STRATEGIC REPORT
For the year ended 31 December 2019

OBJECTIVES

Deutsche Trustee Company Limited (the "Company" or "DTCL") is a wholly owned subsidiary of DB Investments (GB) Ltd ("DBIGB"). The Company is a Trust Corporation within the meaning of the Public Trustee Act 1906 and is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company acts as trustee for debt capital market instruments, ranging from conventional debt structures through to highly complex financings (Project Finance, loan capital issues and equity-linked structures).

ACTIVITIES AND REVIEW OF BUSINESS

DTCL markets directly to debt issuers and intermediaries such as investment banks and law firms. It has a diverse portfolio of clients, corporates and financial institutions based predominantly in Europe, the Middle East and Africa ("EMEA") and the Company operates mainly under English and New York law, but from time to time also operates under French, German and Italian law if the deal demands.

For these services DTCL usually receives a flat annual fee and an acceptance fee. In circumstances where DTCL has to undertake additional unexpected administration (for example, due to an issuer default or changes in the terms and conditions of debt issues), additional fees will be charged on a time and materials basis or, on more complex amendments, on an agreed fee basis. Operating expenses mainly comprise the cost of services rendered by Deutsche Bank ("DB") Group Companies, such as staff, legal and operational support.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are responsible for the overall management of the risks faced by the Company. They review and manage risks in the quarterly Board meetings.

An overview of key risk areas is given below.

Credit and Market risk

As a Corporate Trustee, the Company takes no outright risk as principal in any transaction. Thus, credit risk is limited to non receipt of fees and other debtors. Market risk is limited to short-term holding of unsold foreign exchange denominated revenue positions. The value of these receivables is expected to remain stable in the future. DTCL's surplus cash is deposited with DB UK Bank Limited ("DBUKB"), a UK regulated bank whose ultimate parent company is DBIGB.

Liquidity risk

The Company's liquidity risk is defined as an amount equating to sufficient cash to cover three months of fixed costs. This level is reviewed by the Board at least annually and currently considered an appropriate level to cover liquidity contingencies and that surplus cash deposited with DBUKB is sufficient to meet the FCA's requirement to maintain adequate liquidity resources.

Operational risk

The approach to operational risk follows the Group operational risk framework which covers all entities in the DB Group. Risks are monitored and reviewed on a quarterly basis. The Board has a mandate to identify new emerging risks through operational metrics and market observation. In addition to performing a quarterly confirmation of existing risks, as part of its continuous review process, the Board mandate is also to identify and consider emerging risks for inclusion and monitoring as well as changes to existing risk severity classifications and consider suitable mitigation and monitoring. No operational losses were booked in the year.

Other key risks highlighted and mitigations:

a) Risk of loss due to acts intended to defraud, misappropriate property or circumvent the law, by an internal and/or third party.

The risk is mitigated by segregation of duties and Key Operating Procedures ("KOPs") including procedures requiring call back to confirm payment instructions. DTCL risk metrics are reported quarterly to the DBIGB Board. These include volumes of litigation, legal escalations, Anti-Money Laundering ("AML") dashboard for Know Your Client ("KYC") recertification, new and rejected clients, high risk clients and numbers of deals closed and deals rejected.

b) Risk of litigation by note-holders for non-compliance with trustee duties as defined in the transaction documents.

This risk arises in the DTCL business typically when an event of a default occurs. While the board considers this risk as rising, the number of ongoing litigation cases per quarter is monitored and, in general, litigation brought against the business due to its role on the transaction has not succeeded. Further mitigation is exercised by following a strict on-boarding process for new transactions, bringing together a legal review and operational view as appropriate. External legal advice is always sought when acting in trustee capacity. Standard documentation for certain roles and requirements is used. Deviations are escalated and reviewed, and all transactions are required to be approved by a pipeline committee. During a transaction's life cycle, DTCL tracks client obligations such as receipt of annual accounts submitted by the client or Certificates of Non Default.

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c) Risk of regulatory sanction for unsatisfactory wholesale conduct.
DTCL management places particular focus on the legal documentation which spells out the duties, powers and obligations of the trustee including the power to appoint a co-trustee. Legal counsel approves documentation templates and an escalation process is in place and there are Key Performance Indicators ("KPI") covering legal disputes, which management together with DB Group legal monitors regularly and which are reported and updated to DBIGB Board.

d) Risk of failing to meet regulatory requirements for AML and KYC monitoring (initial and ongoing) resulting in regulatory sanctions.
DTCL management mitigates risks by:
1) KOPs are reviewed annually for necessary updates;
2) Periodic reviews monitored by the AML team and reported to AML management;
3) Cash Operations escalate to Compliance before any client or payment can be accepted/released for the first time;
4) Weekly calls with the Embargo team to discuss sanctions as well as quarterly reviews by the DTCL Board of High Risk adoptions.

Key Performance Indicators (KPIs)

The Company's KPIs, which are aligned with the DB Group's KPIs, enable oversight of the material risks at the Company while supporting and enabling the overall business strategy as approved by the Board. The Board sets KPI limits reflecting the Board's risk appetite to deliver its business objectives. A key objective of the KPIs is to ensure that the Company has sufficient financial resources to support the business at any given point in time, absorb market events and to meet regulatory requirements.

The Company's KPIs are monitored and governed in Board meetings.

The key financial KPIs are presented in the table below:

KPI Measure	Description	Limit	Dec-19	Dec-18
Common Equity Tier 1 ratio	In line with DB Group's risk appetite	>13.00%	102%	123%

Common Equity Tier 1 ratio is calculated as Common Equity Tier 1 capital divided by Risk Weighted Assets. The purpose is to ensure sufficient high quality capital to cover potential future exposure. The Company is capitalised well in excess of regulatory minimums.

Current Period Performance

GBP '000	Year Ended Dec 2019	Year Ended Dec 2018	Variance
Profit after tax	3,635	5,245	(1,610)
Net Assets	18,703	20,313	(1,610)
Return on Assets	9%	11%	-2%

The profit for the year of £3,635k is down by £1.6m versus prior year due to lower revenues on account of decrease in billing and increase in administrative expenses.

The cash flow position for the year has decreased by £10.9m due to payment of dividend and settlement of management charges for 2018 & partially for 2019.

Future Outlook

The Company is aiming for a stable and sustainable performance, but has limited growth opportunities.

The application to surrender DTCL CASS 6 Permission was granted and effective from 29th August 2018 however the Company is proposed to have a CASS Audit for the year.

Brexit

Brexit has little or minimal impact on the trust business as there are no licencing requirements within the European Union to provide trustee services. Trustee services are a Common Law English concept rather than a civil law European concept and we expect clients to continue to utilise such services for their financing structures. Brexit is not anticipated to have any impact on DTCL customer and business activities.

COVID-19

COVID-19 is a developing post balance sheet event which has the potential to have a material impact on business around the globe. However, at this point in time it is not possible to predict the specific repercussions of the COVID-19 pandemic on the global economy and on the Company's business model or results. The situation may exert restrictions for the Company to acquire new business as a result adding downward pressures on DTCL's future revenues along with some potential impact on impairment provisions. However, severe scenario of no new business and higher defaults is expected to be partially offset by work out cases generating additional fees for the trustee as well as option to adjust cost base due to reduced volumes. Therefore, mitigating factors will neutralise any material short term impacts on the financial position of the entity.

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DTCL has completed some initial analysis on the possible impacts of a severe stress scenario on its financial position and consider that the COVID-19 pandemic will not have a material impact on its ability to comply with FCA capital requirements or its ability to continue as a going concern. DTCL has surplus cash of £9.2m in excess of its liabilities and fixed overheads which is well above the risk appetite limit of £5m set by the board in its Liquidity Policy. DTCL also has surplus Capital and Reserves amounting to £18.7m as at 31 Dec 2019 to absorb the impact of a severe stress scenario encountered under a prolonged COVID-19 lockdown.

Deutsche Bank and The Company have implemented business continuity measures in respect of COVID-19. The majority of staff are in a Work from Home scenario and able to operate effectively remotely.

There are no other material post Balance Sheet Events.

Going Concern

The Company, as part of the DB Group, is reliant on DB Group for operations. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The risks most likely to adversely affect the Company's ability to continue as a going concern include a change of intention or ability of Deutsche Bank AG ("Parent") to continue to support its operation, and the impact of COVID-19, which could result in an increase in the level of impairment of receivables and loss of revenue. As explained above, the directors do not believe the impact of COVID-19 will be material to the Company. In relation to support from the Parent, DBAG has given a declaration of backing to DBIGB (the Company's UK parent company), which in turn issues a letter of comfort to the Company. The directors of the Company have made enquiries of the Parent to understand that as of the date of signing these accounts the Parent has the ability and intent to continue supporting the Company. As a result the directors continue to adopt the going concern basis in preparing these financial statements.

The financial position at the end of the year is reflected in the audited balance sheet set out on page 12.

By order of the Board of Directors this 30th day of April 2020.

Rafe Morton

Rafe Morton
Director

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Company number: 338230

DIRECTORS' REPORT
Company registration number: 338230

Incorporated in England & Wales as a private limited company, limited by shares. Registered No: 338230

Registered Office: Winchester House, 1 Great Winchester Street, London, EC2N 2DB

Directors

The Directors of the Company who served during this year and up to the date of signing the financial statements are set out below:

C Leadbeater
R Morton
P H Nunnerley *
O Oye
A Khan

* *Non-Executive Director*

Changes in directorships were as follows:

Resignations
A Das (resigned 18 November 2019)

There have been no further changes during the year or subsequent to the year end.

P Davis resigned as Secretary of the Company on 16th September 2019. A Bartlett & J Bagshaw were appointed as joint Secretary on 16th September 2019.

Qualifying Third Party Indemnity

An indemnity is provided to the Directors of the Company by Deutsche Bank AG, London Branch against losses incurred by or awarded against them in relation to any claim by reason of the fact that they are or were carrying out legitimate duties in accordance with the role for which they are indemnified. As at the date of approval of the financial statements, this indemnity remains in force and a copy is available for inspection at the Registered Office of the Company.

Dividend

On 4th December 2019, the directors approved dividend of £5,245,000 (equivalent to 2018 profits) and was paid to DB Investments (GB) Ltd. In 2018 dividends totaling £8,479,000 (equivalent to 2016 and 2017 profits) were declared. These were paid in 2019.

Election under section 414C

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 exposure of credit risk and liquidity risk;
- an indication of likely future developments in the business of the company.

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. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

DIRECTORS' REPORT (continued)
Company registration number: 338230

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 and 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 are responsible for 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, and 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.

Section 172 disclosure

The DTCL Board is collectively responsible for the effective and prudent management of the Company with the principal aim of enhancing the Company's long term value for the shareholder whilst having regard to the interests of other stakeholders, applicable regulatory requirements and current corporate governance practice. As a wholly owned subsidiary, DTCL operates in alignment with DB Group's business and risk strategies.

DTCL does not have its own dedicated staff, with UK staff employed by the DB Group employing entity DB Group Services (UK) Limited. DTCL therefore relies on DB Group for the provision of all such HR services. For this, and for much of the strategic and policy direction, DTCL is dependent on Deutsche Bank AG, London Branch and the wider DB Group. Within this constraint, the Board exercises its authority, principally in the broad overall strategy and in the control environment, all within the Matters Reserved for the Board.

In making decisions, the Board provides leadership for DTCL within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board also sets DTCL's culture, values and standards with respect to relationships with its suppliers, customers and others with interests in the Company, including its employees and its sole member, DBIGB. The Board overseas the way the culture is embedded across DTCL executive management and the behaviours DTCL should follow in pursuit of its business goals.

The directors are committed to implementing and maintaining strong disciplines in their decision making, a commitment consistent with a DB wide policy to maintain high standards of control and compliance at all levels across the DB Group. As a member of the DB Group, DTCL is guided by the values and culture of the broader organisation, with the added context of the fiduciary responsibility DTCL owes it clients. DTCL's values which direct that culture and behaviours centre on:

- integrity in all dealings whether it be with clients, partners, regulators or staff
- sustainable performance for clients and DTCL, ensuring short term decision making is not the primary driver
- embracing DTCL's fiduciary responsibilities and ensuring that DTCL places the interests of its clients before all others
- discipline in the application of standards and processes and not accepting compromise in relation to compliance with policy and regulatory requirements
- operating in partnership with clients to maintain and build trust and with colleagues to improve the outcome for DTCL's clients.

Insofar as the Board has made decisions during 2019, it has had regard to s172 factors where relevant, particularly the likely consequences of such decisions in the long term and the desirability of DTCL maintaining a reputation for high standards of business conduct.

Decision making by the Board during the year has been limited and largely centred on matters relating to the Company's capital adequacy by way of approval of its Internal Capital Adequacy Assessment Process ("ICAAP") as part of the DBIGB group of companies. The Board also considered and approved the adoption of its risk appetite statement ("RAS") and Anti-Financial Crime (AFC) RAS which served to set thresholds and risk appetite disciplines which the Board will take into account as part of its analysis in any future decision making. During the year, the Board also approved a Liquidity Policy detailing how DTCL complies with the FCA requirements on a proportionate basis and, pursuant to that policy, approved a dividend to DBIGB on 4 December 2019 in the sum of GBP 5,245,000. In making these decisions, the Board had to consider their s172 factors, in particular the likely consequences of any such decision in the long term.

DIRECTORS' REPORT (continued)
Company registration number: 338230

The Board recognises that it needs to foster relationships with its employees as a key driver of delivering the business strategy and that it relies on its employees to support and join with the Board in seeking to establish and maintain a reputation for high standards of business conduct and integrity. In relying on the DB Group for the provision of staff, DTCL's values and the required behaviours have been, and continue to be, reinforced throughout the organisation through a variety of delivery mechanisms including mandatory training for all staff; transparent dialogue on the principles underpinning these values at town hall meetings; articles in the staff magazine and on the intranet; application of an employee 'red flag' system which has tangible actions applied for any breaches; and robust processes to investigate any potential breaches or incidents and follow up with appropriate and timely actions.

The senior management function for HR has overall responsibility for the management and oversight of the HR division's role and activities in respect of the DB Group staff providing services to DTCL. The HR function is responsible for managing and overseeing DTCL's framework, policies and procedures in relation to the management and development of its people, including amongst others, reward, recruitment, acquisition, development and mobility of talent, workforce planning, diversity and inclusion, reward, employee relations (including consultation through the UK Employee Forum), performance, engagement and culture, advisory for managers and delivery of HR information and services.

Matters requiring a decision of the Board in respect of any issues which may run against the risk appetite set by the business or DB Group strategy and negatively impact the franchise in the region will also be escalated to the Board. In considering the obligations owed by the Company to its sole shareholder, clients, employees, the regulator and other key stakeholders and in respect of any decisions required of the Board, it considers and challenges the regulatory, compliance and reputational risks that the business is facing and the procedures established to minimise or mitigate those risks through review and consideration of regular status reports from the dedicated Compliance representative. The Board also receives material updates from the Risk and Compliance teams on regulatory correspondence of which they have been made aware and developments which may impact the business related to the entity. The Board also provides regular reports of the Company's financial position and material issues to DBIGB, and a Director of DTCL also is appointed to the Board of DBIGB.

DTCL relies on other DB Group entities not only for staff, but for services and infrastructure to support all its activities, as well as the services of external providers. The Board recognises that it cannot outsource its responsibilities and that it remained accountable to the regulator for the actions of its vendors and for the appropriate oversight of the services provided to it. As such, outsourcing arrangements are reviewed and assessed on an ongoing basis through the DB Group Vendor Control Requirements Framework ("VCRF") with escalation to the Board where appropriate. As part of the VCRF process, vendors are required to comply with the DB Group code of conduct as well as the DB Group's 2019 Slavery and Human Trafficking Statement concerning its approach to respecting human rights.

The Company relies on DB Group policies for the management of climate and environmental related factors. 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.

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 each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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Company registration number: 338230

Auditor

During the year 2020 KPMG LLP will retire 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 2020 Annual General Meeting as external Auditors for the financial year 2020.

By order of the Board of Directors this 30th day of April 2020.

Rafe Morton.

Rafe Morton
Director

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