
DB OVERSEAS HOLDINGS LIMITED

Company number: 01268118

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

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STRATEGIC REPORT

For the year ended 31 December 2015

These financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* ("FRS 101"), and represent first time adoption of this standard by DB Overseas Holdings Limited ("the Company"). In so doing, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the E.U. ("Adopted IFRSs"), but has made amendments, where necessary, in order to comply with the requirements of Companies Act 2006. The impact of this change is set out in Note 1.

Objectives

The primary objective of the Company is to function as a holding company.

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

Principal Risks and Uncertainties

The risks in the Company 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. The key business risks and uncertainties affecting the Company are driven by those of its subsidiaries and derivative counterparties.

Key Performance Indicators

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

	2015 (€'000)	2014 (€'000)
Pre-tax Profit	19,361	54,878
Net Assets	37,501	16,446

Current Period Performance

The result of the Company for the year ended 31 December 2015 shows a post-tax profit of €21,055,000 (2014 post-tax profit: €53,938,000).

The profit for the year was driven by the gain on disposal of the Company's subsidiaries, Bebek Varlik Yönetim A.S. and DB Platinum Advisors. This gain was reduced by foreign exchange loss attributable to realised loss from an Israeli Shekel/ Euro hedge.

On 30 January 2015, the Company sold its subsidiary, Bebek Varlik Yönetim A.S., for a cash consideration of €25,688,758 to another group company, Deutsche Holdings (Luxembourg) S.à r.l.. A gain of €21,244,866 was recognised from the sale.

On 13 March 2015, the Company sold another subsidiary, DB Platinum Advisors (DBPA), to another group company, DWS Investment S.A. for a cash consideration of €12,800,000. A gain of €2,800,000 was recognised from the sale. Prior to the sale, DBPA declared dividend to the Company as at 31 January 2015 amounting to €1,800,000 which was paid on 6 May 2015.

Subsequent Events

The following events have occurred in relation to the Company's subsidiary undertakings and did not have any impact to the Balance Sheet and the Profit and Loss Account, unless disclosed otherwise.

On 13 January 2016, Gulaia Pty Ltd. was deregistered in Australia under Section 601AA(4) of the Australian Corporations Act 2001.

On 20 January 2016, DB Capital Partners (Europe) 2000 - B Founder Partner LP and DB Capital Partners (Europe) 2002 Founder Partner LP have been dissolved.

On 6 February 2016, DB UK Nominees Limited has been dissolved.

On 31 March 2016, DB Capital Partners (Europe) 2000 - A Founder Partner LP has been dissolved.

On 3 May 2016, the Company paid €1,842,509 (\$2,1000,000) as additional capital contribution to Deutsche Securities Colombia S.A. The capital contribution will be used by its subsidiary to repay its outstanding liabilities.

On 21 June 2016, the Company paid €7,798,504 (\$8,669,987) derivative liability following the termination of the total return swap with Perus 1 S.à r.l. The swap was entered into on 23 November 2007, which allowed the Company to extract the underlying returns received and losses incurred by Perus 1 S.à r.l. from an underlying equity stake in Verrysell. The purchase of the equity stake in Verrysell was funded by a loan between Perus 1 S.à r.l. and DB AG, London Branch. The loan was also settled by Perus 1 S.à r.l. on 21 June 2016 as being concurrently terminated with the swap.

STRATEGIC REPORT (continued)
For the year ended 31 December 2015

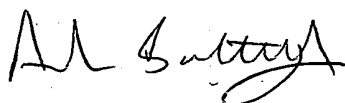
Future Outlook

As a result of a declaration of backing from its indirect parent, Deutsche Holdings No.2 Limited, the Company is able to maintain its good standing and remain in a position to meet its obligations as they fall due.

Although the Company is in a net current liability position, the Directors are satisfied that the Company will not be required to settle its group short-term obligations unless it has sufficient resources to do so.

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



Director/ Joint Secretary

ANDREW BARTLETT

Registered office

Winchester House

1 Great Winchester Street

London

EC2N 2DB

Dated: **24/ 8/ 2016**

Company number: 01268118

DIRECTORS' REPORT**For the year ended 31 December 2015****Directors**

The Directors of the Company who held office as at 31 December 2015 were as follows:

N.K.J. Calvert
B. Craig
N. Psyllakis
C. Richardson

A.W. Barlett and R. Smith were Joint Company Secretaries as at 31 December 2015.

Changes in Directorship and Company Secretariat

R. Smith was appointed as Joint Company Secretary on 14 August 2015.

A.P. Rutherford resigned as Joint Company Secretary on 14 August 2015.

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

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

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 which have been 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, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies Act 2006.

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

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 financial risk management objectives and policies;
- details of important events affecting the Company (and any subsidiaries in its consolidation) since the end of the financial year; and
- an indication of likely future developments in the business of the Company.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2015

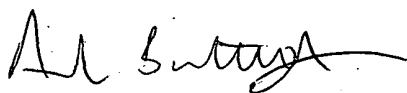
Disclosure of Information to Auditors

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 the Directors have taken all steps that they ought to have taken as Directors to make themselves 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 LLP will therefore continue in office.

By order of the Board of Directors



Director/ Joint Secretary

ANDREW BARTLETT

Registered office

Winchester House

1 Great Winchester Street

London

EC2N 2DB

Dated: **24/08/2016**

Company number: 01268118

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DB OVERSEAS HOLDINGS LIMITED
For the year ended 31 December 2015

We have audited the financial statements of DB Overseas Holdings Limited for the year ended 31 December 2015 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK General Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 auditor's 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 Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 2015 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 matters prescribed by Companies Act 2006

In our opinion the information given in the Strategic Report and 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.

Mike Heath

Mike Heath (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

Dated: 24 August 2016

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2015

	Note	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Income from shares in group undertakings		1,800	690
Interest receivable and other similar income from group undertakings		-	103
Interest payable and other similar charges to group undertakings	4	(296)	(1,194)
Net gain on disposal of shares in subsidiary undertakings		24,045	666
Amounts written off investments	6	(401)	(376)
Reversal of impairment of shares in subsidiary undertakings	6	1,852	49,525
Gain on derivative contracts		234	7,899
Foreign exchange loss		(7,493)	(1,653)
Other expenses		(380)	(782)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,361	54,878
Tax on profit on ordinary activities	5	1,694	(940)
PROFIT FOR THE FINANCIAL YEAR		21,055	53,938

The profit for the year has arisen from continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the year ended 31 December 2015

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Profit for the financial year	21,055	53,938
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	21,055	53,938

Total comprehensive income for the year has arisen from continuing operations.

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

The notes on pages 10 to 18 form part of these financial statements.

BALANCE SHEET
As at 31 December 2015

	Note	2015 €'000	2014 €'000
FIXED ASSETS			
Shares in subsidiary undertakings	6	76,723	89,231
		76,723	89,231
CURRENT ASSETS			
Amounts owed by group undertakings	7	11,023	9,245
Other debtors including taxation		1,668	-
Cash at bank		12,484	27,819
		25,175	37,064
CREDITORS: Amounts falling due within one year			
Amounts owed to group undertakings	8	(64,389)	(106,864)
Other creditors including taxation		-	(2,918)
Accruals and deferred income		(8)	(67)
		(64,397)	(109,849)
NET CURRENT LIABILITIES		(39,222)	(72,785)
NET ASSETS		37,501	16,446
CAPITAL AND RESERVES			
Called up share capital	9	55,978	55,978
Profit and loss account		(18,477)	(39,532)
SHAREHOLDER'S FUNDS		37,501	16,446

The notes on pages 10 to 18 form part of these financial statements.

These financial statements were approved by the Board and signed on its behalf by


Director BENJAMIN CRAIG

Dated: 24/8/16

Company number: 01268118

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	<u>Called up Share</u> <u>Capital</u> <u>€'000</u>	<u>Profit and Loss</u> <u>Account</u> <u>€'000</u>	<u>Total</u> <u>€'000</u>
Balance at 1 January 2015	55,978	(39,532)	16,446
Profit for the financial year	-	21,055	21,055
Balance at 31 December 2015	55,978	(18,477)	37,501

For the year ended 31 December 2014

	<u>Called up Share</u> <u>Capital</u> <u>€'000</u>	<u>Profit and Loss</u> <u>Account</u> <u>€'000</u>	<u>Total</u> <u>€'000</u>
Balance at 1 January 2014	55,978	(93,470)	(37,492)
Profit for the financial year	-	53,938	53,938
Balance at 31 December 2014	55,978	(39,532)	16,446

The notes on pages 10 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

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 were prepared in accordance with FRS 101 *Reduced Disclosure Framework*. They represent first time adoption of this standard by the Company.

In so doing, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but has made amendments where necessary in order to comply with the requirements of Companies Act 2006. Accordingly, the relevant IFRS have been referenced in the following notes where relevant.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for Share Capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of transactions with related parties;
- A statement of financial position for the beginning of the earliest comparative period; and
- The effects of new but not yet effective IFRSs.

As the Company is not a 'Financial Institution', as defined by the Financial Reporting Council, it has applied the exemptions available for disclosures required by IFRS 7, IFRS 13 and IAS 1.

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 these financial statements.

Executive directors of the Company are members of the Group defined benefit and defined contribution pension schemes operated by DB Group Services (UK) Limited (DBGS): details of which are disclosed in the financial statements of that entity. The Company has no obligation to pay employee retirement benefits, and has no commitment or guarantee to indemnify DBGS for retirement benefit liabilities.

The Company is incorporated and domiciled in England and Wales.

Deutsche Holdings No.3 Limited, a company registered in England and Wales, is the Company's immediate controlling entity.

Deutsche Bank AG, a company incorporated in Germany, is the parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which group financial statement are prepared, in accordance with International Financial Reporting Standards. Deutsche Bank AG includes the Company in its consolidated financial statements. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

(a) Group Financial Statements

As the Company is a wholly owned subsidiary undertaking of Deutsche Holdings No. 3 Limited, itself a wholly owned indirect subsidiary undertaking of Deutsche Bank AG, which is incorporated in the European Union ("E.U.") and which publishes consolidated financial statements, and as its immediate parent undertaking is also incorporated in the E.U., the Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015**1 ACCOUNTING POLICIES (continued)****(b) Impact of the transition to FRS 101**

The Company's financial statements for 2015 have been prepared under FRS 101.

Significant accounting policies have remained unchanged, except for the Company's policy on foreign currency investments funded by foreign currency borrowings.

Previously, where foreign currency borrowings have been used to finance the purchase of foreign currency investments, the investment was revalued at the exchange rate prevailing on the Balance Sheet date. Any resulting gains or losses were recognised directly in reserves (SSAP 20).

On transition to FRS 101, the Company has elected to designate the foreign currency borrowing as a fair value hedge of the currency risk associated with the foreign currency investment. When hedge accounting is applied, the investment and the borrowing are both translated into Euros at the year-end closing rate with any translation differences being taken through the Profit and Loss Account (Note 1 (j)).

The change, however, did not result to any financial impact attributable to the transition to FRS 101.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following:

- Amounts owed by Group undertakings are initially measured at fair value, and subsequently at amortised cost.
- Amounts owed to Group undertakings are initially measured at fair value, and subsequently at amortised cost.
- Derivative financial instruments are initially measured at fair value. Any changes to fair value during the period are recognised in the Profit and Loss Account.

There is no offsetting of financial assets and financial liabilities in these financial statements.

(d) Interest receivable and similar income and Interest payable and similar charges to/from group undertakings

Interest income and expense are recognised in the Profit and Loss Account as they accrue using the effective interest method.

The effective interest rate is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows. The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs, and all other premiums or discounts.

(e) Foreign Exchange

Foreign currency transactions are translated into Euros at the exchange rate prevailing at the date of the transaction. Any monetary assets and liabilities are subsequently re-translated at the year-end closing rate with any translation differences being taken through the Profit and Loss Account.

(f) Dividends

Dividend income is recognised in the Profit and Loss Account when the right to receive payment is established.

(g) Tax on profit on ordinary activities

The charge/ credit for taxation is based on Profit or Loss for the year and takes into account any taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015**1 ACCOUNTING POLICIES (continued)****(h) Impairment of Non-Financial Assets**

A non-financial asset cannot be reported at more than what the Company can recover from it (the recoverable amount), either from using it (value in use) or selling it (fair value less costs of disposal). If the asset's carrying amount exceeds the recoverable amount the asset is deemed impaired and an impairment loss must be recognised in the profit and loss account.

The Company follows a 3 step approach to determining impairment:

1. Assess whether there is any indication of impairment.
2. If any indication of impairment exists, the recoverable amount of the asset must be estimated [IAS 36.9]. This will involve:
 - a) determination of the unit of valuation for impairment purposes; and
 - b) determination of the recoverable amount.
3. If the recoverable amount (defined as the higher of fair value less costs of disposal and value in use) is below the carrying amount of the asset, then the carrying amount must be written down to its recoverable amount. That reduction is an impairment loss.

(i) Shares in subsidiary undertakings

Shares in subsidiary undertakings, as disclosed in Note 6 to the financial statements, are stated at cost less impairment.

When a foreign currency denominated investment is match funded by an equivalent borrowing, the Company can elect to designate this borrowing as a fair value hedge of the currency risk associated with the shares. This is done on the grounds that the investment is economically hedged and that it is only a mismatch in the accounting treatments of the investment (a foreign currency denominated non-monetary asset) and its funding (a foreign currency denominated monetary liability) which give rise to Foreign exchange gains/losses in the Company's Profit and Loss Account.

When hedge accounting is applied, the equity investment and the borrowing are both translated into Euros at the year-end closing rate with any translation differences being taken through the Profit and Loss Account.

(j) Fair value hedge

For accounting purposes, a fair value hedge is one which hedges the changes in the fair value of assets, liabilities or unrecognised firm commitments. The Company has adopted hedge accounting in respect of the currency risk associated with its equity investments in subsidiaries.

The Company has designated and documented the hedging relationship, the risk management objective and strategy for establishing the hedging relationship and the nature of the risk being hedged. This documentation includes a description of how the Company will assess the relationship's effectiveness in offsetting the exposure to changes in the hedged item's fair value.

The terms of the equity investment in subsidiaries and its associated funding trade (i.e. the hedging instrument) are matched. Nonetheless, hedge effectiveness is assessed at inception and annually thereafter.

Any changes in the fair value of the equity investment are recognised in the Profit and Loss Account along with changes in the entire fair value of the associated funding trade.

(k) Derivatives - Total Return Swaps

The risks and rewards of certain co-investments made by the Company on behalf of the Group are borne via total return swaps.

As swap counterparty, the Company reflects the net payments in respect of the total return swap agreements, which comprise the interest expense on the funding costs of the underlying funds/investments, any impairment and any distribution of income.

The interest in these swaps is accounted for on an accrual basis. The underlying investments are fair valued.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

1 ACCOUNTING POLICIES (continued)

(I) Critical Accounting Estimates and Judgements

The preparation of these financial statements requires the Directors to make estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

The significant accounting policy of the Company that involves critical accounting estimates relates to the impairment of investments in subsidiaries (Note (h)).

2 ADMINISTRATIVE EXPENSES

The Company has no 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 (2014: €nil).

Auditor's remuneration for services rendered to the Company has been borne by another group undertaking.

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Audit of these financial statements	48	22
	<u>48</u>	<u>22</u>

3 DIRECTORS' EMOLUMENTS, TRANSACTIONS AND INTERESTS

a) Emoluments

As per Note 2, staff and directors are not paid by the Company but by a fellow group undertaking.

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Directors' emoluments	13	-
	<u>13</u>	<u>-</u>
	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Company contributions to money purchase pension schemes	2	-
	<u>2</u>	<u>-</u>

During the year, no Directors received shares or payments under long term incentive schemes (2014: 0 Directors received Group shares or payments under long term incentive schemes).

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was below £200,000 (€276,393) (2014: The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was nil).

	<u>Number of</u> <u>Directors</u> <u>2015</u>	<u>Number of</u> <u>Directors</u> <u>2014</u>
Retirement benefits are accruing to the following number of Directors under: Money Purchase Schemes	1	-
	<u>1</u>	<u>-</u>

No Directors exercised any shares options under long term incentive schemes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

3 DIRECTORS' EMOLUMENTS, TRANSACTIONS AND INTERESTS (continued)

b) Transaction

There were no amounts outstanding to the Directors of the Company as at 31 December 2015 (2014: €nil) or at any point during the year ended 31 December 2015. In this instance, the term Directors also covers individuals connected to directors as defined by s.252 of the Companies Act, 2006.

b) Interests

None of the Directors had any other disclosable interest in the shares or debentures of any UK group undertaking at the end of the year, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the year.

4 INTEREST PAYABLE AND OTHER SIMILAR CHARGES TO GROUP UNDERTAKINGS

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Interest expense on short term borrowings	199	730
Interest expense on unpaid taxes	97	464
	<u>296</u>	<u>1,194</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax on profit on ordinary activities

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
<i>Current taxation</i>		
Group relief credit/ (charge) for the year	1,705	(940)
Adjustments in respect of prior periods	(11)	-
Tax credit/ (charge) on profit on ordinary activities	<u>1,694</u>	<u>(940)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20.25% (2014: 21.50%). The actual tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation

(b) Current tax reconciliation

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Profit on ordinary activities before taxation	19,361	54,878
Tax on profit on ordinary activities at standard rate (2015: 20.25%, 2014: 21.50%)	(3,921)	(11,799)
Effects of:		
Non-taxable dividend income	365	149
Impairment of shares in subsidiary undertakings	(81)	(81)
Reversal of impairment of shares in subsidiary undertakings	375	10,648
Net gain on disposal of shares in subsidiary undertakings	4,869	143
Foreign exchange gain in subsidiary undertakings	98	-
Adjustments in respect of prior periods	(11)	-
Tax credit/ (charge) on profit on ordinary activities	<u>1,694</u>	<u>(940)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

5 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

A reduction in the rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. The Finance Bill 2015 which announced that the UK corporation tax rate will reduce to 19% by 2017 and 18% by 2020 was substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

6 SHARES IN SUBSIDIARY UNDERTAKINGS

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Cost		
At 1 January	100,993	174,894
Disposals	(14,444)	(73,930)
Amounts written off	(3,814)	-
Foreign exchange revaluation	485	29
At 31 December	<u>83,220</u>	<u>100,993</u>
Provision		
At 1 January	11,762	125,791
Impairment	401	376
Amounts written back	(3,814)	-
Reversal of impairment	(1,852)	(49,525)
Reduction in provision due to disposals during the year	-	(64,880)
At 31 December	<u>6,497</u>	<u>11,762</u>
Net book amount		
At 31 December	<u>76,723</u>	<u>89,231</u>

Direct subsidiary undertakings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2015 % Holding</u>	<u>2014 % Holding</u>	<u>Country of Incorporation/ Operation</u>	<u>Nature of Business</u>
Bebek Varlık Yönetim A.S.	9,676,000 ordinary	-	96.76%	Turkey	Ongoing Factoring Business
DB Alternative Strategies Limited	1 ordinary	100%	100%	Cayman Islands	Investment adviser
DB Capital Partners General Partner Limited	2 ordinary	100%	100%	England & Wales	Investment Company
DB International Investments Limited	2 ordinary	100%	100%	England & Wales	Holding company
DB Platinum Advisors (merged)	1,000,000 ordinary	-	100%	Luxembourg	Investment adviser
DB U.K. Nominees Limited (in liquidation)	99 ordinary	99%	99%	England & Wales	Nominee company
Deutsche Colombia S.A.	123,000 ordinary	100%	94%	Colombia	Proprietary Trading
Deutsche Securities Israel Ltd.	50,822 ordinary	100%	100%	Israel	Investment Banking
Deutsche Securities Venezuela S.A.	2,433,000 ordinary	100%	100%	Venezuela	Own-account Trading
Gulara Pty Ltd (dormant)	128,875,001 ordinary	100%	100%	Australia	Acquiring participations

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

6 SHARES IN SUBSIDIARY UNDERTAKINGS (continued)

Indirect subsidiary undertakings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2015 % Holding</u>	<u>2014 % Holding</u>	<u>Country of Incorporation/ Operation</u>	<u>Nature of Business</u>
Deutsche Emerging Markets Investments (Netherlands) B.V.	19,999 ordinary	100%	100%	Netherlands	Rendering Services
Deutsche Global Markets Limited	9,900 ordinary	100%	100%	Israel	Investment adviser
Deutsche Investments (Netherlands) N.V.	1,000 ordinary	100%	100%	Netherlands	Holding companies without management function
Deutsche Securities (Peru) S.A. (in liquidation)	252,450 ordinary	100%	100%	Peru	Shell company

Associated direct undertakings and Incorporated significant holdings

<u>Name of Company</u>	<u>Number and Class of Shares Owned</u>	<u>2015 % Holding</u>	<u>2014 % Holding</u>	<u>Country of Incorporation/ Operation</u>	<u>Nature of Business</u>
EOL2 Holding B.V.	405 Ordinary B	45%	45%	Netherlands	Holding company
Gordian Knot Limited	8,000 Ordinary A	32%	32%	England & Wales	Investment Management
DB Capital Partners (Europe) 2000 - A Founder Partner LP	N/a - 100% voting rights	-	-	United States	Investment Partnership
DB Capital Partners (Europe) 2000 - B Founder Partner LP (domant)	N/a - 100% voting rights	-	-	United States	Investment Partnership
DB Capital Partners (Europe) 2002 Founder Partner LP	N/a - 100% voting rights	-	-	United States	Investment Partnership

On 30 January 2015, the Company sold its subsidiary, Bebek Varlik Yönetim A.S., for a cash consideration of €25,688,758 to another group company, Deutsche Holdings (Luxembourg) S.à r.l.. A gain of €21,244,866 was recognised from the sale.

On 13 March 2015, the Company sold another subsidiary, DB Platinum Advisors (DBPA), to another group company, DWS Investment S.A. for a cash consideration of €12,800,000. A gain of €2,800,000 was recognised from the sale. Prior to the sale, DBPA declared dividend to the Company as at 31 January 2015 amounting to €1,800,000 which was paid on 6 May 2015.

7 AMOUNTS OWED BY GROUP UNDERTAKINGS

	<u>2015</u>	<u>2014</u>
	<u>€'000</u>	<u>€'000</u>
Financial assets at fair value through profit or loss	10,034	9,245
Other debtors	989	-
	<u>11,023</u>	<u>9,245</u>

Financial assets at fair value through profit or loss pertain to a total return swap with Charitable Luxembourg Two S.a.r.l. and Charitable Luxembourg Four S.a.r.l.

Other debtors include €975,200 receivable under hedges.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

8 CREDITORS: Amounts falling due within one year

	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Amounts owed to Group undertakings:		
Short term borrowings	48,917	91,031
Financial liabilities at fair value through profit or loss	14,674	13,747
Other creditors	798	2,086
	<u>64,389</u>	<u>106,864</u>

Short-term borrowings include amounts owed to DB AG, London Branch, which were mainly used to fund the acquisition of the Company's various subsidiaries.

Financial liabilities at fair value through profit or loss relate to the net payments in respect of the total return swaps with Charitable Luxembourg Two S.a.r.l, IVAF Jersey and Perus 1 S.a.r.l.

Other creditors include the accrual of €561,000 interest on unpaid taxes, €187,000 overhead charges and €50,000 payable to DB AG, London Branch in payment of service fees on the Company's behalf.

9 CALLED-UP SHARE CAPITAL

	<u>2015</u> <u>No. of shares</u>	<u>2014</u> <u>No. of shares</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
	<u>2015</u> <u>€'000</u>	<u>2014</u> <u>€'000</u>
Allotted, called up and fully paid:		
Ordinary shares of €1.12 each	55,978	55,978
	<u>55,978</u>	<u>55,978</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share.

10 SUBSEQUENT EVENTS

The following events have occurred in relation to the Company's subsidiary undertakings and did not have any impact to the Balance Sheet and the Profit and Loss Account, unless disclosed otherwise.

On 13 January 2016, Gulara Pty Ltd. was deregistered in Australia under Section 601AA(4) of the Australian Corporations Act 2001.

On 20 January 2016, DB Capital Partners (Europe) 2000 - B Founder Partner LP and DB Capital Partners (Europe) 2002 Founder Partner LP have been dissolved.

On 6 February 2016, DB UK Nominees Limited has been dissolved.

On 31 March 2016, DB Capital Partners (Europe) 2000 - A Founder Partner LP has been dissolved.

On 3 May 2016, the Company paid €1,842,509 (\$2,100,000) as additional capital contribution to Deutsche Securities Colombia S.A. The capital contribution will be used by its subsidiary to repay its outstanding liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

10 SUBSEQUENT EVENTS (continued)

On 21 June 2016, the Company paid €7,798,504 (\$8,669,987) derivative liability following the termination of the total return swap with Perus 1 S.à.r.l. The swap was entered into on 23 November 2007, which allowed the Company to extract the underlying returns received and losses incurred by Perus 1 S.à.r.l. from an underlying equity stake in Verysell. The purchase of the equity stake in Verysell was funded by a loan between Perus 1 S.à.r.l. and DB AG, London Branch. The loan was also settled by Perus 1 S.à.r.l. on 21 June 2016 as being concurrently terminated with the swap.
