Deutsche Bank

Rt. Hon Frank Field MP and Rachel Reeves MP,
Work and Pensions Committee
Business, Energy and Industrial Strategy Committee,

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BY EMAIL

Dear Mr Field, Ms Reeves,

I am writing in response to your letter of 26 January, addressed to John Cryan as CEO of Deutsche Bank AG.

In that letter you ask for details of our interaction, as a major institutional investor, with Carillion PLC following the publication of the Annual Report and Accounts for 2016 and the interim financial results for 2017.

Whilst Deutsche Bank was disclosed as owning more the 5% of Carillion PLC shares in the 2016 Annual Report, that disclosure reflected positions taken in order to facilitate client activity rather than any investment on the part of the bank itself. In the course of carrying out our role as a liquidity provider in securities markets, Deutsche Bank will routinely acquire shares to fulfil client orders, or in order to hedge short positions that we may have assumed on behalf of clients. It is these client driven holdings which triggered disclosure in the 2016 Annual Report and not any proprietary investments on the part of Deutsche Bank (indeed under German law we are constrained from taking purely proprietary trading positions).

Given this context, I am afraid we are unable to provide any useful insight in to the effectiveness of stakeholder engagement undertaken by the Carillion board, as we were not institutional investors. Likewise, in our role as liquidity provider, or market maker, we did not fall into the intended scope of the UK stewardship code.

I hope this response is helpful in clarifying the nature of Deutsche Bank's relationship with Carillion.

Yours sincerely,

Garth Ritchie
Member of the Management Board, Co-Head of CIB, UK CEO