

DEUTSCHE MORGAN GRENFELL GROUP LIMITED

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors of Deutsche Morgan Grenfell Group 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 the holding company of DB Delaware Holdings (Europe) Limited ("DBDHE").

The Company also acts as a guarantor to various Deutsche Bank Group companies in respect of certain of their obligations.

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 employees and very limited operating business 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 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.

Key performance indicators

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

	2019 (€)	2018 (€)
Pre-tax Loss	(2,435,631)	(3,245,350)
Net Assets	938,740,753	940,714,688

Current period performance

The result of the Company for the year ended 31 December 2019 shows a post-tax loss of (€1,973,935) (2018: post-tax loss of €2,628,893).

The loss for the year was driven by the EUR deposit with Deutsche Bank AG, London Branch ("DB AG, London Branch") bearing negative interest rate.

The Company's funding and cash flow profiles are largely unchanged and its Balance Sheet remains stable.

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

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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 has been re-registered from a public limited company to a private limited company.

On 20 May 2020, the Company reduced its capital by extinguishing and cancelling €780,380,209 of called up share capital, €96,797,549 of share premium and €22,822,242 of capital redemption reserves. This resulted in an increase in the Company's distributable reserves by €900,000,000. Subsequently on 5 June 2020, the Company paid a €900,000,000 dividend to its parent, Deutsche Holdings No.3 Limited, by utilising the proceeds from the maturity of its interest-earning deposit with DB AG, London Branch.

Future outlook


The Directors have taken the decision to liquidate the company however the exact timing when this will materialise is not certain yet. This does not have any effect on the financial statements as all balances are expected to be settled at carrying value.

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.

By order of the Board of Directors



Andrew Bartlett
Director / Secretary

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Dated: 18 September 2020

Company number: 01032332