Financial Statements of

ASSET-BACKED OBLIGATIES LIMITED

December 31, 2011 and 2010

ASSET-BACKED OBLIGATIES LIMITED

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Independent Auditors' Report to the Shareholder

We have audited the accompanying financial statements of Asset-Backed Obligaties Limited ("the Company"), which comprise the statements of financial position as at December 31, 2011 and 2010, the statements of comprehensive income, changes in shareholder's equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audits to obtain reasonable assurance whether the financial statements are free of 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 our 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, we consider 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 principles used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2011 and 2010, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Independent Auditors' Report to the Shareholder (continued)

Emphasis of Matter

Without qualifying our opinion, we draw attention to notes 2(a) and 12. All the Notes, Credit Default Swaps and Guaranteed Investment Contracts are scheduled to mature in 2012 and as a result management expects to liquidate the Company prior to December 31, 2012. Accordingly, the Company has prepared its financial statements on a liquidation basis of accounting.

KPMG

April 24, 2012

ASSET-BACKED OBLIGATIES LIMITED

Statements of Financial Position

December 31, 2011 and 2010
(stated in Euro)

	Note		2011	2010
Assets				
Loans and receivables				
Cash and cash equivalents	3		3,998	3,870
Investments	4(d)(i),7		925,000,000	2,185,000,000
Interest receivable	4(d)(i),7		1,446,858	2,251,128
Total assets		€	926,450,856	2,187,254,998
Liabilities and shareholder's equity				
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	4(d)(ii),7		26,911,430	180,816,428
Limited recourse notes	5,7,9		895,749,164	1,996,179,590
Financial liabilities measured at amortised cost				
Interest payable on limited recourse notes	5		3,786,264	10,255,110
			926,446,858	2,187,251,128
Shareholder's equity				
Share capital	8		815	815
Retained earnings			3,183	3,055
			3,998	3,870
Total liabilities and shareholder's equity		€	926,450,856	2,187,254,998

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors on April 24, 2012

AILEEN SARGENT
________________________Director

ASSET-BACKED OBLIGATIES LIMITED

Statements of Comprehensive Income

Years ended December 31, 2011 and 2010
(stated in Euro)

	Note		2011	2010
Income				
Interest income from investments	7		18,766,440	14,312,250
Foreign exchange			128	255
			18,766,568	14,312,505
Expenses				
Interest expense on limited recourse notes			50,780,145	58,831,901
			50,780,145	58,831,901
Net gain on financial instruments				
Net gain on derivative financial instruments	6,7		191,583,279	451,353,106
Net loss on limited recourse notes	5,6		(159,569,574)	(406,833,456)
			32,013,705	44,519,650
Comprehensive income for year		€	128	254

See accompanying notes to financial statements.

ASSET-BACKED OBLIGATIES LIMITED

Statements of Changes in Shareholder's Equity

Years ended December 31, 2011 and 2010
(stated in Euro)

		Share capital	Retained earnings	Total
Balance at December 31, 2009		815	2,801	3,616
Comprehensive income for year		-	254	254
Balance at December 31, 2010		815	3,055	3,870
Comprehensive income for year		-	128	128
Balance at December 31, 2011	€	815	3,183	3,998

See accompanying notes to financial statements.

ASSET-BACKED OBLIGATIES LIMITED

Statements of Cash Flows

Years ended December 31, 2011 and 2010
(stated in Euro)

		2011	2010
Cash provided by/(applied in):			
Operating activities			
Comprehensive income for year		128	254
Add/(deduct) items not involving cash:			
Net movement in unrealised gain on derivative financial instruments		(153,904,998)	(406,769,284)
Net loss on limited recourse notes		159,569,574	406,833,456
Net changes in non-cash operating balances:			
Interest receivable		804,270	369,583
Interest payable on limited recourse notes		(6,468,846)	(433,756)
		128	253
Cash flows from financing activities			
Principal repaid on limited recourse notes		(1,260,000,000)	-
		(1,260,000,000)	-
Cash flows from investing activities			
Repayment from investments on maturity		1,260,000,000	-
		1,260,000,000	-
Increase in cash and cash equivalents during year		128	253
Cash and cash equivalents at beginning of year		3,870	3,617
Cash and cash equivalents at end of year	€	3,998	3,870
Supplementary information on cash flows from operating activities:			
Interest received		19,570,710	14,681,833
Interest paid	€	57,248,991	59,265,657

See accompanying notes to financial statements.

1. Incorporation and background information

Asset-Backed Obligaties Limited ("the Company") was incorporated on February 10, 2004 as an exempted company with limited liability under the laws of the Cayman Islands. The Ordinary Shares were issued to MaplesFS Limited (formerly Maples Finance Limited) under the terms of a Declaration of Trust on April 2, 2004.

The objectives for which the Company has been established are unlimited as set out in its Memorandum of Association. At December 31, 2011 and 2010, the principal activity of the Company is limited to the issuance of limited recourse instruments and the investment of the proceeds thereof as described below.

The Company issues various types of limited recourse notes (the "Notes") in accordance with the terms of a US$10,000,000,000 Limited Recourse Secured Note Programme (the "Programme"). The Programme involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. The Programme permits the Company and any other company which accedes to the Programme as an "Additional Issuer" to issue Notes denominated in any currency subject to a maximum aggregate principal amount of all Notes outstanding to the value of US$10,000,000,000 (or its equivalent in other currencies at the time of agreement to issue).

Whilst the Programme is not rated, the Notes may or may not be rated, with respect to principal and coupon by rating agencies such as Standard & Poors Rating Services ("S&P").

The performance of each series of Notes is linked to a reference portfolio, by way of the Company entering into credit derivative transactions (usually credit default swaps). The reference portfolio usually comprise a basket of reference corporate names, asset backed securities or collateralised debt obligations, synthetically created collateralised debt obligations or a combination of such instruments. In addition, the coupon on the Notes may be linked via credit default swaps in part or in full to the reference portfolio or the performance of a specified index.

The amount of principal and coupon that holders of any Notes will receive on the maturity date (through out the life of the Note) depends in part on whether credit events occur in relation to a reference portfolio. The Notes are not principal protected. The Noteholders may lose, in part or in whole, amounts invested in the Notes as the result of a credit event occurring with respect to one or more reference entities/obligations within the reference portfolio.

(stated in Euro)

1. Incorporation and background information (continued)

At December 31, 2011 the following notes were issued and listed on Euronext:

Notes	ISIN	Issued	S&P* Rating at Issuance	S&P Rating at 12-31-11
EUR 470,000,000 Class A Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-01 Notes"):	XS0208884741	March 4, 2005	AAA	B-
EUR 80,000,000 Class B Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-02 Notes"):	XS0208870013	March 4, 2005	AA	CCC+
EUR 375,000,000 Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-03 Notes"):	XS0217347300	May 24, 2005	AAA	B

At December 31, 2010 the following notes were issued and listed on Euronext:

Notes	ISIN	Issued	S&P* Rating at Issuance	S&P Rating at 12-31-10
EUR 480,000,000 Class A Limited Recourse Variable Coupon Credit-Linked Notes due 2011 (the "Series 04-01 Notes"):	XS0186244603	April 7, 2004	AAA	BB+
EUR 195,000,000 Class B Limited Recourse Variable Coupon Credit-Linked Notes 2004 due 2011 (the "Series 04-02 Notes"):	XS0186244785	April 7, 2004	AA	BB-
EUR 585,000,000 Limited Recourse Variable Coupon Credit-Linked and Inflation Linked Notes due 2011 (the "Series 04-03 Notes"):	XS0195331409	September 9, 2004	AAA	B+

(stated in Euro)

1. Incorporation and background information (continued)

Notes	ISIN	Issued	S&P* Rating at Issuance	S&P Rating at 12-31-10
EUR 470,000,000 Class A Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-01 Notes"):	XS0208884741	March 4, 2005	AAA	CCC-
EUR 80,000,000 Class B Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-02 Notes"):	XS0208870013	March 4, 2005	AA	CCC-
EUR 375,000,000 Limited Recourse Credit-Linked and 7-year Euro Swap Rate Linked Notes due 2012 (the "Series 05-03 Notes"):	XS0217347300	May 24, 2005	AAA	B

*****This rating reflects that assigned on the issuance date based among other factors on the credit quality of the reference portfolio at the time of issue.

The proceeds from the Note issues are placed into a deposit pursuant to the terms of a Guaranteed Investment Contract ("the GIC or Charged Asset") or equivalent instruments, entered into between the Company and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the "GIC Counterparty"). The GIC Counterparty pays the Company interest calculated at a predetermined rate of interest on the notional amount of funds standing to the credit of the GIC Account or an equivalent investment.

The amounts deposited pursuant to the GIC or equivalent instrument may be depleted by amounts withdrawn to meet Cash Settlement Amounts determined in accordance with the terms of the credit derivative transactions.

The Company has the capacity to issue new series of Notes for which the Charged Asset may be a financial instrument other than a Guaranteed Investment Contract or a Credit-Linked Deposit and the Charged Agreements may be agreements other than Credit Default Swaps.

1. Incorporation and background information (continued)

As referred to above, in order to gain exposure to a reference portfolio, the Company enters into a portfolio credit default swaps (the "CDSs or Swap Agreements") with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the "Swap Counterparty") in an amount equal to the notional amount of the Notes. Pursuant to the CDSs, the Company effectively sells to the Swap Counterparty protection on a reference portfolio. The ultimate repayment of principal of the Notes and returns on investment in the form of interest payments to the Noteholders are linked to the credit worthiness of the reference entities/obligations within the reference portfolio specified in the Swap Agreements. The occurrence of credit events in the reference portfolio may ultimately lead to a reduction in both the principal amount of the Notes and scheduled interest payments on the Notes. See note 4(a) for additional information regarding credit risk.

Although the secured creditors of each series of Notes are in general secured pursuant to a Supplemental Trust Deed to certain assets and rights of the Company including Charged Assets and Swap Agreements, the secured creditors of all series of Notes issued by the Company are also secured pursuant to the Master Trust Deed by a floating charge over the assets of the Company not otherwise charged by any other Charging Document.

Series 04-01 Notes and Series 04-02 Notes matured on April 7, 2011. The associated CDSs were terminated and associated investments in GICs redeemed. The Noteholders were repaid in full.

The administration of the Company is delegated to Maples FS Limited. The Company's registered office is located at Queensgate House, P.O. Box 1093, South Church Street, Grand Cayman KY1-1102, Cayman Islands. The operations of the Company are conducted primarily in Euro. The Company issues Notes denominated in Euro and applies the proceeds to Euro denominated investments. Consequently, the functional and presentation currency of the financial statements is Euro and not the local currency of the Cayman Islands.

2. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years, except for changes resulting from amendments to IFRSs.

Significant accounting policies and their effect on the financial statements are as follows:

(a) Basis of preparation

These financial statements are prepared on a liquidation basis of accounting where all assets are stated at their net recoverable amount. Fair value as described below is considered to represent the recoverable amount of the respective financial instruments as at December 31 2011. Financial liabilities not at fair value through profit or loss are stated at amortised cost, which is considered to approximate fair value.

The Notes, CDSs and GICs are scheduled to mature in 2012 and as a result management expects to liquidate the Company prior to December 31, 2012.

2. Significant accounting policies (continued)

(b) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of accounting policies, reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the year. Actual results could differ from those estimates. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year are discussed in note 9.

(c) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated to Euro at rates of exchange prevailing at the reporting dates. Issued share capital is translated to Euro using historical exchange rates. Income and expense items are translated at exchange rates prevailing on the transaction date. Exchange differences arising from such transactions are included in the statements of comprehensive income.

(d) Financial instruments

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise cash and cash equivalents, investments and interest receivable.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise limited recourse notes, derivative financial instruments and interest payable on limited recourse notes.

The Company classifies all derivative financial instruments and limited recourse notes as financial liabilities at fair value through profit or loss at inception.

The Company classifies its investments as loans and receivables.

(ii) Recognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognized in the statements of comprehensive income. Financial assets and financial liabilities not at fair value through profit or loss are measured initially at fair value plus transactions costs that are directly attributable to its acquisition or issue.

Financial assets classified as loans and receivables are measured at amortised cost less impairment losses, if any.

Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value. Realised and unrealised gains and losses arising from a change in the fair value of the financial instruments at fair value through profit or loss are recognised in the statements of comprehensive income.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost.

(iv) Fair value measurement principles

As at December 31, 2011 and 2010, the fair value of the Notes was determined directly, in full or in part, by reference to published price quotations.

The Notes are limited recourse hybrid instruments comprising a host debt instrument and embedded derivatives, whereby the cash flows on the Notes are replicated by the cash flows on the CDSs and the GICs.

Standard pricing models are not available for such CDSs, a component of the CDO squared market; in addition an active secondary market does not exist for these CDSs. As such, the fair value of the CDSs was estimated by management as a difference between the fair values of the Notes and the GICs.

(v) Specific instruments

Cash and cash equivalents

Cash and cash equivalents include balances held on a current account which is considered to be highly liquid with maturities of three months or less.

Investments

Investments comprise deposits in the form of GICs, classified as loans and receivables.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

(v) Specific instruments (continued)

Derivative financial instruments

As part of the Company's investment objective which includes gaining an exposure to credit risks on reference portfolios (note 4), the Company enters into CDSs, which are recognised in the statements of financial position at fair value. At December 31, 2011 and 2010, there were no derivatives that qualified for hedge accounting.

Limited recourse notes

The Notes are recognised at fair value in the statements of financial position.

(e) Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire, are transferred or are surrendered.

A financial liability, including derivatives, is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(f) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(g) Impairment

Financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. Given the specific nature of the Company's principal activities, objective evidence of impairment would typically comprise the occurrence of one or more credit events which would lead to a reduction of the carrying value of the GICs. Such credit events are recognised in the financial statements as the Cash Settlement Amounts if (i) a credit event notice is delivered to the Company by the Determination Agent; and (ii) an estimated loss arising from a credit event is higher than various threshold amounts.

(h) Interest income and expense

Interest income and expense is recognised in the statements of comprehensive income as it accrues.

2. Significant accounting policies (continued)

(i) New accounting pronouncements

Relevant standards and amendments issued prior to December 31, 2011 but not effective until future periods:

IFRS 9, "*Financial Instruments*", effective for annual periods beginning on or after 1 January 2015, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the company's's financial position or performance, as it is expected that the Company will continue to classify its financial assets and financial liabilities (both long and short) as being at fair value through profit or loss.

IFRS 13, *"Fair value measurement",* effective for annual periods beginning on or after 1 January 2013, improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. The standard is not expected to have any impact on the Company's financial position or performance.

3. Cash and cash equivalents

Current account balances amounting to €3,998 (2010: €3,870) are held at Queensgate Bank & Trust Co Ltd. (Cayman Islands).

4. Financial instruments and associated risks

The Company's investment activities expose the Noteholders to various types of risk that are associated with the financial instruments and markets in which it invests. The most significant types of financial risk to which the Company is typically exposed include credit risk, liquidity risk and market risk. Market risk includes interest rate risk and foreign exchange risk. The nature and extent of the financial instruments outstanding at the reporting dates and the risk management policies employed by the Company are discussed below:

(a) Credit risk

The most significant risk to the Company and the Noteholders is credit risk. Noteholders are exposed to the credit risk of the reference portfolios specified in each CDS.

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

The Series 04-01 Notes and the Series 04-02 Notes represent two classes of one Note issue. Both classes have the same structure and consist of two components. With respect to the principal component, repayment of principal for each Class is linked to the performance of a pool of 21 AAA ABS, 5 AA ABS and 8 AA-equivalent synthetic CDOs via principal CDSs. With respect to the coupon component, coupon payments are linked to the performance of the equity piece of the 8 synthetic CDOs via 8 coupon CDSs.

Each of the 8 synthetic CDOs in principle generates 12.5% of the total coupon on the Series 04-01 and the Series 04-02 Notes. The underlying portfolio of each synthetic CDO consists of 140 reference entities. If a credit event occurs with respect to a reference entity in the portfolio of a synthetic CDO, the loss depends on the recovery rate of the relevant reference entity. The yield and principal repayment on the Notes is dependent on the number of credit events in the portfolios of the 8 synthetic CDOs and on the development of the base interest rates during the life of the Notes.

The Series 04-03 Notes consist only of principal component. The repayment of principal is linked to the performance of a pool of 25 AAA ABS and 6 AA-equivalent synthetic CDOs via principal CDSs. The coupon on the Series 04-03 Notes is paid on the outstanding principal amount of the Notes.

The Series 05-01 and the Series 05-02 Notes represent two classes of a Note issue. Both classes have the same structure. Repayment of principal for each class is linked to the performance of a reference portfolio of 30 AAA ABSs and 10 AA-equivalent synthetic CDOs via principal CDSs. Each synthetic CDO comprises 80 corporate names selected from a pool of 250 individual corporate names (“virtual CDOs”). The principal will be paid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined thresholds of 6.00% for the Class A Notes and 3.25% for the Class B Notes.

The repayment of the Series 05-03 Notes’ principal is linked to the performance of a reference portfolio of 30 AAA ABSs and 10 AA-equivalent synthetic CDOs via principal CDSs. The principal will be paid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined thresholds, which has been set at 6.00%.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

As at December 31, 2011 and 2010, the principal amounts outstanding and scheduled interest payments for the Company's Notes are exposed to the credit risk associated with the asset classes within the reference portfolios referenced to in the underlying CDS contracts. To appreciate the level of credit risk associated with the relevant CDS contracts, it is necessary to consider various factors including the notional amounts, reference portfolio sizes, potential for correlated credit events within reference portfolios, actual degrees of overlap and threshold amounts (subordination of the synthetic CDOs).

The principal CDSs entered into between the Company and the Swap Counterparty expose the principal repayment on the Company's Notes to the following credit risk limits:

December 31, 2011:

Notes	Protection Asset Class	Rating of Asset Class at Inception	EUR Loss Amount per Reference Obligation	EUR Protection Asset Class Initial Tranche Notional Amount	CDS EUR Notional Amount	CDS EUR Threshold Amount	EUR CDS Reference Portfolio Size
Series 05-01	75% ABSs	AAA	1)	587,500,000	470,000,000	1,410,000,000	23,500,000,000
	25% CDOs	AA	2)	587,500,000			
Series 05-02	75% ABSs	AAA	1)	100,000,000	80,000,000	130,000,000	4,000,000,000
	25% CDOs	AA	2)	100,000,000			
Series 05-03	75% ABSs	AAA	1)	468,750,000	375,000,000	1,125,000,000	18,750,000,000
	25% CDOs	AA	2)	468,750,000			

(stated in Euro)

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

December 31, 2010:

Notes	Protection Asset Class	Rating of Asset Class at Inception	EUR Loss Amount per Reference Obligation	EUR Protection Asset Class Initial Tranche Notional Amount	CDS EUR Notional Amount	CDS EUR Threshold Amount	EUR CDS Reference Portfolio Size
Series 04-01	63% ABSs	AAA	1)	720,000,000	480,000,000	2,040,000,000	24,000,000,000
	13% ABSs	AA	1)	720,000,000	3)		
	24% CDOs	AA	2)	720,000,000			
Series 04-02	63% ABSs	AAA	1)	292,500,000	195,000,000	438,750,000	9,750,000,000
	13% ABSs	AA	1)	292,500,000	3)		
	24% CDOs	AA	2)	292,500,000			
Series 04-03	80% ABSs	AAA	93,600,000	936,000,000	585,000,000	1,755,000,000	29,250,000,000
	20% CDOs	AA	2)	974,025,000			
Series 05-01	75% ABSs	AAA	1)	587,500,000	470,000,000	1,410,000,000	23,500,000,000
	25% CDOs	AA	2)	587,500,000			
Series 05-02	75% ABSs	AAA	1)	100,000,000	80,000,000	130,000,000	4,000,000,000
	25% CDOs	AA	2)	100,000,000			
Series 05-03	75% ABSs	AAA	1)	468,750,000	375,000,000	1,125,000,000	18,750,000,000
	25% CDOs	AA	2)	468,750,000			

1) (1 – Actual Recovery Rate) * "Reference Obligation Notional Amount"

2) (1 – Actual Recovery Rate) * "Reference Entity Notional Amount"* "Actual Degree of Overlap".

3) For Series 04-01, one AA rated ABS has a notional amount of €240,000,000. For Series 04-02, one AA rated ABS has a notional amount of €97,500,000.

Note: "Reference Obligation Notional Amount" refers to the notional amount of the ABS reference obligation subject to a credit event.

Note: "Reference Entity Notional Amount" refers to the notional amount of the reference entity in the synthetic CDO subject to a credit event.

Note: "Actual Degree of Overlap" refers to, on average, the amount of times a reference entity may appear within each of the synthetic CDOs within the reference portfolio.

Note: "Rating of Asset Class" applies to investment grade of securities within the reference portfolios at the purchase date of the CDS which coincides with the issue date of the relevant Notes. This investment grade may not be retained for the duration of the CDS contract.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

The synthetic CDOs contained within each of the reference portfolios referred to above present the following credit risk limits which impact upon the principal repayment of the Company's Notes:

December 31, 2011:

Notes	Protection Asset Class	EUR Initial Tranche Notional Amount*	EUR Reference Portfolio Size*	EUR Notional Amount of each Reference Entity in each Synthetic CDO	EUR Threshold Amount*
Series 05-01	10 Synthetic CDOs	587,500,000	29,375,000,000	367,187,500	1,894,687,500
Series 05-02	10 Synthetic CDOs	100,000,000	5,000,000,000	62,500,000	322,500,000
Series 05-03	10 Synthetic CDOs	468,750,000	23,437,500,000	292,968,750	1,675,781,250

December 31, 2010:

Notes	Protection Asset Class	EUR Initial Tranche Notional Amount*	EUR Reference Portfolio Size*	EUR Notional Amount of each Reference Entity in each Synthetic CDO	EUR Threshold Amount*
Series 04-01	8 Synthetic CDOs	720,000,000	72,000,000,000	514,285,714	5,040,000,000
Series 04-02	8 Synthetic CDOs	292,500,000	29,250,000,000	208,928,571	2,047,500,000
Series 04-03	6 Synthetic CDOs	974,025,000	97,402,500,000	1,217,531,250	Various
Series 05-01	10 Synthetic CDOs	587,500,000	29,375,000,000	367,187,500	1,894,687,500
Series 05-02	10 Synthetic CDOs	100,000,000	5,000,000,000	62,500,000	322,500,000
Series 05-03	10 Synthetic CDOs	468,750,000	23,437,500,000	292,968,750	1,675,781,250

* Amount per synthetic CDO
Note: The loss amount per reference entity is determined by applying the following formula: (1-Actual Recovery Rate) * "Reference Entity Notional Amount" * "Actual Degree of Overlap.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

The principal will be repaid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined threshold limits. Unlike other reference obligations/protection asset classes, losses arising as a result of credit events impacting reference entities within the synthetic CDOs, will not impact upon the threshold capacity of the CDS as a whole unless such losses breach the threshold limits specific to the relevant synthetic CDOs.

Taking into account historical data, average recovery rates, threshold limits set and an estimated degree of overlap (number of times on average reference entity is included in more than one synthetic CDO), at the time of issue, S&P provide a rating for the Notes. The rating is based ultimately on the estimated number of credit events that the reference portfolio can absorb prior to a principal reduction for the Notes, a measure of credit risk associated with each series of Notes.

The coupon CDSs entered into between the Company and Swap Counterparty expose scheduled interest payments on the Company's Notes to the following credit risk limits as at December 31, 2010:

Notes [1]	Protection Asset Class	Rating of Asset Class	EUR Loss Amount per Reference Obligation	EUR Protection Asset Class Initial Tranche Notional Amount	EUR CDS Notional Amount	EUR CDS Threshold Amount	EUR CDS Reference Portfolio Size
Series 04-01	100% CDOs	AA [3]	(2)	60,000,000	480,000,000	Nil	16,000,000,000
Series 04-02	100% CDOs	AA [3]	(2)	24,375,000	195,000,000	Nil	6,500,000,000

1) The coupon component of the Notes is not rated.

2) (1 – Actual Recovery Rate) * "Reference Entity Notional Amount"* "Actual Degree of Overlap".

3) "Rating of Asset Class" applies to investment grade of securities within the reference portfolios at the purchase date of the CDS which coincides with the issue date of the relevant Notes. This investment grade may not be retained for the duration of the CDS.

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

The interest payments will be depleted by any credit events in the reference portfolio of the coupon CDSs. Unlike the principal CDSs, there is no threshold limit for the coupon CDSs, to in effect absorb a layer of losses arising from such credit events.

As referred to in note 1, the Series 04-01 and 04-02 Notes matured on April 7, 2011 along with the associated CDSs and GICs. As at December 31, 2011 there are no coupon CDSs associated with the corresponding Notes that remain in issue at this time.

Credit Events and Concentration risk

The Noteholders are at risk that payments on the Notes could be adversely affected by credit events in the reference portfolios. This probability is likely to be increased to the extent that the reference entities are concentrated in any one industry, region or country which provides an increased potential for correlated credit events in respect of a single entity or within single industry, region or country as a result of a downturn.

As referred to in detail in the respective Information Memorandums, a credit event applicable to one reference entity may impact more than one synthetic CDO given a degree of overlap i.e. reference entities may be included in more than one of the synthetic CDO portfolios. The Information Memorandums for each Note series contain estimates of the number of credit events the synthetic CDO portfolios could withstand and the reference portfolios in their entity before principal and/or coupon payments are reduced to zero. Such estimates are based on the "Actual Degree of Overlap", investment grade of reference entities at the date of the Note issuance, average recovery rates and historical data all of which are referred to in additional detail in the Information Memorandums.

The Company is required, subject to a specific threshold amount specified in the principal CDS contracts to compensate the Swap Counterparty for certain credit events occurring in the reference portfolios. These events usually include a failure to pay principal; a failure to pay interest; restructuring of the reference obligation issuer; bankruptcy of the reference obligation issuer, principal write down and in the case of reference obligations comprising CDSs, a notional write down. Credit events will create a loss that will be determined in each case by the Determination Agent (also the Swap Counterparty). The loss will be the difference by which the par value of the reference entity or obligation exceeds its recoverable value or a contractually agreed Loss Amount.

Contrary to the principal CDSs, whereby a credit event leads to a Cash Settlement Amount paid to the Swap Counterparty, and ultimately a reduction in principal value of the Notes and GIC, a credit event as defined by the coupon CDSs ultimately leads to a reduction and possibly elimination of the interest payment due for payment to Noteholders on scheduled interest payment dates.

4. Financial instruments and associated risks (continued)

(a) Credit risk (continued)

Credit Events and Concentration risk (continued)

Effecting all Note series is a number of credit events in the principal CDS reference portfolios that took place throughout years ended December 31, 2011 and 2010. Although the threshold amount specified as in note 4 (a) for each series was not reached and the full notional value of the Notes and GICs remained outstanding at December 31, 2011, it is possible that further credit events in the principal CDS reference portfolios, if any, could result in the threshold being reached resulting in a Cash Settlement Amount being paid to the Swap Counterparty, and ultimately a reduction in the notional of the Notes and GICs.

Counterparty risk

The Company enters into substantially all of its GIC and CDS contracts with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., the primary counterparty to the Company's transactions. The Company is subject to counterparty credit risk to the extent that this institution may be unable to fulfil its obligations either to return the Company's securities or repay amounts owed. The Company does not anticipate any material losses as a result of this concentration. Both the CDS and the GICs contain provisions providing for, amongst other remedies, the replacement of Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. as the Swap Counterparty if, its short-term issuer credit rating by S&P falls below A-1+.

(b) Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or commodity prices will make an instrument less valuable or more onerous.

Although the majority of the Company's financial assets and liabilities are interest bearing, this risk is minimised by the nearly perfect match (in terms of nominal/notional value, interest amounts and maturity) between the interest bearing assets and liabilities.

At December 31, 2011 and 2010, the Company is not exposed to any significant interest rate risk arising from exposure to an open interest rate gap position and mismatch of fixed and floating interest rate bearing assets and liabilities.

At December 31, 2011 and 2010, the Company is not exposed to any significant foreign currency risk arising from exposure to fluctuations in foreign exchange rates.

4. Financial instruments and associated risks (continued)

(c) Liquidity risk

As at December 31, 2011 and 2010 there was a relatively liquid secondary market for the Notes. However, there can be no assurance that a secondary market for any of the Notes will provide the holders of the Notes with liquidity or that it will continue for the entire life of the Notes. This may leave Noteholders with an illiquid investment. The Noteholder may not be able to realise its anticipated yield. Illiquidity can have an adverse effect on the market value of the Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until final redemption or maturity of the Notes.

(d) Specific instruments

(i) Guaranteed investment contracts

Pursuant to the terms of the GICs between the Company and the GIC Counterparty, the Company deposits the proceeds received from the issue of the Notes with the GIC Counterparty. The amount deposited is held in a segregated account ("the GIC Account") with the GIC Counterparty.

The GIC Counterparty is obliged to pay the Company interest calculated at a predetermined rate of interest on the nominal amount of funds standing to the credit of the GIC Account, such interest to be paid on each interest payment date to and including the scheduled maturity date. If the scheduled maturity date is extended, the interest will be paid in accordance with certain provisions contained in the GIC contract. On the maturity date, the GIC Counterparty is obliged to repay any deposited funds standing to the credit of the GIC Account back to the Company.

The GICs contain provisions whereby, in the event that there has been a credit event under the CDSs amounts standing to the credit of the GIC Account may be withdrawn to pay any Cash Settlement Amounts payable to the Swap Counterparty in accordance with the terms of the CDSs.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(i) Guaranteed investment contracts (continued)

The principal amount repaid at maturity of the GIC depends on the extent the GIC account may have been depleted by the value of Cash Settlement Amounts due on the CDSs.

The following is a summary of the GIC investments:

December 31, 2011

GIC	Maturity	Rate	Principal Value at Inception	Principal Value at Year End
Series 05-01 Notes	05/03/2012	3M Euribor-7bsp	470,000,000	470,000,000
Series 05-02 Notes	05/03/2012	3M Euribor-7bsp	80,000,000	80,000,000
Series 05-03 Notes	07/05/2012	3M Euribor-7bsp	375,000,000	375,000,000
		€	925,000,000	925,000,000

December 31, 2010

GIC	Maturity	Rate	Principal Value at Inception	Principal Value at Year End
Series 04-01 Notes	07/04/2011	3M Euribor-7bsp	480,000,000	480,000,000
Series 04-02 Notes	07/04/2011	3M Euribor-7bsp	195,000,000	195,000,000
Series 04-03 Notes	09/09/2011	3M Euribor-7bsp	585,000,000	585,000,000
Series 05-01 Notes	05/03/2012	3M Euribor-7bsp	470,000,000	470,000,000
Series 05-02 Notes	05/03/2012	3M Euribor-7bsp	80,000,000	80,000,000
Series 05-03 Notes	07/05/2012	3M Euribor-7bsp	375,000,000	375,000,000
		€	2,185,000,000	2,185,000,000

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(ii) Derivative financial instruments

The income streams in the form of interest earned on the GICs and CDS premiums received from the Swap Counterparty has been structured in such a way to ensure that such income streams cover/compensate for the scheduled interest payments on the Notes and CDS expense payments due to the Swap Counterparty.

The following is a summary of the CDS derivative financial instruments as at December 31, 2011 and 2010:

CDS	Maturity	Type of CDS	Initial CDS Notional	2011 Fair Value	2010 Fair Value
Series 04-01 Notes	1 to 5 years	Principal/Coupon	480,000,000	-	(28,217,840)
Series 04-02 Notes	1 to 5 years	Principal/Coupon	195,000,000	-	(11,061,797)
Series 04-03 Notes	1 to 5 years	Principal	585,000,000	-	27,776,889
Series 05-01 Notes	1 to 5 years	Principal	470,000,000	(15,817,104)	(102,595,308)
Series 05-02 Notes	1 to 5 years	Principal	80,000,000	(3,635,682)	(18,436,747)
Series 05-03 Notes	1 to 5 years	Principal	375,000,000	(7,458,644)	(48,281,625)
		€	2,185,000,000	(26,911,430)	(180,816,428)

<u>Principal credit default swaps</u>

The following is a summary of the principal CDS terms for each of the Notes for which the Company acts as a credit protection seller and basis for payments made by the Company to the Swap Counterparty as at December 31, 2011 and 2010:

December 31, 2011

Principal CDS	EUR CDS Initial Payment	EUR CDS Initial Notional	EUR CDS Threshold Amount	EUR Maximum Loss Amount	EUR CDS Reference Portfolio Size	Basis for Quarterly Payments
Series 05-01	2,350,000	470,000,000	1,410,000,000	1,880,000,000	23,500,000,000	3MEuribor – 0.07%
Series 05-02	400,000	80,000,000	130,000,000	210,000,000	4,000,000,000	3MEuribor – 0.07%
Series 05-03	0	375,000,000	1,125,000,000	1,500,000,000	18,750,000,000	3MEuribor – 0.07%

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(ii) Derivative financial instruments (continued)

Principal credit default swaps (continued)

December 31, 2010

Principal CDS	EUR CDS Initial Payment	EUR CDS Initial Notional	EUR CDS Threshold Amount	EUR Maximum Loss Amount	EUR CDS Reference Portfolio Size	Basis for Quarterly Payments
Series 04-01	9,600,000	480,000,000	2,040,000,000	2,520,000,000	24,000,000,000	3MEuribor – 0.07%
Series 04-02	3,900,000	195,000,000	438,750,000	633,750,000	9,750,000,000	3MEuribor – 0.07%
Series 04-03	0	585,000,000	1,755,000,000	2,340,000,000	29,250,000,000	3MEuribor – 0.07%
Series 05-01	2,350,000	470,000,000	1,410,000,000	1,880,000,000	23,500,000,000	3MEuribor – 0.07%
Series 05-02	400,000	80,000,000	130,000,000	210,000,000	4,000,000,000	3MEuribor – 0.07%
Series 05-03	0	375,000,000	1,125,000,000	1,500,000,000	18,750,000,000	3MEuribor – 0.07%

In addition to the scheduled quarterly payments, the Company is obliged to pay the Swap Counterparty, subject to the relevant threshold limits, a Cash Settlement Amount upon the occurrence of a credit event provided that the conditions of settlement have been satisfied under the terms of each respective CDS contract.

Basis for payments made by the Swap Counterparty to the Company and interest payments on the Notes as at December 31, 2011 and 2010:

Notes	Fixed Interest or Margin rate	Frequency of interest Payments	Base Rate	Inflation Rate
Series 04-01 (1)	2.9%	Quarterly	3M Euribor	n/a
Series 04-02 (1)	3.15%	Quarterly	3M Euribor	n/a
Series 04-03 (2)	3%	Annually	n/a	HICP ex Tobacco
Series 05-01 (3)	n/a	Quarterly	CMS7	n/a
Series 05-02 (4)	0.2%	Quarterly	CMS7	n/a
Series 05-03 (3)	n/a	Quarterly	CMS7	n/a

(1) As referred to in note 4(a) and 4(d), the scheduled interest payments are subject to the credit risk associated with the relevant reference portfolios as indicated in the respective coupon CDSs.

(2) Interest payments are based on a fixed annualised rate of 3% subject to an inflation margin based on the performance of the Harmonised Index of Consumer Prices (HICP) excluding Tobacco.

(3) Interest payments are linked to the movement of the 7-year Euro Swap Rate. Payments made are the higher of (a) the 7-year Euro Swap Rate and (b) 4% per annum, subject to a maximum of 9%.

(4) Interest payments are linked to the movement of the 7-year Euro Swap Rate. Payments made are the higher of (a) the seven-year Euro Swap Rate, plus 0.2% and (b) 4.25% per annum, subject to a maximum of 9.25% per annum.

(stated in Euro)

4. Financial instruments and associated risks (continued)

(d) Specific instruments (continued)

(ii) Derivative financial instruments (continued)

Coupon credit default swaps

Series 04-01 and 04-02 Notes matured during the year and the notes were repaid in full.

As at December 31, 2010, eighteen credit events occurred in Series 04-01 and 04-02, resulting in a coupon reduction. As defined in the particular coupon CDS contracts, the Company is not required to pay a loss amount to the Swap Counterparty following the occurrence of a credit event. The coupon CDS terms relate solely to the calculation of coupon amounts (reductions in the coupon CDS Notional Amounts) payable by the Swap Counterparty. Under no circumstances will any Cash Settlement Amounts be payable pursuant to the terms of the coupon CDSs.

Basis for reductions in the calculated coupon amounts as at December 31, 2010:

Coupon CDS	EUR Coupon CDS Initial Notional	EUR Coupon CDS Threshold Amount	EUR Reference Entity Loss Amount	EUR Reference Entity Notional Amount	EUR Coupon CDS Credit Protection Amount
Series 04-01 Notes	480,000,000	0	[1)]	14,285,714	16,000,000,000
Series 04-02 Notes	195,000,000	0	[1)]	5,803,571	6,500,000,000

[1)] (1- Actual Recovery Rate) * “Reference Entity Notional Amount” * “Actual Degree of Overlap”

Basis for payments made by the Swap Counterparty to the Company as at December 31, 2010:

Coupon CDS	Coupon CDS Rate	Coupon CDS Initial Notional	Coupon CDS Remaining Notional	Frequency of Payments	Base Rate Interest	Day Count Basis
Series 04-01 Notes	2.9%	480,000,000	0	Quarterly	3M Euribor	Act/360
Series 04-02 Notes	3.15%	195,000,000	0	Quarterly	3M Euribor	Act/360

As at December 31, 2010, the coupon rate was reduced to 0% of the initial coupon CDS rate as a result of credit events in the reference portfolio.

(stated in Euro)

5. Limited recourse notes

At December 31, 2011 and 2010, the carrying value of the Notes comprised:

Notes	Maturity	Principal	Premium	Fair value of the Notes 2011	Fair value of the Notes 2010
Series 04-01	7/4/2011	480,000,000	9,600,000	-	452,362,865
Series 04-02	7/4/2011	195,000,000	3,900,000	-	184,170,060
Series 04-03	8/9/2011	585,000,000	0	-	606,961,730
Series 05-01	5/3/2012	470,000,000	2,350,000	453,340,039	366,338,143
Series 05-02	5/3/2012	80,000,000	400,000	76,206,568	61,359,841
Series 05-03	7/5/2012	375,000,000	0	366,202,557	324,986,951
		€ 2,185,000,000	16,250,000	895,749,164	1,996,179,590

Principal of the Notes

The amount of principal that Noteholders shall receive on the maturity date depends in part on whether credit events have occurred in relation to the relevant reference portfolios (note 4(a)). The Notes are not principal protected and investors in the Notes may lose, in part or in whole, amounts invested in the Notes as the result of a credit event occurring with respect to one or more reference entities or obligations within a specified reference portfolio. The principal will be repaid in full as long as the aggregate losses as a result of credit events in the reference portfolio remain below the pre-determined threshold. If cumulative losses in the reference portfolio exceed the threshold of the Notes, repayment will be partial or even zero.

See note 4(a) for further detail regarding the credit risk impacting each series of Notes via the relevant principal CDS contracts.

During the year ended December 31, 2011 and 2010, no credit events in excess of the threshold amount occurred in the reference portfolios relevant to the principal CDSs. As a result 100% of the principal value of the Notes remained outstanding at December 31, 2011 and 2010.

The Company invested the principal proceeds from the Notes into the GIC. Any premium received over par on the issue of specific Note series was paid to the Swap Counterparty as premium for entrance into specific CDSs.

The net loss on limited recourse notes of (€159,569,574) (2010: (€406,833,456)) and the fair value of the Notes of € 895,749,164 (2010: €1,996,179,590) were estimated using the valuation technique discussed in note 9.

Unless previously redeemed or purchased and cancelled earlier, the Company is obliged to redeem the Notes on the scheduled maturity date.

5. Limited recourse notes (continued)

Limited recourse

(a) All payments to be made by the Company in respect of the Notes and the Swap Agreements will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Company in respect of the Charged Assets.

(b) To the extent that such sums are less than the amount which the holders of the Notes and the Swap Counterparty may have expected to receive if paragraph (a) above did not apply (the difference being referred to as a shortfall), such shortfall will be borne by the holders of the Notes and by the Swap Counterparty in accordance with the conditions of the Notes.

(c) Each holder of the Notes, by subscribing for or purchasing such Notes, is deemed to accept and acknowledge that it is fully aware that:

(i) the holders of the Notes can look solely to the sums referred to in paragraph (a), as applied in accordance with paragraph (b) above, (the relevant sums) for payments to be made by the Company in respect of the Notes and the other assets (if any) of the Company will not be available after payments of the relevant sums;
(ii) the obligations of the Company to make payments in respect of the Notes will be limited to the relevant sums and the holders of the Notes and coupons and the Swap Counterparty shall have no further recourse to the Company in respect of the Notes;
(iii) any right of the holders of the Notes to claim payment of any amount exceeding the relevant sums shall be automatically extinguished; and
(iv) the holders of the Notes shall not be able to petition for the winding up of the Company as a consequence of any such shortfall.

Security

Pursuant to a Master Trust Deed Dated December 18, 1998, as amended from time to time, between the issuers named therein and Deutsche Trustee Company Limited (the “Trustee”) to which the Company acceded pursuant to a Deed of Adherence dated April 2, 2004, and the relevant Supplemental Trust Deeds specific to each series of Notes, the Company has created security interests in favor of the Trustee for its secured creditors. In addition to security in the form of assignment of all of the Company’s rights, title and interest to specific Charged Assets and Swap Agreements, the secured creditors are secured pursuant to a floating charge over the assets of the Company not otherwise charged.

Interest on the Notes

The interest payments on the Notes equal to the payments made by the Swap Counterparty under the credit default swap agreements as stated in note 4(d)(ii).

(stated in Euro)

6. Net gain on financial instruments

		2011	2010
Net gain on derivative financial instruments:			
Net movement in unrealised gain		153,904,998	406,769,284
CDS income received		57,248,991	59,265,656
CDS expense paid		(19,570,710)	(14,681,834)
		191,583,279	451,353,106
Net loss on limited recourse notes:			
Net realised and movement in unrealised loss		(159,569,574)	(406,833,456)
	€	32,013,705	44,519,650

7. Related party balances and transactions

The following transactions and balances with related parties are disclosed below:

		2011	2010
Statements of financial position:			
Investments		925,000,000	2,185,000,000
Interest receivable		1,446,858	2,251,128
Derivative financial instruments		(26,911,430)	(180,816,428)
Statements of comprehensive income:			
Interest income		18,766,440	14,312,250
Net gain on derivative financial instruments	€	191,583,279	451,353,106

All related party transactions are with the affiliates of Rabobank International, London branch acting as the Programme Sponsor, Swap Counterparty and the GIC counterparty.

The Company entered into an Expenses Agreement dated February 10, 2004 with Rabobank International, London branch, whereby any and all expenses incurred by the Company, including fees paid to the Directors, are assumed by Rabobank International, London branch.

(stated in Euro)

7. Related party balances and transactions (continued)

Rabobank International held the following investments in the Notes issued by the Company at December 31, 2011 and 2010:

Notes		Principal	2011	2010
Series 04-01		480,000,000	-	185,096,000
Series 04-02		195,000,000	-	44,087,000
Series 04-03		585,000,000	-	447,606,000
Series 05-01		470,000,000	339,367,000	312,636,000
Series 05-02		80,000,000	41,028,000	34,099,000
Series 05-03		375,000,000	228,325,000	213,657,000
	€	2,185,000,000	608,720,000	1,237,181,000

8. Share capital

		2011	2010
Authorised 50,000 shares of US$1 each	US$	50,000	50,000
Allotted, called up and fully paid: 1,000 shares	€	815	815

9. Fair value information

For certain of the Company’s financial instruments not carried at fair value including cash and cash equivalents, interest receivable and interest payable on limited recourse notes, the carrying amount approximates fair value due to the immediate or short term nature of these financial instruments. In the absence of credit events in the principle CDS reference portfolios reaching a pre-determined threshold, the amortised cost of investments approximates fair value. The carrying amounts of all the Company’s financial assets and financial liabilities at the reporting dates approximated their fair values.

The major methods and assumptions used in estimating the fair values of financial instruments are disclosed in note 2(d)(iv).

(stated in Euro)

9. Fair value information (continued)

As at December 31, 2011, the carrying amounts of limited recourse notes for which fair values were determined directly, in full or in part, by reference to published price quotations amounted to € 891,962,900 (2010: €1,996,179,590).

As at December 31, 2011, the carrying amounts of derivative financial liabilities for which fair values were determined using valuation techniques or were determined indirectly by reference to published price quotations amounted to € 30,697,694 (2010: €180,816,428).

At December 31, 2011 and 2010, the Notes and the CDSs are fair valued using valuation techniques discussed in note 2(d)(iv).

The following year end price quote estimates (quoted "clean") for the Notes were used in determining fair values for the Notes and consequently the CDSs:

Notes	Principal	Issue Price	2011 Price ("clean")	2011 Value of the Notes ("clean" price)	2010 Price ("clean")	2010 Value of the Notes ("clean" price)
Series 04-01	480,000,000	102.00%	N.A.	N.A.	94.24	452,362,865
Series 04-02	195,000,000	102.00%	N.A.	N.A.	94.45	184,170,060
Series 04-03	585,000,000	100.00%	N.A.	N.A.	103.75	606,961,730
Series 05-01	470,000,000	100.50%	96.46	453,340,039	77.94	366,338,143
Series 05-02	80,000,000	100.50%	95.26	76,206,568	76.70	61,359,841
Series 05-03	375,000,000	100.00%	97.65	366,202,557	86.66	324,986,951
€	2,185,000,000			895,749,164		1,996,179,590

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - quoted market prices (unadjusted) in active market for identical instrument

9. Fair value information (continued)

- Level 2 - valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at December 31, 2011 and December 31, 2010:

(stated in millions of Euro)	Level 1 €	Level 2 €	Level 3 €	Total €
December 31, 2011				
Derivative financial instruments-liability			(27)	(27)
Limited recourse notes		(896)		(896)
December 31, 2010				
Derivative financial instruments-liability	-	-	(181)	(181)
Limited recourse notes	-	(1,996)	-	(1,996)

There were no transfers during the year ended December 31, 2011, between Levels 1, 2 and 3 for Financial instruments.

9. Fair value information (continued)

The following table shows a reconciliation from the beginning balances to ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(Stated in millions of Euro)	**Derivative Financial instruments**
Balance at January 1, 2010	(588)
Movement in unrealised gain	407
Balance at December 31, 2010	(181)
Movement in unrealised gain	154
Balance at December 31, 2011	(27)

10. Taxation

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital taxes until 2024 should such taxes be enacted. Accordingly, no provision for income taxes is included in these financial statements.

11. Commitments and contingencies

Under the terms of an Amended and Restated Put Option Agreement dated February 28, 2003 entered into between, inter alios, and the Dealers named therein, to which the Company was added as an additional issuer in 2004, each Dealer has an option at any time to require the Company by notice to the Company to redeem Notes held by such Dealer. Upon receipt of any notice pursuant to the Put Option Agreement, the Company shall promptly, and in any event within three Business Days, give notice of such optional redemption to the Trustee, the Redemption Agent (if applicable), the Swap Counterparty (if any) and the Credit Support Provider (if any). The Redemption Agent shall, if applicable, as soon as reasonably practicable arrange for and administer the sale and/or, as the case may be, delivery of the Charged Assets. Upon any redemption pursuant to the Put Option Agreement, the Charged Agreements will be terminated and the security constituted by the Trust Deed and/or any Charging Document will be released against receipt by or to the order of the Trustee of such Charged Assets and/or the net proceeds of realization of any of such Charged Assets for application by or to the order of the Trustee.

(stated in Euro)

12. Subsequent events

Current improved market conditions have had a direct impact on structured products, resulting in changes in liquidity, prices and credit quality of such financial instruments. As a consequence, the credit ratings and market prices of the Notes issued by the Company have increased subsequent to year end.

Notes	S&P Rating April 24, 2012	Principal	Issue Price	Year End Revaluation Price (quoted "dirty")	Market quotes (Ask Prices) April 24, 2012 (quoted "dirty")
Series 05-01	N/A	470,000,000	100.5%	96.74%	N/A
Series 05-02	N/A	80,000,000	100.5%	95.56%	N/A
Series 05-03	BBB+	375,000,000	100.0%	98.24%	100.30%

Series 05-02 and 05-01 matured on March 5, 2012. The associated derivatives have been terminated and the associated investments have been redeemed and repaid to the noteholders in full.