company received a dividend of €900,000,000 from its subsidiary, Deutsche Morgan Grenfell Group Limited. On the same day, the Company utilised the cash received to reduce its borrowings from Deutsche Holdings No. 2 Limited.

On 24 June 2020, the Company received a dividend of £3,400,000 from its subsidiary, DB Equity Limited.

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 the financial statements.

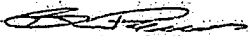
The Directors of the Company have considered the financial position of the Deutsche Bank Group as at 30 June 2020, to understand that, as of the date of signing these Accounts, the Deutsche Bank Group has the ability and intent to continue to support the Company.

On 31 January 2020, the United Kingdom ("UK") formally left the European Union ("EU") ("Brexit"), by reaching an agreement with the EU. The 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 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.

By order of the Board of Directors



Ben Pallas
Director

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Dated: 29 September, 2020

Company number: 06007134