DB VANTAGE NO.2 (UK) LIMITED

Company number: 4544867

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2008

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REPORT OF THE DIRECTORS
For the year ended 31 December 2008

The Directors present their annual report on the affairs of the Company together with the audited financial statements for the year ended 31 December 2008.

ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company is to issue Notes to Deutsche Finance No. 2 Limited.

On 30 December 2008, a note issued for €750m matured together with the total return swap.

On 29 June 2007 note D issued for €500m, note K issued for €200m and note L issued for €100m to a group undertaking matured together with the total return swap.

The position at the end of the year is reflected in the audited balance sheet set out on page 5.

FUTURE OUTLOOK

The outlook for the business is stable, and it is expected that the Company will maintain its historical level of activity and profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a wholly owned subsidiary within the Deutsche Bank Group and therefore the risks it is subject to are managed within the risk and control functions of this Group.

The Directors acknowledge their responsibility for the overall management of the risks faced by the Company and note that the key business risks and uncertainties affecting the Company are considered to relate to the external interest rate and credit environment, particularly in relation to the Euro zone and the banking sector.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2008, after providing for taxation, show a profit of €356,227. (2007: profit of €314,556).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2008 (31 December 2007: €nil), leaving the profit for the year to be carried forward to the next year.

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2008 were as follows:

S E Macfarlane		Resigned 17 January 2008
M A McGiddy	Appointed 30 January 2008	
C Rough		Resigned 30 June 2009
R Sivanithy		
D K Thomas		

A W Bartlett and A P Rutherford were Joint Secretaries of the Company throughout the year. There have been no further changes during the period or subsequent to the year-end.

As at the date of approval, and during the year, the Company provided an indemnity to its Directors in the form of a qualifying third party indemnity provision.

REPORT OF THE DIRECTORS (continued)
For the year ended 31 December 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing 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).

The financial statements are required by law to 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 disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware; and each director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG Audit plc will therefore continue in office.

By order of the Board of Directors this 13th day of October 2009

A Rutherford
Joint Secretary

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DB VANTAGE NO.2 (UK) LIMITED

We have audited the financial statements of DB Vantage No.2 (UK) Limited for the year ended 31 December 2008 which comprises the Profit and Loss Account, the Balance Sheet, the Statement ot Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

Dated: 21st October 2009

PROFIT AND LOSS ACCOUNTS
For the year ended 31 December 2008

	Note	Year ended 31 December 2008 €	Year ended 31 December 2007 €
Interest receivable from group undertakings	4	210,783,349	192,605,004
Fee receivable from group undertakings	4	404,153	384,292
Interest payable to group undertakings	4	(210,787,644)	(192,591,524)
Amortisation of gilt premium	6	(4)	(4)
Foreign exchange gain	4	116,417	51,598
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	516,271	449,366
Taxation on ordinary activities	5	(147,123)	(134,810)
PROFIT FOR THE FINANCIAL YEAR		369,148	314,556

The profit for the year has arisen from continuing activities.

The notes on pages 7 to 11 form part of these accounts.

BALANCE SHEET
As at 31 December 2008

	Note	31 December 2008	31 December 2007
		€	€
FIXED ASSETS			
Other investments- treasury stock	6	135	139
CURRENT ASSETS			
Debtors (including €2,450,000,000 (2007: €3,550,000,000) due after more than one year)	7	3,553,357,891	4,307,141,957
Cash at bank		61,806	59,678
		3,553,419,698	4,307,201,635
CREDITORS: amounts falling due within one year	8	(1,101,600,738)	(755,751,827)
NET CURRENT LIABILITIES		2,451,818,959	3,551,449,808
TOTAL ASSETS LESS CURRENT LIABILITIES		2,451,819,094	3,551,449,947
CREDITORS: Amounts falling due after more than one year	9	(2,450,000,000)	(3,550,000,000)
NET ASSETS		1,819,095	1,449,947
CAPITAL AND RESERVES			
Called up share capital	11	141	141
Profit and loss account		1,818,954	1,449,806
SHAREHOLDER'S FUNDS		1,819,095	1,449,947

The notes on pages 7 to 11 form part of these accounts.

These financial statements were approved by the Board of Directors on 13 OCTOBER 2009

Signed by M.A. MCGNDDY
For and on behalf of the Board of Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2008

	2008 €	2007 €
Profit for the year	369,148	314,556
Exchange (loss)/gain on translation of Notes denominated in foreign currency	(828,643,248)	(361,694,835)
Mark to market on Total return swaps	828,643,248	361,694,835
Total recognised gain relating to the year	369,148	314,556

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2008

	Profit & Loss Account	Ordinary Share Capital	Total
	€	€	€
Balance at 31 December 2008	1,449,806	141	1,449,947
Profit for the year	369,148	-	369,148
Balance at 31 December 2008	1,818,954	141	1,819,094

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2007

Balance at 1 January 2007	1,135,250	141	1,135,391
Profit for the year	314,556	-	314,556
Balance at 31 December 2007	1,449,806	141	1,449,947

The notes on pages 7 to 11 form part of these accounts.

NOTES TO THE ACCOUNTS
For the period ended 31 December 2008

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 have been prepared in accordance with the Companies Act 1985 and UK applicable accounting standards and applicable Statements of Recommended Practice. The particular accounting policies are described below.

(a) CONVENTION
These financial statements are prepared in accordance with the historical cost convention.

(b) INCOME RECOGNITION
Interest income and expense is accounted for on an accrual basis.

(c) FOREIGN EXCHANGE
Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

(d) INVESTMENTS
Fixed asset investments are valued at amortised cost less amounts provided for any permanent diminution in value.

(e) FINANCIAL INSTRUMENTS
The income and expense arising from derivative contracts entered into for hedging on-balance sheet assets and liabilities are recognised in the accounts in accordance with the accounting treatment of the underlying transactions being hedged. Any unhedged exposures on derivative contracts that could result in a loss on a mark to market basis are provided for through the profit and loss account.

(f) SUBSTANCE OF TRANSACTIONS
The Company's financial statements reflect the substance of the transactions into which it has entered. In determining the substance, all its aspects and implications are identified and greater weight is given to those more likely to have a commercial effect in practice. A group or series of transactions that achieves or is designed to achieve an overall commercial effect is viewed as a whole. Accordingly, the Company has offset the principal amounts due to and from the same third party, in accordance with FRS 5, paragraph 29.

(g) FINANCIAL SERVICES FEES
Financial services fees are accrued over the period of the related service.

(h) TAXATION
The charge for taxation is based on profit 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, except as otherwise required by FRS19.

(i) CASH FLOW STATEMENT
The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

2 DIRECTORS' REMUNERATION

The aggregate emoluments of persons who were Directors of the Company during the period ended 31 December 2008, including pension contributions, were €nil (31 December 2007: €nil).

As at the date of approval, and during the year, the Company provided an indemnity to its Directors in the form of a qualifying third party indemnity provision.

3 ADMINISTRATIVE EXPENSES

The Company has no full time employees. The staff involved in the Company's operations are all employees of the Deutsche Bank AG Group. The total staff costs have been borne by a Deutsche Bank AG Group company without recharge, no staff costs have therefore been included in these financial statements (2007: €nil).

	Year ended 31 December 2008	Year ended 31 December 2007
	€	€
Auditors' remuneration:		
Audit of these financial statements	12,042	12,042

Auditors' remuneration for services to the Company has been borne by another group undertaking.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	Year ended 31 December 2008	Year ended 31 December 2007
	€	€
Profit on ordinary activities before taxation is arrived at after taking into account		
Interest receivable from group undertakings	210,783,349	192,605,004
Fee receivable from group undertakings	404,153	384,292
Interest payable to group undertakings	(210,787,644)	(192,591,524)
Amortisation of gilt premium	(4)	(4)
Foreign exchange gain	116,417	51,598

5 TAXATION	Year ended 31 December 2008	Year ended 31 December 2007
	€	€
(a) Analysis of tax on profit on ordinary activities		
Current tax		
UK Corporation tax on income	(147,123)	(134,810)
Total tax charge on profit on ordinary activities	(147,123)	(134,810)

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

5 TAXATION (continued)

(b) Current tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28.49% (2007:30%).

The actual tax charge for the period differs from the standard rate for the reasons set out in the following reconciliation.

	Year ended 31 December 2008 €	Year ended 31 December 2007 €
Profit on ordinary activities before taxation	516,271	449,366
Tax on profit on ordinary activities at standard rate	(147,123)	(134,810)
Total actual amount of current tax	(147,123)	(134,810)

6 FIXED ASSET INVESTMENTS- 9.5% TREASURY STOCK

	31 December 2008 €	31 December 2007 €
Opening balance	139	143
Less: Amortisation of premium	(4)	(4)
Closing balance	135	139

The market value of the gilts as at 31 December 2008 was €136 (31 December 2007: €136).

7 DEBTORS

	31 December 2008 €	31 December 2007 €
Amount receivable from group undertaking	3,551,857,794	4,301,991,504
Interest receivable from group undertaking	1,384,450	5,150,453
Group relief receivable	115,647	-
	3,553,357,891	4,307,141,957

Amounts receivable from group undertaking includes €2,450,000,000 (2007: €3,550,000,000) due after more than one year.

8 CREDITORS: Amounts falling due within one year

	31 December 2008 €	31 December 2007 €
Amounts owed to group undertakings	1,100,083,731	750,449,435
Interest owed to group undertaking	1,384,766	5,151,080
Group relief payable	132,241	151,312
	1,101,600,738	755,751,827

9 CREDITORS: Amounts falling due after more than one year

	31 December 2008 €	31 December 2007 €
Amounts owed to group undertakings (see note 10)	2,450,000,000	3,550,000,000

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

9 CREDITORS: Amounts falling due after more than one year (continued)

	31 December 2008	31 December 2007
	€	€
Debt can be analysed as falling due:		
More than one year but less than five years	1,450,000,000	2,550,000,000
More than five years	1,000,000,000	1,000,000,000

Note E, F and H matures on 30 March 2010.
Note J matures on 30 October 2010.
Note M and N matures on 30 December 2015.

10 FINANCIAL INSTRUMENTS-HEDGING

The Company has issued a series of dual currency, fixed rate loan notes for a total of €3.55bn ("Notes"), together with a series of total return swaps ("Swaps") to a group undertaking, respectively as at 31 December 2008. The terms of the swaps set out to effectively create synthetic Euribor-based liabilities for the Company, by substituting the TRL interest rates with applicable Euribor rates. On maturity of the swaps, the Company will exchange a fixed redemption amount of €3.55bn in return for a variable redemption amount. The notes are thus stated in the accounts at a fixed redemption value bearing Euribor interest. These deals all follow the structure as described below.

The terms of the Note provide that the fixed coupon payments are made with reference to the relevant forward Turkish Lira ("TRL") interest rates at issuance and the variable redemption payment is made with reference to the €/TRL foreign exchange rate ruling at the redemption date with the result that, although payments on the Notes are actually made in Euro, the Notes represent, in substance a TRL borrowing. The terms of the Swaps set out to effectively create a synthetic Euribor-based financing for the Company, by substituting the TRL interest rates with applicable Euribor rates and through the inclusion of a variable redemption receipt linked to the €/TRL foreign exchange rate ruling at such date. Accordingly, the Company has eliminated any exposure to TRL.

11 SHARE CAPITAL

	31 December 2008	31 December 2007
	No	No
Authorised:		
Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100
	31 December 2008	31 December 2007
	£	£
Authorised:		
Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:	€	€
Ordinary shares of £1 each	141	141

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

12 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

DB UK Holdings Limited, a company incorporated in the UK, is the Company's immediate controlling entity.

Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up.

Copies of the group financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretary, Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

13 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions or balances with members or associates of the Deutsche Bank AG group.