# Annual accounts of Demeter Investments B.V.

## for the year 2016

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# Report of the management

Management herewith presents to the shareholder the annual accounts of Demeter Investments B.V. (the "Company") for the year 2016.

**General**

The Company is a private company with limited liability incorporated under the laws of the Netherlands on 9 July 2007. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands. All issued shares are held by Stichting Demeter Investments, which also is established in Amsterdam, The Netherlands.

The Company is a so-called repackaging entity. The Company issues series of notes ("Series") under its Secured Note Programme (the "Programme"). These Series are limited recourse; an investor (noteholder) is only entitled to the collateral/ proceeds of its own Series including all risks associated with the collateral. There will be no other assets of the Company available to meet outstanding claims of the noteholders, who bear such shortfall pro rata their holdings of the notes.

With collateral ("Collateral") is meant the actual investment(s) bought for a Series. Each Series has its own terms and conditions and has its own Collateral. When a new Series is issued all documents, including the derivative contracts, are signed simultaneously at the closing date.

The Collateral bought by the Company can consist of almost any item the investor in a certain Series prefers, as long as this fits in the terms and conditions of the Programme. This can be loans, listed or unlisted bonds, notes, and any other kind of Collateral. It is the investor/noteholder together with Credit Suisse International ("Swap Counterparty") who decide what kind of Collateral they would like to purchase for a certain Series, as the economic risks of the series are absorbed by them. All other conditions can also differ per Series (maturity date, interest rates, payment dates, parties involved).

The Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank only approves the Base Prospectus if the requirements imposed under Irish and EU law pursuant to the Prospectus Directive are met. The Base Prospectus is listed on the Irish Stock Exchange.

For a complete description of the terms and conditions of this transaction, we refer to the Base Prospectus and Programme.

At balance sheet date Series 2013-14, 2015-1, 2015-2, 2016-1, 2016-2 and 2016-3 are listed on the Irish Stock Exchange.

# Report of the management - Continued

The Company does not have any personnel, as all operational activities concerning the transactions are performed by the following external parties:
1) The Bank of New York Mellon is the Trustee, Issuing agent, Paying Agent and Custodian for Series issued before 9 February 2016.
2) BNP Paribas Security Services ("BNPP") acts as Paying Agent, Custodian and Registrar and Transfer Agent for Series issued after on or after 9 February 2016. Furthermore, in the specific Series documents professional market parties may be appointed to fulfil other functions, such as Calculation agent, Purchase Agent and Liquidation Agent.
3) BNP Paribas Trust Corporation UK limited acts as Trustee for the Series issued on or 9 February 2016.
4) Credit Suisse International is the Swap Counterparty, Arranger, Dealer, Disposal agent and Calculation Agent.

### Information regarding financial instruments

Due to the limited recourse nature of the Series, the Company is not exposed to any risks. The Company entered into several derivative contracts to transfer the economic risks to the Swap Counterparty. The economic risks are the result of mismatches (credit risk, currency and interest rate risk related) between collateral and issued notes. The obligations and rights under the derivative contracts mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral. More information is discussed in a separate section of the risk management paragraph.

Swaps as reported in note 1 are total return swaps for each of the individual series, covering differences (e.g. in interest rates, currency or nominal amounts) between the notes issued and related charged assets. As a result, maturities and notionals of the swaps are consistent with those of the related notes and charged assets of the relevant series.

### Overview of activities

The Company, under the Programme, may from time to time issue new Series. The Company may also raise finance by other means or enter into other financial transactions under the Programme, including, without limitation, by way of entering into a loan or derivatives. The aggregate nominal amount of Notes and alternative investments issued by the Company under the Programme may is unlimited.

During the year 2016 the Company issued three new Series (Series 2016-1, 2016-2 and 2016-3).

### Audit Committee

The audit committee consists of two members.
Mr. J.C.M. Schoen and Mr. G.J. Huizing are the members of the audit committee.

# Report of the management - Continued

**Results**

The net asset value of the Company as at 31 December 2016 amounts to EUR 69,107 (2015: EUR 66,232). The result for the year 2015 amounts to EUR 71,107 (2015: EUR 63,232).

The fair value of the Collateral is measured on an item level. The impairment analysis is also made on an item level. Where the fair value for a certain item is significantly below the carrying amount, management analyses whether the lower fair value is considered to be temporary or permanent. If it is considered to be permanent, impairment is taken. For items for which the fair value is below the carrying amount but management is of the opinion the lower fair value for these Collateral items is a temporary decrease in value rather than a permanent decrease, it is decided to maintain these items of Collateral at their carrying amount.

The calculated cumulative impairment as per 31 December 2016 is nil. All revaluation results will be included in the valuation of the notes as the issued notes are limited recourse.

**Future outlook**

At this moment management is not aware of any impairment.

During the first six months of 2017 the Company has updated its Base Prospectus and Programme. The Company has also issued three (2017-01, 2017-03 and 2017-04) new Series.
In accordance with the objectives of the Company, new investments will be funded by issuing Notes.

Amsterdam, 7 July 2017
Intertrust (Netherlands) B.V.

# Balance sheet as at 31 December 2016

(before appropriation of result)

| | Notes | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|---|
| **Fixed assets** | | | |
| Financial fixed assets | | | |
| Collateral | 1 | | |
| Bonds | | 3,525,367,543 | 1,658,372,332 |
| Deposits | | 730,728 | 705,146 |
| Swap agreement | | 36,411,376 | 38,377,545 |
| Total fixed assets | | 3,562,509,647 | 1,697,455,023 |
| **Current assets** | | | |
| Debtors | | | |
| Amounts owed by group entities | 2 | 18,000 | 18,000 |
| Prepayments and accrued income | 3 | 83,934,002 | 36,287,548 |
| Taxation | 4 | 609 | 1,361 |
| Cash | 5 | 5,573 | 10,459 |
| Total current assets | | 83,958,184 | 36,317,368 |
| **Current liabilities (due within one year)** | | | |
| Accruals and deferred income | 6 | 83,888,025 | 36,235,328 |
| Taxation | 7 | 1,052 | 15,808 |
| Total current liabilities | | 83,889,077 | 36,251,136 |
| **Current assets less current liabilities** | | 69,107 | 66,232 |
| **Total assets less current liabilities** | | 3,562,578,754 | 1,697,521,255 |
| **Non-current liabilities (due after one year)** | | | |
| Notes | 8 | 3,562,509,647 | 1,697,455,023 |
| **Net asset value** | | 69,107 | 66,232 |
| **Capital and reserves** | 9 | | |
| Paid up and called up share capital | | 18,000 | 18,000 |
| Other reserves | | (20,000) | (15,000) |
| Unappropriated results | | 71,107 | 63,232 |
| Total shareholder's equity | | 69,107 | 66,232 |

The accompanying notes form an integral part of these annual accounts.

# Profit and Loss account for the year 2016

| | Note | 2016 EUR | 2015 EUR |
|---|---|---|---|
| **Financial income and expenses** | | | |
| Financial income | 10 | 147,156,404 | 41,640,846 |
| Financial expenses | 11 | (147,156,404) | (41,640,846) |
| Other financial income and expenses | 12 | 0 | 0 |
| Result financial income and expenses | | 0 | 0 |
| **Other income** | | | |
| Recharged expenses | 13 | 83,528 | 43,254 |
| Repackaging income | 14 | 88,884 | 79,040 |
| **Other expenses** | | | |
| General and administrative expenses | 15 | (83,528) | (43,212) |
| Total other income and expenses | | 88,884 | 79,082 |
| **Result before taxation** | | 88,884 | 79,082 |
| Corporate income tax | 16 | (17,777) | (15,850) |
| **Result after taxation** | | 71,107 | 63,232 |

The accompanying notes form an integral part of these annual accounts.

# Cash flow statement for the year 2016

| | 2016<br>EUR | 2015<br>EUR |
|---|---|---|
| **Net result** | 71,107 | 63,232 |
| **Changes in working capital** | | |
| Increase/(decrease) debtors | (47,645,702) | (39,483,170) |
| (Increase)/decrease in accruals and deferred income | 47,637,941 | 39,447,105 |
| | (7,761) | (36,065) |
| **Cash flow from investing activities** | | |
| Purchase of Collateral | (1,890,648,001) | (1,555,427,445) |
| Sale of Collateral | 48,956,748 | 13,669,051 |
| Swaps | 0 | 136,997,521 |
| | (1,841,691,253) | (1,404,760,872) |
| **Cash flow from financing activities** | | |
| Notes issued | 1,890,648,001 | 1,418,429,924 |
| Redemption of Notes | (48,956,748) | (13,669,051) |
| Dividend paid | (68,232) | (60,180) |
| | 1,841,623,021 | 1,404,700,692 |
| **Cash balance at 01.01** | 10,459 | 43,472 |
| Movement in cash | (4,886) | (33,013) |
| **Cash balance at 31.12** | 5,573 | 10,459 |

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currency are converted into Euros at the average weighted exchange rates at the dates of the transactions.

The accompanying notes form an integral part of these annual accounts.

# Notes to the annual accounts

**General**

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3) BNP Paribas Trust Corporation UK limited acts as Trustee for the Series issued on or 9 February 2016.
4) Credit Suisse International is the Swap Counterparty, Arranger, Dealer, Disposal agent and Calculation Agent.

# Notes to the annual accounts - Continued

**Basis of presentation**

The accompanying accounts have been prepared under the historic cost convention in accordance with accounting principles generally accepted in the Netherlands (Dutch GAAP) and in conformity with provisions governing annual accounts as contained in Part 9, Book 2 of the Netherlands Civil Code. The annual accounts are presented in Euros.

**a. Foreign currencies**

Monetary assets and liabilities are converted into Euros at their exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted into Euros at the exchange rate prevailing on the dates of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account.

The exchange rates used in the annual accounts:

| | 31-Dec-16 | 31-Dec-15 |
|---|---|---|
| 1 EUR = USD (US Dollar) | 1.0520 | 1.0902 |
| 1 EUR = GBP (British Pound) | 0.8428 | 0.7344 |
| 1 EUR = JPY (Japanese Yen) | 123.2300 | 131.19 |
| 1 EUR = BRL (Brazilian Real) | 3.4279 | 4.32975 |
| 1 EUR = MXN (Mexican Peso) | 21.8668 | 18.9665 |

**a) Financial assets**

The Company initially classifies the financial assets on a portfolio basis in the following (sub) categories:

- financial assets as part of the portfolio;
- derivatives;
- exchange under CSA;
- deposits;
- Prepayment and accrued income;
- purchased loans and bonds;
- loans granted and other receivables;
- investment in equity instruments.

Details of these categories are given below, if applicable at balance sheet date.

Financial assets are initially valued at fair value, including any transaction cost incurred. After initial recognition the financial assets are recognised at amortized cost. All purchases and sales of financial assets based on normal market conventions are recognised on the transaction date, i.e. the date the Company enters into a binding agreement.

# Notes to the annual accounts - Continued

*Derivatives*
The recognition and measurement of derivatives are discussed in a separate section, 'Derivatives and hedge accounting'.

*Exchange under CSA*
The Credit Support Annex ("CSA") forms part of the security for the noteholders. Under the CSA of a series collateral is transferred by the Swap Counterparty to the Company when the value of the collateral for a certain series is lower than the minimum value as agreed in the series documents. When the value of the collateral is above the minimum, collateral could be returned by the Company to the Swap Counterparty.

Exchange under CSA are initially recognised at fair value and subsequent measurement at amortized cost.

*Deposits*
Deposits are initially recognised at fair value and subsequently measured at amortised cost.

*Prepayment and accrued income*
Prepayments and accrued income are recognised at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are subsequently measured at cost.

**b) Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognised in the profit and loss account for all categories of financial assets measured at amortised cost.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If an objective event occurs after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal should be taken to the profit and loss account. The carrying amount of the receivables is reduced through the use of an allowance account.

**c) Financial liabilities**

Notes are measured upon initial recognition at fair value, comprising of principal amount, and any premium, discount and eventual transaction costs and fees. Subsequent measurement of the notes is at amortised cost, constituting the amount at initial recognition minus principal repayments, plus or minus the accumulative amortisation through the expected life of the financial instrument.

Under Dutch Accounting Standard 290, on initial recognition, the Company classifies the financial liabilities on a portfolio basis in the (sub) categories listed below.

# Notes to the annual accounts - Continued

*Derivatives*
The recognition and measurement of derivatives are discussed in a separate section, 'Derivatives and hedge accounting'.

*Notes*
There can be two types of Notes issued, being Credit Linked Notes of which the repayment of notional is dependent on credit events of pre-defined reference portfolios. If credit events occur, the notional will be reduced. The second type of Notes is Credit Linked Notes which may be early redeemed, dependent upon the occurrence of credit events.

In case of a credit event (and in accordance with the provisions of the relevant Series documentation of each specific Series of Notes) the credit loss may be transferred to the relevant Noteholders. For certain Series of Notes a credit event will lead to a transfer of assets held as Collateral to the Noteholders.

Some of the Notes have call options, which means the Company has the right to repurchase (part of) the Notes from the Noteholders on predetermined dates. At maturity or repurchase of Notes the outstanding Collateral will be transferred to the Swap Counterparty.

**d) Recognition of income**

*Interest income and expense*
The interest income on the collateral portfolio and the interest expense on the notes are recognised in the income statement using the effective interest rate method.

*Operating income*
Income is recorded in the year in which it arises or in which the service was provided.

*Operating charges*
Charges are allocated to the year in which they arise.

**e) Derivatives and hedge accounting**

The Company uses derivatives for hedging purposes. Derivatives are recognised at fair value and subsequently measured at cost. The Company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the derivative and the hedged item in the profit and loss account. Resulting from the application of cost price hedge accounting, derivatives are initially recognised at cost. The profits or losses associated with the Asset Swap contracts are recognised in the profit or loss account in the same period as in which the asset or liability affects the profit or loss.

As part of its asset and liability risk management the Company may use derivatives to hedge its exposure to interest rate and foreign exchange risk. This would be achieved by hedging specific transactions using total return swaps, which are in substance a combination of interest rate, foreign exchange and funded swaps.

As a result of reliance on its trading and indemnity arrangements with the Arranger, the Company is not exposed to currency, interest rate and credit risk.

# Notes to the annual accounts – Continued

The information disclosed under the notes to these annual accounts is partly derived from and should be read in conjunction with the full text and definitions of the master documents and series documents. Any decision to buy, sell or hold Notes issued by the Company should not be based solely on the information in these annual accounts (including the notes thereto). Potential and current investors should also refer to the master documents and series documents which, amongst others, give a more thorough and detailed description of the risks involved in investing in the Notes issued by the Company. The master documents and series documents are not part of these annual accounts.

Under Dutch Accounting Standard 290, on initial recognition, the Company classifies the derivatives on a portfolio basis in the subcategories listed below.

*Derivatives based on cost price hedge accounting*
The hedges are recognised on the basis of cost price hedge accounting if the following conditions are met:

- the general hedging strategy and the way in which the hedging relationships are in line with risk management objectives and the expected effectiveness of these hedging relationships must be documented;
- the nature of the hedging instruments involved and hedged positions must be documented;
- the ineffectiveness must be recognised in the profit and loss account.

The hedges which meet these strict criteria for hedge accounting must be accounted for as follows:

If the hedged item is carried at amortised cost in the balance sheet, the derivative is also carried at cost.

Cost hedge accounting is no longer applied if:

- The hedging instrument expires, is sold, terminated or exercised. The realised cumulative gains or losses on the hedging instrument not yet recognised in the profit and loss account at the time the hedge was effective, will be recognised in the balance sheet separately under accruals until the hedged transaction occurs.
- The hedging relationship no longer meets the criteria for hedge accounting. If the hedged position relates to a future expected transaction, hedge results are recognised as follows:
    - Hedge accounting will be discontinued from that moment if the forecast transaction is still expected to take place. The related cumulative gains or losses on the hedging instrument not included in the profit and loss account or balance sheet at the time the hedge was effective, will be either an off-balance or an on-balance item, depending on the situation.
    - If the forecast transaction is not expected to take place, the related cumulative gains or losses on the hedging instrument not included in the profit and loss account or balance sheet at the time the hedge was effective will be taken to the profit and loss account.

Swaps as reported in note 1 are total return swaps for each of the individual series, covering differences (e.g. in interest rates, currency or nominal amounts) between the notes issued and related charged assets. As a result, maturities and notionals of the swaps are consistent with those of the related notes and charged assets of the relevant series.

# Notes to the annual accounts – Continued

The fair value of the derivative contracts is disclosed as a separate item on page 16 of this annual report. This is the fair value of all derivative contracts the Company entered into. The fair value of the derivative contracts is also included in the fair value of the Collateral as disclosed on page 19. Resulting from the application of cost price hedge accounting, derivatives are initially carried at cost.

### f. Financial risk management

**General**
The Series are limited recourse; an investor (noteholder) is only entitled to the Collateral/ proceeds of its own Series including all risks associated with the Collateral. The Company has entered into two types of derivative contracts; these are the only financial instruments the Company has. The first type are contracts to mitigate the risk (currency, interest rate, counterparty, credit, concentration and liquidity) associated with the Collateral from the noteholder to the Swap Counterparty. The second type are credit default swaps, where the noteholder takes over certain risks of a portfolio of Collateral from the Swap Counterparty. As the Company is a party in the derivative contracts, we do disclose the information in this annual report. However, as mentioned above, the derivative contracts are in place to mitigate the risks of the noteholder/ the Swap Counterparty, the Company is not exposed to any risks at any time.

**Interest rate risk**
The rated Notes and the Collateral Portfolio bear a mix of floating and fixed interest, generating interests that which will not correspond to exactly match to each other. However, the Company uses total asset swaps to hedge any misalignment in the cashflows, and hence the exposure to the interest rate risk on a global basis is nil.

**Credit and concentration risk**
The rated Collateral Portfolio bears a mix of credit and concentration risks. However, the Company uses total asset swaps to hedge any credit and concentration risk, and hence the exposure to the credit and concentration risk on a global basis is nil.

**Currency exchange rate risk**
The Company is not exposed to risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates due to the limited recourse nature of the issued Series. For Series for which the denomination of the assets differ from the denomination of the Notes the Company has entered into derivative contracts to hedge the risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates from the noteholder to the Swap Counterparty.

**Liquidity risk**
Matching maturities of assets and liabilities and related cash flows is fundamental to the management of the Company. This risk is addressed and hedged by an agreement with Credit Suisse International to secure any mismatch (as Credit Suisse being the Arranger reimburses all expenses of the Company). Positive or negative results from the Collateral held will be balanced with the noteholders or the Swap Counterparty at the date of redemption.

### f. Corporate Income Tax

As the Dutch tax authorities do not provide any tax rulings anymore for repackaging entities, provisions for taxation have been made in accordance with tax rulings provided to repackaging transactions from the past which are now

# Notes to the annual accounts – Continued

common practice. The taxable profit (repackaging income) of the Company consists of fixed fees, annual recurring fees (based on number of Series), one time issuance fees and amendment fees received from the Arranger during the year. 20% CIT is calculated on this amount, which resulted in a payable CIT of EUR 17,777.

**g. Cash flow statement**

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies are converted into Euros at the average weighted exchange rates at the dates of the transactions.

# Balance sheet - continued

**1 Collateral**

| Series | Collateral description | Nominal (EUR) | 31-Dec-16 EUR Total | 31-Dec-15 EUR Tota |
|---|---|---|---|---|
| 2013-1 | Republic of Italy 4.00% notes | 0 | 0 | 5,000,000 |
| | Swap with Credit Suisse | | 0 | 0 |
| | **Total collateral** | | 0 | 5,000,000 |
| 2013-2 | 41,050 units of Brazilian Treasury 6% IPCA Linked notes | 11,975,436 | 11,975,436 | 1,847,682 |
| | Exchanged under CSA | | (11,975,436) | 0 |
| | Swap with Credit Suisse | | 4,078,303 | 1,763,283 |
| | **Total collateral** | | 4,078,303 | 3,610,965 |
| 2013-3 | 7.7% loan part Credit Bank of Moscow Finance PLC notes | 6,891,415 | 6,891,415 | 6,650,156 |
| | Exchanged under CSA | | (2,413,421) | 0 |
| | Cash collateral | | 730,728 | 705,146 |
| | Swap with Credit Suisse | | 724,106 | (547,023 |
| | **Total collateral** | | 5,932,828 | 6,808,279 |
| 2013-4 | 6.15% Goldman Sachs Group Inc bonds | 7,604,320 | 7,604,320 | 7,338,103 |
| | Exchanged under CSA | | (2,296,505) | 0 |
| | Swap with Credit Suisse | | 625,012 | (529,824 |
| | **Total collateral** | | 5,932,827 | 6,808,279 |
| 2013-5 | 6.625% UBS AG bonds | 11,865,655 | 11,865,655 | 13,616,558 |
| | Exchanged under CSA | | (1,585,251) | 0 |
| | Swap with Credit Suisse | | 1,585,251 | 0 |
| | **Total collateral** | | 11,865,655 | 13,616,558 |
| 2013-6 | 7.75% Merril Linch and Co bonds | 11,865,655 | 11,865,655 | 13,616,558 |
| | Exchanged under CSA | | (1,720,520) | 0 |
| | Swap with Credit Suisse | | 1,720,520 | 0 |
| | **Total collateral** | | 11,865,655 | 13,616,558 |
| 2013-7 | Senior unsecured floating rate CS bonds | 7,903,000 | 7,903,000 | 13,414,000 |
| | Exchanged under CSA | | 0 | (212,000 |
| | Swap with Credit Suisse | | 2,018,737 | 3,050,064 |
| | **Total collateral** | | 9,921,737 | 16,252,064 |
| 2013-8 | 4.75% Credit Suisse AG notes | 0 | 0 | 5,000,000 |
| | Swap with Credit Suisse | | 0 | 0 |
| | **Total collateral** | | 0 | 5,000,000 |
| 2013-9 | 5.4% subordinated Credit SuisseAG notes | 4,752,700 | 4,752,700 | 4,586,314 |
| | Exchanged under CSA | | (350,749) | 0 |
| | Swap with Credit Suisse | | 350,749 | 0 |
| | **Total collateral** | | 4,752,700 | 4,586,314 |
| 2013-10 | 3.75% republic of Spain notes | 10,000,000 | 10,000,000 | 10,000,000 |
| | Exchanged under CSA | | 65,000 | 0 |
| | Swap with Credit Suisse | | (65,000) | 0 |
| | **Total collateral** | | 10,000,000 | 10,000,000 |
| 2013-11 | 6.25% Goldman Sachs notes | 1,106,429 | 1,106,429 | 2,073,014 |
| | Exchanged under CSA | | (278,508) | (507,246 |
| | Swap with Credit Suisse | | 22,080 | 2,109,232 |
| | **Total collateral** | | 850,000 | 3,675,000 |

# Balance sheet - continued

| Series | Collateral description | Nominal (EUR) | 31-Dec-16 EUR Total | 31-Dec-15 EUR Tota |
|---|---|---|---|---|
| 2013-14 | 4.75% Credit Suisse AG notes | 20,000,000 | 20,000,000 | 20,000,000 |
| | Exchanged under CSA | | (1,537,000) | (2,681,000 |
| | Swap with Credit Suisse | | 1,537,000 | 2,681,000 |
| | **Total collateral** | | 20,000,000 | 20,000,000 |
| 2013-15 | 5.875% subord Standard Bank Hong Kong notes | 15,208,640 | 15,208,640 | 14,676,206 |
| | Exchanged under CSA | | (1,474,288) | (1,427,261 |
| | Swap with Credit Suisse | | 1,474,288 | 1,427,261 |
| | **Total collateral** | | 15,208,640 | 14,676,206 |
| 2013-16 | 4.375% Telefonica Emissiones SAU notes | 0 | 0 | 7,200,000 |
| | Exchanged under CSA | | 0 | 0 |
| | Swap with Credit Suisse | | 0 | 422,532 |
| | **Total collateral** | | 0 | 7,622,532 |
| 2013-17 | 13.883% ASIF II bond | 13,734,655 | 13,734,655 | 14,000,114 |
| | Exchanged under CSA | | (2,258,466) | (3,551,674 |
| | Swap with Credit Suisse | | 2,273,811 | 3,551,560 |
| | **Total collateral** | | 13,750,000 | 14,000,000 |
| 2014-1 | 5.9% Bear Stearns Global bond | 10,000,000 | 10,000,000 | 10,000,000 |
| | Exchanged under CSA | | (650,000) | (1,150,000 |
| | Swap with Credit Suisse | | 650,000 | 1,150,000 |
| | **Total collateral** | | 10,000,000 | 10,000,000 |
| 2014-2 | 4.75% Telefonica Emisiones bond | 7,100,000 | 7,100,000 | 7,100,000 |
| | Exchanged under CSA | | 434,000 | (4,800,000 |
| | Swap with Credit Suisse | | 580,907 | 5,322,532 |
| | **Total collateral** | | 8,114,907 | 7,622,532 |
| 2014-3 | 4.75% Telefonica Emisiones bond | 7,300,000 | 7,300,000 | 7,300,000 |
| | Exchanged under CSA | | 289,000 | (300,000 |
| | Swap with Credit Suisse | | 525,907 | 622,532 |
| | **Total collateral** | | 8,114,907 | 7,622,532 |
| 2014-4 | 1.83% Bank of Scotland PL bond | 0 | 0 | 10,757,081 |
| | Exchanged under CSA | | 0 | (1,770,153 |
| | Swap with Credit Suisse | | 0 | 3,209,124 |
| | **Total collateral** | | 0 | 12,196,052 |
| 2014-5 | 8.87% General Electric Capital bond | 12,054,805 | 12,054,805 | 13,898,189 |
| | Exchanged under CSA | | 1,997,500 | (511,428 |
| | Swap with Credit Suisse | | 2,177,509 | 1,858,303 |
| | **Total collateral** | | 16,229,814 | 15,245,064 |

# Balance sheet - continued

| Series | Collateral description | Nominal (EUR) | 31-Dec-16 EUR Total | 31-Dec-15 EUR Total |
|---|---|---|---|---|
| 2014-6 | 3.875% Orange S.A. bond | 20,000,000 | 20,000,000 | 20,000,000 |
| | Exchanged under CSA | | (1,450,000) | (2,500,000) |
| | Swap with Credit Suisse | | 1,450,000 | 2,500,000 |
| | **Total collateral** | | 20,000,000 | 20,000,000 |
| 2014-7 | 27,000 units of Brazilian Treasury 6% IPCA Linked notes | 7,876,657 | 7,876,657 | 6,235,926 |
| | Exchanged under CSA | | (7,876,657) | 0 |
| | Swap with Credit Suisse | | 9,226,222 | 4,091,569 |
| | **Total collateral** | | 9,226,222 | 10,327,495 |
| 2014-8 | 7.875% Petrobas International Finance bond | 15,645,888 | 15,645,888 | 17,611,447 |
| | Exchanged under CSA | | (4,398,149) | (6,857,457) |
| | Swap with Credit Suisse | | 752,260 | 3,246,010 |
| | **Total collateral** | | 12,000,000 | 14,000,000 |
| 2014-9 | 5.875% Petrobas International Finance bond | 20,000,000 | 20,000,000 | 24,000,000 |
| | Exchanged under CSA | | (2,319,000) | (8,416,000) |
| | Swap with Credit Suisse | | 2,319,000 | 8,416,000 |
| | **Total collateral** | | 20,000,000 | 24,000,000 |
| 2014-10 | 4% Banco BTG Pactual S.A. bond | 17,109,720 | 17,109,720 | 16,510,732 |
| 2014-10 | Magneta Investment Luxembourg S.A. bond | 6,000,000 | 6,000,000 | 9,000,000 |
| | Exchanged under CSA | | (4,717,530) | 0 |
| | Swap with Credit Suisse | | 1,236,461 | (4,771,418) |
| | **Total collateral** | | 19,628,651 | 20,739,314 |
| 2015-01 | Guaranteed Subordinated Perpetual Loan | 750,000,000 | 750,000,000 | 750,000,000 |
| | Exchanged under CSA | | 0 | 0 |
| | **Total collateral** | | 750,000,000 | 750,000,000 |
| 2015-02 | Up to USD 700 million Subordianted fixed to floating Rate non step up callable loan Notes with a scheduled maturity in 2050 of Swiss Re Ltd, which are collateralized with US T-strips. | 665,378,001 | 665,378,001 | 642,084,021 |
| | Exchanged under CSA | | 0 | 0 |
| | **Total collateral** | | 665,378,001 | 642,084,021 |
| 2015-03 | 4.375% Senior unsecured Petrobas Global Finance bond | 25,379,418 | 25,379,418 | 24,490,919 |
| | Exchanged under CSA | | (7,516,870) | (4,950,468) |
| | Swap with Credit Suisse | | 1,148,252 | (1,195,193) |
| | **Total collateral** | | 19,010,800 | 18,345,258 |
| 2016-01 | EUR 750,000,000 Fixed to Floating Dated Subordinated Notes due 2046 of Zurich Insurance Company Ltd | 750,000,000 | 750,000,000 | 0 |
| | Exchanged under CSA | | 0 | 0 |
| | **Total collateral** | | 750,000,000 | 0 |

# *Balance sheet - continued*

| Series | Collateral description | Nominal (EUR) | 31-Dec-16 Total | 31-Dec-15 Total |
|---|---|---|---|---|
| 2016-02 | Up to USD 400,000,000 6.05% subordinated Non Step-Up Callable Loan Notes with a scheduled maturity in 2056 of Swiss Re Ltd, which are collateralized with US T-strips. | 380,216,000 | 380,216,000 | 0 |
| | Exchanged under CSA | | 0 | 0 |
| | **Total collateral** | | 380,216,000 | 0 |
| 2016-03 | Up to USD 800,000,000 Subordinated Fixed -to -Floating Rate Non Step -Up Callable Loan Notes with a scheduled maturity in 2052 of Swiss Re Ltd, which are collateralized with US T-strips. | 760,432,001 | 760,432,001 | 0 |
| | Exchanged under CSA | | 0 | 0 |
| | **Total collateral** | | 760,432,001 | 0 |

The Company has entered into multiple derivative contracts to hedge the liabilities on the Notes against the assets of the Collateral. The obligations and rights under the derivative contracts mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral.

The effective interest rate on the Collateral is 4.17% (2015: 1.69%)

Cash collateral, swap and CSA represent the amounts that the Company is obliged to pay or entitled to receive based on the derivate contracts described above.

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| Bonds | 3,525,367,543 | 1,658,372,332 |
| Cash | 730,728 | 705,146 |
| Swap agreement | 36,411,376 | 38,377,545 |
| Total Collateral for all Series at cost price at 31.12 | 3,562,509,647 | 1,697,455,023 |
| Movement schedule of the Collateral | | |
| Opening balance | 1,697,455,023 | 296,653,200 |
| Purchases | 1,890,648,001 | 1,416,574,941 |
| Sales | 0 | 0 |
| Redemptions | (38,455,337) | (11,954,646) |
| Cash Collateral | 25,582 | 72,586 |
| Swap | (1,966,170) | 1,596,439 |
| CSA | (12,398,164) | (8,089,919) |
| FX revaluation | 27,200,711 | 2,602,424 |
| Closing balance | 3,562,509,647 | 1,697,455,023 |
| Market value Collateral for all Series as 31.12 | 3,627,688,869 | 1,726,216,382 |
| Market value Swap Agreement for all Series as at 31.12 | (34,172,577) | (51,153,813) |
| | 3,593,516,292 | 1,675,062,569 |
| Amount of Collateral falling due within a year | 26,306,035 | 0 |
| Amount of collateral falling due between 1 and 5 years | 191,166,810 | 0 |
| Amount of collateral falling due after 5 years | 3,345,036,802 | 1,697,455,023 |
| | 3,562,509,647 | 1,697,455,023 |

# Balance sheet - continued

### Offsetting disclosures

The Company elected to present certain financial assets and financial liabilities net in the balance sheet. Whilst these financial assets and liabilities may not comply with all necessary requirements to be presented net in the balance sheet, we have considered the waiver included section 4 BW of article 2:362 of title 9 of the Dutch civil code, that allows companies to use a different presentation in the of assets and liabilities as that prescribed by the accounting standards, as long as it offers the users of the financial statements a more understandable view. In particular, the Company presents net the financial assets and financial liabilities that are entered into as collateral of the issued notes, as this gives a better view to the noteholders of the assets and liabilities that are backing each series and the ultimate amounts which they are entitled to.

The table below offers a comparison of the presentation of these assets and liabilities under the current accounting policy and how should they be presented if the accounting standard prescribed by Dutch GAAP would have been applied.

*Under the current accounting policy*

| EUR | Assets | EUR | Liabilities |
|---|---|---|---|
| 3,562,509,647 | Collateral | | |

*Under Dutch GAAP*

| EUR | Assets | EUR | Liabilities |
|---|---|---|---|
| 3,525,367,543 | Collateral | | |
| 36,476,375 | Derivatives | 65,000 | Derivatives |
| 730,728 | Cash deposits | | |

## Balance sheet - continued

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **2 Amounts owed by group entities** | | |
| Stichting Demeter Investments | 18,000 | 18,000 |
| | 18,000 | 18,000 |

| | | |
|---|---|---|
| **3 Prepayments and accrued income** | | |
| Interest receivable Collateral | 79,469,960 | 24,100,961 |
| Swap interest receivable | 2,157,591 | 7,818,782 |
| Prepaid interest Noteholders | 2,227,946 | 4,290,285 |
| Credit Suisse International (recharged expenses) | 78,505 | 77,520 |
| | 83,934,002 | 36,287,548 |

| | | |
|---|---|---|
| **4 Taxation** | | |
| VAT | 609 | 1,361 |
| | 609 | 1,361 |

As per 24 July 2013, the Company has been qualified as VAT entrepreneur by the Dutch Tax authorities.

| | | |
|---|---|---|
| **5 Cash** | | |
| Current account ABN AMRO | 1,411 | 10,459 |
| Current account BNY | 1,186 | 0 |
| Current account BNPP | 2,976 | 0 |
| | 5,573 | 10,459 |

The current accounts are freely available to the Company.

| | | |
|---|---|---|
| **6 Accruals and deferred income** | | |
| Interest payable on Notes issued | 74,771,654 | 25,968,782 |
| Interest payable Swap Collaterals | 6,860,059 | 5,950,961 |
| Interest received in advance from swap counterparty | 2,227,946 | 4,290,285 |
| Audit fee payable | 25,500 | 25,300 |
| Other fees payable | 2,866 | 0 |
| | 83,888,025 | 36,235,328 |

| | | |
|---|---|---|
| **7 Taxation** | | |
| Corporate income tax 2015 | (18) | 15,808 |
| Corporate income tax 2016 | 1,070 | 0 |
| | 1,052 | 15,808 |

| Corp. income tax summary | 01.01 | paid/received | p/l account | 31.12 |
|---|---|---|---|---|
| 2015 | 15,808 | (15,826) | 0 | (18) |
| 2016 | 0 | (16,707) | 17,777 | 1,070 |

# *Balance sheet – continued*

**8 Notes**

| Series | Notes description | | 31-Dec-16 EUR Total | 31-Dec-15 EUR Total |
|---|---|---|---|---|
| 2013-1 | EUR 10,000,000 Secured repackaged Notes due 2020 | Opening Balance | 5,000,000 | 5,000,00 |
| | | Notes issued/redeemed | (5,000,000) | |
| | | Closing balance | 0 | 5,000,000 |
| 2013-2 | BRL 41,050,000 Credit Linked Notes due 2020 | Notes | 1,847,682 | 2,477,432 |
| | | premium/ (discount) | 1,763,283 | |
| | | Opening balance | 3,610,965 | 5,354,145 |
| | | amortisation | (18,804) | (1,113,430 |
| | | FX Revaluation | 486,142 | (629,750 |
| | | Closing balance | 4,078,303 | 3,610,965 |
| 2013-3 | GBP 5,000,000 Secured Repackaged Notes due 2018 | Opening Balance | 6,808,279 | 6,412,723 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | (875,452) | 395,556 |
| | | Closing balance | 5,932,827 | 6,808,279 |
| 2013-4 | GBP 5,000,000 Secured Repackaged Notes due 2018 | Opening Balance | 6,808,279 | 6,412,723 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | (875,452) | 395,556 |
| | | Closing balance | 5,932,827 | 6,808,279 |
| 2013-5 | GBP 10,000,000 Bullet Coupon Notes due 2018 | Opening Balance | 13,616,558 | 12,825,446 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | (1,750,903) | 791,112 |
| | | Closing balance | 11,865,655 | 13,616,558 |
| 2013-6 | GBP 10,000,000 Bullet Coupon Notes due 2018 | Opening Balance | 13,616,558 | 12,825,446 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | (1,750,903) | 791,112 |
| | | Closing balance | 11,865,655 | 13,616,558 |
| 2013-7 | USD 17,718,000 3-Month USD Libor Capped and Floored Floater due 2019 | Opening Balance | 16,252,064 | 14,579,116 |
| | | Notes issued/redeemed | (6,919,931) | 0 |
| | | FX Revaluation | 589,604 | 1,672,948 |
| | | Closing balance | 9,921,737 | 16,252,064 |
| 2013-8 | EUR 5,000,000 Secured repackaged Notes due 2020 | Opening Balance | 5,000,000 | 5,000,000 |
| | | Notes issued/redeemed | (5,000,000) | 0 |
| | | Closing balance | 0 | 5,000,000 |
| 2013-9 | USD 5,000,000 Secured repackaged Notes due 2020 | Opening Balance | 4,586,314 | 4,114,210 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | 166,386 | 472,104 |
| | | Closing balance | 4,752,700 | 4,586,314 |
| 2013-10 | EUR 10,000,000 Credit-linked Notes due 2018 | Opening Balance | 10,000,000 | 10,000,000 |
| | | Notes issued/redeemed | 0 | 0 |
| | | Closing balance | 10,000,000 | 10,000,000 |
| 2013-11 | EUR 3,675,000 Credit linked Notes due 2019 | Opening Balance | 3,675,000 | 3,675,000 |
| | | Notes issued/redeemed | (2,825,000) | 0 |
| | | Closing balance | 850,000 | 3,675,000 |

# *Balance sheet – continued*

| Series | Notes description | | 31-Dec-16 EUR Total | 31-Dec-15 EUR Total |
|---|---|---|---|---|
| 2013-12 | USD 4,000,000 Secured Repackaged Notes due 2015 | Opening Balance | 0 | 3,291,368 |
| | | Notes issued/redeemed | 0 | (3,669,051) |
| | | FX Revaluation | 0 | 377,683 |
| | | Closing balance | 0 | 0 |
| 2013-13 | EUR 10,000,000 Secured Repackaged Note due 2015 | Opening Balance | 0 | 10,000,000 |
| | | Notes issued/redeemed | 0 | (10,000,000) |
| | | Closing balance | 0 | 0 |
| 2013-14 | EUR 20,000,000 Leveraged Credit linked Note due 2019 | Opening Balance | 20,000,000 | 20,000,000 |
| | | Notes issued/redeemed | 0 | 0 |
| | | Closing balance | 20,000,000 | 20,000,000 |
| 2013-15 | USD 16,000,000 Collared Floating Rate Note due 2020 | Opening Balance | 14,676,206 | 13,165,474 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | 532,434 | 1,510,732 |
| | | Closing balance | 15,208,640 | 14,676,206 |
| 2013-16 | JPY 1,000,000,000 Fixed Rate Note due 2016 | Opening Balance | 7,622,532 | 6,892,749 |
| | | Notes issued/redeemed | (8,114,907) | 0 |
| | | FX Revaluation | 492,375 | 729,783 |
| | | Closing balance | 0 | 7,622,532 |
| 2013-17 | EUR 9,000,000& EUR 5,000,000 Credit-linked Notes due 2018 | Opening Balance | 14,000,000 | 14,000,000 |
| | | Notes issued/redeemed | (250,000) | 0 |
| | | Closing balance | 13,750,000 | 14,000,000 |
| 2014-1 | EUR 10,000,000 Credit_Linked Notes due 2019 | Opening Balance | 10,000,000 | 10,000,000 |
| | | Notes issued/redeemed | 0 | 0 |
| | | Closing balance | 10,000,000 | 10,000,000 |
| 2014-2 | JPY 1,000,000,000 Secured Repackaged Notes due 2017 | Opening Balance | 7,622,532 | 6,892,749 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | 492,375 | 729,783 |
| | | Closing balance | 8,114,907 | 7,622,532 |
| 2014-3 | JPY 1,000,000,000 Secured Repackaged Notes due 2017 | Opening Balance | 7,622,532 | 6,892,749 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | 492,375 | 729,783 |
| | | Closing balance | 8,114,907 | 7,622,532 |
| 2014-4 | JPY 1,600,000,000 Secured Repackaged Notes due 2016 | Opening Balance | 12,196,052 | 11,028,398 |
| | | Notes issued/redeemed | (12,983,851) | 0 |
| | | FX Revaluation | 787,799 | 1,167,654 |
| | | Closing balance | 0 | 12,196,052 |
| 2014-5 | JPY 2,000,000,000 Secured Repackaged Notes due 2018 | Opening Balance | 15,245,064 | 13,785,498 |
| | | Notes issued/redeemed | 0 | 0 |
| | | FX Revaluation | 984,750 | 1,459,566 |
| | | Closing balance | 16,229,814 | 15,245,064 |
| 2014-6 | EUR 20,000,000 Credit-Linked Notes due 2021 | Opening Balance | 20,000,000 | 20,000,000 |
| | | Notes issued/redeemed | 0 | 0 |
| | | Closing balance | 20,000,000 | 20,000,000 |

# *Balance sheet – continued*

| Series | Notes description | | 31-Dec-16 EUR Total | 31-Dec-15 EUR Total |
|---|---|---|---|---|
| 2014-7 | BRL 27,000,000 Credit Linked Notes due May 2017 | Notes | 6,235,926 | 8,361,333 |
| | | premium/ (discount) | 4,091,569 | 9,539,613 |
| | | Opening balance | 10,327,495 | 17,900,946 |
| | | amortisation | (2,742,005) | (5,448,043 |
| | | FX Revaluation | 2,717,263 | (2,125,408 |
| | | Closing balance | 9,226,222 | 10,327,495 |
| 2014-8 | EUR 14,000,000 Secured Repackaged Notes due 2019 | Opening Balance | 14,000,000 | 14,000,000 |
| | | Notes issued/redeemd | (2,000,000) | 0 |
| | | Closing balance | 12,000,000 | 14,000,000 |
| 2014-9 | EUR 24,000,000 Secured Repackaged Notes due 2019 | Opening Balance | 24,000,000 | 24,000,000 |
| | | Notes issued/redeemed | (4,000,000) | 0 |
| | | Closing balance | 20,000,000 | 24,000,000 |
| 2014-10 | USD 22,610,000 Credit Linked Notes Due 2020 | Opening Balance | 20,739,314 | 18,604,460 |
| | | Notes issued/redeemed | (1,863,058) | 0 |
| | | FX Revaluation | 752,395 | 2,134,854 |
| | | Closing balance | 19,628,651 | 20,739,314 |
| 2015-01 | EUR 750,000,000 guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes | Opening Balance | 750,000,000 | 0 |
| | | Notes issued/redeemed | 0 | 750,000,000 |
| | | FX Revaluation | 0 | 0 |
| | | Closing balance | 750,000,000 | 750,000,000 |
| 2015-02 | USD 700,000,000 Fixed to floating rate non step up callable notes with a scheduled maturity of in 2050 | Opening Balance | 642,084,021 | 0 |
| | | Notes issued/redeemed | 0 | 650,195,059 |
| | | FX Revaluation | 23,293,980 | (8,111,038 |
| | | Closing balance | 665,378,001 | 642,084,021 |
| 2015-03 | USD 20,000,000 Secured Repackaged Notes due 2023 | Opening Balance | 18,345,258 | 0 |
| | | Notes issued/redeemed | 0 | 18,234,865 |
| | | FX Revaluation | 665,542 | 110,393 |
| | | Closing balance | 19,010,800 | 18,345,258 |
| 2016-01 | EUR 750,000,000 fixed to floating rate notes due 2046 | Opening Balance | 0 | 0 |
| | | Notes issued/redeemed | 750,000,000 | 0 |
| | | FX Revaluation | 0 | 0 |
| | | Closing balance | 750,000,000 | 0 |
| 2016-02 | USD 400,000,000 6.05% Non Step-Up Callable Notes with a scheduled maturity in 2056 | Opening Balance | 0 | 0 |
| | | Notes issued/redeemed | 380,216,000 | 0 |
| | | FX Revaluation | 0 | 0 |
| | | Closing balance | 380,216,000 | 0 |
| 2016-03 | USD 800, 000,000 Fixed -to -Floating Rate Non Step -Up Callable Notes with a scheduled maturity in 2052 | Opening Balance | 0 | |
| | | Notes issued/redeemed | 760,432,001 | |
| | | FX Revaluation | 0 | |
| | | Closing balance | 760,432,001 | |
| | Amount of Collateral falling due within a year | | 26,306,035 | |
| | Amount of collateral falling due between 1 and 5 years | | 191,166,810 | |
| | Amount of collateral falling due after 5 years | | 3,345,036,802 | 1,697,455,02 |
| | | | 3,562,509,647 | 1,697,455,02 |
| | Notes (at market value) as at 31.12 | | 3,593,516,292 | 1,675,062,56 |

# Balance sheet – continued

*Estimated value diminution of the Notes / Attribution of impairment on assets to Noteholders*

The amounts regarding the Company's estimated value diminution of the Notes in respect of both principal and interest are dependent upon the performance of the underlying portfolio of the assets. During the transaction period the performance of this portfolio may have an effect on the actual payment obligation to the Noteholders. In order to present the actual payment obligation to the Noteholders, an estimated value diminution of the Notes has been included in the amount payable.

The attribution impairment on assets to Noteholders relates to the impairments that management have estimated on the asset portfolio. As the credit risk the portfolio is borne by the Noteholders, this amount has been adjusted on the notes payable. The amount should be viewed in light of the judgement made on the impairment of the asset portfolio and is therefore not definitive.

Changes in the estimated value diminution of the Notes are directly charged or credited to the income statement and reflected in line with other financial income and expenses. For 2016 and 2015 there was no value diminution of the Notes.

The effective interest rate on the Notes is 4.11% (2015: 1.99%)

### 9 Capital and reserves

The authorised share capital of the Company amounts to EUR 18,000 divided into 18 shares of EUR 1,000. Issued and paid up are 18 shares of EUR 1,000 each.

| | Share capital | Other reserves | Unappr. results |
|---|---|---|---|
| Balance as per 31.12.2014 | 18,000 | (25,000) | 70,180 |
| Paid-in / (repaid) | 0 | 70,180 | (70,180) |
| Dividend | 0 | (45,180) | 0 |
| Interim dividend | 0 | (15,000) | 0 |
| Result for the period | 0 | 0 | 63,232 |
| Balance as per 31.12.2015 | 18,000 | (15,000) | 63,232 |
| Paid-in / (repaid) | 0 | 63,232 | (63,232) |
| Dividend | 0 | (48,232) | 0 |
| Interim dividend | 0 | (20,000) | 0 |
| Result for the period | 0 | 0 | 71,107 |
| Balance as per 31.12.2016 | 18,000 | (20,000) | 71,107 |

The Company distributed a dividend in the amount of EUR 48,232 for the year 2015 during 2016. In addition the Company also distributed an interim dividend in the amount of Euro 20,000 for the year 2016 on 12 July 2016 to Stichting Demeter Investments.

# Profit and loss account

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **10 Financial income** | | |
| Interest income on Collateral | 148,635,433 | 31,055,247 |
| Swap interest income | (5,780,306) | 7,180,292 |
| Amortisation Collateral discount | 0 | 0 |
| Amortisation on Notes premium | 4,301,277 | 3,405,307 |
| | 147,156,404 | 41,640,846 |

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **11 Financial expenses** | | |
| Interest expenses on Notes | 146,123,166 | 25,330,292 |
| Swap interest expense | (3,268,039) | 12,905,247 |
| Amortisation Collateral premium | 0 | 0 |
| Amortisation Notes discount | 4,301,277 | 3,405,307 |
| | 147,156,404 | 41,640,846 |

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **12 Other financial income and expenses** | | |
| FX Revaluations on Collateral | 27,200,711 | 2,602,424 |
| FX Revaluations on Notes | (27,200,711) | (2,602,424) |
| | 0 | 0 |

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **13 Recharged expenses** | | |
| Recharged expenses | 83,528 | 43,254 |
| | 83,528 | 43,254 |

As agreed under the contract with the Arranger, Credit Suisse International, expenses incurred by the Company can be reimbursed by the Arranger.

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **14 Repackaging income** | | |
| Repackaging income | 88,884 | 79,040 |
| | 88,884 | 79,040 |

The taxable profit (repackaging income) of the Company consists of fixed fees, annual recurring fees (based on number of Series), one time issuance fees and amendment fees received from the Arranger during the year.

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **15 General and administrative expenses** | | |
| Audit fee | 29,603 | 24,300 |
| General expenses | 53,925 | 18,912 |
| | 83,528 | 43,212 |

| | 31-Dec-16 EUR | 31-Dec-15 EUR |
|---|---|---|
| **16 Corporate income tax** | | |
| Corporate income tax current year | 17,777 | 15,850 |
| | 17,777 | 15,850 |

# Profit and loss account - continued

## Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

## Audit fee

With reference to Section 2:382a of the Netherlands Civil Code, the following fees for the financial year have been charged by Ernst & Young Accountants LLP to the Company:

| | 31-Dec-16<br>EUR | 31-Dec-15<br>EUR |
|---|---|---|
| Statutory audit of annual accounts | 29,603 | 24,300 |
| Other assurance services | 0 | 0 |
| Tax advisory services | 0 | 0 |
| Other non-audit services | 0 | 0 |
| | 29,603 | 24,300 |

## Directors

The Company has one (previous year: one) managing director, who receives no remuneration. (previous year: nihil). The Company has no (previous year: none) supervisory directors.

Amsterdam, 7 July 2017
Intertrust (Netherlands) B.V.

# Other information

Provisions in the Articles of Association governing the appropriation of profit
According to article 19 of the Company's Articles of Association, the General Meeting is authorized to allocate the profits determined by the adoption of the annual accounts and to declare distributions.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity are greater than the paid-up and called-up part of the capital plus the legally required reserves.

## Independent auditor's report

The independent auditor's report is presented on the next page.

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# Independent auditor's report

To: the shareholders of Demeter Investments B.V.

## Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 of Demeter Investments B.V. ("the Company"), based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Demeter Investments B.V. as at 31 December 2016 and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2016
- The profit and loss account for 2016
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Demeter Investments B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Materiality

| | |
|---|---|
| Materiality | €18,250,000 |
| Benchmark used | 0.5% of total assets |
| Additional explanation | We have considered total assets as an appropriate benchmark, because this better reflects the business of the Company. |

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with management that misstatements in excess of €912,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to management. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk | Our audit response |
|---|---|
| Valuation of the collateral portfolio: assessment of impairment<br><br>The Company was set up in order to facilitate access to certain financial markets to investors, through the issuance of notes that are linked to collateral portfolio presented under the caption financial fixed assets. As disclosed in the general notes and Note 1 of the financial statements, the collateral portfolio is measured at amortised cost, although it still encompasses credit risk, and needs to be assessed for the need of impairment. The notes issued by the Company have been structured in a way that the credit risk of the collateral portfolio is transferred to the noteholders. Therefore, we consider this credit risk to be a key audit matter, as it is of significant relevance to the noteholders, which are the key stakeholders of the Company. | We have performed detailed audit procedures addressing the identification of impairment triggers through the analysis of counterparties and the sector and markets in which the collateral counterparties operate. In addition, we have performed detailed testing to cover the fair values of the collateral as disclosed in the notes to the financial statements, as further supporting evidence to the impairment assessment performed by management. |

## Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the management
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the report of the management in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

Engagement
We were engaged by management as auditor of Demeter Investments B.V. on 26 October 2012, as of the audit for the year 2012 and have operated as statutory auditor since that date.

## Description of responsibilities for the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 7 July 2017

Ernst & Young Accountants LLP

signed by R. Bulkmans