
DB Vantage No.2 (UK) Limited

Company number: 4544867

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

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DIRECTORS' REPORT**For the year ended 31 December 2014**

The Directors present their annual report and audited financial statements for the year ended 31 December 2014.

ACTIVITIES AND REVIEW OF BUSINESS

The Company is one of the subsidiaries of Deutsche Bank AG. Deutsche Bank AG and its subsidiaries are collectively referred to as "the Group" for the purpose of these financial statements.

The principal activity of the Company is to issue notes to Deutsche Finance No.2 (UK) Limited.

The Company issued notes to Deutsche Finance No.2 (UK) Limited amounting to €1 billion and entered into a total return swap with the same company. No notes issued have matured during the year and no new notes have been issued.

The Company invested the proceeds received from the issuance of notes with Deutsche Finance No.2 (UK) Limited., earning a Euribor-based return to fund interest payments required under the notes.

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 accounts.

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

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2014, after providing for taxation, show a profit of €38,635 (2013: €38,354).

The Directors do not recommend the declaration of a dividend for the year ended 31 December 2014 (2013: €2.1 million).

FUTURE OUTLOOK

The outlook of the business is stable, with minimal P&L volatility up to the date of maturity of the notes in December 2015.

As the notes are due to mature within 1 year, the Board have considered the purpose of the Company. It was agreed that as there is no longer an ongoing requirement to continue to maintain the Company after the notes mature, the Board would consider steps to achieve an orderly unwind of its operations. A Board Meeting of the Company will be held in Quarter 4 of 2015 in order to review the management accounts for the period and to consider in more detail the timetable to achieve liquidation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a wholly owned subsidiary within the 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.

The terms of the Notes provide that the fixed coupon payments are paid 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 Swap 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.

DIRECTORS

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

D K Thomas
R D Cloney
D Hackett

DIRECTORS' REPORT (continued)
For the year ended 31 December 2014

Directors have confirmed that during the year, they spent time appropriate to their responsibilities on the affairs of the Company.

A Bartlett, A P Rutherford and J Bagshaw were Joint Secretaries of the Company throughout the year under review. A P Rutherford resigned as Joint Secretary on 14 August 2015. There have been no further changes during the year or subsequent to the year end.

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).

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 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 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 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 ought to have taken as a Director to make himself 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 auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board of Directors this

18 day of 9 2015



A Bartlett
Joint Secretary

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Company number: 4544867

INDEPENDENT AUDITOR'S REPORT 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 2014 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

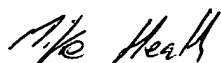
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Mike Heath (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

Dated: 22 September 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Note	<u>2014</u> €	<u>2013</u> €
Interest income		1,634,050	1,719,608
Fee income		50,027	50,163
Interest expense		(1,634,010)	(1,719,500)
Foreign exchange loss	4	(850)	(298)
<hr/>			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,217	49,973
Tax charge on profit on ordinary activities	5	(10,582)	(11,619)
<hr/>			
PROFIT FOR THE FINANCIAL YEAR		38,635	38,354

The profit for the year has arisen from continuing activities.

There were no other recognised gains and losses during the year.

The notes on pages 7 to 10 form part of these financial statements.

BALANCE SHEET

As at 31 December 2014

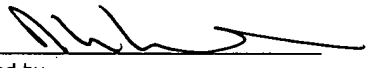
	Note	<u>2014</u> €	<u>2013</u> €
CURRENT ASSETS			
Debtors: Amounts receivable within one year	6	1,000,319,482	291,427
Cash at bank	7	414	-
		<u>1,000,319,896</u>	<u>291,427</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	8	(1,000,172,763)	(182,929)
NET CURRENT ASSETS		147,133	108,498
DEBTORS: Amounts receivable after one year			
	9	-	1,000,000,000
CREDITORS: Amounts falling due after one year			
	10	-	(1,000,000,000)
NET ASSETS		147,133	108,498
CAPITAL AND RESERVES			
Share capital	12	141	141
Profit and loss account		146,992	108,357
SHAREHOLDER'S FUNDS		147,133	108,498

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were approved by the Board of Directors on

18/9

2015


 Signed by
 for and on behalf of the Board of Directors

D Thomas

Company number: 4544867

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2014

	<u>Profit & Loss</u> <u>Account</u>	<u>Share Capital</u>	<u>Total</u>
	€	€	€
Balance at 1 January 2014	108,357	141	108,498
Profit for the year	38,635	-	38,635
			-
Balance at 31 December 2014	146,992	141	147,133

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2013

	<u>Profit & Loss</u> <u>Account</u>	<u>Share Capital</u>	<u>Total</u>
	€	€	€
Balance at 1 January 2013	2,182,271	141	2,182,412
Profit for the year	38,354	-	38,354
Dividends	(2,112,268)	-	(2,112,268)
Balance at 31 December 2013	108,357	141	108,498

The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2014

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 2006 and applicable UK accounting standards. The particular accounting policies are described below.

(a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention.

(b) INCOME AND EXPENSE RECOGNITION

Interest income and expense is accounted for on an accrual basis.

(c) FOREIGN CURRENCY

The financial statements are presented in Euro as it is the functional currency of the Company. Transactions denominated in foreign currencies are translated into Euro at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date except where exchange rates are fixed under relevant hedging contracts. Translation differences are dealt with in the profit and loss account.

(d) FINANCIAL INSTRUMENTS

The Company enters into derivatives only to hedge foreign currency exposure. 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. No derivatives are marked to market and therefore, the disclosures set within FRS 29 'Financial Instruments: Disclosures' are not required.

(e) FINANCIAL SERVICES FEES

Financial services fees are accrued over the period of the related service.

(f) 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.

(g) 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.

(h) GOING CONCERN

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 accounts.

Transition to FRS 101

For periods beginning on or after 1 January 2015, the Company's financial statements will be prepared under the Reduced Disclosure Framework (FRS 101) available under UK GAAP. In so doing, the Company will apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but will make amendments where necessary in order to comply with the requirements of Companies Act 2006. The Directors are considering the impact of this change.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2014

2 DIRECTORS' REMUNERATION

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2014, including pension contributions, were €nil (2013: €nil).

3 ADMINISTRATIVE EXPENSES

The Company has no full time employees. The staff involved in the Company's operations are all employees of the Group. Their total staff costs are borne by other Group companies without recharge. Directors' costs are borne by Deutsche Bank AG, London Branch. Consequently, no staff costs have been included in these financial statements.

	<u>2014</u>	<u>2013</u>
	€	€
Audit of these financial statements	12,384	12,149

Auditor's remuneration for services to the Company has been borne by another group undertaking. The 2014 and 2013 auditors' remuneration for statutory audit services relate solely to amounts payable to KPMG LLP.

4 FOREIGN EXCHANGE LOSS

	<u>2014</u>	<u>2013</u>
	€	€
Foreign exchange loss on monetary items	(850)	(298)

5 TAXATION

	<u>2014</u>	<u>2013</u>
	€	€
Analysis of tax on profit on ordinary activities		
<i>Current tax</i>		
Tax charge on profit on ordinary activities	(10,582)	(11,619)

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 21.50% (2013: 23.25%). Corporate tax has been accrued at this rate, there being no adjusting items.

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the Company's future current tax charge accordingly.

6 DEBTORS: Amounts receivable within one year

	<u>2014</u>	<u>2013</u>
	€	€
Amounts receivable from fellow group undertaking (see Note 11)	1,000,000,000	
Amounts receivable from group undertakings	176,183	138,906
Interest receivable from group undertaking	143,299	152,521
	<u>1,000,319,482</u>	<u>291,427</u>

Amounts receivable from group undertakings includes €1billion floating rate notes issued to Deutsche Finance No.2 (UK) Limited which will mature on 30 December 2015. This has been re-classified from Debtors: Amounts receivable after one year in 2013 (see Note 9).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2014

7 CASH AT BANK	<u>2014</u>	<u>2013</u>
	€	€
Cash at bank held with Deutsche Bank AG	414	-

8 CREDITORS : Amounts falling due within one year	<u>2014</u>	<u>2013</u>
	€	€
Amounts owed to fellow group undertakings (see Note 11)	1,000,018,563	18,557
Interest owed to fellow group undertakings	143,298	152,516
Group relief payable	10,902	11,856
	<u>1,000,172,763</u>	<u>182,929</u>

Amounts owed to group undertaking includes fixed rate loan notes to Deutsche Finance No.2 (UK) Limited amounting to €1 billion which will mature on 30 December 2015. This has been reclassified from Creditors: Amounts falling due after one year in 2013 (see Note 10).

9 DEBTORS: Amounts receivable after one year	<u>2014</u>	<u>2013</u>
	€	€
Amounts receivable from group undertakings (see Note 11)	-	1,000,000,000

This has been classified as current under Debtors in 2014 (see Note 6).

10 CREDITORS: Amounts falling due after one year	<u>2014</u>	<u>2013</u>
	€	€
Amounts owed to group undertakings (see Note 11)	-	1,000,000,000

These Notes have been classified as Creditors: Amounts falling due within one year in 2014 (see Note 8).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2014

11 FINANCIAL INSTRUMENTS-HEDGING

The Company issued fixed rate loan notes amounting to €1 billion (2013: €1 billion) ("Notes M and N") and related total return swaps to Deutsche Finance No.2 (UK) Limited, a group undertaking which mature on 30 December 2015.

The terms of the Notes 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 Swap 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.

The Company invested the proceeds received from the issuance of the Notes with Deutsche Finance No. 2 (UK) Limited, a group undertaking. This investment earns a Euribor-based return to fund the interest payments required under the Notes.

12 SHARE CAPITAL

	<u>2014</u>	<u>2013</u>
	<u>No</u>	<u>No</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100
	<u>2014</u>	<u>2013</u>
	<u>€</u>	<u>€</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	141	141

13 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 Company's ultimate controlling entity, the ultimate parent company and the parent undertaking of the largest and smallest group 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.

14 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with wholly owned subsidiaries of the Group.