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FIXED INCOME DIAMOND COLLECTION LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2009

We have prepared the unaudited financial statements for the period 1st January 2009 to 30th June 2009 as Directors of the Company from the books and records of the Company for the benefit of the Shareholders only. These financial statements should not be relied upon by any other person.

FIXED INCOME DIAMOND COLLECTION LIMITED

CONTENTS

	<u>Pages</u>
Report of the Directors	2
Statement of Director's responsibilities in respect of the financial statements	3
Statement of Persons responsible within the issuer	4
Balance sheet	5
Profit and loss account	6
Cash flow statement	7
Notes to the financial statements	8 to 21

FIXED INCOME DIAMOND COLLECTION LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the unaudited financial statements for the period 1st January 2009 to 30th June 2009.

INCORPORATION

Fixed Income Diamond Collection Limited (the "Company") is incorporated in Jersey, Channel Islands.

ACTIVITIES

The principal activity of the Company is the issue of Limited Recourse Notes (the "Notes") in separate series. The proceeds from the issue of the Notes are used to acquire underlying assets (the "Charged Assets") and, in the case of certain series of Notes, to enter into asset swap transactions ("AS") and credit default swap transactions ("CDS"). The Notes are intended only for highly sophisticated and knowledgeable investors who are capable of understanding and evaluating the risks involved in investing in the Notes. The Pricing Supplement for each series specifies certain factors (there may be others) that may, alone or collectively, result in a reduction of the return on the Notes and could result in the loss of all or a proportion of a Noteholder's investment in the Notes. The Notes are listed on the Euronext Amsterdam stock exchange.

RESULTS AND DIVIDENDS

The results for the period are set out on page 6. The directors do not recommend that a final ordinary dividend be paid for the period ended 30th June 2009 (year ended 31st December 2008: € nil).

DIRECTORS

The Directors who held office during the period and subsequently were:-

G. Essex-Cater

D.J. Le Blancq

D. Godwin

J. Chapman (resigned 15th May 2009)

F. Chesnay (appointed 15th May 2009)

REGISTERED OFFICE

22 Grenville Street, St. Helier, Jersey, Channel Islands, JE4 8PX.

BY ORDER OF THE BOARD



Authorised Signatory

Mourant & Co. Secretaries Limited

Secretary

Date: 28.8.09

FIXED INCOME DIAMOND COLLECTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIXED INCOME DIAMOND COLLECTION LIMITED

STATEMENT OF PERSONS RESPONSIBLE WITHIN THE ISSUER

With regard to Regulation 2004/109/EC of the European Union (the "EU Transparency Directive"), the Directors of the company whose names appear on page 1 confirm to the best of their knowledge that the unaudited Financial Statements for the period ended 30th June 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the applicable accounting standards. The Report of the Directors gives a fair review of the development of the Company's business, financial position and the important events that have occurred during the financial year and their impact on the Financial Statements. The principal risks and uncertainties faced by the Company are disclosed in Note 16 of these financial statements.

Signed on behalf of the Board of Directors

Director: 

Date: 28.8.09

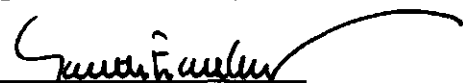
FIXED INCOME DIAMOND COLLECTION LIMITED

BALANCE SHEET

AS AT 30TH JUNE 2009

	<u>Notes</u>	<u>30th Jun 09</u>	<u>31st Dec 08</u>
		€	€
FIXED ASSETS			
Financial assets at fair value through profit or loss	2	75,351,418	75,614,514
Financial derivatives at fair value through profit or loss	3	1,545,750	49,173
		<u>76,897,168</u>	<u>75,663,687</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	2	-	226,686,191
Debtors	4	13,039,359	5,447,221
Cash	5	1,089	995
		<u>13,040,448</u>	<u>232,134,407</u>
CREDITORS: (Amounts due within one year)			
Financial liabilities at fair value through profit or loss	7, 18	-	(222,137,413)
Creditors	6	(13,039,614)	(5,447,476)
		<u>(13,039,614)</u>	<u>(227,584,889)</u>
NET CURRENT ASSETS		<u>834</u>	<u>4,549,518</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>76,898,002</u>	<u>80,213,205</u>
CREDITORS: (Amounts due in more than one year)			
Financial derivatives at fair value through profit or loss	3	(8,778,193)	(13,821,994)
Financial liabilities at fair value through profit or loss	7, 18	(68,118,975)	(66,390,471)
TOTAL NET ASSETS		<u>834</u>	<u>740</u>
CAPITAL AND RESERVES			
Share capital	8	14	14
Profit and loss account		<u>820</u>	<u>726</u>
EQUITY SHAREHOLDER'S FUNDS		<u>834</u>	<u>740</u>

The financial statements were approved by the Board of Directors on the 28 day of August 2009 and were signed on its behalf by:

Director: 

(The notes on pages 8 to 21 form part of these financial statements)

FIXED INCOME DIAMOND COLLECTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

	1st Jan 09 to 30th Jun 09	1st Jan 08 to 31st Dec 08
	€	€
INCOME:		
Investment income receivable	997,353	3,149,750
Asset swap amounts receivable	4,406,563	10,530,000
Credit default swap amounts receivable	1,320,208	3,170,000
Deposit interest receivable	4,017,764	11,240,258
Gain on financial liabilities at fair value through profit or loss	-	8,213,599
Gain on financial assets at fair value through profit or loss	-	1,720,016
Gain on financial derivatives at fair value through profit or loss	6,540,378	-
Realised profit on exchange	135	-
	17,282,401	38,023,623
EXPENDITURE:		
Limited Recourse Note interest payable	5,726,771	13,700,000
Asset swap amounts payable	5,015,117	14,389,970
Loss on financial assets at fair value through profit or loss	1,949,287	-
Loss on financial derivatives at fair value through profit or loss	-	9,933,615
Loss on financial liabilities at fair value through profit or loss	4,591,091	-
Bank charges payable	41	-
Realised loss on exchange	-	310
	17,282,307	38,023,895
OPERATING PROFIT / (LOSS)	94	(272)
BALANCE BROUGHT FORWARD	726	998
BALANCE CARRIED FORWARD	820	726

Continuing operations

All items dealt with in arriving at the result for the period ended 30th June 2009 relate to continuing operations.

Statement of total recognised gains and losses

There are no recognised gains and losses other than as recognised in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented in these financial statements.

(The notes on pages 8 to 21 form part of these financial statements)

FIXED INCOME DIAMOND COLLECTION LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

	1st Jan 09 to 30th Jun 09	1st Jan 08 to 31st Dec 08
	€	€
Net cash flow from operating activities	94	(272)
Movement in cash	94	(272)
Reconciliation of net cash flow to movement in net debt	1st Jan 09 to 30th Jun 09	1st Jan 08 to 31st Dec 08
	€	€
Increase / (decrease) in cash in the year	94	(272)
Repayment of Limited Recourse notes	225,000,000	-
Movement in fair value	(4,591,091)	8,213,599
Change in net debt	220,409,003	8,213,327
Opening net debt	(288,526,889)	(296,740,216)
Closing net debt	(68,117,886)	(288,526,889)
Reconciliation of the result for the year to net cash flow from operating activities	1st Jan 09 to 30th Jun 09	1st Jan 08 to 31st Dec 08
	€	€
Operating profit / (loss) for the year	94	(272)
(Increase) / decrease in debtors	(7,592,138)	88,482
Increase / (decrease) in creditors	7,592,138	(88,482)
Loss / (gain) on financial liabilities at fair value through profit and loss	4,591,091	(8,213,599)
Loss / (gain) on financial assets at fair value through profit and loss	1,949,287	(1,720,016)
(Gain) / loss on financial derivatives at fair value through profit and loss	(6,540,378)	9,933,615
Net cash flow from operating activities	94	(272)

Analysis of changes in net debt	1st Jan 09	Cash flows/other	30th Jun 09
	€	€	€
Cash at bank	995	94	1,089
Notes in issue	(288,527,884)	220,408,909	(68,118,975)
Total	(288,526,889)	220,409,003	(68,117,886)

(The notes on pages 8 to 21 form part of these financial statements)

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with United Kingdom generally accepted accounting principles. The more significant accounting policies used are set out below:-

Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets, financial liabilities and derivative financial instruments at fair value through profit

Financial assets and liabilities held at fair value through profit or loss

The Company has designated its investments held, and Notes issued, as financial assets and financial liabilities at fair value through profit and loss in accordance with FRS 26 (IAS 39) Financial Instruments: measurement ("FRS 26").

Purchases and sales of investments are recognised on trade date, the date on which the Company commits to purchase or sell the asset and are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are also recognised on trade date and are derecognised when the Company has transferred substantially all of its financial obligations relating thereto. Financial instruments are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred. Gains and losses arising from changes in the fair value of the Company's financial instruments are included in the profit and loss account in the period in which they arise.

Derivative financial instruments

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative. Gains and losses arising from changes in the fair value of the Company's derivative financial instruments are included in the profit and loss account in the period in which they arise.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Fair Value Estimation

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (ie, the fair value of the consideration given or received). Subsequent changes in the fair value of any financial instrument are recognised immediately in the income statement. The fair value of financial instruments traded in active markets (such as the quoted investments) is based on quoted market prices at the balance sheet date.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

1. ACCOUNTING POLICIES - (CONTINUED)

Fair Value Estimation - (continued)

The Company may invest in financial instruments that are not traded in an active market. The fair value of such instruments is determined by ABN AMRO using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Currency of domicile, functional currency and presentation currency

The currency of domicile is GBP (pounds sterling). Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

Investment income receivable

Investment income receivable is recognised on an effective interest rate basis.

Limited Recourse Note interest payable

Limited Recourse Note interest payable is recognised on an effective interest rate basis.

Swap amounts receivable and swap amounts payable

Swap amounts receivable and swap amounts payable are recognised on an effective interest rate basis.

Credit events notification, provision and disclosure

Under the terms of the CDS agreements entered into by the Company, and in accordance with the ISDA Master Agreement definitions, it is the sole responsibility of ABN AMRO Bank N.V. ("ABN AMRO") to notify the Company immediately of any credit events that have occurred in respect of the reference entities listed in the swap agreements. Any obligations arising under the terms of the credit default swaps are provided for if the associated credit event has occurred prior to the balance sheet date and if notice of such credit event has been

Other income and expenditure

Bank interest receivable and transaction fees receivable are recognised on an accruals basis.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The balance sheet totals of financial assets are classified as fixed or current based on the redemption date of the related Notes. Series 2 Notes were redeemed on 19 May 2009 and the Series 3 Notes are due to be redeemed on 19 May 2013.

	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Current: Investments (relating to Series 2 Notes) - See further Note 17	-	31,418,523
ABN AMRO deposits	-	195,267,668
	-	226,686,191
Fixed: Investments (relating to Series 3 Notes)	29,795,500	29,628,627
ABN AMRO deposits	45,555,918	45,985,887
	75,351,418	75,614,514
	75,351,418	302,300,705

The Company has used the proceeds from the issue of the Notes to acquire underlying assets (the "Charged Assets") and, in the case of certain series of Notes, to enter into asset swap transactions ("AS") and credit default swap transactions ("CDS"). The Charged Assets include the investments referred to above and the cash deposits held at ABN AMRO. Further details of the investments are set out in Note 17. Further details of the AS and the CDS entered into are set out in Note 3.

The fair value of the investments provided by ABN AMRO is based on quoted market prices while the fair value of the deposits is based on valuation techniques using market related inputs.

The deposits at ABN AMRO bear interest at the 6 month Euribor rate, receivable on a 6 monthly basis in arrears each 19th May and 19th November.

3. FINANCIAL DERIVATIVES AT FAIR VALUE THROUGH PROFIT AND LOSS

	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Asset Swaps	1,545,750	49,173
Credit Default Swaps	(8,778,193)	(13,821,994)

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

3. FINANCIAL DERIVATIVES AT FAIR VALUE THROUGH PROFIT AND LOSS - (CONTINUED)

The Company has entered into a separate CDS, with ABN AMRO as counterparty, with respect to each of the series of Notes listed below. Under the CDS, the Company receives income, at fixed rates as detailed below, receivable on a 6 monthly basis in arrears each 19th May and 19th November, calculated on a notional amount equal to the notional value of the Notes. In turn, the Company is obliged to make floating payments, up to a maximum amount equal to the notional value of the Notes, upon the occurrence of certain specified credit events within the designated theoretical pools of reference entities (the "Portfolios").

The fair value of the derivatives is derived by ABN AMRO using valuation models based on market related inputs.

There are 3 different Portfolios. Each separate Portfolio relates to just one of the 3 categories of Notes: Brilliant, Oval or Emerald. Therefore, within each of these categories, the Portfolios are identical for Series 1, Series 2 and Series 3. Each Portfolio consists of the number of reference entities noted below, each having a theoretical notional value equal to the "Reference Entity Weighting" % of the notional amount of the relevant series of Notes.

If a credit event occurs in one of the securities, the Calculation Agent (ABN AMRO) is responsible for notifying the Company that a credit event has occurred and is also responsible for calculating the resulting floating amount payable by the Company (the "Cash Settlement Amount"). To date of signing this report, the Directors are not aware of any credit events.

As stated in Note 18 the Brilliant Series 2, Oval Series 2 and Emerald Series 2 Notes all matured and were fully redeemed at par on 19th May 2009 with all obligations under the CDS being fully discharged and no defaults were reported prior to redemption.

Details of CDS applicable to each series:

	Annual Premium receivable	No. of Reference Entities	Reference Entity Weightings
Brilliant Series 2	0.30%	25	4.0000%
Brilliant Series 3	0.41%	25	4.0000%
Oval Series 2	0.65%	25	4.0000%
Oval Series 3	0.71%	25	4.0000%
Emerald Series 2	2.15%	50	8.0000%
Emerald Series 3	2.26%	50	8.0000%

A full list of the reference entities is listed in Note 19.

The Company has also entered into an AS for each series of Notes in respect of which it has entered into a CDS. Under the terms of the AS, the Company pays to the swap counterparty (ABN AMRO) all income received on the Charged Assets relating to each series and receives income, at fixed rates, which when aggregated with the premium receivable on the CDS, are equal to the rates payable by the Company on the Notes. These amounts are receivable on a 6 monthly basis in arrears each 19th May and 19th November, calculated on a notional amount equal to the notional value of the Notes. On the redemption of the Notes, ABN AMRO will pay to the Company an amount equal to the Final Redemption Amount of the Notes and the Company will deliver the Charged Assets to ABN AMRO.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

4. DEBTORS	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Investment income receivable	591,781	2,744,178
Amounts receivable on asset swaps	5,605,813	1,199,250
Amounts receivable on credit default swaps	1,681,236	361,028
Deposit interest receivable	5,160,529	1,142,765
	<u>13,039,359</u>	<u>5,447,221</u>
5. CASH AND CASH EQUIVALENTS	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Royal Bank of Scotland International	878	809
Mourant & Co. - GBP client account	211	186
	<u>1,089</u>	<u>995</u>
6. CREDITORS	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Note interest payable	7,287,049	1,560,278
Amounts payable on asset swaps	5,752,310	3,886,943
Sundry creditor	255	255
	<u>13,039,614</u>	<u>5,447,476</u>
7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	€	€
Limited Recourse Notes Payable - see further Note 18	<u>68,118,975</u>	<u>288,527,884</u>

The Company has issued Limited Recourse Notes (the "Notes") in separate series, as further detailed in Note 18. Certain series of Notes are referenced to a portfolio of synthetic corporate credit exposure reference entities as detailed in Note 3. The Notes have been issued under a €1,000,000,000 Limited Recourse Secured Note Programme (the "Programme"), as established by the Master Trust Deed dated 19th May 2003. The Notes are listed on the Euronext Amsterdam stock exchange.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS - (CONTINUED)

The Notes are secured by a charge on the assets acquired with the proceeds from each Note issue and, if applicable, any swap transactions entered into, together (the "Collateral"). If the net proceeds from the redemption of the Collateral are insufficient to discharge the obligations of the Company to the Noteholders, the recourse of Noteholders is limited to amounts receivable from the net proceeds from the Collateral. In such event, the Noteholders are not entitled to proceed directly against any other assets of the Company.

The fair value of the Notes is derived by ABN AMRO from the fair value of the financial assets and derivatives using market valuation techniques commonly used by market participants.

8. SHARE CAPITAL

	<u>30th Jun 09</u>	<u>31st Dec 08</u>
	£	£
AUTHORISED SHARE CAPITAL		
10,000 ordinary shares of £1 each	10,000	10,000
	=====	=====
	€	€
ISSUED AND FULLY PAID:		
10 ordinary shares of £1 each	14	14
	=====	=====

9. TRANSACTION FEES RECEIVABLE

The Company is entitled to receive €100 from ABN AMRO in respect of each new series of Notes issued.

10. TAXATION

During the year ended 31st December 2008 the Company was been granted exempt status for Jersey taxation purposes and therefore only suffered an annual exempt company fee of £ 600. This expense was borne by ABN AMRO and was therefore not recognised within these financial statements.

With effect from the 1st January 2009, Jersey has abolished the exempt company regime for existing companies. Profits arising in the Company for the 2009 year of assessment and future periods will be subject to tax at the rate of 0%.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1st Jan 09 to 30th Jun 09 €	1st Jan 08 to 31st Dec 08 €
Result for the year	94	(272)
Net addition to / (deduction from) equity shareholders' funds	94	(272)
Opening equity shareholders' funds	740	1,012
Closing equity shareholders' funds	834	740

12. HOLDING COMPANY

The Company is owned by Maurant & Co. Trustees Limited as Trustee of a charitable trust known as the Fixed Income Diamond Collection Trust. In the opinion of the Directors there is no ultimate controlling party since the criteria contained within the definition of "control" in Financial Reporting Standard No. 8 are not satisfied by any one party.

13. RELATED PARTIES

J. Chapman is a supervisory board member and a shareholder of Maurant Limited. G. Essex-Cater is a shareholder of Maurant Limited. D.J. Le Blancq, G. Essex-Cater, D. Godwin, J. Chapman and F.Chesnay are employees of a subsidiary of Maurant Limited. Affiliates of Maurant Limited provide ongoing administrative services to the Company at commercial rates. J. Chapman is also a partner of Maurant du Feu & Jeune and should be regarded as interested in any contract in relation to the provision of legal services by Maurant du Feu & Jeune.

14. EXPENSES

All of the Company's general expenses are met by ABN AMRO under the terms of an agreement dated 19th May 2003 and are therefore not reflected within these financial statements.

15. DERIVATIVE TRANSACTIONS

No derivative transactions are held for trading purposes.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

16. FINANCIAL INSTRUMENTS

As stated in the Directors' Report, the principal activity of the Company is limited to the issue of Limited Recourse Notes (the "Notes") in separate series. The proceeds from the issue of the Notes have been used to acquire the Charged Assets and, in the case of certain series of Notes, to enter into CDS and AS. Therefore the role of financial assets and financial liabilities is central to the activities of the Company; the financial liabilities provided the funding to purchase the Company's financial assets. Financial assets and liabilities (including derivatives) provide the majority of the assets and liabilities of the Company along with all the income.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company entered into the transactions. The Company has matched the properties of its financial liabilities to its financial assets to avoid significant elements of risk generated by mis-matches of maturity and interest rate risk.

All short-term debtors and creditors have been excluded from the following disclosures:

Interest rate risk

The Company finances its operations through the issue of Notes upon which interest is payable at floating rates and fixed rates. The interest payable under the Notes issued is matched by the aggregate of: the interest receivable from the Charged Assets; fixed income receivable under the CDS; fixed income receivable under the AS, and any interest receivable on the cash held on deposit. Accordingly, the Directors believe that there is no significant net interest rate risk to the Company.

After taking account of the CDS and AS entered into by the Company, the interest rate profile of the Company's financial assets and liabilities is as follows:

30th June 2009			31st December 2008		
	Interest charging basis	Effective interest rate	Amount	Effective interest rate	Amount
		%		%	
Financial assets:			€		€
Investments	Fixed	3.35%	29,795,500	5.16%	61,047,150
Debtors	n/a	0%	13,039,359	0%	5,447,221
ABN AMRO deposits	Floating	8.82%	45,555,918	4.71%	241,253,555
Cash at bank	Floating	0.55%	1,089	0.60%	995
			<u>88,391,866</u>		<u>307,748,921</u>
Financial liabilities:			€		€
Limited Recourse Notes payable	Floating	8.41%	(68,118,975)	4.75%	(288,527,884)

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

16. FINANCIAL INSTRUMENTS (CONTINUED)

Currency rate risk

All of the Company's assets and liabilities are denominated in Euro, with the exception of £928 (31st December 2008: £962) held in GBP bank accounts. Therefore the Directors believe that there is no significant currency risk to

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investments and derivative financial instruments.

The Company's main financial assets are Charged Assets, cash deposits held with ABN AMRO and the corresponding interest receivable at year-end. The Company's income derives from these financial assets and from the credit default swaps transactions and asset swap transactions entered into with the Counterparty, ABN AMRO.

No triggers of impairment have been identified in relation to the Company's financial assets and swap agreements, with interest always received as per the Agreements. As at 31st December 2008, ABN AMRO has a credit rating of A+ from Standard & Poor's, AA- from Fitch, AA from DBRS and Aa2 from Moody's. Given these ratings the Directors do not expect the counterparty to fail to meet its obligations.

— The Company's maximum exposure to credit risk at the balance sheet date is as follows:

	<u>30th Jun 09</u>	<u>31st Dec 08</u>
Investments with Depfa Bank and Eurohypo AG	29,795,500	61,047,150
ABN AMRO deposits	45,555,918	241,253,555
Investment income receivable	591,781	2,744,178
Amounts receivable on asset swaps	5,605,813	1,199,250
Amounts receivable on credit default swaps	1,681,236	361,028
Deposit interest receivable	5,160,529	1,142,765
Financial derivatives	1,545,750	49,173
Cash and cash equivalents	1,089	995
	<u>89,937,616</u>	<u>307,798,094</u>

Counterparty risk

As noted above ABN AMRO has a credit rating of A+ from Standard & Poor's, AA- from Fitch, AA from DBRS and Aa2 from Moody's. Given these ratings the Directors believes that the possibility of default by the Guarantor is remote. Consequently, the Directors believes that there is no significant counterparty risk to the Company.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

16. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

The fair values of the Charged Assets, Notes, CDS and AS have been supplied by ABN AMRO. The fair values as at the balance sheet date are as follows:

	<u>30th June 2009</u>		<u>31st December 2008</u>	
	Book value	Fair value	Book value	Fair value
	€	€	€	€
Primary financial instruments held:				
Investments	30,000,000	29,795,500	61,300,000	61,047,150
Fixed Deposits	45,000,000	45,555,918	238,700,000	241,253,555
Limited Recourse Notes payable	(75,000,000)	(68,118,975)	(300,000,000)	(288,527,884)
	<u>€</u>	<u>€</u>	<u>€</u>	<u>€</u>
Derivative financial instruments held:				
Credit default swaps	-	(8,778,193)	-	(13,821,994)
Asset Swaps	-	1,545,750	-	49,173
	<u>€</u>	<u>€</u>	<u>€</u>	<u>€</u>

The fair values of the Notes as at 30th June have been disclosed above. The Notes are listed on the Euronext Amsterdam Stock Exchange. The fair values of the investments have been derived using quoted market prices. The cash deposits held with ABN AMRO and the derivative financial instruments have been determined using valuation techniques using market related inputs. For debt securities in issue the fair values have been derived from the fair values of the financial assets and the derivative financial instruments using market valuation techniques commonly used by market participants.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The recourse of the Noteholders of each separate series of Notes is limited to amounts receivable from the net proceeds from the Collateral of that series of Notes.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

16. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values-sensitivity analysis

From the perspective of the Company, any change in the fair value of the Company's financial assets and derivative financial instruments would be matched by an equal and opposite change in the fair value of the Notes. Consequently the Company is not exposed to any significant net market price risk.

FRS 29 requires disclosure of "a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date."

As stated, whilst the financial instruments held by the Company are separately exposed to interest rate risk and market price risk, the profit or loss and equity of the Company are not exposed to any significant net interest rate or market price risk. Therefore, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

Maturity of financial assets and liabilities

The maturity profile of the Company's financial assets and liabilities is as follows:

	<u>30th June 2009</u>		<u>31st December 2008</u>	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	€	€	€	€
-In one year or less	13,040,448	(13,039,614)	230,448,216	(230,447,476)
In more than two years but not more than five years	75,000,000	(75,000,000)	75,000,000	(75,000,000)
In more than five years	-	-	-	-
	<u>88,040,448</u>	<u>(88,039,614)</u>	<u>305,448,216</u>	<u>(305,447,476)</u>

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

17. INVESTMENTS

Related Series	Maturity Date	Cur	Nominal Amount	Security description	ISIN number	31st Dec 08 Book value €	31st Dec 08 Fair Value €	30th Jun 09 Book value €	30th Jun 09 Fair Value €
Brilliant Series 2	04/03/2009	EUR	10,433,335	DEPFA BANK 04.03.09 5.75%	DE0002474798	10,433,335	10,472,841	-	-
Brilliant Series 3	21/01/2013	EUR	10,000,000	EUROHYPO AG 21.01.13 4.50%	DE0003611885	10,000,000	9,876,209	10,000,000	9,899,230
Oval Series 2	04/03/2009	EUR	10,433,330	DEPFA BANK 04.03.09 5.75%	DE0002474798	10,433,330	10,472,841	-	-
Oval Series 3	21/01/2013	EUR	10,000,000	EUROHYPO AG 21.01.13 4.50%	DE0003611885	10,000,000	9,876,209	10,000,000	9,952,450
Emerald Series 2	04/03/2009	EUR	10,433,335	DEPFA BANK 04.03.09 5.75%	DE0002474798	10,433,335	10,472,841	-	-
Emerald Series 3	21/01/2013	EUR	10,000,000	EUROHYPO AG 21.01.13 4.50%	DE0003611885	10,000,000	9,876,209	10,000,000	9,943,820
						61,300,000	61,047,150	30,000,000	29,795,500

The total Investments with a fair value of €31,418,523 at 31st December 2008 relating to the Brilliant Series 2, Oval Series 2 and Emerald Series 2 Notes all matured and were fully redeemed at par on 4th March 2009.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

18. LIMITED RECOURSE NOTES PAYABLE

Series	Issue Date	Maturity Date	Cur	Nominal Amount	Note description	Coupon	31st Dec 08 Book Value €	31st Dec 08 Fair Value €	30th Jun 09 Book Value €	30th Jun 09 Fair Value €
Notes outstanding as at year end										
Brilliant Series 2	19/05/2003	19/05/2009	EUR	75,000,000	Secured Credit-linked Variable	3.6500%	75,000,000	74,712,443	-	-
Brilliant Series 3	19/05/2003	19/05/2013	EUR	25,000,000	Secured Credit-linked Variable	4.4000%	25,000,000	23,652,948	25,000,000	20,108,775
Oval Series 2	19/05/2003	19/05/2009	EUR	75,000,000	Secured Credit-linked Variable	4.0000%	75,000,000	74,418,164	-	-
Oval Series 3	19/05/2003	19/05/2013	EUR	25,000,000	Secured Credit-linked Variable	4.7000%	25,000,000	22,929,692	25,000,000	24,159,145
Emerald Series 2	19/05/2003	19/05/2009	EUR	75,000,000	Secured Credit-linked Variable	5.5000%	75,000,000	73,006,806	-	-
Emerald Series 3	19/05/2003	19/05/2013	EUR	25,000,000	Secured Credit-linked Variable	6.2500%	25,000,000	19,807,831	25,000,000	23,851,055
							<u>300,000,000</u>	<u>288,527,884</u>	<u>75,000,000</u>	<u>68,118,975</u>

Post balance sheet event

The Brilliant Series 2, Oval Series 2 and Emerald Series 2 Notes with a total fair value of €222,137,413 at 31st December 2008 all matured and were fully redeemed at par on their respective scheduled maturity above with all obligations under the relevant agreements being fully discharged.

FIXED INCOME DIAMOND COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2009 TO 30TH JUNE 2009

19. REFERENCE ENTITIES

<u>ENTITY</u>	<u>APPLICABLE SERIES</u>		
1 Accor SA	Emerald	Oval	
2 Aegon NV	Emerald		Brilliant
3 Akzo Nobel NV	Emerald		Brilliant
4 Allianz AG	Emerald		Brilliant
5 Allied Domecq PLC	Emerald	Oval	
6 American Electric Power Co Inc	Emerald	Oval	
7 American Express Company	Emerald		Brilliant
8 AOL Time Warner Inc	Emerald	Oval	
9 AT&T Corp	Emerald	Oval	
10 BAE Systems PLC	Emerald	Oval	
11 Bayer AG	Emerald		Brilliant
12 BHP Billiton Ltd	Emerald		Brilliant
13 The Boeing Company	Emerald		Brilliant
14 Cadbury Schweppes PLC	Emerald	Oval	
15 Carrefour SA	Emerald		Brilliant
16 CIT Group	Emerald		Brilliant
17 Commerzbank AG	Emerald		Brilliant
18 Continental AG	Emerald	Oval	
19 DaimlerChrysler AG	Emerald	Oval	
20 The Dow Chemical Company	Emerald		Brilliant
21 DSM NV	Emerald		Brilliant
22 Eastman Kodak Co	Emerald	Oval	
23 Electrolux AB (Publ)	Emerald	Oval	
24 European Aeronautic Defense and Space Company EAD	Emerald		Brilliant
25 Ford Motor Credit Company	Emerald	Oval	
26 Fujitsu Limited	Emerald	Oval	
27 General Electric Capital Corporation	Emerald		Brilliant
28 Hewlett Packard	Emerald		Brilliant
29 Hilton Group PLC	Emerald	Oval	
30 Hutchison Whampoa Limited	Emerald	Oval	
31 ICI PLC	Emerald	Oval	
32 International Lease Finance Corporation	Emerald		Brilliant
33 Koninklijke Philips Electronics NV	Emerald	Oval	
34 Koninklijke KPN NV	Emerald	Oval	
35 Lafarge SA	Emerald	Oval	
36 LVMH Moët Hennessy Louis Vuitton SA	Emerald	Oval	
37 McDonald's Corporation	Emerald		Brilliant
38 Metro AG	Emerald	Oval	
39 Motorola Inc	Emerald	Oval	
40 Qantas Airways Ltd	Emerald	Oval	
41 Rolls Royce PLC	Emerald	Oval	
42 Siemens AG	Emerald		Brilliant
43 Suez SA	Emerald		Brilliant
44 Telefonica SA	Emerald		Brilliant
45 The Tokyo Electric Power Company, Inc	Emerald		Brilliant
46 Unilever NV	Emerald		Brilliant
47 VNU NV	Emerald	Oval	
48 Vodafone Group Plc	Emerald		Brilliant
49 Volkswagen AG	Emerald		Brilliant
50 Wolters Kluwer NV	Emerald		Brilliant