

DB OVERSEAS HOLDINGS LIMITED

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors of DB Overseas 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 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. Decisions during the year have been limited to the Company managing its investments.

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 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.

The Directors acknowledge their responsibility for the overall management of the risks faced by the Company. The key business risks and uncertainties affecting the Company are driven by those of its subsidiaries and derivative counterparties.

Key performance indicators

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

	<u>2019</u> € 000s	<u>2018</u> € 000s
Pre-tax (Loss)/Profit	(3,462)	5,553
Net Assets	52,840	55,610

Current period results and dividends

The result of the Company for the year ended 31 December 2019 shows a post-tax loss of €(2,770,000) (2018: post-tax profit of €5,700,000).

The loss for the year was driven by €(3,379,000) loss on fair value adjustments on the total return swap with Charitable Luxembourg Two S.a.r.l and IVAF Jersey Limited and €(129,000) interest expense on short term borrowings with DB AG London.

On 31 January 2019, the Company sold its remaining investment in Gordian Knot Limited for €174,495. A gain of €174,495 was recognised from the sale of investment.

The Company's funding and cashflow profiles are largely unchanged and its balance sheet remains stable.

No final dividend is paid or proposed by the Directors during the year (2018: €nil).

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 consider an estimated €2,500,000 material impact on the operations and financial position of the Company due to a 25% drop in Quarter 1 2020 fund account relating to Charitable Luxembourg Two S.a.r.l.'s main asset (High Street). High Street consists mainly of German commercial property with high exposure to retail. 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 4 September 2020, the Company received a dividend of €1,891,113 from its subsidiary, DB International Investments Limited.

Future outlook

As a result of the letter of comfort from its indirect parent, Deutsche Holdings No.2 Limited, the Company is able to maintain its good standing and remain in a position to meet its obligations as they fall due.

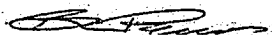
As a result of the declaration of backing from its parent Deutsche Bank AG, the Company is able to maintain its good standing and remain in a position to meet its obligations as they fall due. The Directors of the Company have considered the financial position of the Deutsche Bank Group as at 30 June 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 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.

By order of the Board of Directors



Ben Pallas
Director

Registered office
Winchester House
1 Great Winchester Street
London
EC2N 2DB

Dated: 5 October, 2020

Company number: 01268118