

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

ANNUAL REPORT
December 31, 2008

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

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Auditor's report

SECURED ASSET FUNDING EUROPE B.V.
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Managing Director's Report

The managing director herewith submits the Financial Statements of Secured Asset Funding Europe B.V. (the Company) for the period from January 1, 2008 until December 31, 2008. The information disclosed in the statements should be read in conjunction with the full text and definitions of the programme memorandum and pricing supplements regarding the Notes issued by the Company.

Transactions

General description of transaction:

Programme agreement:

In April 2003 the Company entered in an programme agreement with Credit Suisse Boston International to issue from time to time Notes. The Notes were issued in series and are limited recourse obligations in respect to the assets acquired ("collateral assets") or deposits entered into ("deposits").

Credit Default Swap transactions:

Under the programme documentation the Company will facilitate Noteholders to enter into credit default swap transactions in the following way:

The proceeds of each series of Notes issued will be used to acquire assets ("collateral assets") or will be put on deposit. The charged assets or deposit will be used as collateral for a credit default swap over an reference portfolio agreed with Credit Suisse First Boston International. Interest paid on the Notes is based on interest received on the collateral assets or deposit and the swap premium received. If a credit event in the reference portfolio occurs and the Company needs to settle according to the credit default swap documentation the outstanding principal of the Notes with recourse on the credit default swap will be reduced accordingly. The Company might settle in cash or deliver physical collateral assets.

Limited recourse

Recourse on the Notes payable is limited to the charged assets or deposits of each series and certain obligations under the credit default swap as described under Off-balance sheet commitments.

Details of the individual series of Notes:

DKK 536,790,000 Secured Fixed Rate Credit-Linked Notes

On April 3, 2003 the Company issued DKK 536,790,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring DKK 536,785,000 Floating Rate Obligations Fonciers due 2008 to secure the Notes and a cash amount of DKK 5,000 (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes. The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 19 March 2008 there was an early redemption on the Notes, the settlement amount was DKK 536,785,000.

DKK 716,360,000 Secured Step-Down Coupon Credit- Linked Notes

On April 3, 2003 the Company issued DKK 716,360,000 Secured Step-Down Coupon Credit- Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring DKK 716,357,000 Floating Rate Obligations Fonciers due 2008 to secure the Notes and a cash amount of DKK 3,000 (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

On April 30, 2004 the Aggregate Outstanding Principal of the Notes amounted to DKK 663,070,000 and in December 2007 it amounts to DKK 662,077,000.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 19 March 2008 there was an early redemption on the Notes, the settlement amount was DKK 662,077,000.

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NOK 92,470,000 Secured Fixed Rate Credit-Linked Notes

On April 14, 2003 the Company issued NOK 92,470,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

The NOK 92,470,000 Notes matured as scheduled in October 2008. The Note holders were fully paid back.

NOK 98,020,000 Secured Fixed Rate Credit-Linked Notes

On July 30, 2003 the Company issued NOK 98,020,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

The NOK 98,020,000 Notes matured as scheduled in November 2008. The Note holders were fully paid back.

EUR 112,077,000 Secured Fixed Rate Credit-Linked Notes

On October 8, 2003 the Company issued EUR 112,077,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring EUR 112,077,000 Brandford II Funding B.V. Secured Credit-Linked Notes due 2008 to secure the Notes (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

On September 27, 2004 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 111,867,000.

On June 1, 2005 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 93,738,000.

On November 30, 2006 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 37,366,000.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 8 October 2008 there was an early redemption on the Notes, the settlement amount was EUR 37,366,000.

NOK 92,120,000 Secured Fixed Rate Credit-Linked Notes

On February 10, 2004 the Company issued NOK 92,120,000 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

In October 2008 the collateral asset of the NOK 92,120,000, Magnolia XS0185070215, was converted to cash to be ready for maturing as scheduled in February 2009.

NOK 88,505,000 Secured Fixed Rate Credit-Linked Notes

On April 30, 2004 the Company issued NOK 88,505,000 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Standard & Poor's Rating Services.

NOK 91,437,500 Secured Fixed Rate Credit-Linked Notes

On September 30, 2004 the Company issued NOK 91,437,500 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Standard & Poor's Rating Services.

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Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the fiscal year ending 31 December 2008 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company: the management report specifies most important events of the reporting period and effects on the financial statements; necessary estimates have been made with due care.

Key Activities

Financial income is determined by the interest on the charged assets and deposits, defaults in reference portfolios, results on sales of assets and swap interest paid or received.

Financial instruments and derivatives

The Company uses various derivatives to hedge interest rate risk and currency rate risk.

Risks

The main risks of the Company and the way these risks are managed are set out below.

Foreign Exchange Risk

Investments in non-EUR denominated charged assets are restricted as set out in the transaction documentation. The Company might enter into cross-currency swaps to minimise or eliminate currency exposure.

Credit Risk

There can be no assurance that the charged assets and/or other instruments in which the Company invests will not be subject to credit difficulties, leading to the loss of some or all the sums invested in such security. The Company may also be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

Counterparty Risk

Some of the assets or derivatives will expose the Company to risk of counterparty default. Credit ratings are used to assess/minimise this risk.

Interest Rate Risk

The Company will be required from time to time to enter into interest rate hedge transactions, which may be interest cap and/or swap transactions in order to hedge its interest rate exposure under the charged assets and the Notes.

Limited Recourse

The Notes are limited recourse obligations of the Company and are payable solely out of amounts received by or on behalf of the Company in respect of the collateral. Payments on the Notes, both prior to and following the enforcement of the security over the collateral are subordinated to the prior payment of certain fees and expenses of the Company.

The net proceeds of the realisation of the security over the collateral following an event of default may be insufficient to pay all amounts due to the Noteholders. In this event, the Company will not be obliged to make any further payments to the Noteholders and all claims against the Company will be extinguished.

Result

During the period under review, the Company recorded a profit of EUR NIL - (2007: EUR NIL -), which is set out in detail in the attached Statement of Income and Expenses.

Market development

Significant weaknesses have been revealed in the financial markets by the recent financial turbulence due to the uncertainty following the mid-year emergence of the sub-prime debt in the U.S. The recent events have also created a "crisis of confidence" in the ratings of structured products produced by the credit rating agencies.

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Subsequent events

As the credit crisis has continued during 2009, it has had an increasing impact on the economies of a number of OECD jurisdictions. If growth of such economies continue to slow down or such economies go into recession that is likely to have an adverse effect on the ability of consumers and companies to repay or refinance their existing debt. Ultimately such macro economic conditions may adversely affect the rating, performance and the realization value of the Company's collateral.

During 2009 all the collateral assets are sold and all series of outstanding Notes were redeemed at par in accordance with with the scheduled maturity date. The related swaps are unwound.

Future developments

Since all assets has been sold and all Notes have been redeemed, management has the intention to dissolve the Company.

Amsterdam, June 30, 2009

TMF Management B.V.

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BALANCE SHEET
December 31, 2008
(before appropriation of the result)

ASSETS		<u>12/31/08</u>	<u>12/31/07</u>
FIXED ASSETS:			
Financial fixed assets:	(1)		
Portfolio of collateral assets	(2)	-	233,032,547
		-	233,032,547
CURRENT ASSETS:			
Short term portfolio of collateral assets	(3)	18,455,641	22,605,842
Other receivables		20,302	20,199
Interest receivable		48,384	2,900,030
Cash at bank	(4)	9,561,086	3,541,063
		28,085,413	29,067,134
		28,085,413	262,099,681
SHAREHOLDER'S EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Issued share capital	(5)	20,000	20,000
Retained earnings		399	399
		20,399	20,399
LONG TERM LIABILITIES:			
Notes payable	(6)	-	221,460,755
Deferred income	(7)	99,684	2,241,157
		99,684	223,701,912
CURRENT LIABILITIES:			
Notes payable	(8)	27,903,846	34,178,706
Interest payable		55,304	4,192,484
Other payables		6,180	6,180
		27,965,330	38,377,370
		28,085,413	262,099,681

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STATEMENT OF INCOME AND EXPENSES
for the year ended December 31, 2008

		<u>01/01/08 - 12/31/08</u>	<u>01/01/07 - 12/31/07</u>
FINANCIAL INCOME AND EXPENSES:			
Interest income	(9)	6,483,544	9,153,388
Interest expenses	(10)	(6,473,304)	(9,156,675)
Currency exchange result - net		<u>(10,240)</u>	<u>3,287</u>
Interest income and expenses		-	-
OPERATIONAL INCOME AND EXPENSES:			
Net result		<u>-</u>	<u>-</u>

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CASH FLOW STATEMENT
for the year ended December 31, 2008

	<u>01/01/08 - 12/31/08</u>	<u>01/01/07 - 12/31/07</u>
CASH FLOW FROM OPERATIONAL ACTIVITIES		
<i>Changes/modifications for:</i>		
<i>Movements in working capital:</i>		
Current assets	7,001,744	(1,157,834)
Current liabilities (exclusive of bank overdrafts)	<u>(10,412,040)</u>	<u>1,429,399</u>
	(3,410,296)	271,565
Cash flow from operating activities	<u>(3,410,296)</u>	<u>271,565</u>
Payment of result of financial income and expenses	(6,473,304)	(9,156,675)
Income from fixed asset receivables and from securities	<u>6,483,544</u>	<u>9,153,388</u>
	10,240	(3,287)
Total cash provided by operating activities	<u>(3,400,056)</u>	<u>268,278</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase in financial fixed assets	-	(1,162,404)
Decrease of financial fixed assets	<u>233,032,547</u>	<u>-</u>
Total cash used in investing activities	<u>233,032,547</u>	<u>(1,162,404)</u>
CASH FLOW FROM FUNDING ACTIVITIES		
Movement other reserves	-	(1)
Decrease of long term liabilities	<u>(223,602,228)</u>	<u>(2,416,292)</u>
Total cash provided by / used in financing activities	<u>(223,602,228)</u>	<u>(2,416,293)</u>
Net cash flow	6,030,263	(3,310,417)
Exchange rate differences and translation differences on funds	<u>(10,240)</u>	<u>3,286</u>
Increase in cash funds	<u>6,020,023</u>	<u>(3,307,131)</u>
The movement of funds is as follows:		
Balance as at 1 January	3,541,063	6,848,194
Movement for the year	<u>6,020,023</u>	<u>(3,307,131)</u>
Balance as at 31 December	<u>9,561,086</u>	<u>3,541,063</u>

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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

Accounting policies in respect of the valuation of assets and liabilities

General

The Company was incorporated on February 18, 2003 and is wholly owned by Stichting Secured Asset Funding Europe B.V.

The Company has its registered office at Parnassustoren, Locatellikade 1, 1076 AZ Amsterdam, The Netherlands.

The authorized share capital of the Company consists of 20 shares with a par value of EUR 1,000 each (EUR 20,000). At December 31, 2008, all shares were issued and fully paid.

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General description of transaction:

Programme agreement:

In April 2003 the Company entered in an programme agreement with Credit Suisse Boston International to issue from time to time Notes. The Notes issued are limited recourse obligations in respect to the assets acquired ("collateral assets") or deposits entered into ("deposits").

Credit Default Swap transactions:

Under the programme documentation the Company will facilitate Noteholders to enter into credit default swap transactions in the following way:

The proceeds of each series of Notes issued will be used to acquire assets ("collateral assets") or will be put on deposit. The charged assets or deposit will be used as collateral for a credit default swap over an reference portfolio agreed with Credit Suisse First Boston International. Interest paid on the Notes is based on interest received on the collateral assets or deposit and the swap premium received. If a credit event in the reference portfolio occurs and the Company needs to settle according to the credit default swap documentation the outstanding principal of the Notes with recourse on the credit default swap will be reduced accordingly. The Company might settle in cash or deliver physical collateral assets.

Limited recourse

Recourse on the Notes payable is limited to the charged assets or deposits of each series and certain obligations under the credit default swap and/or rate swap as described under Off-balance sheet commitments.

The information disclosed under the notes to the financial statements is partly derived from the full text and definitions of the offering circular and should be read in conjunction with the full text and definitions of the programme memorandum and the pricing supplements regarding the Notes issued. Any decision to buy, sell or hold Notes issued by the Company should not be based solely on the information in these financial statements (including the notes thereto). Investors should also refer to the programme memorandum and the pricing supplements which, amongst other, gives a more thorough and detailed description of the risks involved with investing in the Notes issued by the Company.

Overview of the transactions under the programme outstanding as at 31 December:

<i>Notes</i>	<i>Notionals</i>	<i>Cash</i>	<i>Charged assets</i>	<i>Swaps</i>
XS0185070215	NOK 92,120,000	NOK 92,120,000 (Magnolia XS019276031-1 converted to cash)		CDS
XS0189103574	NOK 88,505,000		NOK 88,505,000 Magnolia XS0192688702	CDS
XS0197106023	NOK 91,437,500		NOK 91,437,500 Magnolia XS0201605432	CDS

Critical accounting estimates and judgements

Application of the accounting policies in the preparation of the financial statements requires the management of the Company to apply judgment 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 judgment are described below.

Fair value estimation

The fair value of financial assets and financial derivatives traded in active markets are based on quoted market prices at the balance sheet date. Market quotes are obtained by the investment manager and provided to the Company.

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The fair value of financial assets and financial derivatives that are not traded in an active market is determined by using valuation techniques. The Company obtains the valuations from the investment manager, the swap counterparty or other third parties. These parties use various valuation techniques and models to estimate the fair value of the assets and derivatives. Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the valuator to make estimates. Change in assumptions about these factors could affect the reported fair value of financial assets and financial derivatives.

Foreign currencies

Assets and liabilities, denominated in foreign currencies are translated into the reporting currency at exchange rates prevailing at the Balance Sheet date. Any resulting exchange differences are recorded in the Statement of Income and Expenses.

Revenues and expenses in the year under review, which are denominated in foreign currencies, are translated into the reporting currency at exchange rates in effect on the transaction date.

Comparative figures

The principles of valuation and determination of result remain unchanged compared to the prior year. However a reclass was made in the comparative figures to align the maturity of the charged assets and related Notes payable. This reclass has no impact on equity, result from the year nor on the total assets and the total liabilities.

Financial fixed assets

Charged assets

Charged assets are valued using the amortised cost method. Under this method, the Company's portfolio is valued at its acquisition cost as adjusted for the amortisation of premium paid or the accretion of discounts received, rather than the current market value. The premium and discounts are amortized on a straight-line basis over the life of the charged asset and recognised in the statement of income and expenses.

On the balance sheet date, the Company tests whether there are any indications of an asset which could be subject to impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. An asset is subject to impairment if its book value is higher than its recoverable value. Impairment is recognised as an expense in the profit and loss account.

Deposits

Deposits are valued at nominal value.

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Derivatives

The Company uses cost price hedge accounting as described in the hedge documentation. Derivatives recognised in the balance sheet are valued at cost, which is the consideration paid or received.

Initially, financial derivatives such as cross currency swaps and interest rate swaps are neither recognised in the balance sheet nor valued. The financial effects of such instruments are recognised at expiry date of the contract, or at realisation of the hedged position.

The main risks relating to financial instruments, such as derivatives, are set out below. The charged assets and the Notes are described in note 1,2,3 and 6.

Foreign Exchange Risk

Investments in non-EUR denominated charged assets are restricted as set out in the transaction documentation. The Company might enter into cross-currency swaps to minimise or eliminate currency exposure.

Credit Risk

There can be no assurance that the charged assets and/or other instruments in which the Company invests will not be subject to credit difficulties, leading to the loss of some or all the sums invested in such security. The Company may also be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

Counterparty Risk

Some of the assets or derivatives will expose the Company to risk of counterparty default. Credit ratings are used to assess/minimise this risk.

Interest Rate Risk

The Company will be required from time to time to enter into interest rate hedge transactions, which may be interest cap and/or swap transactions in order to hedge its interest rate exposure under the charged assets and the Notes.

Limited Recourse

The Notes are limited recourse obligations of the Company and are payable solely out of amounts received by or on behalf of the Company in respect of the collateral. Payments on the Notes, both prior to and following the enforcement of the security over the collateral are subordinated to the prior payment of certain fees and expenses of the Company. The net proceeds of the realisation of the security over the collateral following an event of default may be insufficient to pay all amounts due to the Noteholders. In this event, the Company will not be obliged to make any further payments to the Noteholders and all claims against the Company will be extinguished.

Current assets

Debtors are stated at face value net of provisions for doubtful debts, where necessary.

Long term liabilities

Long term liabilities are valued at cost, being the amount received taking into account premium or discount. The difference between the book value determined and the ultimate redemption value, including the interest payable are determined by recognising the effective interest in the profit and loss account during the term of the liabilities.

Current liabilities

Creditors are stated at face value.

Accounting policies in respect of result determination

Result

Profits on transactions are recognized in the year they relate to. Losses are recognized when foreseen.

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Other income

Other income represents the amounts invoiced or to be invoiced to third parties in respect of services rendered in the financial year net of discounts and turnover taxes.

Interest income and expenses

Income arising on the underlying portfolio of deposits and charged assets, together with bank interest and/or swap interest is recognized on an accrual basis. All income and expenditures from the deposits and charged assets, swaps, notes issued and other borrowing and/or lending that have the character of interest payments are recognized as interest income or interest expense respectively.

Interest income and expenses are time apportioned, taking into account the effective interest rate for the relating assets and liabilities.

Taxation

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.

Corporate income tax

A tax ruling has been agreed with the Dutch tax authorities. This ruling mentions the minimum pre-tax result for a number of years. The pre-tax result for this year is calculated in line with this ruling, which has been reported upfront in the first financial year and paid to the tax authorities.

VAT

The Company is not considered to be an entrepreneur for VAT purposes.

Principles of the cash flow statement

The Cash flow statement is prepared in accordance with the indirect method. The liquidities in the cash flow statements comprise of cash at banks and in hand and bank overdrafts. Cash flows in foreign currencies are translated at estimated average rates. Currency differences, receipts and payments, in connection with interest and taxation on profits, are taken up under cash flow from operational activities.

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(1) Financial fixed assets

The movements in financial fixed assets are comprised as follows:

	Portfolio of collateral assets
Balance as at January 1, 2008	233,032,547
Disposals	<u>(233,032,547)</u>
Balance as at December 31, 2008	<u>-</u>

The disposals belong to a redemption on the position of the asset Dexia Municipal, Brandford II Funding B.V. and Magnolia Finance (XS019276031-1).

(2) Portfolio of collateral assets

The portfolio of collateral assets is comprised as follows:

	<u>12/31/08</u>	<u>12/31/07</u>
Dexia Municipal	-	160,162,778
Brandford II Funding B.V.	-	37,366,000
Magnolia Finance (XS019276031-1)	-	35,503,769
	<u>-</u>	<u>233,032,547</u>

During the year under review the charged assets Dexia Municipal, Brandford II Funding B.V. and Magnolia Finance (XS019276031-1) matured as scheduled. The Magnolia collateral assets (XS019268870-2, XS020160543-2) will mature in 2009; the assets will be held for less than a year and therefore have been classified as short term assets.

Under the credit swaps, the Company will be obliged to deliver collateral assets to the swap counterparty if a credit event with respect to the reference portfolio or other event as described in the swap agreement occurs. The aggregate outstanding principal amount of the Notes shall be reduced with the same amount. The Company agreed to pay any non-principal payment paid on the collateral assets and the fixed coupon pool deposit to the swap counterparty.

During the period under review no credit events occurred.

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Current assets

(3) Short term portfolio of collateral assets

	<u>12/31/08</u>	<u>12/31/07</u>
Magnolia (XS019268870-2, XS020160543-2)	18,455,641	22,605,842

The Magnolia collateral assets (XS019268870-2, XS020160543-2) will mature in 2009; the assets will be held for less than a year and therefore have been classified as short term assets.

Under the credit swaps, the Company will be obliged to deliver collateral assets to the swap counterparty if a credit event with respect to the reference portfolio or other event as described in the swap agreement occurs. The aggregate outstanding principal amount of the Notes shall be reduced with the same amount. The Company agreed to pay any non-principal payment paid on the collateral assets and the fixed coupon pool deposit to the swap counterparty.

During the period under review no credit events occurred.

As per December 31, 2008, the aggregate market value of the collateral assets in respect is estimated as follows:

Magnolia Finance, NOK (ISIN: XS0192688702)	95.59%
Magnolia Finance, NOK (ISIN: XS0201605432)	94.59%

(4) Cash at bank

The cash at bank is comprised as follows:

	<u>12/31/08</u>	<u>12/31/07</u>
Fixed Coupon Deposits Pool	106,604	3,534,683
F. van Lanschot Bankiers	6,277	6,380
Cash in transit	<u>9,448,205</u>	<u>-</u>
	<u>9,561,086</u>	<u>3,541,063</u>

In October 2008 the collateral asset Magnolia XS019276031-1 was converted to cash, to facilitate the redemption of the related Notes as scheduled in February 2009.

The Fixed Coupon Deposits Pool is not freely disposable, it is only disposable to repay the Noteholders.

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(5) Shareholders' equity

The movements in the Shareholder's Equity are comprised as follows:

	Issued share capital	Retained earnings	Result for the period	Total
Balance as at January 1, 2007	20,000	399	-	20,399
Result for the period	-	-	-	-
Balance as at December 31, 2007	<u>20,000</u>	<u>399</u>	<u>-</u>	<u>20,399</u>
Result for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at December 31, 2008	<u><u>20,000</u></u>	<u><u>399</u></u>	<u><u>-</u></u>	<u><u>20,399</u></u>

The authorized share capital of the Company consist of 20 shares with a par value of EUR 1,000 each (EUR 20,000). At December 31, 2008 all shares were issued and fully paid.

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December 31, 2008

(6) Notes payable

The Notes payable are comprised as follows:

	<u>12/31/08</u>	<u>12/31/07</u>
XS0174988195 EUR Fixed Rate	-	37,366,000
XS0162925597 DKK Fixed Rate	-	71,389,783
XS0162948292 DKK Step-Down Coupon	-	88,774,068
XS0163249575 NOK Fixed Rate	-	11,616,834
XS0170336548 NOK Fixed Rate	-	12,314,070
	<u>-</u>	<u>221,460,755</u>

General description of transaction:

Programme agreement:

In April 2003 the Company entered in an programme agreement with Credit Suisse Boston International to issue from time to time Notes. The Notes issued are limited recourse obligations in respect to the assets acquired ("collateral assets") or deposits entered into ("deposits").

Credit Default Swap transactions:

Under the programme documentation the Company will facilitate Noteholders to enter into credit default swap transactions in the following way:

The proceeds of each series of Notes issued will be used to acquire assets ("collateral assets") or will be put on deposit. The charged assets or deposit will be used as collateral for a credit default swap over an reference portfolio agreed with Credit Suisse First Boston International. Interest paid on the Notes is based on interest received on the collateral assets or deposit and the swap premium received. If a credit event in the reference portfolio occurs and the Company needs to settle according to the credit default swap documentation the outstanding principal of the Notes with recourse on the credit default swap will be reduced accordingly. The Company might settle in cash or deliver physical collateral assets.

Limited recourse

Recourse on the Notes payable is limited to the charged assets or deposits of each series and certain obligations under the credit default swap and/or rate swap as described under Off-balance sheet commitments.

Details of the individual series of Notes:

EUR 112,077,000 Secured Fixed Rate Credit-Linked Notes XS0174988195

On October 8, 2003 the Company issued EUR 112,077,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring EUR 112,077,000 Brandford II Funding B.V. Secured Credit-Linked Notes due 2008 to secure the Notes (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

On September 27, 2004 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 111,867,000.

On June 1, 2005 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 93,738,000.

On November 30, 2006 the Aggregate Outstanding Principal Amount of the Notes was reduced, amounting EUR 37,366,000.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 8 October 2008 there was an early redemption on the Notes, the settlement amount was EUR 37,366,000.

DKK 536,790,000 Secured Fixed Rate Credit-Linked Notes XS0162925597

On April 3, 2003 the Company issued DKK 536,790,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring DKK 536,785,000 Floating Rate Obligations Fonciers due 2008 to secure the Notes and a cash amount of DKK 5,000 (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

Amsterdam, June 30, 2009

SRIJQUABA

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 19 March 2008 there was an early redemption on the Notes, the settlement amount was DKK 536,785,000.

DKK 716,360,000 Secured Step-Down Coupon Credit- Linked Notes XS0162948292

On April 3, 2003 the Company issued DKK 716,360,000 Secured Step-Down Coupon Credit- Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were applied in acquiring DKK 716,357,000 Floating Rate Obligations Fonciers due 2008 to secure the Notes and a cash amount of DKK 3,000 (together Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

On April 30, 2004 the Aggregate Outstanding Principal of the Notes amounted to DKK 663,070,000 and in December 2007 it amounts to DKK 662,077,000.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

On 19 March 2008 there was an early redemption on the Notes, the settlement amount was DKK 662,077,000.

NOK 92,470,000 Secured Fixed Rate Credit-Linked Notes XS0163249575

On April 14, 2003 the Company issued NOK 92,470,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

The NOK 92,470,000 Notes matured as scheduled in October 2008. The Note holders were fully paid back.

NOK 98,020,000 Secured Fixed Rate Credit-Linked Notes XS0170336548

On July 30, 2003 the Company issued NOK 98,020,000 Secured Fixed Rate Credit-Linked Notes due 2008. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes.

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

The NOK 98,020,000 Notes matured as scheduled in November 2008. The Note holders were fully paid back.

Interest on the Notes is determined as follows:

XS0174988195 EUR Fixed Rate	0.20% p.a.
XS0162925597 DKK Fixed Rate	2.65% p.a.
XS0162948292 DKK Step-Down Coupon	2.65% p.a. first year; 1.15% p.a. further years
XS0163249575 NOK Fixed Rate	0.22% p.a.
XS0170336548 NOK Fixed Rate	0.28% p.a.

Under the Credit Swaps, the Company will be obliged to deliver Collateral Assets to the Swap Counterparty if a Credit Event with respect to the Reference Portfolio or other event as described in the swap agreement occurs. The aggregate outstanding principal amount of the Notes shall be reduced with the same amount.

Under the Credit Swaps, the Swap Counterparty paid an Fixed Coupon Amount to the Company, which is deposited by the Company to cover interest payments on the Notes. The Company agreed to pay any non-principal payment paid on the Collateral Assets and the Fixed Coupon Pool Deposit to the Swap Counterparty.

Reclass to short term notes payable

NOK 92,120,000 Secured Fixed Rate Credit-Linked Notes, NOK 88,505,000 Secured Fixed Rate Credit-Linked and Notes NOK 91,437,500 Secured Fixed Rate Credit-Linked Notes are reclassified to short term notes payable since these Notes will be redeemed in 2009.

SECURED ASSET FUNDING EUROPE B.V.
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

(7) Deferred income

	<u>12/31/08</u>	<u>12/31/07</u>
Deferred income related to swaps	99,684	2,241,157

Under the Credit Protection Swaps, the Swap Counterparty paid an Fixed Coupon Amount to the Company, which is deposited (refer to note 3) by the Company to cover future interest payments on the Notes. The release is of deferred income is reported under interest income.

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

(8) Short term notes payable

The short term notes payable are comprised as follows:

	<u>12/31/08</u>	<u>12/31/07</u>
XS0189103574 NOK Fixed Rate	9,077,436	11,118,719
XS0197106023 NOK Fixed Rate	9,378,205	11,487,123
XS0185070215 NOK Fixed Rate	<u>9,448,205</u>	<u>11,572,864</u>
	<u>27,903,846</u>	<u>34,178,706</u>

Details of the individual series of Notes:

NOK 88,505,000 Secured Fixed Rate Credit-Linked Notes XS0189103574

On April 30, 2004 the Company issued NOK 88,505,000 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes. At the same date the Company entered into a Credit Protection Swap transaction with Credit Suisse First Boston International (the Swap Counterparty).

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Standard & Poor's Rating Services.

NOK 92,120,000 Secured Fixed Rate Credit-Linked Notes XS0197106023

On February 10, 2004 the Company issued NOK 92,120,000 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes. At the same date the Company entered into a Credit Protection Swap transaction with Credit Suisse First Boston International (the Swap Counterparty).

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Fitch Ratings Ltd.

NOK 91,437,500 Secured Fixed Rate Credit-Linked Notes XS0185070215

On September 30, 2004 the Company issued NOK 91,437,500 Secured Fixed Rate Credit-Linked Notes due 2009. The Notes are secured, limited recourse obligations. The proceeds of the issue were deposited in the Company's Norwegian Account (Collateral Assets). Payments in respect of the Notes are made solely from the assets securing the Notes. At the same date the Company entered into a Credit Protection Swap transaction with Credit Suisse First Boston International (the Swap Counterparty).

The Notes are listed on the Irish Stock Exchange. The Notes were rated on issue AAA by Standard & Poor's Rating Services.

Interest on the Notes is determined as follows:

XS0189103574 NOK Fixed Rate	0.30% p.a.
XS0197106023 NOK Fixed Rate	0.36% p.a.
XS0185070215 NOK Fixed Rate	0.31% p.a.

Under the Credit Swaps, the Company will be obliged to deliver Collateral Assets to the Swap Counterparty if a Credit Event with respect to the Reference Portfolio or other event as described in the swap agreement occurs. The aggregate outstanding principal amount of the Notes shall be reduced with the same amount.

Under the Credit Swaps, the Swap Counterparty paid an Fixed Coupon Amount to the Company, which is deposited by the Company to cover interest payments on the Notes. The Company agreed to pay any non-principal payment paid on the Collateral Assets and the Fixed Coupon Pool Deposit to the Swap Counterparty.

The Notes will mature as scheduled in 2009, the notes will be held for less than a year and therefore are classified as short term liabilities.

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

Off-balance sheet commitments

Credit default swaps

As per date of this report, the Company has entered into various Credit Protection Swaps with Credit Suisse First Boston International. Under the Credit Swaps, the Company will be obliged to deliver Collateral Assets to the Swap Counterparty if a Credit Event with respect to the Reference Portfolio or other event as described in the swap agreement occurs. The aggregate outstanding principal amount of the Notes shall be reduced with the same amount.

Under the Credit Swaps, the Swap Counterparty paid an Fixed Coupon Amount to the Company, which is deposited by the Company to cover interest payments on the Notes. The Company agreed to pay any non-principal payment paid on the Collateral Assets and the Fixed Coupon Pool Deposit to the Swap Counterparty).

The fair value of the Credit Default Swaps are estimated at year end as follows :

NOK 88,505,000 Note to	279,747;
NOK 91,437,500 Note to	1,457,448
NOK 91,437,500 Note to	346,041

(9) Interest income

	01/01/08 - 12/31/08	01/01/07 - 12/31/07
Interest income Collateral Assets	4,680,373	9,060,686
Interest Income Fixed Coupon Deposits Pool	<u>1,803,172</u>	<u>92,701</u>
	<u>6,483,545</u>	<u>9,153,387</u>

(10) Interest expenses

	01/01/08 - 12/31/08	01/01/07 - 12/31/07
Interest expenses Notes	(734,344)	(2,982,330)
Interest expenses Swaps	<u>(5,738,960)</u>	<u>(6,174,345)</u>
	<u>(6,473,304)</u>	<u>(9,156,675)</u>

Other notes

Average number of employees

During the period under review the Company did not employ any personnel and, consequently, no payments for wages, salaries or social securities were made.

Audit committee

The Company is an entity for securitisation purposes according to Art 1 ministerial decree prudence rules Financial Supervision Act (Artikel 1, Besluit prudentiele regels Wet op het Financieel Toezicht). The Company has not appointed an audit committee, since the tasks of an audit committee are performed by the managing directors.

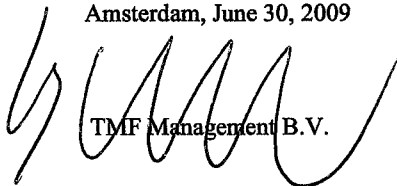
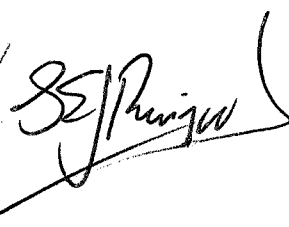
SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

Remuneration of managing directors

The Company has one managing director, who serves without remuneration.

Amsterdam, June 30, 2009


TMF Management B.V. 

SECURED ASSET FUNDING EUROPE B.V.
(Amsterdam)

OTHER INFORMATION
December 31, 2008

Audit

The auditor's opinion is included on the next page.

Statutory provision regarding appropriation of Result

In accordance with Article 14 of the articles of association, profit shall be at the disposal of the annual general meeting of shareholders. Profit distribution can only be made to the extent that shareholder's equity exceeds the issued and paid-up share capital and legal reserves.

Appropriation of Result

The managing director proposes to allocate the net profit of nil for the year 2008 to retained earnings. This proposal of appropriation of profit has not been reflected in the company's balance sheet per 31 December 2008.

Subsequent events

In 2009 the outstanding Notes, which amount to EUR 27,903,846, will be repaid at par in accordance with the scheduled maturity date.

Other recent developments

As the credit crisis has continued during 2009, it has had an increasing impact on the economies of a number of OECD jurisdictions. If growth of such economies continue to slow down or such economies go into recession that is likely to have an adverse effect on the ability of consumers and companies to repay or refinance their existing debt. Ultimately such macro economic conditions may adversely affect the rating, performance and the realization value of the Company's collateral.

During 2009 all the collateral assets are sold and all series of outstanding Notes were redeemed at par in accordance with with the scheduled maturity date. The related swaps are unwound.

To the Managing Directors and Shareholder of
Secured Asset Funding Europe B.V

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Accountants N.V.
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Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2008 of Secured Asset Funding Europe B.V., Amsterdam as set out on pages 6 to 22 which comprise the balance sheet as at 31 December 2008, the profit and loss account and cash flow statement for the year then ended and the notes.

The Managing Directors responsibility

The Managing Directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the Managing Directors report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Managing Directors, as well as evaluating the overall presentation of the financial statements.

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

PV/e0124645

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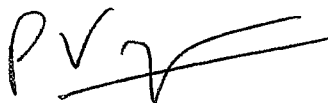
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Secured Asset Funding Europe B.V. as at 31 December 2008, and of its result and cash flows for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Managing Director's report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 30 June 2009
PricewaterhouseCoopers Accountants N.V.



P.F.J. Veuger RA