dbInvestor Solutions 2 plc

Directors’ report and financial statements

For the year ended 30 June 2023

Registered number 539687

dbInvestor Solutions 2 plc

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Directors and other information

Directors	Niall O'Carroll (Irish) - *Independent* Brian Brady (Irish) – resigned 11 November 2022 Bronagh Hardiman (Irish) – resigned 25 November 2022 Cliona O'Faolain (Irish) – appointed 25 November 2022 Eimear Cahill (Irish) – appointed 25 November 2022
Registered office	Block A, George's Quay Plaza George's Quay Dublin 2, Ireland
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Administrator & Company Secretary	Vistra Alternative Investments (Ireland) Limited Block A, George's Quay Plaza George's Quay Dublin 2, Ireland
Independent auditor	Ernst & Young Harcourt Centre Harcourt Street Dublin 2, Ireland
Arranger, Custodian, Banker & Swap Counterparty	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Listing Agent	Vienna / Cayman Listing Agent Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Solicitor	Matheson 70 Sir John Rogerson's Quay Dublin 2, Ireland

Directors' Report

The Directors present the Directors' Report and audited financial statements of dbInvestor Solutions 2 plc (the "Company") for the year ended 30 June 2023.

Principal activities, business review and future developments
The Company has established a Multi-Issuance Programme (the "Programme") to issue debt securities and/or other secured limited recourse indebtedness. Debt securities are issued in series (each a "series") and the terms and conditions of the debt securities of each series are set out in a supplemental prospectus (each a "Prospectus") for such series. Debt securities issued by the Company are listed with the Vienna Stock Exchange and the Cayman Islands Stock Exchange. Details of series listed on specific exchanges are disclosed in note 9.

The Programme offers investors the opportunity to gain exposure to a portfolio of investments (the "investment securities").

Each series of debt securities issued is secured as set out in the terms and conditions of the debt securities issued as set out in the relevant Prospectus and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the relevant issue deeds (each an "Issue Deed") or as incorporated by reference therein). Refer to note 22 for the profile of debt securities issued. Each series may also be secured by an assignment of the Company's rights under a Swap Agreement and/or Option Agreement and/or Repurchase Agreement and/or Credit Support Document (each as defined in the relevant Issue Deed or as incorporated by reference therein) and any additional security as may be described in the relevant Prospectus. For details about the investments held by the Company, refer to note 7. The Company's obligation to the holders of debt securities of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Refer to note 21(b)(ii) for further details on liquidity risk.

The Company holds cash at bank and investment securities. Refer to notes 4 and 7 for more information.

The credit risk of the investment securities is borne by either the Company's swap counterparty (in cases where a default swap transaction has been entered into for that particular series) or the holder of the debt securities issued. Refer to note 21(b)(i) for further details about how the Company manages credit risk.

For every new issuance of debt securities, Deutsche Bank AG, London Branch ("DB London"), as Arranger, transfers to the Company a series fee relative to each series issued as corporate benefit. This income is taxable under Irish law at a current rate of 25% and the net amount is retained as the profit for the year. Refer to notes 15 and 20 for further details.

In accordance with the Programme Proposal Agreement dated 2 June 2014 between the Company and DB London (as amended and/or supplemented from time to time) (the "Programme Proposal Agreement"), DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement). DB London is also the swap counterparty for all series where derivatives are held. Refer to note 6 on details of the derivative financial instruments.

The Company made a net gain on investment securities of EUR 14k (2022: Net loss of EUR 1,993k) and a net loss on derivative financial instruments of EUR 2,822k (2022: Net gain of EUR 3,489k) for the year. Due to the limited recourse nature of the debt securities issued and as the return on those issued securities, is directly linked to the performance of the investment securities, and derivative financial instruments, the Company made a corresponding net finance gain on debt securities issued of EUR 2,808k (2022: Net finance loss of EUR 1,496k) resulting in nil profit for the year ended 30 June 2023 (2022: Nil). Refer to notes 12, 13 and 14 of the financial statements for further information.

Principal activities, business review and future developments (continued)
As at 30 June 2023, the fair value of the Company's total debt securities issued was nil (2022: EUR 22,119k). The Company had no new series issued during the year (2022: No series). Refer to note 9 for further details.

During the year, series 4 and 9 (2022: Series 5 and 8) matured and no series was fully or partially redeemed (2022: No series).

There are no series currently in issue as at year end date (2022: Series 4 and 9).

The Company will continue to be actively taxed at a current rate of 25% in accordance with Section 110 of Taxes Consolidation Act, 1997, as amended.

Regulators and central banks have set the goal of improving the robustness of financial benchmarks, especially interest rate benchmarks. As a result of this initiative, the availability of the London Interbank Offered Rate ("LIBOR"), and other benchmarks including the remaining USD LIBOR settings has ceased to be published from 30 June 2023. The IBOR transition had no material impact on the financial statements of the Company as at 30 June 2023.

Refer to risks and uncertainties section for the detailed discussion on the impact on going concern of the conflict between Russia and Ukraine, climate-related risks, and macroeconomic factors. Nonetheless, the Board of Directors (the "Board") will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of series of the Company.

As of 30 June 2023, the Company discontinued its COVID-19 related disclosures based on recent regulatory and accounting guidance and its own assessment that such specific disclosures are no longer relevant.

The Directors considered all available information for the foreseeable future which is at least, but not limited to, 12 months from the proposed date of the approval of the financial statements. The Directors do not plan on liquidating the Company on maturity of series 4 and 9 last November 2022. DB London intend that the Company will continue for the foreseeable future for potential new transactions. As at the reporting date, there are no expected changes to the Company's level and type of operations in the foreseeable future.

Political donations
The Company made no political donations during the year (2022: Nil).

Results and dividends for the year
The results for the year are set out on page 14. The Directors do not recommend the payment of a dividend for the year under review (2022: Nil).

Changes in Directors
The names of the persons who were Directors during the year are set out below. Except where indicated, they served as Directors for the entire year:

Mr. Niall O'Carroll (Irish)
Mr. Brian Brady (Irish) – resigned 11 November 2022
Ms. Bronagh Hardiman (Irish) – resigned 25 November 2022
Ms. Cliona O'Faolain (Irish) – appointed 25 November 2022
Ms. Eimear Cahill (Irish) – appointed 25 November 2022

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the debt securities issued, investment securities and derivative financial instruments held by the Company. The principal financial risks and uncertainties facing the Company (other than operational risks) and the risk management framework in place to deal with these risks are explained in notes 21 of the financial statements.

Conflict between Russia and Ukraine

On 24 February 2022, Russia commenced a large-scale invasion against Ukraine. In response, the West has moved to impose broad-based sanctions targeting Russia, including but not limited to certain Russian banks and the Russian Central Bank, companies, parliamentary members and members of the Russian elite and their families. It is possible that additional sanctions and other measures may be imposed in the future. In terms of the financial impact of the conflict between Russia and Ukraine, the Company continued to receive its interest income from its investment securities which indicates the Company continues to generate cash flows to meet its obligations as they fall due. As of 30 June 2023, the Company had no outstanding investment securities.

Climate-related risks and macroeconomic factors

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and the rising inflation and interest rates and have concluded that these do not have a material impact on the financial results and cash flows of the Company as at 30 June 2023.

Going concern

The Directors considered the impact that the conflict between Russia and Ukraine, and climate-related risks and macroeconomic factors may have over the going concern assumption of the Company. The limited recourse nature of the securities issued by the Company limit the investors' recourse to the underlying net assets of that particular debt securities issued.

The investors have no right to take any step for the winding up or liquidation of the Company in the event that the underlying assets are insufficient to repay the principal/interest amounts of the debt securities issued. Further, to manage the principal risks impacting the Company such as market risks, liquidity risks and credit risks, it has entered derivative swap agreements with DB London depending on the requirement of each particular debt securities issued. Also, as per Programme Proposal Agreement, DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement).

Going concern (continued)
The Board and DB London considers the impact of the ongoing situation concerning Ukraine to the Company's performance and its ability to continue as a going concern. As of 30 June 2023, the Company had no investment securities that were directly or indirectly impacted by sanctions relating to Russia or the conflict in Ukraine. The Company's performance and its operation have not been significantly impacted by this conflict nor its ability to continue as a going concern. The Board and DB London will continue to monitor the evolving situation and its impact on the Company.

The Directors have concluded that the impact of the conflict between Russia and Ukraine, and climate-related risks and macroeconomic factors, do not represent a material uncertainty in relation to the Company's ability to continue as a going concern as at the date of signing these financial statements.

The Directors are currently looking for new opportunities for the Company and consider it appropriate to prepare the financial statements on a going concern basis. The Directors do not plan on liquidating the Company on maturity of series 4 and 9 last November 2022. DB London intend that the Company will continue for the foreseeable future for potential new transactions. The advantages in maintaining the Company as a going concern are based on cost and availability for new business. The cost of liquidating the Company and setting up a new entity for a new transaction is excessive and time consuming. The time delay in setting up a new vehicle is not favourable for any new transactions that might develop. For this reason, the Directors are satisfied that the Company will continue to operate as a going concern for a period of at least 12 months from the date of the approval of the financial statements.

There are no other matters that impact the ability of the Company to continue as a going concern as at year end.

Directors, secretary and their interests
The Directors and secretary who held office on 30 June 2023 did not hold any beneficial interests in shares and debentures of the Company at that date, during the year, at the beginning of the year or appointment date. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in section 329 of the Companies Act 2014 (as amended) (the "Act"), at any time during the year.

Credit events
There have been no credit events during the year which required payment under the swap agreements which the Company has written to DB London (2022: No credit events).

Subsequent events
Since the end of the reporting period, the Company has not issued any new series of debt securities. There were no significant events between the statement of financial position date and the date of signing the financial statements affecting the Company which require adjustment to or disclosure in the financial statements.

Annual Corporate governance statement
Introduction
The Company is subject to and complies with the Act and the Listing Rules of the Vienna Stock Exchange and the Cayman Islands Stock Exchange. There are no series currently in issue as at year end but Series 4 and 9 were listed during the year. Each of the service providers listed on page 1 engaged by the Company are subject to their own corporate governance requirements.

Annual Corporate governance statement (continued)

Financial Reporting Process

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The administrator also reports to the Board any control issues as they arise.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Vistra Alternative Investments (Ireland) Limited (the "Administrator" or "VAIIL"), to maintain accounting records independently of DB London who is the arranger and the custodian.

The Administrator is contractually obliged to maintain adequate accounting records as required by the corporate administration agreement. To that end, the Administrator performs reconciliations of its accounting records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare the annual report including financial statements for review and approval by the Board.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time, the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditor's performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process.

Risk Assessment

The Board is responsible for assessing the risk of irregularities, whether caused by fraud or error, in financial reporting and ensuring that there are processes in place for the timely identification of internal and external matters which may have a potential impact on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements. More specifically:

- The Administrator has a review procedure in place to ensure errors and omissions in the financial statements are identified and corrected.

- Regular training on accounting rules and recommendations is provided to the accountants employed by the Administrator.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the independent auditor.

Annual Corporate governance statement (continued)

Monitoring (continued)

Given the contractual obligations of the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Constitution and the Act. The Constitution may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Constitution. The Board may delegate certain functions to the Administrator and other parties subject to the supervision and direction of the Board. The Board has delegated the day to day administration of the Company to the Administrator.

Audit Committee

Under Section 1551(1) of the Act as amended, all public interest entities are required to establish an audit committee, subject to certain exemptions. Section 167 of the Act also requires the Directors to establish an audit committee or to state the reasons for not establishing such a committee.

As set out in Section 1551(11)(c) of the Act, a company issuing asset backed securities may avail of an exemption from the requirements to establish an audit committee. The sole business of the Company relates to the issuing of asset-backed securities and as such, the Company has availed itself of the exemption under Section 1551(11)(c) of the Act.

Accounting records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Act with regard to adequate accounting records by engaging a service provider who employs accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland.

Directors' compliance statement
The Directors, in accordance with Section 225(2) of the Act, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Act, market abuse regulations and prospectus regulations and tax laws ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place and;
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

Independent auditor
In accordance with Section 383(2) of the Act, Ernst & Young, Chartered Accountants, (first appointed on 12 February 2018 and reappointed on 29 December 2022) have expressed their willingness to continue in office.

Disclosure of Relevant Information to Auditor
In accordance with Section 330(1), each of the persons who is a Director at the date of approval of this report confirms that:

- so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

Approved and authorised for issue on behalf of the Board on 31 October 2023.

Niall O'Carroll

E Cahill

Niall O'Carroll
Director

Eimear Cahill
Director

dbInvestor Solutions 2 plc

Statement of Directors' responsibilities in respect of 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.

The Act requires the Directors to prepare financial statements for each financial year. In accordance with the Act, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS'), as adopted by EU.

Under the Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Act.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Act and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements comply with the above mentioned requirements.

Approved and authorised for issue on behalf of the Board on 31 October 2023.

Niall O'Carroll

E Cahill

Niall O'Carroll
Director

Eimear Cahill
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBINVESTOR SOLUTIONS 2 PUBLIC LIMITED COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of dbInvestor Solutions 2 Public Limited Company ('the Company') for the year ended 30 June 2023, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2023 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBINVESTOR SOLUTIONS 2 PUBLIC LIMITED COMPANY (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement of Directors' responsibilities in respect of Directors' report and the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBINVESTOR SOLUTIONS 2 PUBLIC LIMITED COMPANY (continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Fergus McNally
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 31 October 2023

dbInvestor Solutions 2 plc

Statement of Financial Position
As at 30 June 2023

	Note	2023 €'000	2022 €'000
Assets			
Cash at bank	4	37	37
Other assets	5	39	438
Derivative assets	6	-	2,315
Investment securities at fair value through profit or loss	7	-	19,489
Total assets		76	22,279
Liabilities			
Other liabilities	8	34	118
Debt securities issued designated at fair value through profit or loss	9	-	22,119
Total liabilities		34	22,237
Share capital	10	38	38
Retained earnings		4	4
Total equity		42	42
Total liabilities and equity		76	22,279

The financial statements were approved by the Board, authorised for issue and signed on behalf of the Board by:

Niall O'Carroll

E. Cahill

Niall O'Carroll
Director

Eimear Cahill
Director

Date: 31 October 2023

The notes on pages 17 to 60 form an integral part of these financial statements.

dbInvestor Solutions 2 plc

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 €'000	2022 €'000
Net gain / (loss) on investment securities	12	14	(1,993)
Net (loss) / gain on derivative financial instruments	13	(2,822)	3,489
Net finance gain / (loss) on debt securities issued	14	2,808	(1,496)
Operating income		-	-
Other income	15	65	70
Other expenses	16	(65)	(70)
Result before taxation		-	-
Income tax expense	17	-	-
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

All items dealt with in arriving at the above result for the year ended 30 June 2023 and 30 June 2022 are related to continuing operations.

The notes on pages 17 to 60 form an integral part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 €'000	2022 €'000
Cash flows from operating activities			
Result for the year before taxation		-	-
Adjustments for:			
Interest income on investment securities	12	(192)	(429)
Net unrealised loss on investment securities	12	-	604
Net realised loss of investment securities	12	178	1,818
Net unrealised gain on debt securities issued	14	-	(258)
Net realised (gain) / loss on debt securities issued	14	(2,808)	1,754
Net swap payments / (receipts)	13	507	(1,271)
Net unrealised gain on derivative financial instruments	13	-	(346)
Net realised loss / (gain) on settlement of derivative financial instruments	13	2,315	(1,872)
Movement in Working capital			
Changes in other assets		84	(42)
Changes in other liabilities		(84)	42
Cash generated from operating activities		-	-
Net (payments) / receipts in respect of derivative financial instruments		(192)	1,348
Net cash (used in) / generated from operating activities		(192)	1,348
Cash flow from investing activities			
Interest received from investment securities		192	429
Proceeds from maturities of investment securities		19,311	11,158
Net cash generated from investing activities		19,503	11,587
Cash flow used in financing activities			
Payments on maturities of debt securities issued	9	(19,311)	(12,935)
Net cash used in financing activities		(19,311)	(12,935)
Net change in cash at bank		-	-
Cash at bank as at 1 July	4	37	37
Cash at bank as at 30 June	4	37	37

The notes on pages 17 to 60 form an integral part of these financial statements.

dbInvestor Solutions 2 plc

Statement of Changes in Equity
For the year ended 30 June 2023

	Share capital €'000	Retained earnings €'000	Total €'000
Balance as at 1 July 2021	**38**	**4**	**42**
Result for the year - 2022	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Balance as at 30 June 2022	**38**	**4**	**42**
Result for the year - 2023	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Balance as at 30 June 2023	**38**	**4**	**42**

The notes on pages 17 to 60 form an integral part of these financial statements.

1 General information

dbInvestor Solutions 2 plc (the "Company") was incorporated on 17 February 2014 in Ireland with a registered number of 539687. The registered office of the Company is Block A, George's Quay Plaza, George's Quay, Dublin 2.

The Company is a special purpose vehicle that has been established to issue debt securities under a multi-issuance note programme.

The programme offers investors the opportunity to invest in a portfolio of investments, (the "investment securities") that includes derivative instruments that mitigate the interest rate risk and credit risk associated with the portfolio.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS as adopted by EU and in accordance with the Act.

The accounting policies set out below and in the succeeding pages have been applied in preparing the financial statements for the year ended 30 June 2023. The comparative information for 2022 presented in these financial statements has been prepared on a consistent basis.

The Company's debt funding has been provided by the holders of debt securities, whose recourse to the assets of the Company is limited to the aggregate net assets designated as underlying assets (assets acquired and other agreements) for the particular series of debt securities held and who have no right to take any step for the winding up or liquidation of the Company in the event that the aggregate proceeds from the realisation of the underlying assets are insufficient to repay the principal/interest amounts of the debt securities. Any event of default on any one particular series does not impact any other series.

The Directors considered the impact that the conflict between Russia and Ukraine, climate-related risks and macroeconomic factors, may have over the going concern assumption of the Company. The limited recourse nature of the securities issued by the Company limit the investors' recourse to the underlying net assets of that particular debt securities issued. The investors have no right to take any step for the winding up or liquidation of the Company in the event that the underlying assets are insufficient to repay the principal/interest amounts of the debt securities issued. Further, to manage the principal risks impacting the Company such as market risks, liquidity risks and credit risks, it has entered derivative swap agreements with DB London depending on the requirement of each particular debt securities issued. Also, as per Programme Proposal Agreement, DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement).

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

The Board and DB London considers the impact of the ongoing situation concerning Ukraine to the Company's performance and its ability to continue as a going concern. As of 30 June 2023, the Company had no investment securities that were directly or indirectly impacted by sanctions relating to Russia or the conflict in Ukraine.

The Company's performance and its operation have not been significantly impacted by this conflict nor its ability to continue as a going concern. The Board and DB London will continue to monitor the evolving situation and its impact on the Company.

The Directors have concluded that the impact of the ongoing conflict between Russia and Ukraine do not represent a material uncertainty in relation to the Company's ability to continue as a going concern as at the date of signing these financial statements.

The Directors are currently looking for new opportunities for the Company and consider it appropriate to prepare the financial statements on a going concern basis. The Directors do not plan on liquidating the Company on maturity of series 4 and 9 last November 2022. DB London intend that the Company will continue for the foreseeable future for potential new transactions. The advantages in maintaining the Company as a going concern are based on cost and availability for new business. The cost of liquidating the Company and setting up a new entity for a new transaction is excessive and time consuming. The time delay in setting up a new vehicle is not favourable for any new transactions that might develop. For this reason, the Directors are satisfied that the Company will continue to operate as a going concern for a period of at least 12 months from the date of the approval of the financial statements.

There are no other matters that impact the ability of the Company to continue as a going concern as at year end.

(b) Changes in accounting policies

There were no changes in accounting policies which would have a financial impact on the Company's financial statements during the year.

(c) New standards, amendments or interpretations

(i) New standards adopted during the year

The following adopted accounting standards for the accounting period beginning on or after 1 July 2022 are considered not relevant to the Company and therefore have no impact on the financial performance or financial position of the Company.

- Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework (issued on 14 May 2020)

2 Basis of preparation (continued)

(c) New standards, amendments or interpretations (continued)

(i) New standards adopted during the year (continued)

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (issued on 14 May 2020)
- Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (issued on 14 May 2020)
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (issued on 14 May 2020)
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (issued on 14 May 2020
- IAS 41 Agriculture – Taxation in fair value measurements (issued on 14 May 2020)

(ii) Effective for annual periods beginning on or after 1 July 2023

The Directors have set out the upcoming EU endorsed and un-endorsed accounting standards, amendments or interpretations as up until the issuance of the financial statements as set out below.

Description	Effective date (period beginning)*
Amendments to IFRS 17 *Insurance Contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	1 January 2023**
Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021)	1 January 2023**
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates (issued on 12 February 2021)	1 January 2023**
IFRS 17: *Insurance Contracts* (Issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023**
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023)	1 January 2023**
Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current - Deferral of Effective Date and Non-current Liabilities with Covenants (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively)	1 January 2024
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	1 January 2024

2 Basis of preparation (continued)

(ii) Effective for annual periods beginning on or after 1 July 2023 (continued)

Description	Effective date (period beginning)*
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 January 2025

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable, the Company will apply them from their EU effective date.
** EU endorsed.

The Directors have considered the new standards, amendments and interpretations as set out in the table and have concluded that they are not relevant to the Company and do not intend to adopt any of the new standards before their effective date.

(d) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Investment securities at fair value through profit or loss which are measured at fair value; and
- Debt securities issued designated at fair value through profit or loss which are measured at fair value.

The methods used to measure fair values are discussed further in note 3(a).

(e) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of income, expenses, assets and liabilities and the accompanying disclosures.

(i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Level 3 fair value measurement
Level 3 instruments are regarded as a source of critical accounting judgement as at 30 June 2023. The measurement of fair value of the complex Level 3 instruments is both quantitatively and qualitatively material to the financial statements. The critical judgement is over the use of the unobservable inputs and the material nature of these inputs in the valuation of the financial instruments.

2 Basis of preparation (continued)

(e) Significant accounting judgements, estimates and assumptions (continued)

(i) Judgements (continued)

The swap counterparty has produced valuations as of a particular time and date on the basis of, inter alia, its proprietary valuation models that takes into account interest rates, duration and relevant credit spreads. There exists estimation related to the selection and calibration of the models and associated market data inputs.

The determination of fair values of financial assets and financial liabilities that are not quoted in an active market are based on valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. Valuation techniques include the option pricing model, discounted cash flow model, comparison to similar instruments for which market observable prices exist and valuation models. For more complex instruments, the Company uses Swap Counterparty proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may not be market observable and are derived from market prices or are estimates based on assumptions. Refer to note 23 for more details.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below and in the next page. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the option pricing model and discounted cash flow model. The inputs to these models are taken from observable markets, where possible. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 23.

2 Basis of preparation (continued)

(e) Significant accounting judgements, estimates and assumptions (continued)

(i) Estimates and assumptions (continued)

The result of the ongoing conflict between Russia and Ukraine, and climate-related risks and macroeconomic factors, on the critical judgements and sources of estimation uncertainty outlined above impacts the valuation of the underlying securities and the categorisation of the underlying securities in the IFRS fair value hierarchy table.

To date, there has been no significant change on the valuation of the underlying securities or their categorisation in the fair value hierarchy table. Similarly, there has been no significant change in critical judgements and sources of estimation uncertainty or assumptions underpinning assets, liabilities, income, expenses and cash flows due to the ongoing conflict between Russia and Ukraine, and climate-related risks and macroeconomic factors.

(f) Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

The issued share capital and debt securities of the Company are both denominated in Euro. The Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information presented in Euro have been rounded to the nearest thousand.

3 Significant accounting policies

The accounting policies set out in the succeeding pages have been applied consistently to all years presented in these financial statements.

3 Significant accounting policies (continued)

(a) Financial instruments

The Company classifies its financial instruments in accordance to IFRS 9.

The financial instruments held by the Company at fair value through profit or loss include the following:

- Investment securities;
- Derivative financial instruments; and
- Debt securities issued.

Classification
The Company has designated financial liabilities at fair value through profit or loss since the liabilities consist of debt securities issued and the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the financial assets or liabilities or recognising gains or losses on them on a different basis.

During the year, the Company made no new issuances of series and no new designations were made. There are no outstanding debt securities issuances as at 30 June 2023.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically, debt instruments (e.g., debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss ("FVTPL").

The Company has classified the investment securities at fair value through profit or loss. Derivative financial instruments are carried at fair value through profit or loss. Other financial instruments are carried at amortised cost.

Investment securities
Investment securities held by the Company are classified at fair value through profit or loss on initial recognition because they do not meet the conditions of solely payments of principal and interest test ("SPPI") to be classified at amortised cost or the business model test to be classified at fair value through other comprehensive income ("FVOCI"). They form part of a portfolio of identified financial instruments that are managed together on a fair value basis. Investment securities include corporate bonds which matured during the year.

Derivative financial instruments
Derivative financial instruments held for risk management purposes include derivative assets and liabilities that are used to economically hedge the derivatives at each series from interest rate or market fluctuations affecting the relevant collateral assets.

Such derivatives are not formally designated into a qualifying hedging relationship and therefore all changes in their fair value are recognised through profit or loss in the statement of comprehensive income.

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Debt securities issued
The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce the inconsistent treatment that would otherwise arise from measuring the debt securities issued on a different basis to that of the underlying securities such as the investment securities and derivative financial instruments.

Financial assets and financial liabilities that are not at fair value through profit or loss
A financial asset shall be measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets of the Company include cash at bank and other assets which include interest income receivable from investment securities and receivables from the Arranger in relation to the corporate benefit / Series Overheads of the Company.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

Impairment of financial assets
The impairment rules under IFRS 9 apply to financial assets that are measured at amortised cost or FVOCI. The financial assets are written off when there is no reasonable expectation of recovery. The determination of impairment losses and allowances are based on expected credit loss model, where provisions are taken upon initial recognition of the financial asset based on expectations of potential credit losses at that time.

Under IFRS 9 expected credit loss approach, the Company will recognise expected credit losses resulting from default events that are possible within the next 12 months.

IFRS 9 also requires the recognition of credit losses expected over the remaining life of the assets (‘lifetime expected losses’) which have significantly deteriorated in credit quality since origination or purchase but have yet to default (stage 2) and for assets that are credit impaired (stage 3). Under IFRS 9 expected credit losses are measured by taking into account forward-looking information, including macroeconomic factors.

In order to determine whether there has been a significant increase in credit risk, the Company compares the risk of a default occurring over the expected life of the financial instruments as at the reporting date with the risk of default as at the date of initial recognition.

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Recognition and measurement
The Company initially recognises all financial assets and financial liabilities at fair value on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instruments. For financial assets and financial liabilities which will subsequently be carried at fair value, initial direct costs are expensed. For financial assets and financial liabilities not at fair value through profit or loss, costs directly attributable to the acquisition or issue of financial assets or financial liabilities are included in the initial cost.

From the relevant trade date, any gains or losses arising from changes in the fair value of the financial assets or financial liabilities being measured at fair value through profit or loss are recognised in the statement of comprehensive income.

Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

Fair value measurement principles
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access. The fair value of a liability reflects its non-performance risk. The determination of fair values of financial assets and financial liabilities are based on quoted bid market prices or dealer price quotations for financial instruments traded in active markets, where these are available. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at bid price

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Fair value measurement principles (continued)
For all other financial instruments, fair value is determined by using valuation techniques. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Valuation techniques include option pricing model and discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models.

The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like call options, interest rate and currency swaps.

For more complex instruments, the Company uses Swap Counterparty proprietary models, which are usually developed from recognised standard industry valuation models. Some or all of the inputs into these models may not be market observable and are derived from market prices of similar instruments or rates or are estimated based on assumptions. Refer to note 23 for details.

The Company recognises transfers between levels of the fair value hierarchy as at the beginning of the reporting period during which the change has occurred.

(b) Financial liabilities and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the two conditions below:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that these conditions are not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of the ongoing remeasurement of debt securities to fair value. Any payments associated with financial instruments that are classified as equity are distributions from the net income attributable to equity holders and are recorded directly in equity

3 Significant accounting policies (continued)

(c) Operating segments

The Company has applied IFRS 8 Operating Segments which puts emphasis on the "management approach" to reporting on operating segments.

The Company is engaged as one segment. It involves the repackaging of bonds and other debt instruments, on behalf of investors, which are bought from the market and subsequently securitised to avail of potential market opportunities and risk-return asymmetries.

Each transaction is entered into on its own merit, as such, no cross-sectional review is performed based on geographical location for the Company by the Board who is regarded as the Company's Chief Operating Decision Maker. No revenue per geographical location has been disclosed because this information is not prepared and is not regularly provided to nor used by the Board. The financial results for this segment are equivalent to the financial statements of the Company as a whole.

The Board is responsible for managing the business of the Company including the outcome of day-to-day operating decisions. It achieves this by appointing on an arm's length basis established service providers with competence and expertise in their respective areas. It reviews the terms of their engagement and monitors the output from these services to ensure they fully satisfy what is required of them in operational, legal and regulatory terms.

(d) Cash at bank

Cash at bank consists of cash held on deposit which is on demand and is carried at amortised cost in the statement of financial position.

(e) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency of the Company using exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the exchange rate at that date.

Foreign currency differences arising on retranslation or settlement are recognised through profit or loss in the statement of comprehensive income and are included under net gain / (loss) on investment securities, derivative financial instruments or debt securities issued, as appropriate.

(f) Net gain / (loss) on investment securities

Net gain / (loss) on investment securities relates to realised income (including interest receipts and accrued interest income) and unrealised fair value changes arising on investment securities.

3 Significant accounting policies (continued)

(g) Net (loss) / gain on derivative financial instruments

Net (loss) / gain on derivative financial instruments relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes and settlements.

(h) Net finance gain / (loss) on debt securities issued

Net finance gain / (loss) on debt securities issued includes financing costs, realised and unrealised fair value changes.

(i) Taxation

Tax expense comprises current and deferred tax. Tax expense is recognised through profit or loss in other comprehensive income or directly in equity, consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date and adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company is an Irish registered company and is structured to qualify as a qualifying company under Section 110 of the Taxes Consolidation Act, 1997, as amended. The Company is subject to Irish corporation tax at 25%.

(j) Other income and expenses

All of the other income and expenses are accounted for on an accrual basis.

(k) Share capital and dividend

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as deduction from the proceeds, net of tax.

3 Significant accounting policies (continued)

(k) Share capital and dividend (continued)

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

4 Cash at bank

	2023 €'000	2022 €'000
Cash at bank	37	37

Cash at bank balance is held with DB London, refer to note 21(b)(i) for the credit rating.

5 Other assets

	2023 €'000	2022 €'000
Interest income receivable from investment securities	-	315
Other receivables	39	123
	39	438

All of the above other assets are current. Refer to note 21(b)(i) for credit risk disclosure.

6 Derivative financial instruments

	2023 €'000	2022 €'000
Derivative assets		
Less than one year	-	2,315
	-	2,315

The Company has entered into asset swap agreements to eliminate the mismatch between the amount payable in respect of issued debt securities and the return from the investment securities held by the Company as collateral. During the year, asset swap agreements for series 4 and 9 matured (2022: Series 5 and 8).

6 Derivative financial instruments (continued)

Fair value adjustment for credit risk
The adjustments comprised Counterparty Credit Valuation Adjustments (CVA), Debit Valuation Adjustments (DVA) and Funding Valuation Adjustments (FVA). The impact of these adjustments are incorporated into the fair value of the derivative financial instruments.

CVAs cover expected credit losses relating to non-performance risk of the derivative counterparty, DB London. For DVAs, that relates to derivative liabilities, the Company considers it's own credit-worthiness by assessing counterparty potential future exposure with reference to the associated collateral, the expected loss given default and the probability of default. FVAs incorporate the market implied funding costs into the fair value of the derivative positions and reflects a discount spread applied to uncollateralised and partly collateralised derivatives.

As at 30 June 2023, the combined value of adjustments are as follows:

	2023 €'000	2022 €'000
Credit Valuation Adjustments (CVA)	-	(1)
Debit Valuation Adjustments (DVA)	-	-
Funding Valuation Adjustments (FVA)	-	(3)
Total Valuation Adjustments	-	(4)

This was consistent with the valuation policies adopted by swap counterparty, DB London.

The notional amount of the derivatives as at year end are as follows:

	2023 Notional		2022 Notional	
Series	**Receive €'000**	**Pay €'000**	**Receive €'000**	**Pay €'000**
DBIS2-S0004	-	-	10,316	10,316
DBIS2-S0009	-	-	8,995	8,995

7 Investment securities at fair value through profit or loss

	2023 €'000	2022 €'000
At fair value through profit or loss		
Corporate bonds	-	19,489
	-	19,489

Maturity analysis of investment securities at fair value through profit or loss	**2023 €'000**	**2022 €'000**
Less than one year	-	19,489
	-	19,489

Maturities of investment securities are cash settled transactions which are shown in the statement of cash flows. During the year, series 4 and 9 matured (2022: Series 5 and 8).

The carrying value of all the above assets of the Company represents the Company's maximum exposure to credit risk. The credit risk is eventually transferred to the holders of debt securities issued. The investment securities are held as collateral for debt securities issued by the Company. Refer to note 21(b)(i) for details on credit risk disclosures relating to the investment securities.

8 Other liabilities

	2023 €'000	2022 €'000
Accrued expenses	31	100
Other payables	3	18
	34	118

All of the above other liabilities are current.

9 Debt securities issued designated at fair value through profit or loss

	2023 €'000	2022 €'000
Designated at fair value through profit or loss	-	22,119
Maturity analysis of the debt securities issued designated at fair value through profit or loss		
Less than one year	-	22,119
	-	22,119

The Company's obligations under the debt securities issued and related derivative financial instruments as disclosed in note 6 are secured by collateral held as discussed in note 7. The investors' recourse per series is limited to the assets of that particular series.

Liabilities arising from financing activities relate to debt securities issued. The table below shows the changes in liabilities arising from financing activities.

	2023 €'000	2022 €'000
Opening balance	22,119	33,558
Net finance (gain) / loss on debt securities issued	(2,808)	1,496
Payments on maturities of debt securities issued	(19,311)	(12,935)
Closing balance	-	22,119

Maturities of debt securities are cash settled transactions which are shown in the statement of cash flows. During the year, series 4 and 9 matured (2022: Series 5 and 8).

In the event that accumulated losses prove not to be recoverable during the life of the debt securities issued, then the obligation to the holders of the debt securities issued by the Company will be reduced by the extent of the accumulated losses.

9 Debt securities issued designated at fair value through profit or loss (continued)

No series were listed on the Vienna Stock Exchange and the Cayman Islands Stock Exchange (2022: Series 4 and 9 were listed on the Vienna Stock Exchange and the Cayman Islands Stock Exchange).

As at 30 June 2023, no series (2022: Series 4 and 9) are zero-rated securities. Refer to note 21(b)(iii) for further details on interest rate classification.

10 Share capital

	2023	**2022**
	€'000	**€'000**
Authorised		
40,000 ordinary shares of €1 each	40	40
Issued and paid up		
38,100 ordinary shares of €1 each	38	38

11 Accounting classifications and carrying values of financial assets and financial liabilities

	2023 Carrying value €'000	2022 Carrying value €'000
Financial assets at amortised cost		
Cash at bank	37	37
Other assets*	36	438
Total financial assets at amortised cost	73	475
Financial assets at fair value through profit or loss		
Derivative assets	-	2,315
Investment securities	-	19,489
Total financial assets at fair value through profit or loss	-	21,804
Total assets	73	22,279
Financial liabilities at amortised cost		
Other liabilities	34	118
Financial liabilities designated at fair value through profit or loss		
Debt securities issued	-	22,119
Total liabilities	34	22,237

*Other assets as at 30 June 2023 includes prepayments amounting to EUR 3k (2022:Nil).

The financial instruments not accounted for at fair value through profit or loss are short-term financial assets (except cash collateral) and financial liabilities whose carrying amounts approximate fair value.

12 Net gain / (loss) on investment securities

	2023 €'000	2022 €'000
Net loss on investment securities at fair value through profit or loss	(178)	(2,422)
Interest income including accrual	192	429
	14	(1,993)
Net loss on investment securities at fair value through profit or loss analysed as follows:		
Net unrealised loss on investment securities	-	(604)
Net realised loss on maturities of investment securities	(178)	(1,818)
	(178)	(2,422)

13 Net (loss) / gain on derivative financial instruments

	2023 €'000	2022 €'000
Net (loss) / gain on derivative financial instruments carried at fair value through profit or loss (including interest receipts):		
- Asset swaps	(2,822)	3,489
Analysed as follows:		
Net swap (payments) / receipts	(507)	1,271
Net unrealised gain on derivative financial instruments	-	346
Net realised (loss) / gain on settlement of derivative financial instruments	(2,315)	1,872
	(2,822)	3,489

14 Net finance gain / (loss) on debt securities issued designated at fair value through profit or loss

	2023 €'000	2022 €'000
Net finance gain / (loss) on debt securities issued designated at fair value through profit or loss	2,808	(1,496)
Net finance gain / (loss) on debt securities issued designated at fair value through profit or loss analysed as follows:		
Net unrealised gain on debt securities issued	-	258
Net realised gain / (loss) on maturities of debt securities issued	2,808	(1,754)
	2,808	(1,496)

15 Other income

	2023 €'000	2022 €'000
Arranger income	65	70
	65	70

For every new issuance of debt securities, DB London, as Arranger, transfers to the Company a series fee as corporate benefit. This income is taxable under Irish law at a current rate of 25% and the net amount is retained as the profit for the year. During the year, no new series have been issued thus, the corporate benefit is nil (2022: Nil).

As per Programme Proposal Agreement, DB London as the Arranger, agrees to pay for Series Overheads (as defined in the Program Proposal Agreement). Arranger Income is the total expenses incurred by the Company during the year which are paid by the Arranger on the Company's behalf.

16 Other expenses

	2023 €'000	2022 €'000
Administration fee	(34)	(34)
Auditor remuneration and tax advisory services	(22)	(24)
Directors' emoluments	(9)	(12)
	(65)	(70)

The amounts presented are VAT inclusive.

The Company is administered by VAIIL and has no employees.

Other operating expenses are after charging the following:

Auditor's remuneration and tax advisory services (excluding VAT)

	2023 €'000	2022 €'000
Audit of Company's Statutory financial statements	(14)	(16)
Tax advisory services	(4)	(4)
	(18)	(20)

Section 305A(1)(a) of the Act, requires disclosure that VAIIL received EUR 1,000 (2022: EUR 1,000) included in administration fees as consideration for the making available of an individual, Bronagh Hardiman, Eimear Cahill and Cliona O'Faolain to act as Director of the Company. The terms of the corporate services agreement in place between the Company and VAIIL provide for a single fee for the provision of corporate administration services (including the making available of an individual to act as Director of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. For the avoidance of doubt, Bronagh Hardiman, Eimear Cahill and Cliona O'Faolain did not receive any remuneration for acting as Director of the Company. The Company paid Directors' fees of EUR 9k (2022: EUR 12k) to Niall O'Carroll and Brian Brady during the year as they are not employees of VAIIL.

17 Income tax expense

	2023 €'000	2022 €'000
Corporate tax	-	-

Factors affecting tax charge for the year
Corporation taxation has been calculated based on the results for the period and the resulting taxation charge is as follows:

	2023 €'000	2022 €'000
Profit before tax	-	-
Current tax at standard rate of 25%	-	-
Current tax charge	-	-

The Company is currently taxed at 25% (2022: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997, as amended. The Directors are not aware of any factors that may affect the future tax charge.

18 Ownership of the Company

The issued shares are held in trust by Registered Shareholder Services No. 3, Company Limited by Guarantee (12,699 shares), Registered Shareholder Services No. 2, Company Limited by Guarantee (12,699 shares), and Registered Shareholder Services No. 1 Company Limited Guarantee (12,702 shares), together (the “Share Trustees”), each of whom own a share under the terms of a declaration of trust dated 17 February 2014, under which the relevant Share Trustee holds an issued share of the Company in trust for charity. The Share Trustees have appointed a Board to run the day-to-day activities of the Company.

The Board has considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Board. The Board is composed of three Directors, two of whom, are employees of VAIIL, being the entity that acts as the Administrator of the Company. All three Directors are considered independent of the Deutsche Bank Group.

19 Charges

The debt securities issued by the Company are secured by way of charges over the collateral in respect of each series issued, and by the assignment of a fixed first charge of the Company’s rights, title and interest under the relevant swap agreement for each series.

20 Transactions with related parties including Administrator and Arranger

Transactions with Key Management Personnel
During the year, the Company incurred a fee of EUR 29k (2022: EUR 28k) relating to administration services provided by VAIIL. As at 30 June 2023, outstanding payables related to administration services amounted to EUR 7k (2022: EUR 21k).

Other Transactions
Directors' fees during the year amounted to EUR 12k (2022: EUR 12k). Bronagh Hardiman, Eimear Cahill and Cliona O'Faolain being a VAIIL employees do not receive any Director's fee. As at 30 June 2023, outstanding Directors' fees payable amounted to EUR 3k (2022: EUR 9k). Other than the Directors' fees, there are no other benefits, emoluments or compensations paid to the Directors.

Under a series proposal agreement entered into for each series by DB London and the Company, DB London will pay the Company a series fee. As per Programme Proposal Agreement, DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement). Refer to note 15 for details. As at 30 June 2023, the outstanding swap receivable (other receivables) and swap payable (other payables) from and to DB London as Arranger are disclosed in notes 5 and 8.

Series fee outstanding as at year end amounted to EUR 4k (2022: EUR 4k). Refer to note 15 for details.

DB London is also the swap counterparty for all series with asset swap agreements. The list of series and the corresponding fair values relating to these swaps are disclosed in note 6 and the associated income and expenses in notes 15 and 16, respectively.

As at 30 June, DB London has an interest in the following debt securities issued by the Company:

			2023		2022	
Series	***ISIN**	**Currency**	**Carrying value €'000**	**Nominal value €'000**	**Carrying value €'000**	**Nominal value €'000**
S0004	XS1218091251	EUR	-	-	11,167	10,316
S0009	XS1300573067	EUR	-	-	10,952	8,995
			-	-	22,119	19,311

*International Securities Identification Number ("ISIN")

None of the investment securities held by the Company are issued by DB London as at 30 June 2023 (2022: None).

21 Financial risk management

(a) Introduction and overview

The Company was set up as a segregated multi issuance Special Purpose Entity (SPE). This ensures that if one series defaults, the holders of that series are have no recourse to any other assets of the Company, which might otherwise have resulted in the Company's bankruptcy and the default of the other series of debt securities issued. The segregation criteria include the following:

- The Company is a bankruptcy remote SPE, incorporated in Ireland.
- Debt securities are issued in separate series.
- Assets relating to any particular series of debt securities issued are held separate and apart from the assets relating to any other series.
- Any swap transaction entered into by the Company for a series is separate from any other swap transaction for any other series.
- For each series of debt securities, only the trustees is entitled to exercise remedies on behalf of the holders of debt securities.

The net proceeds from the issue of the debt securities are paid to DB London as the swap counterparty or as agent in the case of pass-through notes to purchase a portfolio of investments securities plus any interest accrued thereon on behalf of the Company.

The Company has entered into various asset swaps with DB London, wherein the swap counterparty delivers the investment securities to the account of the Company and the Company pays the holders of debt securities the amount equal to the interest payable on the debt securities issued. The Company pays to the swap counterparty amounts equal to the interest received in respect of the investment securities, and on the maturity date of the investment securities will deliver the portfolio or the proceeds of its redemption to the swap counterparty. In return, the swap counterparty will pay to the Company amounts equal to the interest payments payable on the debt securities issued as well as the notional outstanding upon maturity. Refer to note 6 for the details of the swap agreements entered by the Company.

The swap counterparty delivers the collateral to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities. If the relevant swap has not terminated prior to the maturity date of the respective notes, a sum equal to the redemption amount payable on the debt securities. The credit quality details of the investment securities held by the Company are disclosed in Note 21(b)(i).

The debt securities issued are initially recorded at fair value which equates to the proceeds received in Euro and are subsequently carried at fair value through profit or loss. The ultimate amount repaid to the holders of these debt securities will depend on the proceeds from the investment securities and any payment the swap counterparty is obliged to make under the terms of the swap agreement.

21 Financial risk management (continued)

(b) Risk management framework

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities are borne by the Swap Counterparty as well as the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit risk;
(ii) Liquidity risk; and
(iii) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's investment securities and also from the derivative contracts which the Company has entered into.

The Company limits its exposure to credit risk by investing in bonds and other securities detailed in note 7 with counterparty that have a credit rating defined in the documentation of the relevant series. The Company considers an increase in credit risk when there is a default i.e. when the swap counterparty fails to meet its contractual commitments.

The risk of default on the assets listed on page 43 and on the underlying reference entities is borne by the swap counterparty which has a long-term rating of A- by Standard and Poor's ("S&P") during the year (2022: A- by S&P) and/or the holders of the debt securities as designated in the priority of payments described in the Prospectus of the relevant series.

21 Financial risk management (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	2023 €'000	**2022 €'000**
Cash at bank	37	37
Other assets	39	438
Derivative assets	-	2,315
Investment securities	-	19,489
	76	22,279

At the reporting date the credit quality of the Company's financial assets was as follows:

Cash at bank
The Company’s cash is held with DB London which has a long-term rating of A- by S&P during the year (2022: A- by S&P).

Other Assets
Other assets mainly include income receivable from corporate bonds held by the Company at the year end. The credit ratings, where applicable, and concentration of the investments securities at year end are disclosed under investment securities on page 43.

No expected credit loss was recognised in relation to the financial assets at amortised cost as the amount is not material.

Derivative financial instrument
The Company has entered into asset swap agreements to eliminate the mismatch between the amount payable in respect of issued debt securities and the return from the investment securities held by the Company as collateral.

The table below shows a breakdown by derivative financial assets for each class of debt securities issued.

Class of debt securities issued	**Derivative Type**	**2023 €'000**	**2022 €'000**
Equity Linked Notes	Assets swaps	-	2,315

21 Financial risk management (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

On a series by series basis where there are various components of a derivative financial instrument with different values, the values are disclosed on net basis.

The Company is exposed to the credit risk of the derivative counterparty with respect to payments due under the derivatives. This risk is borne by the holders of debt securities issued who are subject to the risk of defaults by the swap counterparty.

DB London is the derivative counterparty and has a long-term credit rating of A- by S&P (2022: A- by S&P). As at 30 June 2023,

Investment securities:
At the reporting date, the credit quality and the asset concentration of the Company's investment securities are set out below based on carrying amount in the statement of financial position.

Classification based on debt securities issued	Collateral type	Country of issuance	Rating Agency	Rating 2023	Rating 2022	2023 €'000	2022 €'000
Equity linked debt securities	Corporate bonds	Denmark	*Moody's	**NA	Baa2	-	19,489
Total						-	19,489

*Credit rating agency from prior year.
**Not applicable.

As per the terms and conditions of the relevant series, some debt securities can only hold collateral of a certain rating. If the rating of the collateral for these specific debt securities goes below the required level, DB London as swap counterparty will replace the collateral for those notes with eligible collateral.

During the year, no defaults occurred in respect of the investment securities held and interests were received, accordingly.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Company.

21 Financial risk management (continued)

(b) Risk management framework (continued)

(ii) Liquidity risk (continued)

The Company's obligation to the holders of debt securities of a particular series is limited to the net proceeds upon realisation of the collateral of that series, i.e. investment securities and derivatives. Should the net proceeds be insufficient to make all payment obligations in respect of a particular series of debt securities, the other assets held as collateral for remaining series of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the holders of debt securities and/or the swap counterparty according to the priorities of payment in relation to a particular series.

The timing and amount of proceeds from realising the collateral of each series is subject to market conditions.

There were no liquidity issues experienced by the Company or the swap counterparty in respect to meeting its obligations to holders of debt securities issued or to the swap counterparty during the year. Neither the Company nor the swap counterparty defaulted on any of their contractual commitments during the year.

The contractual maturities of financial assets and financial liabilities including undiscounted interest receipts / payments as at year end are set out below and in the next page.

			2023		
	Carrying amounts €'000	**Gross contractual cash flows €'000**	**Less than one year €'000**	**One to five years €'000**	**More than five years €'000**
Cash at bank	37	37	37	-	-
Other assets	36	36	36	-	-
Other liabilities	(34)	(34)	(34)	-	-
	39	39	39	-	-

21 Financial risk management (continued)

(b) Risk management framework (continued)

(ii) Liquidity risk (continued)

	2022				
	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash at bank	37	37	37	-	-
Derivative assets	2,315	2,474	2,474	-	-
Investment securities*	19,489	19,505	19,505	-	-
Other assets	438	438	438	-	-
Debt securities issued***	(22,119)	(19,311)	(19,311)	-	-
Other liabilities	(118)	(118)	(118)	-	-
	42	3,025	3,025	-	-

*The gross contractual cash flow (GCF) of investment securities includes the notional amount of existing investment securities and the undiscounted interest receipt. As of statement of financial position date, GCF of investment securities is Nil (2022: higher by EUR 16k) compared to its carrying value. In the event of maturity, difference will be accounted as net asset swap receivable from swap counterparty.

**To the extent that there is a shortfall on the gross contractual cash flow after paying the holders of debt securities, this shortfall will be borne by the derivative counterparties or by the holders of debt securities in series which do not have derivatives attached.

***GCF of the debt securities issued includes the notional amount of the existing debt securities issued and the undiscounted fixed and variable interest payable on debt securities issued. As of statement of financial position date, GCF of debt securities is Nil (2022: lower by EUR 2,808k) compared to its carrying value. All movement on debt securities issued is recorded in net finance gain / (loss) on debt securities issued in the statement of comprehensive income.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other price risk will affect the Company’s income or the value of its holdings of financial instruments.

21 Financial risk management (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk are economically hedged with the use of asset swap agreements.

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Currency risk

The Company had no exposure to foreign currency risk since it holds no foreign currency denominated financial instruments at the reporting date.

Interest rate risk

The Company classified the instruments as fixed interest rate when the assigned rate remains fixed for the entire term of the instrument. Floating interest rate was assigned for the instruments with rates that were based from market benchmarks. Instruments were classified as variable interest rate when the assigned rate and index changes over a period of time. Refer to note 9 for interest rate details.

At the reporting date, the interest rate risk profile of the Company's non-derivative interest-bearing financial instruments by class of debt securities issued was as shown in the table below:

Investment securities

Class of investment security based on debt securities issued	**Currency**	**2023 €'000**	**2022 €'000**
Fixed rate instruments:			
Equity Linked Notes	EUR	-	19,489
Total		-	19,489

Debt securities

Class of debt securities issued	**Currency**	**2023 €'000**	**2022 €'000**
Non-interest bearing intruments:			
Equity Linked Notes	EUR	-	22,119

21 Financial risk management (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Refer to notes 7 and 9 for the maturity profile of the investment securities and debt securities issued, respectively.

Sensitivity analysis
A 100 basis point increase or decrease represents management's assessment of a reasonable, potential change in interest rates.

A 100 basis point increase in interest rates (assuming all other variables are held constant) would have resulted in an increase of interest expenditure payable on the debt securities issued of nil (2022: Nil) for the period. Under the same conditions, the interest income receivable from investment securities would have increased by Nil (2022: EUR 460k) for the same period. A similar 100 basis point decrease in interest rates would have resulted in an equal, but opposite effect on interest expenditure and interest income respectively. There is no interest rate risk for fixed rate and zero-rated instruments as these instruments will earn the same amount of interest until maturity.

The Company does not bear any significant interest rate risk as the interest rate risk associated with the debt securities issued by the Company is neutralised by entering into asset swap agreements whereby the swap counterparty pays the Company amounts equal to the interest payable to the holders of the debt securities issued in return for the interest earned by the Company on its investment securities. Similarly, changes in fair value of the investment securities and debt securities issued arising from changes in market interest rates are offset by changes in the fair value of the swap agreements. Therefore any change in the interest rates would not affect the equity or the profit or loss of the Company.

Other price risk

Other price risk is the risk that the value of the instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Other price risk may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

21 Financial risk management (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Other price risk (continued)

The Company is exposed to price risk by investing in investment securities and is also exposed under swap agreements outlined in note 6. However, any fluctuation in the value of financial assets at fair value through profit or loss held by the Company will be borne by the holders of debt securities to the extent not borne by the swap counterparty.

The following is a breakdown and listing status of the Company's investment securities by class of debt securities issued at the reporting date:

Class of investment security based on debt securities issued	Listing Status	2023 €'000	2022 €'000
Equity Linked Notes	Listed	-	19,489

Sensitivity analysis
On a series by series basis where there are various components of a derivative financial instrument with different values, the values are disclosed on a net basis as they are governed by the same single swap agreement.

The market price of investment securities will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, political events, developments or trends in a particular industry and the financial conditions of the securities issuer.

Credit Linked / Inflation Linked / Fixed / Variable Rated debt securities
If the market value of the collateral increases, the swap counterparty and the holders of debt securities are entitled to the resulting gains and if the market value of the collateral decreases, the swap counterparty and the holders of debt securities bear the losses. This split is dependent on who has priority of payment in these circumstances as disclosed in the relevant terms and conditions of a particular series.

21 Financial risk management (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Any changes in the quoted prices or unquoted prices of the investment securities held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparty and/or the holders of the debt securities issued by the Company.

A 10% fluctuation in the market prices of investment securities held by the Company with all other variables held constant would result in a change of Nil (2022: EUR 1,949k) in the value of investment securities. This would result in a corresponding change of Nil (2022: EUR 1,949k) in the carrying value of debt securities issued by the Company, thus, the net impact on the valuation changes as a result of market price movements is nil (2022: Nil).

(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, infrastructure and from factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk can arise from all of the Company's operations.

The Company has no employees and all corporate administration services are provided by VAIIL under the terms of a corporate services agreement. VAIIL manages the operational risk on behalf of the Company by requiring all of its employees to comply with Company policies and procedures to ensure compliance with all applicable laws and regulations.

22 Specific instruments

Profile of the series of debt securities issued by the Company

The following are the categories as at year end date:

2023

Type of transaction	Number of series	%	Cash at bank €'000	%	Debt securities issued €'000	%	Investment securities €'000	%	Derivative assets €'000	Total €'000
Equity Linked Debt Securities	-	100%	37	0%	-	0%	-	0%	-	37
Total	-	100%	37	0%	-	0%	-	0%	-	37

Type of transaction	Number of series	%	Derivative liabilities €'000	%	Other assets €'000	%	Other liabilities €'000	Net Assets €'000
Equity Linked Debt Securities	-	0%	-	100%	39	100%	(34)	42
Total	-	0%	-	100%	39	100%	(34)	42

2022

Type of transaction	Number of series	%	Cash at bank €'000	%	Debt securities issued €'000	%	Investment securities €'000	%	Derivative assets €'000	Total €'000
Equity Linked Debt Securities	2	100%	37	100%	(22,119)	100%	19,489	100%	2,315	(278)
Total	2	100%	37	100%	(22,119)	100%	19,489	100%	2,315	(278)

Type of transaction	Number of series	%	Derivative liabilities €'000	%	Other assets €'000	%	Other liabilities €'000	Net Assets €'000
Equity Linked Debt Securities	2	0%	-	100%	438	100%	(118)	42
Total	2	0%	-	100%	438	100%	(118)	42

23 Fair values

The Company's investment securities, derivative financial instruments and debt securities issued are measured at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities carried at amortised cost at the reporting date approximate their fair values.

These disclosures supplement the commentary on financial risk management (see note 21).

Determining fair values
The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy note 3(a) under the sub heading "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company's accounting policy on fair value measurements is discussed under note 3(a) under the sub heading "Fair value measurement principles". Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of financial instruments are as follows:

Valuation of financial instruments

The financial instruments carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy as follows:

- Level 1 – Instruments valued using quoted prices in active markets are instruments where the fair value can be determined directly from prices which are quoted in active and liquid markets.
- Level 2 – Instruments valued with valuation techniques using observable market data are instruments where the fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable.
- Level 3 – Instruments valued using valuation techniques using market data which is not directly observable are instruments where the fair value cannot be determined directly by reference to market-observable information, and some other pricing technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on the fair value.

Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments of the Company.

Investment securities: Where there are no recent transactions then fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market, fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments. These securities are categorised as Level 1 or 2 in the fair value hierarchy.

23 Fair values (continued)

Valuation Techniques (continued)

Fair value is estimated using more complex modelling techniques where close proxies are not available. These techniques include option pricing model, correlation pricing model and discounted cash flow model using current market rates for credit, interest, liquidity and other risks. These securities are categorised as Level 3. Refer to Quantitative Information about the Sensitivity of Significant Unobservable Inputs on pages 59 to 60 for additional details on Level 3 valuation techniques.

Derivative Financial Instruments: Market standard transactions in liquid trading markets, such as interest rate swaps, foreign exchange forwards, option contracts in G7 currencies are valued using market standard models and quoted parameter inputs. Parameter inputs may include interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads.

These inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets. More complex instruments are modelled using more sophisticated modelling techniques specific for the instrument and are calibrated to available market prices. These instruments are categorised as Level 2 in the fair value hierarchy.

For Level 3 instruments, the model output value does not calibrate to a relevant market reference, valuation adjustments are made to the model output value to adjust for any difference. In less active markets, data is obtained from less frequent market transactions, broker quotes and through extrapolation and interpolation techniques. Where observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions. Refer to Quantitative Information about the Sensitivity of Significant Unobservable Inputs on pages 59 to 60 for additional details on Level 3 valuation techniques.

Debt securities issued designated at fair value through profit or loss: The fair value of debt securities issued designated at fair value through profit or loss is dependent upon the fair value of investment securities and derivative financial instruments. Any changes in the valuation have direct impact to the fair value of debt securities issued.

For more complex Level 3 instruments, more sophisticated modelling techniques are required which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be directly observable from the market and are derived from market prices or are estimates based on assumptions or more complex parameters. Where no observable information is available to support the valuation models then they are based on other relevant sources of information such as prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustment to reflect the terms of the actual instrument being valued and current market conditions.

23 Fair values (continued)

Valuation Techniques (continued)

Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. When determining the appropriate valuation model to be used, management selects which valuation technique makes the least adjustment to the inputs used, analyse the range of values indicated by the techniques used and whether they overlap and check the reasons for the differences in value under different techniques. Depending on the circumstances, one valuation model might be more appropriate than another.

Management decides the valuation model to be used based on the provisions indicated in the relevant swap agreements. Some factors that are considered includes information that is reasonably available, the market conditions, the type of investment, expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and discount rates.

At the reporting date, the carrying amounts of investment securities, derivative financial instruments and debt securities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are shown below and in the succeeding pages.

			2023	
	Total	**Level 1**	**Level 2**	**Level 3**
	€'000	**€'000**	**€'000**	**€'000**
Investment securities				
Corporate bonds	-	-	-	-
Government bonds	-	-	-	-
	-	-	-	-
Derivative financial assets				
Asset swaps	-	-	-	-
Derivative financial liabilities				
Asset swaps	-	-	-	-
Debt securities issued				
Equity linked debt securities	-	-	-	-
	-	-	-	-

23 Fair values (continued)

Valuation Techniques (continued)

	2022			
	Total €'000	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**
Investment securities				
Corporate bonds	19,489	-	19,489	-
Government bonds	-	-	-	-
	19,489	-	19,489	-
Derivative financial assets				
Asset swaps	2,315	-	-	2,315
Derivative financial liabilities				
Asset swaps	-	-	-	-
Debt securities issued				
Equity linked debt securities	(22,119)	-	-	(22,119)
	(315)	-	19,489	(19,804)

As at year end, the Company has no investment securities (2022: Level 2 Corporate bonds). Refer to the next page for valuation techniques and inputs used to determine the fair value of Level 2 positions.

Derivative financial instruments classified as Level 3 involves other over the counter derivative instruments where the fair value measurements were based on unobservable inputs and no active market data are available for similar instruments. The Company has no derivative financial instruments as at year-end.

Debt securities issued are traded in the institutional market. Notwithstanding that a quoted market price exists for these, the Directors have concluded that the debt securities issued are not actively traded due to the limited liquidity that exists in the market. The Company has no outstanding debt securities issued as at year-end.

As a result, the levelling of debt securities is dependent on the levelling of the investment securities and derivative financial instruments. Debt securities are classified in the lowest level observed of the assets and derivatives on a series by series basis.

No transfers between Level 1 and Level 2 have occurred during the year (2022: No transfers).

23 Fair values (continued)

Valuation Techniques (continued)

The table below sets out information about significant observable inputs used in measuring financial instruments categorised as Level 2 in the fair value hierarchy:

Type of financial instrument	Fair value at 30 June 2023 €'000	Fair value at 30 June 2022 €'000	Valuation technique	Significant observable input
Investment securities				
Corporate bonds	-	19,489	*Market Approach	Market Price
	-	19,489		

**Market Approach - Market based prices exist for each individual instrument at product level for an identical or similar assets. The valuation inputs are directly supported by current market transactions or quoted prices.*

Transfers in and out of Level 3 are recorded at the beginning of the year. For instruments transferred out of Level 3, the table below shows no gains and losses and cash flows on the instruments as they have been transferred at the beginning of the year.

The table below shows the roll-forward movements for derivative financial assets classified under valuation techniques unobservable parameters (Level 3):

	2023 €'000	2022 €'000
Opening balance	2,315	1,969
Maturities	(2,315)	-
Fair value movements	-	346
Closing balance	-	2,315

During the year, no series was transferred from Level 2 to Level 3 due to lack of unobservable inputs and unavailability of market data for similar instruments (2022: No series), no series was transferred from Level 3 to Level 2 due to observable input and available market data (2022: No series) and no series was transferred from derivative liabilities to derivative assets due to fair value movement (2022: No series).

As at 30 June 2023, derivative assets under series 4 and 9 matured during the year (2022: No series).

23 Fair values (continued)

Valuation Techniques (continued)

The table below shows the roll-forward movements for derivative financial liabilities classified under valuation techniques unobservable parameters (Level 3):

	2023 €'000	2022 €'000
Opening balance	-	(1,872)
Fair value movements	-	1,872
Closing balance	-	-

During the year, no series was transferred from Level 2 to Level 3 due to lack of unobservable inputs and unavailability of market data for similar instruments and no series was transferred out to Level 2 due to observable input and available market data (2022: No series). As at 30 June 2023, no series matured or redeemed during the year (2022: Series 5 and 8 matured).

Fair value movements with respect to the matured series are recognised under net (loss) / gain on derivative financial instruments in the statement of comprehensive income.

The table below shows the roll-forward movements for debt securities issued classified under valuation techniques with unobservable parameters (Level 3).

	2023 €'000	2022 €'000
Opening balance	(22,119)	(33,558)
Maturities	19,311	12,935
Fair value movements	2,808	(1,496)
Closing balance	-	(22,119)

During the year, no series was transferred to / from Level 2 or Level 3 (2022: No series). As at 30 June 2023, no series was redeemed (2022: No series) while series 4 and 9 matured (2022: Series 5 and 8).

Any change in the classification of the investment securities, derivative assets and derivative liabilities will have a direct impact on the classification of the debt securities. If any of these are classified using unobservable valuation inputs (Level 3), the related debt security will be classified as Level 3 also.

23 Fair values (continued)

Valuation Techniques (continued)

Fair value movements are recognised under net finance gain / (loss) on debt securities issued designated at fair value through profit or loss in the statement of comprehensive income.

Sensitivity Analysis
Where the value of the financial instruments is dependent on unobservable valuation inputs, appropriate models and inputs are chosen so that they are consistent with prevailing market evidence. A 10% change in the price of the financial assets under Level 3 held by the Company would increase / decrease the fair value of corresponding debt securities as at 30 June 2023 by nil (2022: EUR 232k).

Level 3 Realised and Unrealised Gains and Losses
The total amount of realised and unrealised gain/loss estimated using a valuation technique based on significant unobservable data (Level 3) that was recognised in statement of comprehensive income for the year is set out below.

	2023 **€'000**	**2022** **€'000**
Derivative financial instruments	-	2,218
Debt securities issued	2,808	(1,496)
	2,808	722

The total amount of change in fair value (unrealised gain/loss) estimated using a valuation technique based on significant unobservable data (Level 3) for assets and liabilities held at the end of the reporting period is set out below.

	2023 **€'000**	**2022** **€'000**
Derivative financial instruments	-	346
Debt securities issued	-	258
	-	604

Although the Directors believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to a different measurement of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement. Details in relation to the unobservable inputs used have been noted below and therefore their associated fair value cannot be determined with precision.

23 Fair values (continued)

Valuation Techniques (continued)

Level 3 Realised and Unrealised Gains and Losses (continued)
For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to an equivalent alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the holders of debts securities issued due to the limited recourse nature of debt securities issued by the Company.

Sensitivity Analysis of Unobservable Parameters

Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters at the statement of financial position date might be drawn from a range of reasonably possible alternatives.

In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen so that they are consistent with prevailing market evidence and in line with the Company's approach to valuation control.

Were the Company to have marked the financial instruments concerned using parameter values drawn from the extremes of the ranges of reasonably possible alternatives then as of 30 June 2023 it could have increased fair value by nil (2022: EUR 292k) or decreased fair value by nil (2022: EUR (292k)).

This disclosure is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable input parameters. However, it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. Hence, the estimates disclosed above are likely to be greater than the true uncertainty in fair value at the statement of financial position date. Furthermore, the disclosure is neither predictive nor indicative of future movements in fair value.

For many of the financial instruments considered here, in particular derivatives, unobservable input parameters represent only a subset of the parameters required to price the financial instrument, the remainder being observable. Hence for these instruments the overall impact of moving the unobservable input parameters to the extremes of their ranges might be relatively small compared with the total fair value of the financial instrument. For investment securities, fair value is determined based on the price of the entire instrument, for example, by adjusting the fair value of a reasonable proxy instrument. In addition, all financial instruments are already carried at fair values which are inclusive of valuation adjustments for the cost to close out that instrument and hence already factor in uncertainty as it reflects itself in market pricing. Any negative impact of uncertainty calculated within this disclosure, then, will be over and above that already included in the fair value contained in the financial statements.

Quantitative Information about the Sensitivity of Significant Unobservable Inputs

The range of values shown in the next page represents the highest and lowest inputs used to value the significant exposures within Level 3. The diversity of the financial instruments that make up the disclosure is significant and therefore the ranges of certain parameters can be large. The range of credit spreads represents performing, more liquid positions with lower spreads than the less liquid, nonperforming positions which will have higher credit spreads.

23 Fair values (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs (continued)

As Level 3 contains the less liquid fair value instruments, the wide ranges of parameters seen is to be expected, as there is a high degree of pricing differentiation within each exposure type to capture the relevant market dynamics. There follows a brief description of each of the principle parameter types.

Sensitivity calculation of unobservable parameters for Level 3 aligns to the approach used to assess valuation uncertainty for Prudent Valuation purposes which is used by DB London as swap counterparty. Prudent Valuation is a capital requirement for assets held at fair value. It provides a mechanism for quantifying and capitalising valuation uncertainty in accordance with the European Commission Delegated Regulation (EU) 2016/101, which supplements Article 34 of Regulation (EU) No. 2019/876 (CRR), requiring institutions to apply as a deduction from *CET 1 for the amount of any additional valuation adjustments on all assets measured at fair value calculated in accordance with Article 105 (14). This utilises exit price analysis performed for the relevant assets and liabilities in the Prudent Valuation assessment. The downside sensitivity may be limited in some cases where the fair value is already demonstrably prudent.

** Common Equity Tier-1 (CET 1) - Ratio of the Bank in relation to risk-weighted assets.*

The tables below and in the next page set out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of financial instrument	Fair value at 30 June 2023 €'000	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Sensitivities €'000
Derivative financial instruments					
Asset swaps	-				-
	-				-

Type of financial instrument	Fair value at 30 June 2022 €'000	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Sensitivities €'000
Derivative financial instruments					
Asset swaps	587	*Proxied to Totem Funds Service	Fund Volatility	8.96% to 10.08%	198
	1,728	*Proxied to Totem Funds Service	Fund Volatility	9.95% to 11.00%	94
	2,315				292

23 Fair values (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs (continued):

**Consensus Pricing Proxy Using Totem Funds Service – Totem provides consensus based derivative prices to support the independent verification of book valuations. The service delivers daily and monthly prices across Equity, Interest Rate, FX, Commodities and exotic derivative products. Due to limited Totem coverage for instruments in the underlying fund portfolio, implied volatilities for funds are benchmarked to those of similar funds or the highest observed consensus level. Implied Fund Volatility is used to model fund asset dispersions relevant for evaluating Option style payoffs which are unobservable.*

24 Subsequent events

Since the end of the reporting period the Company has not issued any new series of debt securities. There were no significant events between the statement of financial position date and the date of signing the financial statements affecting the Company which require adjustment to or disclosure in the financial statements.

25 Capital Management

The Company views the debt securities issued disclosed in note 9 as its capital. The Company is a special purpose vehicle set up to issue debt instruments for the purpose of making investments that maximise the returns of the holders of the debt securities. Share capital of EUR 38k was issued in line with Irish company law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

26 Approval of the financial statements

The financial statements were approved and authorised for issue by the Board on 31 October 2023.