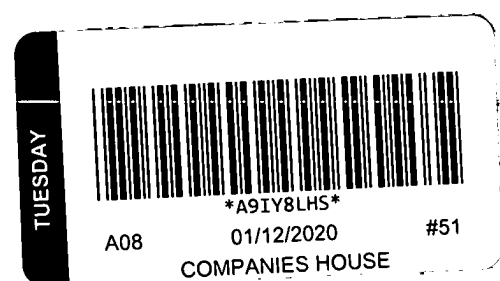

DB UK HOLDINGS LIMITED

Company number: 03650236

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019



DB UK HOLDINGS LIMITED

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors of DB UK 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 act as a holding company and to provide funding to various Special Purpose Vehicles set up by the Structured Capital Markets business of Deutsche Bank AG. The Company also holds several investments of a strategic nature on behalf of the Group.

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

The Company is a holding company and has no operating business, employees or relationships with suppliers or customers. Its purpose is simply to act as parent to a number of subsidiaries and to hold investments on behalf of the DB Group.

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 related to oversight of the Company's investments. For example the Directors considered and approved the incorporation of a UK subsidiary to act as a software product development facility for the DB Group. In approving the transaction, the directors had regard to the likely consequences of the decision in the long term and on shareholder value in ensuring that, prior to approval, DB Group approval processes had been followed and in ensuring ongoing corporate oversight of the subsidiary by requiring a representative of the subsidiary to join the Board.

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 by 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 by the Group and the risk of losses in its subsidiaries, impacting the carrying value of investments and their potential for impairment.

The Company's activities expose it to the risk of changes in foreign currency exchange rates and interest rates. The Company's foreign exchange exposures are sold-off on a monthly basis while interest bearing assets and liabilities are rolled on a quarterly basis, in order to mitigate these risks.

Key performance indicators

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

	<u>2019</u>	<u>2018</u>
	€	€
Pre-tax Profit	11,500,563	22,123,511
Net Assets	383,931,296	432,159,127

DB UK HOLDINGS LIMITED

STRATEGIC REPORT (continued)

For the year ended 31 December 2019

Current period performance

The result of the Company for the year ended 31 December 2019 shows a post-tax profit of €12,772,169 (2018: €23,241,708).

As a holding company, the profit or loss is driven by events in relation to the Company's fixed assets. During the year, the Company received €12,751,171 dividends, mainly from its shares in group undertakings and €4,365,762 net fair value changes in other investments. These income were offset mainly by €(2,233,881) net provision for impairment on shares in group undertakings.

Other matters during the year

On 31 January 2019, the Company received €10,854,000 of proceeds from the sale of Euroclear Holding SA/NV.

The Company received and paid out dividends during the year as follows:

- €666,222 from DGPA Capital on 9 May 2019;
- €4,934,948 from OTCDeriv Limited on 13 June 2019;
- €6,800,000 from DBOI Global Services (UK) Limited on 28 June 2019;
- €350,001 from CreditDeriv Limited on 21 June 2019 on 12 December 2019; and
- €61,000,000 to its parent, Deutsche Holdings No.3 Limited ("DH3") on 31 May 2019.

On 22 May 2019, DB Energy Commodities Limited, a direct subsidiary was dissolved. No gain or loss was recognized.

On 7 June 2019, the Company borrowed to fund a loan from Deutsche Bank AG, London Branch ("DB AG, London Branch") of €921,826,197 with offsetting loan to DBUSBZ2, S.à r.l. ("BZ2"). The loan to BZ2 will be used to purchase third party loans from DB AG, London Branch.

On 21 June 2019, the Company contributed €10,200,112 capital to a new group undertaking, Breaking Wave DB Limited.

On 20 August 2019, Kradavim UK Lease Holdings Limited, Sixco Leasing Limited, and DEAM Infrastructure Limited, direct subsidiaries were liquidated. No gain or loss was recognized.

On 20 September 2019, the Company received €782,631 from the liquidation of its investment in DB Nexus Investments (UK) Limited. No gain or loss was recognised.

Events after the balance sheet date

On 10 March 2020, the Company paid €414,365 to Neptune Networks Limited for 80 additional B shares.

On 22 April 2020, the Company received a dividend of €488,804 from DGPA Capital.

On 11 June 2020, the Company received a dividend of €6,422,000 from DBOI Global Services (UK) Limited.

On 18 August 2020, the Company paid €1,673,027 (\$2,000,020) for 2.63% stake in AccessFintech Limited.

On 27 August 2020, the Company paid €4,522,874 (£4,042,499) for 8.22% stake in CloudMargin Limited.

On 17 September 2020, the Company received €28,951,734 representing partial return of capital and €5,085,748 dividends from its direct subsidiary, DB Enfield Infrastructure Holdings Limited.

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 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.

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

Future outlook

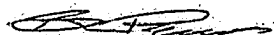
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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 impact 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

Registered office
23 Great Winchester Street
London
EC2P 2AX

Dated: 5 October, 2020

Company number: 03650236

DIRECTORS' REPORT

For the year ended 31 December 2019

Directors

The Directors of the Company who held office were as follows:

N.K.J. Calvert	(resigned 24 May 2019)
J. Macdonald	(appointed 2 April 2019)
T. Nielsen	(appointed 4 September 2019; resigned 11 May 2020)
B.J. Pallas	
C.C. Snailham	(appointed 2 April 2019)

Company secretary

J.L. Bagshaw	(appointed 16 September 2019)
A.W. Bartlett	(appointed 16 September 2019)
P. Davis	(resigned 16 September 2019)

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures which have been disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors have confirmed that they spent time appropriate to their responsibilities on the affairs of the Company during the year.

The Directors have chosen, in accordance with section 414C(11) of the Companies Act 2006, to set out in its Strategic Report information that is otherwise required to be contained in the Directors' Report:

- an indication of financial risk management objectives and policies;
- details of important events affecting the Company (and any subsidiaries in its consolidation) since the year-end; and
- an indication of likely future developments in the business of the Company.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DB UK HOLDINGS LIMITED

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019


Qualifying third party indemnity provision

As at the date of approval of the financial statements, and during the year, a qualifying third party indemnity provision was in force for the benefit of the Company's Directors.

Auditor

During the year 2020 KPMG LLP will resign as Auditor of the Company, satisfying the European and national regulation requiring the auditors' rotation. Ernst & Young will be recommended by the Directors, at the next board meeting, as external Auditors for the financial year 2020.

By order of the Board of Directors



Ben Pallas
Director

Registered office

23 Great Winchester Street
London
EC2P 2AX

Dated: 5 October, 2020

Company number: 03650236

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DB UK HOLDINGS LIMITED
For the year ended 31 December 2019

Opinion

We have audited the financial statements of DB UK Holdings Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of the basis for a period for at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditors' report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The Directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Companies Act 2006, we required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DB UK HOLDINGS LIMITED
For the year ended 31 December 2019

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mike Heath (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Dated: 9 October 2020

DB UK HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

	Note	2019 €	2018 €
Income from shares in group undertakings	4	6,800,000	5,935,693
Income from other investments		5,951,171	4,560,143
Interest receivable and similar income from group undertakings	5	1,755,564	283,611
Other interest payable and similar expenses		(2,706)	(1,503)
Interest payable and similar expenses to group undertakings	6	(2,808,109)	(5,710,732)
Provision for impairment against shares in group undertakings	10	(2,251,707)	(81,598)
Write back of provision for diminution in value of shares in group undertakings		405	-
Write back of provision for diminution in value of participating interests	11	17,421	282,108
Net gain/(loss) on changes in fair value of other investments	12	4,365,762	16,830,176
Other administrative expenses		(212,782)	-
Net impairment loss	7	(1,849,338)	-
Net foreign exchange gain/(loss)	8	(265,118)	25,613
PROFIT BEFORE TAXATION		11,500,563	22,123,511
Tax credit on profit	9	1,271,606	1,118,197
PROFIT FOR THE FINANCIAL YEAR		12,772,169	23,241,708

The profit for the year has arisen from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

DB UK HOLDINGS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>
	€	€
Profit for the financial year	12,772,169	23,241,708
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	12,772,169	23,241,708

The comprehensive income for the year has arisen from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

DB UK HOLDINGS LIMITED

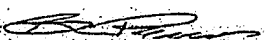
BALANCE SHEET

As at 31 December 2019

	Note	2019 €	2018 €
FIXED ASSETS			
Shares in group undertakings	10	42,124,531	34,976,015
Participating interests	11	4,446,451	4,301,504
Other investments	12	34,907,439	42,216,677
		81,478,421	81,494,196
CURRENT ASSETS			
Amounts owed by group undertakings	13	2,273,805,510	324,829,889
Other debtors	14	2,401,383	1,763,971
Prepayments and accrued income	15	190,789	59,981
Cash at bank and in hand	16	56,652,629	101,004,851
		2,333,050,311	427,658,692
CREDITORS: Amounts falling due within one year			
Amounts owed to group undertakings	17	(2,026,584,873)	(72,298,601)
Other creditors including taxation and social security	18	(3,824,239)	(4,552,636)
Accruals and deferred income	19	(188,324)	(142,524)
		(2,030,597,436)	(76,993,761)
NET CURRENT ASSETS		302,452,875	350,664,931
NET ASSETS		383,931,296	432,159,127
CAPITAL AND RESERVES			
Called up share capital	20	46,500,001	46,500,001
Profit and loss account		337,431,295	385,659,126
SHAREHOLDER'S FUNDS		383,931,296	432,159,127

The notes on pages 12 to 25 form part of these financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by



Director Ben Pallas

Dated: 5 October, 2020

Company number: 03650236

DB UK HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	<u>Called Up</u> <u>Share Capital</u> €	<u>Profit and Loss</u> <u>Account</u> €	<u>Total</u> €
Balance at 1 January 2019	46,500,001	385,659,126	432,159,127
Dividends paid	-	(61,000,000)	(61,000,000)
Profit for the financial year	-	12,772,169	12,772,169
Balance at 31 December 2019	46,500,001	337,431,295	383,931,296

For the year ended 31 December 2018

	<u>Called Up</u> <u>Share Capital</u> €	<u>Profit and Loss</u> <u>Account</u> €	<u>Total</u> €
Balance at 1 January 2018	46,500,001	501,417,418	547,917,419
Dividends paid	-	(139,000,000)	(139,000,000)
Profit for the financial year	-	23,241,708	23,241,708
Balance at 31 December 2018	46,500,001	385,659,126	432,159,127

The notes on pages 12 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared in accordance with FRS 101 *Reduced Disclosure Framework*.

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. Accordingly, the relevant IFRS have been referenced in the following notes where relevant.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of transactions with related parties; and
- The effects of new but not yet effective IFRSs.

As the Company is not a 'Financial Institution', as defined by the Financial Reporting Council, it has applied the exemptions available for disclosures required by IFRS 7, IFRS 13 and IAS 1.

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. In considering going concern, the Company continues to closely monitor developments related to the outbreak of COVID-19. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. To assess any potential impact on the Company, the directors reassessed the components of funding, liquidity and the financial position of the Company and have concluded that the going concern basis is still appropriate. The reassessment by management demonstrated that the Company has access to sufficient funding and liquidity to withstand the current market conditions.

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 these financial statements.

The executive directors of the Company are members of the Group defined benefit and defined contribution pension schemes operated by DB Group Services (UK) Limited ("DBGS"); details of which are disclosed in the financial statements of that entity. The Company has no obligation to pay employee retirement benefits, and has no commitment or guarantee to indemnify DBGS for retirement benefit liabilities.

The Company is incorporated, registered and domiciled in England and Wales (UK) as a private limited company, limited by shares.

Deutsche Holdings No.3 Limited, a company registered in England and Wales, is the Company's immediate controlling entity.

Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"), a company incorporated in Germany, is the parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared, in accordance with IFRSs. Its registered address is Taunusanlage 12, Frankfurt am Main, 60325, Germany. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

(a) Group financial statements

As the Company is a wholly owned subsidiary undertaking of Deutsche Holdings No.3 Limited, itself a wholly owned indirect subsidiary undertaking of Deutsche Bank AG, which is incorporated in the European Union ("EU") and which publishes consolidated financial statements, the Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Changes in accounting policy

There were no amendments to the accounting standards that are effective for the year ended 31 December 2019 that would have a material impact to the Company.

(c) Turnover and cost of sales

Turnover and cost of sales are not disclosed in the profit and loss account as they are not appropriate for the Company's business.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)

(d) Interest receivable and similar income and Interest payable and similar expenses to/from group undertakings

This includes interest on loans, interest-earning deposits and short-term borrowings. Interest income and expense are recognised in the profit and loss account as they accrue using the effective interest method.

The effective interest rate is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows. The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs, and all other premiums or discounts.

(e) Interest income on amounts owed to group undertakings and interest expense on amounts owed by group undertakings bearing negative interest rate

Negative interest paid on an asset is presented in interest payable and similar expenses to group undertakings (not presented as a contra to interest receivable and similar income from group undertakings), and parallel treatment for negative interest on liabilities.

(f) Income from shares in group undertakings, participating interest and other investments

Dividend income is recognised in the profit and loss account when the right to receive the payment is established.

Dividends to the Company's shareholder are recognised the earlier of shareholder approval and actual payment.

(g) Current and deferred taxation

The charge or credit for taxation is based on profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits and deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period that the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

(h) Foreign exchange

Foreign currency transactions are translated into Euros at the rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are then re-translated into Euros at the rates ruling on that date with the resulting translation differences being recognised in the profit and loss account.

(i) Financial assets

The Company has applied IFRS 9 which requires the classification of financial assets to be determined based on both the business model used for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There are three business models available under IFRS 9:

- Hold to Collect – Financial assets held with the objective to collect contractual cash flows. They are subsequently measured at amortised cost and are recorded in multiple lines on the Balance Sheet.
- Hold to Collect and Sell – Financial assets held with the objective of both collecting contractual cash flows and selling financial assets. They are recorded as Financial assets at Fair Value through Other Comprehensive Income on the Balance Sheet.
- Other – Financial assets held with trading intent or that do not meet the criteria of either "Hold to collect" or "Hold to collect and sell". They are recorded as Financial Assets at Fair Value through Profit or Loss on the Balance Sheet.

If a financial asset is held in either a Hold to Collect or a Hold to Collect and Sell business model, then an assessment to determine whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding at initial recognition is required to determine the classification.

Contractual cash flows, that are solely payments of principal and interest on the principal amount outstanding, are consistent with a basic lending arrangement. Interest is consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

The Company considers that all of its financial assets are managed in line with a Hold to Collect business model. Furthermore all of its financial assets consist solely payments of principal and interest. The company has therefore reported its financial assets at amortised cost, and there have been no balance sheet reclassifications or remeasurements as a result of the implementation of IFRS 9.

Financial assets at fair value through profit or loss

The financial assets classified as Financial Assets at fair value through profit or loss are measured at fair value with related realised and unrealised gains and losses included in Net gains/(losses) on financial assets/liabilities at fair value through profit or loss. Interest on interest earning assets such as trading loans and debt securities and dividends on equity instruments are presented in Interest and Similar Income.

Financial assets classified at fair value through profit or loss are recognised or derecognised on trade date. Trade date is the date on which the company commits to purchase or sell the asset.

Financial assets at fair value through profit or loss include Trading Assets, Non-trading financial assets mandatory at fair value through profit and Financial Assets Designated at Fair Value through Profit or Loss.

Financial Assets Designated at Fair Value through Profit or Loss – Certain financial assets that would otherwise be measured subsequently at amortised cost or at fair value through other comprehensive income, may be designated at Fair Value through Profit or Loss if the designation eliminates or significantly reduces a measurement or recognition inconsistency. The use of the fair value option under IFRS 9 is extremely limited. The fair value option is designated only for those financial instruments for which a reliable estimate of fair value can be obtained.

Financial assets at fair value through profit or loss comprise of other investments.

Financial assets at amortised cost

A financial asset is classified and subsequently measured at amortised cost if the financial asset is held in a Hold to Collect business model and the contractual cash flows are SPPI.

Under this measurement category, the financial asset is measured at fair value at initial recognition. Subsequently the carrying amount is reduced for principal payments, plus or minus the cumulative amortization using the effective interest method for any premiums or discount. The financial asset is assessed for impairment under the IFRS 9 Expected Credit Loss model where provisions are recognised based on expectations of potential credit losses. The company's impairment of financial instruments policy is described further in the section "Impairment". Financial assets measured at amortised cost are recognised on a settlement date basis.

Financial assets at amortised cost comprise of amounts owed by group undertakings, prepayments and accrued income and cash at bank and in hand.

(j) Shares in group undertakings

Shares in group undertakings are stated at cost less impairment.

(k) Participating interests

Participating interests are investments by the Company wherein there is significant influence on an entity that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Participating interests are accounted for at cost less, where appropriate, allowances for impairment.

(l) Other investments

Other investments include listed and unlisted shares held by the Company and are stated at fair value through profit or loss.

(m) Fair value hedge

For accounting purposes, a fair value hedge is one which hedges the changes in the fair value of assets, liabilities or unrecognised firm commitments. The Company has adopted hedge accounting in respect of the currency risk associated with its financial assets at fair value through profit or loss and participating interest.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)

(m) Fair value hedge (continued)

The Company has designated and documented a hedging relationship, the risk management objective and strategy for establishing the hedging relationship and the nature of the risk being hedged. This documentation includes a description of how the Company will assess the relationship's effectiveness in offsetting the exposure to changes in the hedged item's fair value.

The terms of the financial assets at fair value through profit or loss and participating interests and their associated funding trades (i.e. the hedging instrument) are matched. Nonetheless, hedge effectiveness is assessed at inception and annually thereafter.

Any changes in the fair value of the financial assets at fair value through profit or loss and participating interests are recognised in the profit and loss account along with changes in the entire fair value of the associated funding trade.

(n) Offsetting

There is no offsetting of financial assets and liabilities in these financial statements.

(o) Impairment

A financial asset cannot be reported at more than what the Company can recover from it (the recoverable amount), either from using it (value in use) or selling it (fair value less cost of disposal). If the asset's carrying amount exceeds the recoverable amount, the asset is deemed impaired and an impairment loss must be recognised in the profit and loss account.

The Company follows a 3 step approach to determining impairment:

1. Assess whether there is any indication of impairment.
2. If any indication of impairment exists, the recoverable amount of the asset must be estimated. This will involve:
 - a) determination of the unit of valuation for impairment purposes; and
 - b) determination of the recoverable amount.
3. If the recoverable amount (defined as the higher of fair value less costs of disposal and value in use) is below the carrying amount of the asset, then the carrying amount must be written down to its recoverable amount. That reduction is an impairment loss.

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with maturities of three months or less and bank overdrafts. In the balance sheet bank overdrafts are shown within 'creditors: amounts falling due within one year' in 'bank loans and overdrafts'.

The cash at bank and in hand is carried at fair value.

(q) Critical accounting estimates and judgements

The preparation of these financial statements requires the directors to make estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

The significant accounting policy of the Company that involves critical accounting estimates relates to the impairment of shares in group undertakings, participating interests and other investments (Note1(j), Note1(k), Note1(l) and Note1(o)).

2 ADMINISTRATIVE EXPENSES

The Company does not have any employees. Employees involved in the Company's operations are all employees of the Group. Their total staff costs are borne by other group companies without recharge. Consequently, staff costs have not been included in these financial statements (2018: €nil).

Auditor's remuneration for services rendered to the Company have been borne by another group undertaking.

	2019	2018
	€	€
Audit of these financial statements	(26,474)	(34,073)
	(26,474)	(34,073)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

3 DIRECTORS' EMOLUMENTS, TRANSACTIONS AND INTERESTS**Emoluments**

As per Note 2, staff and directors are not paid by the Company but by a fellow group undertaking.

	<u>2019</u>	<u>2018</u>
	€	€
Directors' emoluments	-	(8,351)
	<u>-</u>	<u>(8,351)</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director were €nil (2018: £7,500 (€8,351)).

No Directors exercised any shares options under long term incentive schemes.

4 INCOME FROM SHARES IN GROUP UNDERTAKINGS

During the year, the Company received dividends from shares in group undertakings as follows:

	<u>2019</u>	<u>2018</u>
	€	€
DBOI Global Services (UK) Limited	6,800,000	5,839,000
DB Safe Harbour Investments Projects Ltd.	-	96,618
Sixco Leasing Limited	-	75
	<u>6,800,000</u>	<u>5,935,693</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME FROM GROUP UNDERTAKINGS

	<u>2019</u>	<u>2018</u>
	€	€
Interest income on deposits	245,689	197,475
Interest income on loans	1,464,526	-
Interest income on short-term borrowings owed to group undertakings bearing negative interest rate	45,349	86,136
	<u>1,755,564</u>	<u>283,611</u>

Interest income on deposits refers to the interest on surplus cash placed on deposit with DB AG, London Branch.

Interest income on loans pertains to the interest on funding to other group undertakings. On 7 June 2019, the Company recognised a loan to BZZ of €921,826,197 which will be used to purchase third party loans from DB AG, London Branch.

Interest Income was recognised on the Company's EUR borrowings due to short-term EUR rates being negative since 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

6 INTEREST PAYABLE AND SIMILAR EXPENSES TO GROUP UNDERTAKINGS

	<u>2019</u>	<u>2018</u>
	€	€
Interest expense on short-term borrowings owed to group undertakings	(1,977,451)	(4,262,798)
Interest expense on deposits owed to group undertakings bearing negative interest rate	(767,165)	(1,396,771)
Overhead expense allocation - group	(63,493)	(51,163)
	<u>(2,808,109)</u>	<u>(5,710,732)</u>

Interest expense on deposits bearing negative interest refers to the interest on surplus cash placed on deposit with DB AG, London Branch. Interest income on loans bearing negative interest pertains to the interest on funding to other group undertakings.

Interest expense was recognised on the Company's EUR deposits and loans due to short-term EUR rates being negative since 2015.

Group allocated expenses refer to overhead allocation expenses payable mainly to DB AG London Branch and DB Securities Inc.

7 NET IMPAIRMENT LOSS

The net impairment loss consists of expected credit losses on amount owed by group companies and cash at bank and in hand. The break-up and movement of impairment loss is as below:

	<u>Amounts owed by</u> <u>group companies</u>	<u>Cash at bank and</u> <u>in hand</u>	<u>Total</u>
	€	€	€
At 1 January 2019	-	-	-
Change for the year	(1,816,060)	(33,278)	(1,849,338)
At 31 December 2019	<u>(1,816,060)</u>	<u>(33,278)</u>	<u>(1,849,338)</u>

8 NET FOREIGN EXCHANGE LOSS

	<u>2019</u>	<u>2018</u>
	€	€
Net foreign exchange gain/(loss)	(265,118)	25,613
	<u>(265,118)</u>	<u>25,613</u>

The foreign exchange gain is mainly driven by the translation of the Company's non-euro denominated positions for the year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

9 TAX CREDIT ON PROFIT

(a) Analysis of tax on profit

	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
<i>Current taxation</i>		
Group relief credit for the year	559,993	1,026,572
Adjustments in respect of prior periods		6,291
Total tax credit on profit	559,993	1,032,863
<i>Deferred Taxation</i>		
Other Investments	795,332	95,373
Adjustment due to change in tax rate	(83,719)	(10,039)
	711,613	85,334
Tax on profit on ordinary activities	1,271,606	1,118,197

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2018: 19%): The actual tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation.

(b) Current tax reconciliation

	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
Pre-tax profit	11,500,563	22,123,511
Tax on profit at standard rate (2019: 19%; 2018: 19%)	(2,185,107)	(4,203,467)
Adjustments in respect of prior periods	-	6,291
Adjustment due to change in tax rate	(83,719)	(10,039)
Tax adjustments for non-taxable items:		
Income from shares in group undertakings and financial assets at fair value through profit or loss	2,422,722	1,994,209
Impairment of fixed asset investments	(424,437)	(988,386)
Capital gain on disposal of equity investments	-	(4,319,589)
Non-taxable accounting gain in equity investments	-	4,224,216
Expected Credit losses on intercompany balances	(351,374)	-
Benefit from utilisation of unrecognised capital losses	1,893,521	4,319,589
Movement in temporary differences	-	95,373
Tax credit on profit	1,271,606	1,118,197

The Finance Bill 2016, which announced a reduction in the UK corporation tax rate to 17% by 2020, was substantively enacted on 6 September 2016 and is the rate at the Balance Sheet date. The Government has utilised the Provisional Collection of Taxes Act 1968 to maintain the main corporation tax rate at 19%. Substantive enactment of the 19% tax rate occurred on 17 March 2020 and therefore the Company's future tax rate remains unchanged.

The deferred tax asset at 31 December 2019 has been calculated based on the rate of 17% substantively enacted at the balance sheet date. In 2020, deferred tax rate will be subsequently changed back to 19% for future years.

DB UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

10 SHARES IN GROUP UNDERTAKINGS

	<u>2019</u>	<u>2018</u>
	€	€
Cost		
At 1 January	43,281,723	43,203,785
Additions	10,200,112	77,945
Disposals	(9,095,611)	(7)
At 31 December	<u>44,386,224</u>	<u>43,281,723</u>
Provision		
At 1 January	(8,305,707)	(8,224,109)
Increase in provision	(2,251,707)	(81,598)
Writeback of provision	405	-
Reduction in provision due to disposal	8,295,316	-
At 31 December	<u>(2,261,693)</u>	<u>(8,305,707)</u>
Net book amount	<u>42,124,531</u>	<u>34,976,015</u>

On 22 May 2019, DB Energy Commodities Limited, a direct subsidiary was dissolved. No gain or loss was recognized.

On 21 June 2019, the Company contributed €10,200,112 capital to a new group undertaking, Breaking Wave DB Limited.

On 20 August 2019, Kradavim UK Lease Holdings Limited, Sixco Leasing Limited, and DEAM Infrastructure Limited, direct subsidiaries were liquidated. No gain or loss was recognized.

On 20 September 2019, the Company received €782,631 from the liquidation of its investment in DB Nexus Investments (UK) Limited. No gain or loss was recognised.

Direct group undertakings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Baldur Mortgages Limited	100 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Lending business
Bankers Trust Investments Limited (in voluntary liquidation)	10 Ordinary	100	100	15 Canada Square, London, Great Britain	Formerly shell company
Breaking Wave DB Limited	100 Ordinary	100	-	1 Great Winchester Street, Winchester House, London, Great Britain	Software development
City Leasing (Thameside) Limited	2 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Leasing
City Leasing Limited	250,000 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Leasing
DB Aotearoa Investments Limited	12,000 Ordinary	100	100	802 West Bay Road, Hibiscus Way, Grand Pavilion, George Town, Grand Cayman, Cayman Islands	Special purpose vehicle
DB Chestnut Holdings Limited	100 Ordinary	100	100	802 West Bay Road, Hibiscus Way, Grand Pavilion, George Town, Grand Cayman, Cayman Islands	Holding company
DB Energy Commodities Limited (closed)	1 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly marketing and trading
DB Enfield Infrastructure Holdings Limited	2,586 Ordinary	100	100	New Street, St. Paul's Gate, St. Helier, Jersey	Holding company

DB UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

10 SHARES IN GROUP UNDERTAKINGS (continued)

Direct group undertakings (continued)

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
DB Group Services (UK) Limited	2 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Holding company
DB London (Investor Services) Nominees Limited	100 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Custody business
DB Nexus Investments (UK) Limited (closed)	2 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly holding company
DB Safe Harbour Investment Projects Limited (in voluntary liquidation)	1 Ordinary	100	100	15 Canada Square, London, Great Britain	Formerly holding company
DB Trustee Services Limited (dormant)	250,000 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Formerly trustee services
DBOI Global Services (UK) Limited	5,000 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Service provider
DeAM Infrastructure Limited (closed)	1 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly holding company
DBUKH No. 2 Limited (in voluntary liquidation)	1 Membership	100	100	15 Canada Square, London, Great Britain	Holding company
Deutsche Nominees Limited	100 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Custody business
Deutsche Private Asset Management Limited (dormant)	10 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Formerly shell company
Kradavimd UK Lease Holdings Limited (closed)	1 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly holding company
London Industrial Leasing Limited	600 Ordinary	100	100	23 Great Winchester Street, London, Great Britain	Leasing
Sixco Leasing Limited (closed)	55 Deferred and 15,445 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly leasing
Tempurrite Leasing Limited	1 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Holding company
DB Nexus American Investments (UK) Limited (closed)	100 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly holding company

Indirect group undertakings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Deutsche (Aotearoa) Capital Holdings New Zealand (dormant)	100 Ordinary	100	100	48 Shortland Street, Vero Centre, Auckland, New Zealand	Formerly lending business
Deutsche (Aotearoa) Foreign Investments New Zealand (dormant)	100 Ordinary	100	100	48 Shortland Street, Vero Centre, Auckland, New Zealand	Formerly lending business
Deutsche Capital Finance (2000) Limited (dormant)	350 Ordinary	100	100	802 West Bay Road, Hibiscus Way, Grand Pavilion, George Town, Grand Cayman, Cayman Islands	Formerly lending business

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

10 SHARES IN GROUP UNDERTAKINGS (continued)**Indirect group undertakings (continued)**

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Deutsche Holdings (BTI) Limited (in voluntary liquidation)	2 Ordinary	100	100	15 Canada Square, London, Great Britain	Formerly holding company
Moon Leasing Limited (closed)	1 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly leasing
Nineco Leasing Limited (closed)	1 Ordinary	-	100	15 Canada Square, London, Great Britain	Formerly leasing
Peruda Leasing Limited (dormant)	1 Ordinary	100	100	1 Great Winchester Street, Winchester House, London, Great Britain	Formerly leasing

Other significant holdings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Kinneil Leasing Company (dormant)	35 Partnership Contribution	35	35	20 Finsbury Circus, London, Great Britain	Formerly leasing
Omnium Leasing Company	5,000 Partnership Contribution	7	7	23 Great Winchester Street, London, Great Britain	Leasing

11 PARTICIPATING INTERESTS

	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
Cost		
At 1 January	9,185,437	9,064,794
Foreign exchange revaluation	127,526	120,643
At 31 December	<u>9,312,963</u>	<u>9,185,437</u>
	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
Provision		
At 1 January	(4,883,933)	(5,166,041)
Write back of provision	17,421	282,108
At 31 December	<u>(4,866,512)</u>	<u>(4,883,933)</u>
Net book amount	<u>4,446,451</u>	<u>4,301,504</u>

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Volbroker.com Limited	36,020,141 Class A Ordinary Shares and 56,069,570 Class B Ordinary Shares	23	23	51 Lincoln's Inn Fields, London, Great Britain	Holding company
ISWAP Limited	89 Voting Shares, 107 CM Shares, 2,480 Deferred Shares and 123 DM Shares	14	14	Tower 42, Level 37, 25 Old Broad Street, London, Great Britain	Holding company
Pan-European Infrastructure Fund LP	1 LP Interest	0	0	26 New Street, St. Helier, Jersey	Holding company

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

12 OTHER INVESTMENTS

	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
Financial assets at fair value through profit and loss		
At 1 January	42,216,677	52,956,486
Increase in fair value	6,604,106	22,570,980
Decrease in fair value	(2,238,344)	(5,740,804)
Changes in fair value to profit and loss	4,365,762	16,830,176
Foreign exchange gain/(loss) on retranslation	93,872	441,386
Disposals at fair value	(11,768,872)	(28,011,371)
At 31 December	<u>34,907,439</u>	<u>42,216,677</u>

On 31 January 2019, the Company received €10,854,000 of proceeds from the sale of Euroclear Holding SA/NV.

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2019 % Holding</u>	<u>2018 % Holding</u>	<u>Registered Address</u>	<u>Nature of Business</u>
Ares Capital Europe, L.P.	25,000,000 Limited Partnership Interest	5	5	South Church Street, Ugland House, George Town, Grand Cayman, Cayman Islands	Holding company
CreditDeriv Limited	3,500,000 Ordinary	8	8	1 Silk Street, London, Great Britain	Holding company
DGPA SGR S.p.A. - DGPA Capital (Private Equity Fund)	76 Class A Units	4	4	Via dei Bossi, 6, Milano, Italy	Fund
Euroclear Holding SA/NV (sold)	38,165 Ordinary	-	0	1 Boulevard du Roi Albert II, Brussels, Belgium	Formerly holding company
Neptune Networks Limited	73 Class A Ordinary Shares and 42 Class B Ordinary Shares	5	5	40 Basinghall Street, City Tower, London, Great Britain	Financial services institutions
OTCDeriv Limited	56,554 Class A Ordinary Shares and 4,200,000 Class B Ordinary Shares	7	7	1 Silk Street, London, Great Britain	Holding company
The Infrastructure and Growth Capital Fund L.P.	25,000,000 LLP Interest	1	1	South Church Street, Ugland House, George Town, Cayman Islands	Fund

13 AMOUNTS OWED BY GROUP UNDERTAKINGS

	<u>2019</u>	<u>2018</u>
	<u>€</u>	<u>€</u>
Loans	1,954,367,512	-
less impairment loss allowance	(1,816,060)	-
Interest earning deposits	321,231,807	321,529,875
Other receivables	13,135	17,757
Overhead expense allocation	9,116	3,282,257
	<u>2,273,805,510</u>	<u>324,829,889</u>

The €1.9 billion loan relates to an interest bearing loans to an affiliate, BZ2 which is rolled every month. The loan to BZ2 will be used to purchase third party loans from DB AG, London Branch.

DB UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

14 OTHER DEBTORS

	<u>2019</u>	<u>2018</u>
	€	€
Current tax	1,645,799	1,008,129
Other taxation	755,584	755,842
	<u>2,401,383</u>	<u>1,763,971</u>

15 PREPAYMENTS AND ACCRUED INCOME

	<u>2019</u>	<u>2018</u>
	€	€
Interest receivable on deposits owed by group undertakings	187,895	49,659
Interest receivable on short-term borrowings bearing negative interest rate owed to group undertakings	2,894	10,322
	<u>190,789</u>	<u>59,981</u>

16 CASH AT BANK AND IN HAND

	<u>2019</u>	<u>2018</u>
	€	€
Cash at bank held with group undertakings	56,685,907	101,004,851
less impairment loss allowance	(33,278)	-
	<u>56,652,629</u>	<u>101,004,851</u>

17 AMOUNTS OWED TO GROUP UNDERTAKINGS

	<u>2019</u>	<u>2018</u>
	€	€
Short-term borrowing	(2,026,329,326)	(72,278,845)
Overhead expense allocation	(42,765)	(19,756)
Regional cost clearing account	(212,782)	-
	<u>(2,026,584,873)</u>	<u>(72,298,601)</u>

Short-term borrowings include €1.9 billion additional borrowing from DB AG, London Branch with offsetting loan to BZ2.

18 OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	<u>2019</u>	<u>2018</u>
	€	€
Deferred tax liability	(3,755,854)	(4,467,467)
Other creditors	(68,385)	(85,169)
	<u>(3,824,239)</u>	<u>(4,552,636)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

18 OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY (continued)

	<u>2019</u>	<u>2018</u>
	€	€
Deferred tax liability		
At 1 January	(4,467,467)	-
IFRS 9 opening reserves	-	(4,552,800)
Increase/(decrease) in market value of other investments	(1,098,189)	(4,224,216)
Increase/(decrease) due to disposal/transfer of other investments	1,893,521	4,319,588
Tax rate change	(83,719)	(10,039)
At 31 December	<u>(3,755,854)</u>	<u>(4,467,467)</u>

19 ACCRUALS AND DEFERRED INCOME

	<u>2019</u>	<u>2018</u>
	€	€
Accrued interest payable on short-term borrowings owed to group undertakings	(180,415)	(76,861)
Accrued interest payable on deposits bearing negative interest rate owed by group undertakings	(7,909)	(65,663)
	<u>(188,324)</u>	<u>(142,524)</u>

20 CALLED UP SHARE CAPITAL

	<u>2019</u>	<u>2018</u>
	<u>No. of Shares</u>	<u>No. of Shares</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	39,933,689	39,933,689
	<u>39,933,689</u>	<u>39,933,689</u>
	<u>2019</u>	<u>2018</u>
	€	€
Allotted, called up and fully paid:		
Ordinary shares of £1 each (historical rate at which capital was translated to Euros was €1.16)	46,500,001	46,500,001
	<u>46,500,001</u>	<u>46,500,001</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share.

21 EVENTS AFTER THE BALANCE SHEET DATE

The following events have occurred in relation to the Company's fixed assets and did not have any impact on the Balance Sheet and Profit and Loss Account, unless otherwise disclosed.

On 10 March 2020, the Company paid €414,365 to Neptune Networks Limited for 80 additional B shares.

On 22 April 2020, the Company received a dividend of €488,804 from DGPA Capital.

On 11 June 2020, the Company received a dividend of €6,422,000 from DBOI Global Services (UK) Limited

On 18 August 2020, the Company paid €1,673,027 (\$2,000,020) for 2.63% stake in AccessFintech Limited.

On 27 August 2020, the Company paid €4,522,874 (£4,042,499) for 8.22% stake in CloudMargin Limited.

On 17 September 2020, the Company received €28,951,734 representing partial return of capital and €5,085,748 dividends from its direct subsidiary, DB Enfield Infrastructure Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

21 EVENTS AFTER THE BALANCE SHEET DATE (continued)

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 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.
