Annual accounts of Dunia Capital B.V.

for the year 2020

Dunia Capital B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
Chamber of Commerce nr: 34265018

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List of parties involved

Director	Intertrust (Netherlands) B.V.
Issuer	Dunia Capital B.V.
Arranger	Banca IMI S.p.A
Trustee	BNY Mellon Corporate Trustee Services Limited
Issue Agent, Paying Agent	The Bank of New York Mellon, London Branch
Custodian	The Bank of New York Mellon, London Branch
Swap Counterparty	Intesa San Paolo, Italy
Rating agency	S&P Global Ratings Europe Limted (S&P), Moody’s Deutschland GmbH (Moody’s), Fitch Ratings Ireland Limited (Fitch)
Stock exchange	Luxembourg Stock Exchange
Independent auditor	Mazars Accountants N.V.
Registered office	Prins Bernhardplein 200 1097 JB Amsterdam

Director’s report

The Director herewith presents to the Shareholder the annual accounts of Dunia Capital B.V. (“the Company”) for the year 2020.

GENERAL

Structure of operations

The Company is a private company with limited liability incorporated under the laws of the Netherlands on 18 January 2007. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands. The Company’s Dutch Chamber of Commerce registration number is 34265018. All issued shares are held by Stichting Dunia Capital, a foundation (Stichting) (the "Foundation") established under Dutch law on 21 November 2006. Its authorised share capital consists of EUR 18,000 and is divided into 180 voting ordinary shares with a par value of EUR 100 per share. It has an issued and outstanding share capital of EUR 18,000.

The Company is a so-called repackaging company. The Company issues series of notes (“Notes” or “Series”) under its EUR 5 billion 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 (“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 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 when applicable, 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 within the terms and conditions of the Programme. This is, amongst other, loans, listed or unlisted bonds, notes, and any other kind of Collateral. It is the Noteholder together with the Swap Counterparty who decide what kind of Collateral they would like to purchase for a certain Series, as they bear the risk. All other conditions can also differ per Series (maturity date, interest rates, payment dates, parties involved etc).

As the limit of the Programme is set at EUR 5 billion, the total sum of the Company’s outstanding Series may not at any time exceed the limit of EUR 5 billion (or its equivalent in another currency at the date of issue).

Listing

Application is made to the Luxembourg Stock Exchange for certain Series and trading on its regulated market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Luxembourg stock exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Notes may be listed on such other or further stock exchange(s). The Company may also issue unlisted Notes.

At balance sheet date all Series are listed on the Luxembourg Stock Exchange. Any Series may be rated by S&P Global Ratings Europe Limited ("S&P"), Moody's Deutschland GmbH ("Moody's"), Fitch Ratings Ireland Limited ("Fitch") (or any other relevant recognised debt rating agency (the "Rating Agency") as may be specified in the relevant Series memorandum or Alternative Memorandum and the relevant constituting instrument (the "Constituting Instrument")). The rating of Notes issued or entered into under the Programme will be specified in the relevant Series memorandum or alternative memorandum and the relevant Constituting Instrument.

There can be several types of Notes issued, amongst others Credit Linked Notes whereby the repayment of notional is dependent on credit events of pre-defined reference portfolios, the notional being reduced upon the occurrence of the event. Another type of Notes are also Credit Linked Notes which may be redeemed earlier, 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.

The Company intends to hold all Notes issued until maturity but has the option of repurchasing Notes in the market from investors, subject to investors willing to sell any such Notes. 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 in the event of repurchase of Notes the outstanding Collateral will be transferred to the Swap Counterparty.

Arranger
The Arranger of the Programme is Banca IMI S.p.A. ("the Arranger").

The Company also entered into a Series Proposal Agreement with Banca IMI S.p.A on the basis of which all expenses are reimbursed.

Programme Prospectus
For a complete description of the terms and conditions of the Programme, we refer to the Programme Prospectus dated November 18, 2020, as updated from time to time.

Limited recourse
Due to the limited recourse nature of the Series, the Company is almost not exposed to any risks, as the risks are mitigated by derivative contracts or transferred to the Noteholders as described in the legal documentation for each Series, as far as not transferred to the Swap Counterparty.

The Company did enter into several derivative contracts to mitigate the risks of the Noteholders to the Swap Counterparty. 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 as disclosed under notes 1 and 7.

Financial reporting
The Director is responsible for establishing and maintaining adequate internal control over financial reporting. The Director is also responsible for the preparation and fair presentation of the financial statements. The Company's internal control over financial reporting is included in the ISAE 3402 framework of the Director.

Comparison with prior period
The principles of valuation and determination of result remain unchanged compared to the prior year.

Director's report – Continued

RISK MANAGEMENT

General
The Company's principal financial instruments during the year comprised the Collateral, Notes issued and derivatives. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from its issued Notes and to minimise the impact of inflation on future cash flows.

The Series are limited recourse; a Noteholder is only entitled to the Collateral/ proceeds of its own Series including all risks associated with the Collateral. The Company has entered into derivative contracts with the objective to mitigate the risk between the issued Notes and Collateral purchased. The related risks comprise mainly interest rate risk and inflation risk. In this respect, the Company mainly uses interest rate swaps, total return swaps, and/or inflation linked swaps, when applicable.

The key financial instrument risks are classified as credit and concentration risk, inflation risk, market risk (interest rate risk), currency exchange rate risk, liquidity risk and Swap Counterparty credit risk.

Credit and concentration risk
The Collateral bears a mix of credit and concentration risks. In principle, the Company is not exposed to credit risk due to the limited recourse nature of the issued Series at year-end as the Noteholder bears the credit risk of the Collateral. At the same time the Company uses swaps to hedge any credit and concentration risk and hence the overall exposure to the credit and concentration risk is close to nil. For Series without swaps, if applicable, the credit and concentration risk lies with the Noteholder due to the aforementioned limited recourse nature of the Series.

The Company invests in treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. The creditworthiness of Italy as a country, is checked regularly. The Company has also drawn up guidelines for limiting the credit risk. Furthermore, the Company applies strict credit control and reminder procedures. The Company hedges this credit risk by entering into asset swaps.
The Company's credit risk is close to nil due to the above measures.

Inflation risk
The Company invests in treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy which are inflation linked. The Company hedges this inflation risk by entering into asset swaps. The Company's credit risk is close to nil due to the above measures.

Interest rate risk
The Notes bear interest (fixed). The Company's exposure to interest rate risk is close to nil due to the limited recourse nature of the issued Series. All possible risks regarding the interest are mitigated by swap contracts. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market interest rates from the Noteholder to the Swap Counterparty.

Currency exchange rate risk
The Company's accounts are denominated in EUR. The Collateral and the Notes are both denominated in EUR. Therefore, the Company does not bear any currency exchange risk on Collateral and issued Notes.

Director's report – Continued

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders, and other creditors, as they become due. Liquidity risk on interest payments to be made by the Company to its Noteholders arises from mismatches on both the interest frequency on the Notes versus the Collateral, being a portfolio bonds (the "Portfolio"), as well as from the outstanding value of the Notes compared to the Portfolio. Liquidity risk on principal payments arises from mismatches in the maturity of the Notes compared to the maturity of the Collateral, as well as from the par value outstanding of the Notes versus the par value of the Portfolio.

Matching maturities of assets and liabilities and related cash flows is fundamental to the Director of the Company. This risk is addressed and mitigated by an agreement with the Arranger to secure any mismatch (as the Arranger reimburses the 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.

Swap Counterparty credit risk
The Company has entered into a swap agreement with the Swap Counterparty. Pursuant to this agreement, the Swap Counterparty agreed to make payments to the Company under certain circumstances as described therein.

The Swap Counterparty credit risk is the risk that the Company will be exposed to the credit risk of the relevant Swap Counterparty with respect to any such payments. To mitigate the Swap Counterparty credit risk of the financial derivatives, the Company only enters into contracts with carefully selected major financial institutions based upon their credit ratings.

With regards to Swap Counterparty exposure the Company uses International Swaps and Derivatives Association ("ISDA") agreements to govern derivative contracts to mitigate Swap Counterparty credit risk. The credit ratings of the applicable Swap Counterparty (Intesa San Paolo being the main affiliate of Banca IMI) per year-end 2020 are Aa3, A+ and AA-, respectively from the source Moody's Investor Services Inc, Standard & Poor's Rating Services and Fitch Ratings Limited. Based on these ratings we deem the risk of the Swap Counterparty defaulting to be close to nil. Please note that the Swap Agreement provides for certain "Events of Default" (as defined in the Swap Agreement) relating to the Issuer and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

COVID-19
Whilst the worldwide outbreak of the COVID-19 virus clearly increases a number of the risk factors, the limited recourse principle embedded in the transaction means that any such negative consequences are transferred from the Company mainly to the Noteholders and/or Swap Counterparty.

With the continuation of the Coronavirus in 2021 (COVID-19), and the continuant preventive measures taken by governments, there is high economic uncertainty and most likely for a longer period as well. The economic consequences of the Coronavirus have led to a serious threat to the world economic outlook right now with short-term, medium-term and even long-term consequences being very unpredictable. A possible downturn in economic conditions may affect the Company's investments and Noteholders may potentially face serious losses in future periods.

Things however remain very uncertain and subject to change. The claims of the Noteholders are limited to the value of the underlying Collateral due to the limited recourse nature of the Programme. Considering the high level of uncertainty regarding the implications of the Corona-crisis and further developments of this crisis going forward, we are not able to reliably quantify the impact on the

Director's report – Continued

Company in the future at this stage. Management is fully aware and will consider the situation every day.

Please note that we have concluded the COVID-19 crisis not as a subsequent event (in line with Dutch Accounting Standards ("RJ") 160) for these 2020 financial statements. That is, we are of the opinion that there is no new information at this point in time, for example a third wave, issues with vaccines etc. that would trigger COVID-19 being a, non-adjusting, subsequent event for these financial statements.

The Director expects to continue its present level of activities. Since the reporting date the Company has issued no new Series.

Risk appetite
As part of its objectives, the Company issues Notes to investors. The proceeds of the Notes are individually applied to purchases of debt securities (the aforementioned Collateral).

Repayment of principal and interest payment on debt securities is subject to financial risks, as mentioned above. If and when these risks materialize into losses, these losses will be borne by holders of the Notes issued, connected with the relevant Collateral items. The return which the Company offers on a certain Note correlates to the amount of Collateral risk to which it is exposed.

The Company by its nature exposes itself to financial risks. The investors in the Notes issued by the Company are made aware of these risks and understand the adverse effects on repayment of principal and interest payments on issued Notes in the event these risks materialize into losses. The Company has delegated the risk management to the Arranger of the transaction, who monitors the nature of the changes in the value of the Collateral and decides whether the composition may need to be changed. The Arranger also decides on the hedging strategies that the Company needs to follow to minimize these risks.

Financing
The Company, under the Programme, may from time to time issue new Series. The Company may also raise finance by other means, arranged by the sole Arranger or enter into other financial transactions under the Programme, including, without limitation, by way of loan or entering into derivatives. The aggregate nominal amount of Notes and alternative investments issued by the Company under the Programme may not at any time exceed EUR 5 billion.

During the year, the Company issued no new Series.

During the year, no Series matured. In November 2020, there was a partial wind-down of series 2013-1.

Audit committee
The audit committee consists of two members, respectively Mr. R. Ahlers and Mr. S. Van Ulsen.

Results
The net asset value of the Company as at year-end amounts to EUR 74,123 (previous period: EUR 66,171). The result after taxation for the period amounts to EUR 26,919 (previous period: EUR 25,605). The carrying amount of the Collateral amounts to EUR 368,980,175 (previous period: EUR 370,602,607).

Director's report – Continued

Based on the set-up and structure of the Company, a special purpose vehicle with a predetermined amount of profit before tax each year, no information or analyses are presented on the solvency, liquidity or any other performance ratios.

The cumulative revaluation amount as per year-end amounts to approximately EUR 439,799,948 (previous period: EUR 409,246,923) and relates to Series 2012-1, 2012-3, 2013-1, 2019-1 and 2019-2. As the Notes issued are limited recourse, this revaluation result is also included in the valuation of the Notes.

Research and development
Based on the set-up and structure of the Company, a special purpose vehicle, no information or analyses is presented on the subject matter of research and development.

Future outlook
The prediction of future trends and the quantification of developments is inherently a difficult task, full of uncertainties. With the effects of COVID-19 for the long term still very much unclear, this has become even more difficult. All economic data relevant to the Company, historic or prospective, is or will be significantly influenced by COVID-19 developments.

It is important to reiterate that the Company was incorporated specifically for its role in a structured finance transaction and is governed by the terms and conditions of the Prospectus and other Transaction Documents. These are drawn up, inter alia, to foresee all possible future economic conditions, including those caused by COVID-19. At this stage, it seems a possible scenario that the outbreak will result in an increased level of losses of both interest and principal on the Company's assets. However, the limited recourse principle (see above) embedded in the Prospectus and Transaction Documents dictates that any such losses from the Company's assets are to be borne by the Company's creditors, in accordance with a pre-determined priority of payments waterfall.

Consequently, any such losses are unlikely to be borne by the Company's itself but rather by the Company's Noteholders (and other creditors) and only ultimately the Company's shareholder. The Company intends to continue to act within the terms and conditions set out for it by the Transaction Documents, and to otherwise comply with all its other obligations. The Company has no employees and is dependent on third-party service providers. However, the level or quality of the service provided has remained unaffected.

In conclusion, the Company expects to remain a going concern. The Director believes that the Company's risks are adequately mitigated by the various credit enhancements, as described in the financial statements and the Prospectus.

Director representation statement
The Director declares that, to the best of its knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and result of the Company and that the Director's report includes a fair review of the development and performance of the business, together with a description of the principal risks and uncertainties it faces.

Employees
The Company does not have any employees.

Director's report – Continued

Director

During 2020 the Company was represented by Intertrust (Netherlands) B.V. in the role as Director of the Company.

Amsterdam, 21 July 2021
Director,
Intertrust (Netherlands) B.V.

Balance sheet as at 31 December 2020

(Before the proposed appropriation of the results and expressed in euros)

	Note	31-Dec-2020 EUR	31-Dec-2019 EUR
Financial fixed assets			
Collateral	1		
Bonds		414,799,261	413,815,992
Swap agreement		(45,819,086)	(43,213,385)
Total Financial fixed assets		368,980,175	370,602,607
Current assets			
Debtors			
Amounts owed by group entities	2	17,500	17,500
Prepayments and accrued income	3	7,977,407	7,994,625
Taxation	4	45,538	30,810
Cash	5	14,010	40,607
Total current assets		8,054,455	8,083,542
Current liabilities			
Taxation	6	572	158
Accruals and deferred income	7	7,979,760	8,017,213
Total current liabilities		7,980,332	8,017,371
Current assets less current liabilities		**74,123**	**66,171**
Total assets less current liabilities		**369,054,298**	**370,668,778**
Long-term liabilities			
Notes	8	368,980,175	370,602,607
Total long-term liabilities		368,980,175	370,602,607
Net asset value		**74,123**	**66,171**
Capital and reserves	9		
Share capital		18,000	18,000
Other reserves		29,204	22,566
Unappropriated results		26,919	25,605
Total Capital and reserves		**74,123**	**66,171**

The accompanying notes form an integral part of these financial statements.

Profit and Loss account for the year ended 2020

(Expressed in euros)

	Note	2020 EUR	2019 EUR
Finance activities			
Collateral interest income	10	34,288,991	31,958,050
Notes interest expenses	11	(34,288,991)	(31,958,050)
Other Expenses			
General and administrative expenses	12	(275,049)	(329,866)
Series related expenses	13	(72,963)	(51,067)
Other Income			
Recharged expenses	14	348,012	380,933
Other income	15	32,238	31,611
Total other income and expenses		32,238	31,611
Results before taxation		**32,238**	**31,611**
Corporate income tax	16	(5,319)	(6,006)
Results after taxation		**26,919**	**25,605**

The accompanying notes form an integral part of these financial statements.

Cash flow statement for the year 2020

(Expressed in euros)

	2020 EUR	2019 EUR
Result for the year	26,919	25,605
Adjustments to Profit and Loss Account:		
Collateral Interest Income	34,288,991	31,958,050
Notes Interest Expense	(34,288,991)	(31,958,050)
	0	0
Changes in working capital		
(Increase)/ Decrease in debtors	2,905	(2,008,153)
Increase/ (Decrease) in accruals and deferred income	(37,453)	2,018,185
	(34,549)	10,032
Cash flow from investment activities		
(Purchase) / Sale of Collateral	6,700,000	(100,000,000)
	6,700,000	(100,000,000)
Cash flows from financing activities		
Dividend	(18,967)	0
(Redemption)/ Issuance of Notes	(6,700,000)	100,000,000
	(6,718,967)	100,000,000
cash balance as per 01.01	40,607	4,969
Net change in cash during the year	(26,596)	35,638
cash balance as per 31.12	14,010	40,607

The accompanying notes form an integral part of these financial statements.

For interest income received and interest expense paid we refer to notes 3, 6, 9, and 10.
For taxes paid/received we refer to notes 5 and 15.

The cash flow statement is drawn up by the indirect method, in which the movements in liquidity are determined on the basis of the operational results as shown in the Profit and Loss account. Transactions, which have not yet led to cash are not taken into account in drawing up the cash flow statement. This means that the cash flows as shown do not need to directly correspond to the movements stated in the balance sheet.

Notes to the annual accounts

GENERAL

Structure of operations
The Company is a private company with limited liability incorporated under the laws of the Netherlands on 18 January 2007. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands. The Company's Dutch Chamber of Commerce registration number is 34265018. All issued shares are held by Stichting Dunia Capital, a foundation (Stichting) (the "Foundation") established under Dutch law on 21 November 2006. Its authorised share capital consists of EUR 18,000 and is divided into 180 voting ordinary shares with a par value of EUR 100 per share. It has an issued and outstanding share capital of EUR 18,000.

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As the limit of the Programme is set at EUR 5 billion the total sum of the Company's outstanding Series may not at any time exceed the limit of EUR 5 billion (or its equivalent in another currency at the date of issue).

Listing
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Notes to the annual accounts – continued

There can be several types of Notes issued, amongst others Credit Linked Notes whereby the repayment of notional is dependent on credit events of pre-defined reference portfolios, the notional being reduced upon the occurrence of the event. Another type of Notes are also Credit Linked Notes which may be redeemed earlier, 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.

The Company intends to hold all Notes issued until maturity but has the option of repurchasing Notes in the market from investors, subject to investors willing to sell any such Notes. 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 in the event of repurchase of Notes the outstanding Collateral will be transferred to the Swap Counterparty.

The Company also entered into a Series Proposal Agreement with Banca Imi S.p.A on the basis of which all expenses are reimbursed.

Personnel
As all operational activities are performed by external parties, the Company does not have any personnel.

Financial Reporting period
These financial statements have been prepared for a reporting period of one year, from 1 January 2020 to 31 December 2020.

PRINCIPAL ACCOUNTING POLICIES
The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of preparation
The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code (DCC) and in accordance with Dutch Accounting Standards ("RJ").

In some parts of the financial statements terms maybe used for financial statement line items that deviate from the decree on models of annual accounts (the Dutch "Besluit Modellen Jaarrekening"), for the purpose of better reflecting the content of the item.

The applied accounting policies for all assets and liabilities are based on the historic cost convention, which effectively comprises the cost of the transaction. The Balance sheet, Profit and Loss account and the Cash flow statement include references to the notes.

An asset is recognised in the Balance Sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the Balance Sheet are considered as off-balance sheet assets.

A liability is recognised in the Balance Sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Allowances are included in the liabilities of the Company. Liabilities that are not recognised in the Balance Sheet are considered as off-balance sheet liabilities.

Notes to the annual accounts – continued

An asset or liability that is recognized in the Balance Sheet, remains recognised on the Balance Sheet if a transaction (with the respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognized in the Balance Sheet, and thus derecognized, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognized in the Profit and Loss account.

If assets are recognised of which the Company does not have the legal ownership, this fact will be disclosed taking into account any allowances related to the transaction.

The Company acts as an Issuer under the EUR 5 billion Programme for the issue of notes ("Notes") and the making of alternative investments since 1 March 2007. Its objectives are: 1) to raise finance through the issuance of bonds, notes and other debt instruments, 2) the entering into loan agreements, derivatives and other instruments evidencing indebtedness, 3) to invest funds raised in (interest in) bonds, notes, loans, deposits and other debt instruments, shares, warrants, derivatives and other similar financial assets, 4) to acquire, purchase, manage and sell claims and parts of claims, 5) to grant security in whatever form for obligation and liabilities of the Company, 6) to enter into swaps and other derivate transactions, letters of credit, guarantees, insurances, or other credit support or credit enhancement documents or hedging agreements in connection with the above objects and to enter into agreements with third parties relating to the above objects.

ASSETS AND LIABILITIES

Financial Fixed assets

Collateral

Collateral is comprised of bonds. Generally, underlying contracts specify the timing of interest payments and the repayment of principal, both under normal conditions and in specific circumstances. Contracts may also include specific clauses on the payment of both interest and principal in case of default or breach of certain covenants. As such, the (re-)payment of both interest and principal (if any) include an element of uncertainty, with regards to both timing and amount.

Collateral is initially valued at fair value, including any transaction cost incurred. After initial recognition the Collateral is recognised at amortized cost minus a provision for impairment. If the Collateral is acquired at a discount or premium, the discount or premium is recognized through profit or loss over the maturity of the asset using the straight-line method.

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 recognized in the Profit and Loss account for all categories of financial assets recognized at fair value and subsequently measured at amortized cost. For items of which the fair value is below the carrying amount, but the Director 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 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 initial recognition of the instrument. If an objective event occurs after the impairment was recognized, a previously recognized 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.

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.

Current assets

Debtors
Debtors are recognised initially at fair value and subsequently measured at amortised cost. All debtors included under current assets are due in less than one year. The fair value of the current assets approximates the book value due to its short-term character. If a debtor is uncollectable, it is written off against the Profit and Loss account.

Cash
Cash comprises current balances with banks and deposits held at call with maturities of less than 3 months. Cash is stated at face value. The fair value of the cash approximates the book value due to its short-term character.

Long-term liabilities

Notes
Notes are initially recognised at fair value, normally being the amount received taking into account premium or discount and transaction costs. The Notes are subsequently stated at amortised cost, being the amount received taking into account any premium or discount less any adjustments for attribution of revaluation on Collateral to Noteholders and the estimated diminution in the value of the Notes. Such adjustments to the amortised cost value of the Notes are reflective of the contractual agreements in place and represent an adjustment to the future expected cash flows.

Contractual obligations of the Company towards the Noteholders are laid out in the Programme Memorandum. The limited recourse nature of the transaction may result in the non-payment of both principal and interest to the Noteholders.

Current liabilities

After initial measurement at fair value, other financial liabilities are carried at amortised cost using the effective interest method. All liabilities included under current liabilities are due in less than one year. Gains or losses are recognised in the Profit and Loss account when the liabilities are derecognised, as well as through the amortisation process. The fair value of the current liabilities approximates the book value due to its short-term character.

Recognition of income
Income is recognised in the Profit and Loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability. Income and expenses, including taxation, are allocated to the period to which they relate.

Interest income and expenses
The interest income on Collateral and the interest expense on the Notes are recognised in the Profit and Loss account using the effective interest rate method.

Gains and losses arising from the repayment or sales of the Collateral are measured by the difference between the net proceeds from the repayment or sale and the amortised cost basis of the Collateral, considering the unamortised discounts and premiums.

General and administrative expenses
The general and administrative expenses are accounted for in the period in which these are incurred.

Corporate income tax
Taxation is calculated on the reported pre-tax result, at the prevailing tax rates, taking account of any losses carried forward from previous financial years and tax-exempt items and non-deductible expenses and using tax facilities, when applicable.

Cash flow statement
The cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies are converted into EUR at the exchange rates prevailing at the date of the transactions. The liquidities in the cash flow statement comprise of current balances with banks and cash deposits with maturities of less than 3 months. Receipts and payments, in relation to interest and taxation on income/profits, are taken up under cash flow from operational activities. Dividends paid are recognised as cash used in financing activities. Investing activities are those activities relating to the acquisition, holding and disposal of financial fixed assets and of investments. Investments can include securities not falling within the definition of cash.

Related-party transactions
All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties, if any, are disclosed under the Programme Memorandum. All transactions are executed at normal market conditions

Notes to the annual accounts–Continued

Derivatives and hedge accounting

As part of its asset and liability risk management the Company uses derivatives to hedge exposure to interest rate and foreign exchange risk. This is achieved by hedging specific transactions using financial derivatives. Derivatives are initially 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 recognised at cost and no revaluation of the derivative instrument takes place, as long as the derivative hedges the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction leads to recognition in the Profit and Loss account, then the profit or loss that is associated with the derivative is recognised in the Profit and Loss account.

If the hedged position of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the cost of the asset is adjusted by the hedge results that have not yet been recognised in the Profit and Loss account. The profits or losses associated with the derivative contracts are recognised in the Profit and Loss account in the same period as in which the asset or liability affects the profit or loss.

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; and
- the ineffectiveness must be recognised in the Profit and Loss account.

Notes to the annual accounts–Continued

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, are then recognised in the Balance Sheet separately under accruals until the hedged transaction occurs; or
- the hedging relationship no longer meets the criteria for hedge accounting.

Hedge effectiveness
At each Balance sheet date, the Company assesses the degree of ineffectiveness of the hedging relationship. The degree of ineffectiveness is determined by comparing the critical terms of the hedging instrument against the hedged position. For this comparison, the Company uses the following critical terms, respectively amount, term, hedged risk, method of settlement of the hedging instrument and the hedged position.

If the critical terms are matched, there is nil risk on ineffectiveness. If the critical terms are not matched, there is ineffectiveness. In that case, the degree of ineffectiveness is determined by comparing the fair value change of the hedging instrument with the fair value change of the hedged position. If there is accumulative loss on the hedging relationship over the period between initial recognition of the hedging instrument and the Balance sheet date, the ineffectiveness is immediately recognised in the Profit and Loss account.

Notes to the annual accounts–Continued

RISK MANAGEMENT

General
The Company's principal financial instruments during the year comprised the Collateral, Notes issued and derivatives. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from its issued Notes and to minimise the impact of inflation rates on future cash flows.

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 derivative contracts with the objective to mitigate the risk between the issued Notes and Collateral purchased. The risk is mainly currency and interest rate. In this respect, the Company mainly uses swaps as discussed in the paragraph 'Derivatives and hedge accounting'. Please refer to note 1 and 7 for further details.

The key financial instrument risks are classified as credit and concentration risk, market risk (interest rate risk, inflation risk, currency exchange rate risk, liquidity risk and Swap Counterparty credit risk.

Credit and concentration risk
The Collateral bears a mix of credit and concentration risks. In principle, the Company is not exposed to credit risk due to the limited recourse nature of the issued Series at year-end as the Noteholder bears the credit risk of the Collateral. At the same time the Company uses swaps total return swaps to hedge any credit and concentration risk and hence the overall exposure to the credit and concentration risk is close to nil. For Series without swaps, if applicable, the credit and concentration risk lies with the Noteholder due to the aforementioned limited recourse nature of the Series.

Cash will expose the Company to risk of counterparty default. To mitigate the counterparty credit risk of the cash, the Company has a policy of only entering into contracts with carefully selected major financial institutions satisfying the rating requirement and which has the necessary regulatory capacity and licenses to perform the services required of it.

Interest rate risk
The Notes bear interest (fixed). The Company's exposure to interest rate risk is close to nil due to the limited recourse nature of the issued Series. All possible risks regarding the interest are fully mitigated/transfer by swap contracts. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market interest rates from the Noteholder to the Swap Counterparty.

Inflation risk
The Company invests in treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy which are inflation linked. The Company hedges this inflation risk by entering into asset swaps. The Company's credit risk is close to nil due to the above measures.

Currency exchange rate risk
The Company's accounts are denominated in EUR. The Collateral and Notes are denominated in EUR.

Notes to the annual accounts–Continued

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders, and other creditors, as they become due. Liquidity risk on interest payments to be made by the Company to its Noteholders arises from mismatches on both the interest frequency on the Notes versus the Collateral, being a portfolio bonds (the "Portfolio"), as well as from the outstanding value of the Notes compared to the Portfolio. Liquidity risk on principal payments arises from mismatches in the maturity of the Notes compared to the maturity of the Collateral, as well as from the par value outstanding of the Notes versus the par value of the Portfolio.

Matching maturities of assets and liabilities and related cash flows is fundamental to the Director of the Company. This risk is addressed and mitigated by an agreement with the Arranger to secure any mismatch (as the Arranger reimburses the 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.

Swap Counterparty credit risk

The Company has entered into a swap agreement with the Swap Counterparty. Pursuant to this agreement, the Swap Counterparty agreed to make payments to the Company under certain circumstances as described therein.

The Swap Counterparty credit risk is the risk that the Company will be exposed to the credit risk of the relevant Swap Counterparty with respect to any such payments. To mitigate the Swap Counterparty credit risk of the financial derivatives, the Company only enters into contracts with carefully selected major financial institutions based upon their credit ratings.

With regards to Swap Counterparty exposure the Company uses International Swaps and Derivatives Association ("ISDA") agreements to govern derivative contracts to mitigate Swap Counterparty credit risk. The credit ratings of the applicable Swap Counterparty per year end 2020 are Aa3, A+ and AA-, respectively from the source Moody's Investor Services Inc, Standard & Poor's Rating Services and Fitch Ratings Limited. Based on these ratings we deem the risk of the Swap Counterparty defaulting to be close to nil. Please note that the Swap Agreement provides for certain "Events of Default" (as defined in the Swap Agreement) relating to the Issuer and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

Notes to the annual accounts–Continued

Critical accounting estimates and judgements

Application of the accounting policies in the preparation of the financial statements requires the Director of the Company to exercise judgement involving assumptions and estimates concerning future results or other developments, including the likelihood, timing or amount of future transactions or events. There can be no assurance that actual results will not differ materially from those estimates. Accounting policies that are critical to the financial statement presentation and that require complex estimates or significant judgement are described below.

Fair value estimation of financial instruments
The Company discloses the fair value of the financial instruments in the notes to the financial statements. The fair value of financial assets and financial derivatives traded in active markets, if available, are based on market prices at the balance sheet date.

In the absence of quoted prices in active markets, considerable judgment is required in developing estimates of fair value. Estimates are not necessarily indicative of the amounts the Company could realise in a current market transaction. The Company obtains the fair valuations for financial instruments from the calculation agent, the Swap Counterparty or other third parties.

Fair value estimation of Collateral
The fair value of the financial instruments is disclosed in the notes to the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent at arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for Company-specific inputs.

Fair value estimation of Notes
The fair value of the Notes is derived from the fair value of the Collateral and the Swap.

Balance sheet

Note		31-Dec-2020 EUR	31-Dec-2019 EUR
1	**Collateral**		
Series	Collateral description	Total	Total
2012-1	- EUR 18,045,000 principal amount of EUR 3,289,500,000 treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. Interest at 3.1%, due 15 September 2026	18,045,000	17,485,000
	Currently transferred under the CSA	(3,510,000)	(4,452,000)
	Inflation correction	1,957,161	1,976,330
	Swap with Banca IMI S.p.A.	(1,492,161)	(9,330)
		15,000,000	15,000,000
2012-3	- EUR 165,993,000 principal amount of the EUR 3,906,450,000 treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. Interest at 3.1%, due 15 September 2026	165,993,000	166,553,000
	Currently transferred under the CSA	(31,421,000)	(36,261,000)
	Inflation correction	18,003,601	18,825,486
	Swap with Banca IMI S.p.A.	(16,895,426)	(18,514,879)
		135,680,175	130,602,607
2013-1	- EUR 118,300,000 principal amount of EUR 13,077,270,000 treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. Interest at 2.35%, due 15 September 2035	125,000,000	124,124,000
	Currently transferred under the CSA	(12,177,000)	(6,197,000)
	Inflation correction	31,187,500	31,608,177
	Swap with Intesa Sanpaolo S.p.A.	(25,710,500)	(24,535,177)
		118,300,000	125,000,000
2019-1	- EUR 50,000,000 principal amount of EUR 5,000,000,000 treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. Interest at 2.35%, due 15 September 2035	50,000,000	50,000,000
	Currently transferred under the CSA	(12,230,000)	(13,068,000)
	Inflation correction	12,475,000	12,732,500
	Swap with Intesa Sanpaolo S.p.A.	(245,000)	335,500
		50,000,000	50,000,000
2019-2	- EUR 50,000,000 principal amount of EUR 5,000,000,000 treasury bonds (Buoni del Tesoro Poliennali) issued by the Republic of Italy. Interest at 2.35%, due 15 September 2035	50,000,000	50,000,000
	Currently transferred under the CSA	(10,999,000)	(12,243,000)
	Inflation correction	12,475,000	12,732,500
	Swap with Intesa Sanpaolo S.p.A.	(1,476,000)	(489,500)
		50,000,000	50,000,000
	Total Collateral	368,980,175	370,602,607

Balance sheet – continued

	31-Dec-2020 EUR	31-Dec-2019 EUR
Collateral due within one year:	0	0
Collateral due between 1 and 5 years:	0	0
Collateral due after five years:	368,980,175	370,602,607
	368,980,175	370,602,607
Fair value of Collateral Series 2012-1	19,630,680	28,131,717
Fair value of asset and interest rate swaps Series 2012-1	(4,498,316)	(4,603,724)
Total fair value Series 2012-1	15,132,364	23,527,993
Fair value of Collateral Series 2012-3	181,750,252	173,920,276
Fair value of asset and interest rate swaps Series 2012-3	(38,332,022)	(44,663,376)
Total fair value Series 2012-3	143,418,230	129,256,900
Fair value of Collateral Series 2013-1	194,274,437	184,856,469
Fair value of asset and interest rate swaps Series 2013-1	(9,461,877)	(9,294,901)
Total fair value Series 2013-1	184,812,560	175,561,568
Fair value of Collateral Series 2019-1	65,037,674	57,892,757
Fair value of asset and interest rate swaps Series 2019-1	(16,766,094)	-16,935,713
Total fair value Series 2019-1	48,271,580	40,957,044
Fair value of Collateral Series 2019-2	67,157,381	59,185,985
Fair value of asset and interest rate swaps Series 2019-2	(18,992,167)	-19,242,567
Total fair value Series 2019-2	48,165,214	39,943,418
Total fair value	439,799,948	409,246,923

The fair value of Collateral above includes the interest accrual of the related Series as at December 31, 2020.

	31-Dec-2020	31-Dec-2019
Management has estimated the fair value of the Swaps. Based on information received from Banca Imi and Banca Intesa SanPaolo at:	(88,050,476)	(94,740,281)
The fair value of the underlying assets is based on Bloomberg market prices at:	527,850,424	503,987,204
Total fair value	439,799,948	409,246,923

Movement schedule Charged assets	**31-Dec-2020**	**31-Dec-2019**
Opening Balance (1 January)		
Treasury Bonds	335,941,000	253,144,000
Inflation correction	77,874,992	49,663,458
Asset and interest rate swaps	(43,213,385)	(37,092,401)
Total (adjusted) notional value	370,602,607	265,715,057
Movements current period		
Purchases/Repayments	876,000	74,689,000
Transfers under CSA	1,884,000	8,108,000
Inflation correction	(1,776,730)	28,211,534
Asset and interest rate swaps	(2,605,702)	(6,120,984)
Total movements	(1,622,432)	104,887,550
Closing balance (31 December)		
Treasury Bonds	338,701,000	335,941,000
Inflation correction	76,098,262	77,874,992
Asset and interest rate swaps	(45,819,087)	(43,213,385)
Total (adjusted) notional value	368,980,175	370,602,607

Balance sheet - continued

Above mentioned bonds are Italian Treasury Bonds indexed to Euro-zone inflation and are called BTP Euro i Notes. These bonds are issued in maturities of five, ten, fifteen and thirty years. They provide investors with steady return in real terms, in terms of purchasing power by providing protection against increases in inflation in the Euro-zone. Individual Italian investors can buy or sell BTP Euro i Notes on the MOT (Mercato Telematico delle Obbligazioni e dei Titoli di Stato), or regulated market for retail investors, for a minimum amount of EUR 1,000. Principal of the Notes and their coupons, payable semi-annually, take into account rates of inflation in the Euro-zone as measured by the Eurostat index Harmonised Index of Consumer Prices (HICP), excluding tobacco. At the Notes' maturity, holders of these bonds are compensated for any loss in purchasing power that has occurred over the term of the Notes.

The Swap with Banca Imi and Intesa Sanpaolo S.p.A. is the balancing figure between the Notes issued and the Collateral held.

The effective interest rate on the Collateral is 3.5174% for 2020 (previous year: 3.2773%).

Balance sheet – continued

2 Amounts owed by group entities

	31-Dec-2020 EUR	31-Dec-2019 EUR
Intertrust Depository Receipts B.V.	17,500	17,500
	17,500	17,500

3 Prepayments and accrued income

	31-Dec-2020 EUR	31-Dec-2019 EUR
Receivable from Intertrust prepaid local expenses	2,301	4,551
Interest on Collateral receivable	3,159,998	3,130,707
Swap interest receivable	4,668,101	4,725,423
Receivable from Banca Imi	147,007	133,944
	7,977,407	7,994,625

4 Taxation

	31-Dec-2020 EUR	31-Dec-2019 EUR
Value added tax receivable	45,538	30,811
Corporate income tax receivable	0	0
	45,538	30,811

5 Cash

	31-Dec-2020 EUR	31-Dec-2019 EUR
Current accounts ABN AMRO	14,010	40,607
	14,010	40,607

The current accounts are freely available to the Company.

Balance sheet – continued

	31-Dec-2020	31-Dec-2019
6 Taxation	**EUR**	**EUR**
Corporate income tax payable	572	158
	572	158

Corporate income tax summary	01.01.20	(Paid)/Received	P&L	31.12.20
2016	(21)	0	0	(21)
2017	(8)	0	0	(8)
2018	(108)	0	0	(108)
2019	295	0	0	295
2020	0	(4,905)	5,319	414
	158	(4,905)	5,319	572

	31-Dec-2020	31-Dec-2019
	EUR	**EUR**
7 Accruals and deferred income		
Audit fees payable	27,000	26,500
Interest on Notes payable	4,668,101	4,725,423
Swap interest payable	3,159,998	3,130,707
Other accrued expenses	124,661	134,584
	7,979,760	8,017,213

Balance sheet – continued

		31-Dec-2020 EUR	31-Dec-2019 EUR
8 Notes			
2012-1	EUR 15,000,000, 6.253% Coupon Limited Recourse Notes due 2026	15,000,000	15,000,000
2012-3	EUR 100,000,000, 3.651% Coupon Limited Recourse Notes due 2026	135,680,175	130,602,607
2013-1	EUR 125,000,000, 6.005% Coupon Limited Recourse Notes due 2035	118,300,000	125,000,000
2019-1	EUR 50,000,000, 4.34% Coupon Limited Recourse Notes due 2035	50,000,000	50,000,000
2019-2	EUR50,000,000, 4.05% Coupon Limited Recourse Notes due 2035	50,000,000	50,000,000
		368,980,175	370,602,607

Opening Balance (1 January)	370,602,607	265,715,057
Notes issued	(6,700,000)	100,000,000
Amortization of the premium/discount for Series 2012-3	5,077,568	4,887,550
Closing Balance (31 December)	368,980,175	370,602,607

Notes due within one year:	0	0
Notes due between 1 and 5 years:	0	0
Notes due after five years:	368,980,175	370,602,607
	368,980,175	370,602,607

The fair value of the Notes is based on valuation derived from the most important characteristics of the assets. As at December 31, 2020 the fair value of the Notes approximates an amount of EUR 439,799,948 (previous year: EUR 409,246,923).

Series 2013-1 is subject to optional redemption under the condition of 100% Noteholders consent.
On November 20, 2020, a partial wind-down of Series 2013-1 was executed with a EUR6,700,000.00 wind-down.

The effective interest rate on the Notes is 5.7755% for 2020 (previous year: 5.3460%).

Balance sheet - continued

9 Capital and reserves

	Share capital	Other reserve	Unappr. results	Totals
Balance as per 1.1.2019	18,000	0	22,566	40,566
Transfer	0	22,566	(22,566)	0
Final dividend paid	0	0	0	0
Interim dividend paid	0	0	0	0
Result for the period	0	0	25,605	25,605
Balance as per 31.12.2019	18,000	22,566	25,605	66,171
Transfer	0	25,605	(25,605)	0
Final dividend paid	0	(18,967)	0	(18,967)
Interim dividend paid	0	0	0	0
Result for the period	0	0	26,919	26,919
Balance as per 31.12.2020	18,000	29,204	26,919	74,123

The authorised share capital of the Company amounts to EUR 18,000 divided into 180 shares of EUR 100 each, of which all 180 shares are issued and paid up and held by the Foundation.

In 2019, a dividend of EUR 18.967 (payable for the year 2018) was declared as final dividend which was eventually paid in 2020.

In 2021, a dividend of EUR 19,530 (for the year 2019) and EUR 20,656 (for the year 2020) was paid.

Profit and loss account

10 Collateral interest income

	2020 EUR	2019 EUR
Collateral interest income Series 2012-1	616,524	597,619
Swap interest income Series 2012-1	937,875	937,875
Collateral interest income Series 2012-3	5,777,324	5,780,240
Swap interest income Series 2012-3	8,725,644	8,538,550
Collateral interest income Series 2013-1	3,625,236	3,649,645
Swap interest income Series 2013-1	7,455,167	7,506,250
Collateral interest income Series 2019-1	1,478,001	1,055,497
Swap interest income Series 2019-1	2,168,262	1,664,658
Collateral interest income Series 2019-2	1,481,534	1,062,648
Swap interest income Series 2019-2	2,023,424	1,165,068
	34,288,991	31,958,050

11 Notes interest expenses

	2020 EUR	2019 EUR
Notes interest expenses Series 2012-1	937,875	937,875
Swap interest expenses Series 2012-1	616,524	597,619
Notes interest expenses Series 2012-3	8,725,644	8,538,550
Swap interest expenses Series 2012-3	5,777,324	5,780,240
Notes interest expenses Series 2013-1	7,455,167	7,506,250
Swap interest expenses Series 2013-1	3,625,236	3,649,645
Notes interest expenses Series 2019-1	2,168,262	1,664,658
Swap interest expenses Series 2019-1	1,478,001	1,055,497
Notes interest expenses Series 2019-2	2,023,424	1,165,068
Swap interest expenses Series 2019-2	1,481,534	1,062,648
	34,288,991	31,958,050

Profit and loss account – continued

	2020	2019
	EUR	EUR
12 General and administrative expenses		
Audit fee expenses	27,000	26,500
Local expenses	14,581	11,740
Other general expenses	197,041	250,546
Administration fee expenses	36,427	41,080
	275,049	329,866

	2020	2019
	EUR	EUR
13 Series related expenses		
Expenses Series 2012-1	14,593	11,745
Expenses Series 2012-3	14,593	11,745
Expenses Series 2013-1	14,593	11,745
Expenses Series 2019-1	14,592	9,042
Expenses Series 2019-2	14,592	6,790
	72,963	51,067

	2020	2019
	EUR	EUR
14 Recharged expenses		
Recharged expenses from the Arranger under the Series Proposal Agreement	348,012	380,933
	348,012	380,933

	2020	2019
	EUR	EUR
15 Other income		
Repackaging income	32,238	31,611
	32,238	31,611

	2020	2019
	EUR	EUR
16 Corporate income tax		
Corporate income tax current period	5,319	6,006
	5,319	6,006

The applicable tax rate for the period under review is 16.5% (previous period: 19%). The effective rate is equal to the applicable tax rate.

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.

Directors

The Company has one managing director, who receives no remuneration.
The Company has no supervisory directors.

Audit fees

With reference to Section 2:302a of the Netherlands Civil Code, the following fees for the financial year have been charged by Mazars Accountants N.V. (previous year: Mazars Accountants N.V.) to the Company:

	2020	**2019**
	EUR	**EUR**
(in euros)		
Statutory audit of annual accounts	27,000	26,500
Other assurance services	0	0
Tax advisory services	0	0
Other non-audit services	0	0
Total	27,000	26,500

The audit fee for the financial statements 2020 was EUR 32,670 (incl. VAT) (previous year: EUR 32,065 (incl. VAT)).

Amsterdam, 21 July 2021

Intertrust (Netherlands) B.V.

Other information

Appropriation of results

In accordance with article 21 of the Articles of Association, and applicable law, the management board is authorised to retain the profits, or a part thereof, as appears from the most recently adopted financial statements. The General Meeting is subsequently authorised to resolve to distribute or to reserve what then remains of the profits or a part thereof. The General Meeting is also authorised to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholders only to the extent that from the most recently adopted balance sheet it appears that the Company's shareholders' equity exceeds the sum of the reserves which it is legally required to maintain.

The Company may only follow a resolution of the General Meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

Independent auditor's report

The independent auditor's report is presented on the next pages

Delflandlaan 1
P.O. Box 7266
1007 JG Amsterdam
The Netherlands
T: +31 88 277 24 67
carel.vanoldenbeek@mazars.nl

Independent auditor's report

To: the shareholder of DUNIA Capital B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of DUNIA Capital B.V. based in Amsterdam. In our opinion, the accompanying financial statements give a true and fair view of the financial position of DUNIA Capital B.V. as at 31 December 2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. profit and loss account for 2020; and
3. 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 the company in accordance with the "EU Regulation on specific requirements regarding statutory audit of public-interest entities", the "Audit firms supervision act" (Wta), "Dutch Independence Standard regarding assurance engagements (ViO)" and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Dutch Code of Ethics (VGBA)".

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

Our audit approach

Overview

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

The company is established to issue series of Notes with underlying (collateral) investments in financial fixed assets and derivatives. Each series is structured so that all differences between conditions of the notes and conditions of the assets are mitigated by swap agreements. Details of all issues series are disclosed in the financial statements.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 3,770,000. The materiality is based on 1% of total assets given the company's main activities. 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 EUR 113,000 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed with management of the company. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matter is addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on this matter.

Valuation of financial assets

The portfolio of financial assets is initially measured at fair value and subsequently carried at amortized cost less impairment losses. Impairment losses are determined as the difference between the amortised cost value and the lower fair value of an individual asset. Fair values are derived from market prices, broker quotes or can be model-based.

To the extent observable market prices are not available, the fair value is subject to estimation uncertainty and judgement and valuation of the asset portfolio has therefor been identified as a key audit matter. Given the structure of the transaction, changes in valuation of financial assets are allocated to the noteholders.

Our audit procedures regarding the valuation of that asset include:

- Evaluation of accounting policies for compliance with the applicable accounting standards;
- Recalculation of amortised cost and impairment calculations in accordance with these accounting policies;
- Reconciliation of nominal values with external year-end confirmations;
- Obtaining an understanding of the valuation procedures applied by management of the entity; and
- Detailed testing on the asset prices used at year-end, including a comparison with external market data where deemed necessary.

Financial assets are disclosed in the paragraph “Financial assets as part of the collateral portfolio” as well as note 1 to the financial statements.

Report on the 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:

- Directors and general information;
- The managing director’s report;
- Other information as required by 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 substantially 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 managing director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged as auditor of DUNIA Capital B.V. as of the audit for the year 2017.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management

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 responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or have 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 detect all material errors and fraud during our audit. 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 judgement 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; and
- 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. In this respect we also submit an additional report to management in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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 the key audit matters: those matters that were of most significance in the audit of the financial statements. 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, 21 July 2021

Mazars Accountants N.V.

Original was signed by: J.C. van Oldenbeek MSc RA