Custom Markets Securities 2 Public Limited Company

Directors' report and audited financial statements

For the financial year ended 31 December 2018

Registered number 535011

Custom Markets Securities 2 Public Limited Company

Contents

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Directors and other information

Directors	Carmel Naughton (Irish) Bronagh Hardiman (Irish) Eimir McGrath (appointed as alternate director to Broanagh Hardiman on 26 February 2019 and resigned on 04 March 2019 John Paul Maguire (appointed as alternate director to Broonagh Hardiman on 12 June 2019 and resigned on 06 August 2019) Fergus O'Donnell (appointed as alternate director to Carmel Naughton on 06 August 2019)	
Registered Office	*(Effective as from 15 July 2018)* Block A Georges Quay Plaza Georges Quay Dublin 2 Ireland	*(Effective up to 14 July 2018)* Pinnacle 2 Eastpoint Business Park Dublin 3 Ireland
Administrator & Company Secretary	Vistra Alternative Investments (Ireland) Limited *(Effective as from 15 July 2018)* Block A Georges Quay Plaza Georges Quay Dublin 2 Ireland	Deutsche International Corporate Services (Ireland) Limited *(Effective up to 14 July 2018)* Pinnacle 2 Eastpoint Business Park Dublin 3 Ireland
Arranger & Calculating Agent	Credit Suisse International One Cabot Square London E14 4QJ United Kingdom	
Principal Paying Agent & Custodian	Citibank N.A., London Branch 21st Floor, Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom	
Trustee	Citicorp Trustee Company Limited Citigroup Centre 14th Floor, Canada Square Canary Wharf London E14 5LB United Kingdom	
Independent Auditor	Deloitte Ireland LLP Deloitte and Touche House Earlsfort Terrace Dublin 2 Ireland	
Solicitor	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland	
Banker	Allied Irish Bank p.l.c Bankcentre Ballsbridge Dublin 4 Ireland	

Directors' report

The directors present the annual report and audited financial statements of Custom Markets Securities 2 Public Limited Company (the "Company") for the financial year ended 31 December 2018.

Principal activities and business review

The Company is a public limited Company incorporated in Ireland on 06 November 2013, with registration number 535011. The Company has been established as a multi-issuance vehicle. The principal activity of the Company involves issuing debt securities that are backed by a segregated pool of collaterals.

The Company has established a EUR 5,000,000,000 Structured Programme (the "Programme") to issue notes and certificates (the "Notes") and/or other secured limited recourse indebtedness. Notes issued under the Programme will be issued in series (each a "Series") and the terms and conditions of the Notes of each Series will be set out in a prospectus for such Series. The terms and conditions of alternative investments (the "Alternative Investments") will be set out in a manner appropriate for that type of debt instrument.

The Company has been established to enter into structured finance transactions whereby it has established a Programme for the issuance of Notes arranged by Credit Suisse International (the "Arranger"), and approved by the Company's directors. The Company's activities are set out in the relevant legal documents, as approved by the Company's directors. Under the terms of the Note issuance Programme, the Company's directors have the authority to determine which transactions it enters into, as described in the prospectus, from those proposed for their review. The control of the Company remains with the board (the "Board") who takes all of the decisions. All the parties forming part of the Programme are listed on page 1 and agreements have been entered into with each of them.

The Company has entered into the issuance Programme to issue Notes in Series and the terms and conditions of the Notes of each Series are set out in an issue deed for such Series (each an "Issue Deed"). The terms and conditions of the investments are set out in a manner appropriate for that type of debt instrument.

Details of the Notes issued for each Series under the Programme are outlined in note 13 to the financial statements including the key terms. The related financial assets held under each Series are described in note 10 to the financial statements. A summary of the key risks regarding these financial instruments is outlined in note 20 to the financial statements.

Series 2014-02, 2017-02, 2018-01, 2018-02, 2018-03 and 2018-04 are listed on Vienna Stock Exchange and Series 2015-01 is listed on the Irish Stock Exchange (trading as "Euronext Dublin") (the "ISE"). Series 2017-03, 2017-04, are not listed.

As at the financial reporting date, the Company's financial liabilities designated at fair value through profit or loss were concentrated in Fund-linked Notes, Credit-linked Notes and pass-through Notes. Refer to note 13 for more details.

Key performance indicators

The Company is an SPV (a "Special Purpose Vehicle") and its principal activity is to issue Notes and make investments.

The directors confirm that the key performance indicators as disclosed below in the financial statements are those that are used to assess the performance of the Company.

During the financial year:

- the Company's net gain on financial liabilities amounted to EUR 1,180,419 (2017: EUR 2,395,787);
- the Company's net loss on financial assets amounted to EUR 1,091,638 (2017: EUR 2,395,787);
- the Company's net loss on option instruments amounted to EUR 88,781 (2017: EUR Nil);
- the following Series of Notes were issued:

2018-01	USD 150,700,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit
2018-02 Tranche 1A	USD 21,780,000 Class A Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio
2018-02 Tranche 1B	USD 29,920,000 Class B Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio
2018-03	USD 508,950,000 Yield Plus Notes linked to US Treasury Bills
2018-04	USD 148,600,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit

Directors' report (continued)

Key performance indicators (continued)

During the financial year: (continued)

- the structure performed in accordance with the parameters and conditions, including the option for early redemption of the Notes set out in the multi-issuance Programme and the performance is considered satisfactory.

As at 31 December 2018:

- the Company's total indebtedness was EUR 596,811,179 (2017: EUR 132,479,686);
- the net assets of the Company was EUR 38,100 (2017: EUR 38,100);
- the investments that the Company has in respect of each Series are included in note 10;
- the Company had the following Series of Notes in issue:

Series	**Description**	**Maturity date**	**CCY**	**Nominal**
Fund-linked Notes				
2017-02	Certificates linked to the Credit Suisse Alternative Access 2017 Portfolio	15-Aug-22	USD	127,090,000
2018-02 Tranche 1 A	Class A Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	21,780,000
2018-02 Tranche 1B	Class B Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	29,920,000
2018-03	Yield Plus Notes linked to US Treasury Bills	10-Dec-20	USD	508,950,000
Pass-through Notes				
2014-02*	"Nature Conservation" Notes linked to the Althelia Climate Fund and a Bond Basket	17-Jun-21	EUR	15,000,000
2015-01**	SAPIC-98 Master Fund Linked Notes	30-Nov-23	USD	80,000,000
2018-01***	Sukuk Certificates linked to Qatar Islamic Bank Deposit	29-Mar-19	USD	150,700,000
2018-04****	Sukuk Certificates linked to Qatar Islamic Bank Deposit	05-Dec-19	USD	148,600,000

Pass-through Notes

As at 31 December 2018, the guidance of IFRS 9 for appropriate treatment of pass-through transactions has been applied. IFRS 9 proposes three conditions that must be met for treating a contractual arrangement as a pass-through transaction:

- the entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. However, the entity is allowed to make short-term advances to the eventual recipient so long as it has the right of full recovery of the amount lent plus accrued interest;
- the entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- the entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, during the short settlement period, the entity is not entitled to reinvest such cash flows except for investments in cash or cash equivalents and where any interest earned from such investments is remitted to the eventual recipients.

***2014-02**

On 11 December 2014, the Company had issued Series 2014-02 EUR 15,000,000 "Nature Conservation" Notes linked to the Althelia Climate Fund and a Bond Basket due 17 June 2021 and the proceeds of the issuance have been used to invest in Althelia Climate Fund, the bond basket, cash Notes and auxiliary cash held with the Custodian. Any interest income received on the investment securities are transferred to the noteholders (the "Noteholders") as interest expense on the Notes. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2014-02 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to EUR 15,000,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2014. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2014.

As at 31 December 2018, the outstanding amount for the Notes issued was EUR 15,000,000 (31 December 2017: EUR 15,000,000).

Directors' report (continued)

Pass-through Notes (continued)

****2015-01**

On 30 April 2015, the Company had issued Series 2015-01 USD 80,000,000 SAPIC-98 Master Fund Linked Notes due 30 November 2023 and the proceeds of the issuance have been used to invest in USD Share Class V shares issued by the Fund and a cash component. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2015-01 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 80,000,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2015. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2015.

As at 31 December 2018, the outstanding amount for the Notes issued was USD 80,000,000 (31 December 2017: USD 80,000,000).

*****2018-01**

On 28 March 2018, the Company had issued Series 2018-01 USD 150,700,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit due 29 March 2019 and the proceeds of the issuance of Certificates have been used to enter into a mudarabah agreements with the Deposit Bank.

After considering the above conditions of IFRS 9, the directors concluded that Series 2018-01 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 150,700,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2018. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2018.

As at 31 December 2018, the outstanding amount for the Notes issued was USD 150,700,000 (31 December 2017: USD nil).

******2018-04**

On 05 December 2018, the Company had issued Series 2018-04 USD 148,600,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit due 05 December 2019 and the proceeds of the issuance of Certificates have been used to enter into a Mudarabah Agreements with the Deposit Bank.

After considering the above conditions of IFRS 9, the directors concluded that Series 2018-04 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 148,600,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2018. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2018.

As at 31 December 2018, the outstanding amount for the Notes issued was USD 148,600,000 (31 December 2017: USD nil).

*******2017-03**

On 14 September 2017, the Company had issued Series 2017-03 USD 14,000,000 Zero coupon Notes linked to EGP Denominated Egyptian Government Bond Collateral due 14 September 2018 and the proceeds of the issuance have been used to invest in Egyptian Treasury Bills due 2018 by the Arab Republic of Egypt. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2017-03 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions.

The Series' Notes matured during the financial year ending 31 December 2018 and the corresponding assets disposed of.

Future developments

The directors expect that the present level of activity will be sustained for the foreseeable future. The Board will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of Series of the Company. It is anticipated that while some Series will redeem or mature, it is also expected that new issuances will be made.

Going concern

The Company's financial statements for the financial year ended 31 December 2018 have been prepared on a going concern basis. Each asset is referenced with a specific Note, and any loss derived from the asset will ultimately be borne by the noteholders. The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due. The Notes in issue as at 31 December 2018 have maturities ranging from 2019 till 2023. For this reason, the directors believe that the going concern basis is appropriate.

Directors' report (continued)

Business risks and principal uncertainties

The Company is subject to various risks. The key risks facing the Company are set out in note 20 to the financial statements.

Results and dividends for the year

The results for the financial year are set out on page 14. The directors do not recommend the payment of a dividend for the financial year (2017: nil).

Change in directors, secretary and registered office during the financial year

Deutsche International Corporate Services (Ireland) Limited ("DICSIL") agreed to sell its corporate services business to Vistra Alternative Investments (Ireland) Limited ("VAIIL") pursuant to a business transfer agreement dated 14 September 2017. As part of the sale, the rights and obligations of DICSIL under the corporate services agreement entered into between the Company and DICSIL were novated to VAIIL pursuant to a Deed of Novation dated 15 July 2018. In connection with the novation, DICSIL resigned as secretary of the Company and VAIIL was appointed as the new secretary of the Company with effect from 15 July 2018. The registered office of the Company also changed from Pinnacle 2, Eastpoint Business Park, Clontarf, Dublin 3 to First Floor, 2 Block A, George's Quay Plaza, Georges Quay, Dublin 2 with effect from 15 July 2018.

On 26 February 2019, Eimir McGrath was appointed as alternate Director to Bronagh Hardiman and resigned on 04 March 2019. On 12 June 2019, John Paul Maguire was appointed as alternate Director to Bronagh Hardiman and resigned on 06 August 2019. On 06 August 2019, Fergus O'Donnell was appointed as alternate director to Carmel Naughton.

There have been no other changes in Directors, registered office or secretary during the financial year.

Directors, secretary and their interests

None of the directors or secretary who held office on 31 December 2018 held any shares in the Company at that date, or during the financial year. Except for the administration agreement entered into by the Company with DICSIL, there were no contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014 (the "Act") and Companies Accounting Act 2017, at any time during the financial year. During the financial year, no fees were paid to the directors for the services provided.

Shares and shareholders

The authorised share capital of the Company is EUR 100,000,000 divided into 100,000,000 shares of EUR 1 each (the "Shares") of which 38,100 are issued and unpaid. The issued shares are held in trust by Registered Shareholder Services No. 1 Company Limited by Guarantee holding 12,703 shares, Registered Shareholder Services No. 2 Company Limited by Guarantee holding 12,699 shares and Registered Shareholder Services No. 3 Company Limited by Guarantee holding 12,698 shares, (the "Share Trustees") under the terms of a declaration of trust (the "Declaration of Trust") under which the Share Trustees hold the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

Corporate Governance Statement

Introduction

The Company is subject to and complies with Irish Statute comprising of the Act and the Companies Accounting Act 2017, the Listing Rules of the ISE and Vienna Stock Exchange which are applicable to debt listed companies. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The board of directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing VAIIL (the "Administrator") to maintain the accounting records of the Company independently of Credit Suisse International (the "Arranger"), Citibank N.A, London Branch (the "Custodian") and Citicorp Trustee Company Limited (the "Trustee"). The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end, the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditor's performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Corporate Governance Statement (continued)

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. By appointing DICSIL, the Board ensures that processes are put in place to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements. More specifically:

- The Administrator has a review procedure in place to ensure errors and omissions in the financial statements are identified and corrected.
- Regular training on accounting rules and recommendations is provided to the accountants employed by the Administrator.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

The principal shareholders in the Company are Registered Shareholder Services No. 1 Company Limited by Guarantee holding 12,703 shares, Registered Shareholder Services No. 2 Company Limited by Guarantee holding 12,699 shares and Registered Shareholder Services No. 3 Company Limited by Guarantee holding 12,698 shares. Other than that, no person has a significant direct or indirect holding of securities in the Company nor any special rights of control over the Company's share capital.

The directors confirm that share trustees have entered into a share trust agreement whereby they have agreed not to exercise their voting rights.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, Irish Statute comprising the Act, the Companies Accounting Act 2017, the Listing Rules of the ISE and Vienna Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the directors. The directors have delegated the day to day administration of the Company to the Administrator.

Audit committee

As at the date of these financial statements, the Company is operating within the balance sheet and turnover threshold limits as set out under Section 167(1) of the Act, and as such the Company does not meet the requirements to establish an audit committee for the current financial year ending 31 December 2018. The sole business of the Company relates to the issuing of asset-backed securities.

Under Section 115 (10) of the European Union (Statutory Audits) (Directive 2006/43/ EC as amended by Directive 2014/ 56/ EU and Regulation (EU) No. 537/ 2014 Regulations 2016 ("S1 312/ 2016 – The EU Audit Directive"), such a Company may avail itself of an exemption from the requirements to establish an audit committee.

Given the contractual obligations of the administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under paragraph 10(c) of the Regulation 115 of the Regulations.

Accounting records

The measures that the directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Act with regard to the keeping of accounting records are to outsource this function to a specialised provider of such services. The accounting records of the Company are maintained at Block A, Georges Quay Plaza, Georges Quay, Dublin 2, Ireland.

Directors' report (continued)

Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 31 December 2018.

Subsequent events

Subsequent events have been disclosed in note 20 to the financial statements.

Independent auditor

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm were appointed as auditors on 18 November 2014 and have signified their willingness to continue in office in accordance with Section 383(2) of the Act and the Companies Accounting Act 2017.

Each director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

Directors' compliance statement

The directors confirm that:

- they acknowledge that they are responsible for securing the company's compliance with its relevant obligations and have, to the best of their knowledge, complied with its relevant obligations as defined in section 225 of the Act;
- they have drawn up a compliance policy statement setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the company with its relevant obligations;
- relevant arrangements and structures have been put in place that provide a reasonable assurance of compliance in all material respects by the Company with its relevant obligations, which arrangements and structures may, if the directors so decide, include reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations; and
- the arrangements and structures in place, are reviewed on an annual basis.

On behalf of the Board

Bronagh Hardiman	**Fergus O'Donnell**
Director	**(As alternate director to Carmel Naughton)**

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Act and the Companies Accounting Act 2017.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Act and the Companies Accounting Act 2017.

International Accounting Standard 1 'Presentation of Financial Statements', requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Act and the Companies Accounting Act 2017 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of Custom Markets Securities 2 Public Limited Company

Report on the audit of the financial statements

Opinion on the financial statements of Custom Markets Securities 2 Public Limited Company (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 3.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current financial year were the Valuation of Financial assets designated at fair value through profit or loss.
Materiality	The materiality that we used in the current financial year was 2% of Financial Liabilities designated at fair value through profit or loss.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.
Significant changes in our approach	There are no significant changes to our approach from prior year audits which we feel require disclosure.

Deloitte.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Financial assets designated at fair value through profit or loss	
Key audit matter description	For the financial year ended 31 December 2018 the financial assets designated at fair value through profit or loss of the company are €596.9 million. The valuation of such financial instruments is considered a key audit matter as they comprise significant numbers on the Statement of Financial Position and their valuation is also a key contributor to the financial performance of the debt securities issued to investors. The valuation has been identified as a significant risk of material misstatement, the risk being that they may not be valued correctly in accordance with the financial reporting framework. This is applicable both from the perspective of the valuation of these financial instruments in the Statement of Financial Position and the movement in fair value that is reported in the Statement of Comprehensive Income. Refer also to notes 5 and 10 in the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding and assessed the design and implementation of the key controls that have been implemented over the valuation process for financial assets designated at fair value through profit or loss. We challenged whether the valuation policy adopted for the financial assets is in line with IFRS 13, and agreed the Net Asset Value as recognised by management to independent Net Asset Value statements obtained independently from the administrators of the underlying funds. We also obtained the audited financial statements of the funds at the reporting date to gain further comfort over the Net Asset Value applied.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the company to be €11.9 million or 2% of Financial Liabilities designated at Fair Value through profit or loss. We have considered such Financial Liabilities issued to be the critical component for determining materiality because the main objective of the company is to provide investors with a long term risk adjusted return. We have considered quantitative and qualitative factors such as understanding the company and its environment, complexity of the company and the reliabity of control environment.

We agreed with the Board of Directors (the "Board") that we would report to the Board any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the company, types of financial instruments, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the company operates.

We have conducted our audit based on the books and records maintained by the corporate administrator, Vistra Alternative Investments (Ireland) Limited. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibility Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 5 to 6, that:

- In our opinion the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned, and such information has been prepared in accordance with section 1373 of the Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Other matters which we are required to address

Following the recommendation of the Board we were appointed by the Board on 18 November 2014 to audit the financial statements for the financial year end 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years, covering the financial year end 31 December 2018.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

Niamh Geraghty

Niamh Geraghty
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

13 August 2019

Custom Markets Securities 2 Public Limited Company

Statement of comprehensive income
For the financial year ended 31 December 2018

	Notes	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Net loss on financial assets designated at fair value through profit or loss	5	(1,091,638)	(2,395,787)
Net gain on financial liabilities designated at fair value through profit or loss	6	1,180,419	2,395,787
Net loss on option instruments	7	(88,781)	-
Operating profit		-	-
Other income	7	37	42
Other expenses	8	(37)	(42)
Result before tax		-	-
Income tax expense	9	-	-
Net result for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the financial year		-	-

Statement of financial position
As at 31 December 2018

	Notes	31-Dec-18 EUR	31-Dec-17 EUR
Assets			
Financial assets designated at fair value through profit or loss	10	596,899,960	132,479,686
Other receivables	11	38,100	38,100
Cash and cash equivalents	12	35	72
Total assets		596,938,095	132,517,858
Liabilities and equity			
Liabilities			
Financial liabilities designated at fair value through profit or loss	13	596,811,179	132,479,686
Option instruments	14	88,781	-
Other payables	15	35	72
Total liabilities		596,899,995	132,479,758
Equity			
Called up share capital presented as equity	16	38,100	38,100
Retained earnings		-	-
Total equity		38,100	38,100
Total liabilities and equity		596,938,095	132,517,858

On behalf of the Board

Bronagh Hardiman
Director

Fergus O'Donnell
(As alternate director to Carmel Naughton)

Date:

Statement of changes in equity
For the financial year ended 31 December 2018

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance as at 1 January 2017	38,100	-	38,100
Total comprehensive income for the financial year			
Net result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	-	-
Balance as at 31 December 2017	38,100	-	38,100
Balance as at 1 January 2018	38,100	-	38,100
Total comprehensive income for the financial year			
Net result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	-	-
Balance as at 31 December 2018	38,100	-	38,100

Custom Markets Securities 2 Public Limited Company

Statement of cash flows
For the financial year ended 31 December 2018

	Notes	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Cash flows from operating activities			
Result on ordinary activities before taxation		-	-
Adjustments for:			
Net loss on financial assets designated at fair value through profit or loss	5	1,091,638	2,395,787
Net gain on financial liabilities designated at fair value through profit or loss	6	(1,180,419)	(2,395,787)
Movements in working capital			
Decrease in receivables		-	36
(Decrease)/ increase in other payables		(37)	72
Net cash (used in)/ generated from operating activities		(37)	108
Cash flows from investing activities			
Acquisition of financial assets designated at fair value through profit or loss	10	(492,047,160)	(134,875,473)
Net cash used in investing activities		(492,047,160)	(134,875,473)
Cash flows from financing activities			
Issue of financial liabilities designated at fair value through profit or loss	13	492,047,160	134,875,473
Net cash generated from financing activities		492,047,160	134,875,473
(Decrease)/ increase in cash and cash equivalents		(37)	108
Cash and cash equivalents at start of the financial year		72	(36)
Cash and cash equivalents at end of the financial year	12	35	72

Notes to the financial statements
For the financial year ended 31 December 2018

1 General information
The Company is a public limited Company incorporated in Ireland on 06 November 2013, with registration number 535011. The Company has been established as a multi-issuance vehicle. The principal activity of the Company involves issuing debt securities that are backed by a segregated pool of collaterals.

The Company has established a EUR 5,000,000,000 Structured Programme (the "Programme") to issue notes and certificates (the "Notes") and/or other secured limited recourse indebtedness. Notes issued under the Programme will be issued in series (each a "Series") and the terms and conditions of the Notes of each Series will be set out in a prospectus for such Series. The terms and conditions of alternative investments (the "Alternative Investments") will be set out in a manner appropriate for that type of debt instrument.

The Company has been established to enter into structured finance transactions whereby it has established a Programme for the issuance of Notes arranged by Credit Suisse International (the "Arranger"), and approved by the Company's directors. The Company's activities are set out in the relevant legal documents, as approved by the Company's directors. Under the terms of the Note issuance Programme, the Company's directors have the authority to determine which transactions it enters into, as described in the prospectus, from those proposed for their review. The control of the Company remains with the board (the "Board") who takes all of the decisions. All the parties forming part of the Programme are listed on page 1 and agreements have been entered into with each of them.

The Company has entered into the issuance Programme to issue Notes in Series and the terms and conditions of the Notes of each Series are set out in an issue deed for such Series (each an "Issue Deed"). The terms and conditions of the investments are set out in a manner appropriate for that type of debt instrument.

Details of the Notes issued for each Series under the Programme are outlined in note 13 to the financial statements including the key terms. The related financial assets held under each Series are described in note 10 to the financial statements. A summary of the key risks regarding these financial instruments is outlined in note 20 to the financial statements.

Series 2014-02, 2017-02, 2018-01, 2018-02, 2018-03 and 2018-04 are listed on Vienna Stock Exchange and Series 2015-01 is listed on the ISE. Series 2017-03, 2017-04, are not listed.

Series 2014-02 ,Series 2015-01, Series 2017-03 and Series 2017-04 are pass-through in nature.

As at the financial reporting date, the Company's financial liabilities designated at fair value through profit or loss were concentrated in Fund-linked Notes, Credit-linked Notes and pass-through Notes. Refer to note 13 for more details.

2 Basis of preparation
(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations as adopted by the EU and as applied in accordance with the Act, the Companies Accounting Act 2017, the Listing Rules of ISE and Vienna Stock Exchange.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2018, the comparative information presented in these financial statements is for the financial year ended 31 December 2017.

These financial statements have been prepared on a going concern basis as defined in the Directors' report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- financial assets designated at fair value through profit or loss are measured at fair value;
- financial liabilities designated at fair value through profit or loss are measured at fair value; and
- option intruments designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the entity operates. The investment securities and the debt securities are denominated in United States Dollars ("USD") and EURO ("EUR"). The share capital is denominated in EUR. The Programme is also denominated in EUR.

2 Basis of preparation (continued)

(c) Functional and presentation currency

However, these financial statements are presented in EUR which is the Company's presentational currency. The directors of the Company believe that EUR most faithfully represents the economic effects of the underlying events and conditions as the Company may issue new series in different currencies in the future.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of material judgements and estimates have been further described in accounting policy 3(f) "Financial instruments" and note 20 to the financial statements.

Significant judgements in applying accounting policies

The directors have made assessment of whether the Series in issue meet the criteria for a pass-through transaction. For the financial year ended 31 December 2018, the directors have considered the requirements of IFRS 9 Financial Instruments: Recognition and Measurement. The directors have concluded that there were six pass-through transactions.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- **Designating investments purchased and Notes issued at fair value through profit or loss**
  Note 3(f) to the financial statements describes that the directors have designated the investments purchased and Notes issued at fair value through profit or loss. In making their judgment, the directors have considered the requirements of IFRS 9 Financial Instruments: Recognition and Measurement. Directors consider that such designating will significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

- **Fair value of other financial instruments**
  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and valuation techniques. This judgment is based on the type of financial instruments held, associated risks and cost of fair valuing such instruments.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Fair value of derivatives and other financial instruments**
  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. In applying the variety of the valuation, the Company makes assumptions that are mainly based on market conditions existing at the end of each reporting period, some of which are observable as outlined in note 20 to the financial statements.

  Because of the limited recourse nature of the Notes, the fair value of Notes issued by the Company (financial liabilities designated at fair value through profit or loss) is determined by reference to the fair value of associated financial assets designated at fair value through profit or loss and the fair value of derivative financial instruments. Any future change in the fair value of financial assets will have an equal but opposite impact on the fair value of financial liabilities.

(e) Changes in accounting policies

There were no changes to accounting policies which had an impact on Company's financial statements during the financial year.

2 Basis of preparation (continued)

(f) New standards, amendments or interpretations

(i) Effective for annual periods beginning on 1 January 2018

The Directors have considered the below new standards effective 1 January 2018:

Standards/interpretations	**Effective date***
IFRS 1: First-time Adoption of International Financial Reporting Standards	1 January 2018
Amendments to IFRS 2: Classification and measurement of share-based payment transactions	1 January 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IFRS 9: Financial Instruments	1 January 2018
IFRS 15: Revenue from contracts with customers	1 January 2018
Amendments to IAS 40: Transfers of Investment Property	1 January 2018
IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018

None of the above standards, amendments and interpretations had a significant impact on the Company's financial statements except IFRS 9 which is detailed below.

IFRS 9: Financial Instruments (effective date: financial year beginning 1 January 2018)

Transition to IFRS 9

IFRS 9, the new financial instrument standard issued by the IASB on 24 July 2014, replaces IAS 39, and was endorsed for adoption in the European Union on 22 November 2016. IFRS 9 has been implemented by the Company with effect from 1 January 2018, in line with the Standard's requirements. As permitted, the Company will not restate comparative periods on initial application of IFRS 9 and will recognise any measurement difference between the previous carrying amount and the new carrying amount at the transition date, through an adjustment to opening retained earnings. The Company has reflected the application of the requirements of the new standard and related changes to other accounting standards in its financial statements as at, and from, the adoption date.

Fair value option

Refer to note 3(f) for further details.

IFRS 15: Revenue from contracts with customers

Given the nature of the Company's operations, this standard is not expected to have a pervasive impact on the Company's financial statements as the Company adopts fair value accounting in relation to all its significant financial instruments. The directors are continuing to assess the implication of IFRS 15 on subsequent accounting periods.

(ii) New standards, amendments and interpretations effective after 1 January 2018 and have not been early adopted

Description	**Effective date***
IFRS 9: Prepayment features with negative compensation	1 January 2019
IFRS 16: Leases	1 January 2019
IFRS 11 Joint Arrangements	1 January 2019**
IAS 12: Income Taxes	1 January 2019**
IAS 19: Employee Benefits	1 January 2019**
IAS 23: Borrowing Costs	1 January 2019**
IAS 28 Investments in Associates and Joint Ventures	1 January 2019**
IFRIC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
IFRS 3: Business Combinations	1 January 2020**
IAS 1: Presentation of Financial Statements IAS 1 Presentation of Financial Statements	1 January 2020**
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020**
IFRS 17: Insurance contracts	1 January 2021**

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

** Not endorsed.

2 Basis of preparation (continued)

(f) New standards, amendments or interpretations (continued)

(ii) New standards, amendments and interpretations effective after 1 January 2018 and have not been early adopted (continued)

The directors have considered the new standards, amendments and interpretations as detailed in the above table and does not plan early adoption of these standards. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company.

The Company has not adopted any other new standards or interpretations that are not mandatory. The directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3 Significant accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2018, the comparative information presented in these financial statements is for financial year ended 31 December 2017 and has been prepared on a consistent basis.

(a) Net loss on financial assets designated at fair value through profit or loss

Net loss on financial assets designated at fair value through profit or loss relates to investments and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in fair value of the financial assets designated at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial assets are disclosed in the accounting policy of financial instruments (note 3(f)).

Realised gains and losses are recognised on disposal of financial assets, when the disposal price is not equal to the carrying value of the asset and these gains and losses are accounted for in the Statement of comprehensive income.

(b) Net gain on financial liabilities designated at fair value through profit or loss

Net gain on financial liabilities designated at fair value through profit or loss relates to debt securities and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in fair value of the financial liabilities designated at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(f)).

Realised gains and losses are recognised on redemption of the financial liabilities when the redemption price is not equal to the carrying value of the financial liabilities and these gains and losses are accounted for in the Statement of comprehensive income.

(c) Other income and expenses

All other income and expenses are accounted for on an accrual basis.

(d) Income tax expense

The Company meets the criteria for a "Section 110 vehicle" under the Tax Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period as calculated in accordance with Irish Tax Laws. Taxable profit may differ from profit before tax as reported in the Statement of comprehensive income because it excludes items of income or expense that are not taxable or deductible. The Company liability for current tax is calculated using the tax rate that has been enacted or substantively enacted by the reporting date.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash held at banks which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

There are no restrictions on cash and cash equivalents.

Cash and cash equivalents are carried at amortised cost in the Statement of financial position.

3 Significant accounting policies (continued)

(f) Financial instruments

The financial instruments held by the Company include the following:

- financial assets designated at fair value through profit or loss;
- financial liabilities designated at fair value through profit or loss; and
- option instruments.

Designation at fair value through profit or loss upon initial recognition

The Company has designated financial assets and liabilities at fair value through profit or loss when either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

These include financial assets and financial liabilities that are not held for trading, such as collaterals purchased and the Notes issued. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Company's agreements.

IFRS 9 - Fair value option

IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The financial liabilities are designated at fair value through profit or loss and the derivative financial instrument are measured at fair value. Therefore, the Company has used the fair value option to designate its financail assets at FVTPL.

Categorisation

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated at fair value through profit or loss (Investment securities and Notes issued).

The Company has designated its financial assets and Notes issued at fair value through profit or loss.

Financial assets designated at fair value through profit or loss

All financial assets held by the Company are designated at fair value through profit or loss upon initial recognition when they eliminate or significantly reduce an accounting mismatch which would otherwise arise in relation to financial liabilities as explained below.

Derivative financial instruments

Derivative financial instruments include all derivative assets and liabilities that are used to economically hedge or create an appropriate risk exposure. Derivatives are not formally designated into a qualifying hedge relationship and therefore all changes in their fair value are recognised immediately in the Statement of comprehensive income. Along with hedging, the Company is also exposed to some risks by entering into certain derivative instruments such as the risk of defaults in put options.

3 Significant accounting policies (continued)

(f) Financial instruments (continued)

Financial liabilities designated at fair value through profit or loss

The financial liabilities are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch or contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Initial recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments at fair value. Any transaction costs, are accounted for in the Statement of comprehensive income. From the trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded in the Statement of comprehensive income.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments designated at fair value through profit or loss are recognised directly in the Statement of comprehensive income. IFRS 13 defines fair value as the price that would be expected to sell an asset or paid to transfer a liability in an orderly transaction between market or measurement date. The fair value of financial instruments is based on their quoted market prices on a recognised exchange, or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments, at the reporting date without any deduction for estimated future selling costs.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(g) Share capital

Share capital is issued in EUR. Dividends are recognised as a liability in the financial period in which they are approved.

(h) Other receivables

Other receivables do not carry any interest and are short-term in nature and have been reviewed for any evidence of impairment. Other receivables are accounted for at amortised cost.

(i) Other payables

Other payables are accounted for at carrying value.

(j) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). The Company's business involves the repackaging of bonds and other debt instruments, on behalf of investors, which are bought in the market and subsequently securitised to avail of potential market opportunities and risk return asymmetries. The Company has only one business unit and all administrative and operating functions are carried out and reviewed by the Administrator and Company Secretary, Deutsche International Company Services (Ireland) Limited.

The Company's principal activity is to invest in financial instruments which are the revenue generating segment of the Company. The Chief Operating Decision Maker (CODM) of the operating segment is the Board. The Company is a special purpose vehicle whose principal activities are the issuance of Notes and investment in securities. The CODM does not consider each underlying Series of Notes as a separate segment, rather they look at the structure as a whole. Based on that fact, the directors confirm that there is only one segment.

3 Significant accounting policies (continued)

(k) Foreign currency transaction

The results and financial position of the entity are expressed in EUR which is the reporting currency of the Company. Transactions in currencies other than EUR are recorded at the actual rate. At each reporting date, monetary items and non-monetary assets and liabilities that are fair valued and are dominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gains and losses arising on retranslation are included in net profit or loss for the period where investments are classified as fair value through profit or loss.

4 Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described below and in note 20 to the financial statements. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

For more complex instruments, the Company uses the arranger proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions.

Critical accounting judgements in applying the Company's accounting policies

Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of financial instruments is further described in note 20 to the financial statements.

Fair value measurement principles

The following methodologies have been applied in determining the fair values of each class of Notes:

Fund-linked Notes for Series 2017-02

Investments - The methodology applied to fair value the Credit Suisse Alternative Access 2017 portfolio is to use the NAV as provided by the Arranger, Credit Suisse International. The net asset value (the "NAV") is multiplied by the outstanding number of shares as at the financial year end to obtain the fair value of the financial assets.

Notes issued - The methodology applied to valuing the Notes issued is the balancing amount of the investments. It is the residual amount that is owed to the noteholders. The key assumption used is the limited recourse nature of the Notes, which implies that what is left over is owed to the noteholders.

5 Net loss on financial assets designated at fair value through profit or loss	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Fair value loss on financial assets designated at fair value through profit or loss	(1,091,638)	(2,395,787)
	(1,091,638)	(2,395,787)

6 Net gain on financial liabilities designated at fair value through profit or loss	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Fair value gain on financial liabilities designated at fair value through profit or loss	1,180,419	2,395,787
	1,180,419	2,395,787

7 Other income	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Arranger income	37	42
	37	42

8 Other expenses

	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Other expenses	(37)	(37)
Bank charges	-	(5)
	(37)	(42)

Auditor's remuneration (excluding VAT)	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Audit of individual accounts	(12,500)	(12,000)
Other assurance services	-	-
Tax advisory services	(3,000)	(3,000)
Other non-audit services	-	-
	(15,500)	(15,000)

The Company is administered by VAIIL and accordingly has no employees. No fees are paid to the directors (2017: Nil). The costs associated with the Company are paid by the Arranger, Credit Suisse International, including the audit fee of EUR 12,500 excluding VAT (2017: EUR 12,000) and tax advisory fees of EUR 3,000 excluding VAT (2017: EUR 3,000).

9 Income tax expense

	Financial year ended 31-Dec-18 EUR	Financial year ended 31-Dec-17 EUR
Result before income tax	-	-
Current tax at 25%	-	-
Current tax charge	-	-

The Company will continue to be taxed at 25% (2017: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997.

10 Financial assets designated at fair value through profit or loss

	31-Dec-18 EUR	31-Dec-17 EUR
Financial assets designated at fair value through profit or loss	596,899,960	132,479,686

Financial assets have, upon initial recognition, been designated at fair value through profit or loss in accordance with the accounting policies set out in note 3.

Movement in financial assets	31-Dec-18 EUR	31-Dec-17 EUR
At beginning of the financial year	132,479,686	-
Cash transactions:		
Additions during the financial year	492,047,160	134,875,473
Disposal during the financial year	(26,535,248)	-
Net changes in fair value during the financial year	(1,091,638)	(2,395,787)
At end of the financial year	596,899,960	132,479,686

10 Financial assets designated at fair value through profit or loss (continued)

Maturity analysis of financial assets

	31-Dec-18	31-Dec-17
	EUR	EUR
Within 1 year	-	-
More than 1 year and less than 2 years	444,716,082	-
More than 2 years and less than 5 years	152,183,878	132,479,686
More than 5 years	-	-
	596,899,960	132,479,686

The carrying value of the assets of the Company represents their maximum exposure to the credit risk. The credit risk is ultimately transferred to the noteholders through the individual terms of each Series in issue.

The financial assets are held as collateral for each Series of Notes issued by the Company as per note 13 to the financial statements.

Refer to note 20(b) for a description of the credit risk, concentration risk and currency risk disclosures relating to financial assets.

Details of the nominal values and terms of each Series is disclosed below:

Series	Description	CCY	31-Dec-18 Nominal	31-Dec-17 Nominal
Fund-linked Notes				
2017-02	Credit Suisse Alternative Access 2017 portfolio	USD	12,709	15,709
2018-02	CMS 2 -Credit Suisse Alternative Access 2018 portfolio- Class A	USD	2,648	-
2018-02	CMS 2 -Credit Suisse Alternative Access 2018 portfolio- Class B	USD	3,492	-
2018-03	Treasury Bills	USD	512,010,800	-
Pass-through Notes				
2014-02	Bond basket	EUR	4,450,000	5,850,000
2014-02	Althelia Conservation Fund	EUR	8,363,186	7,061,537
2015-01	Sapic-98 MASTER FUND - Class V shares	USD	293,930	81,067,268
2018-01	Sukuk Assets- Deposit Asset	USD	150,700,000	-
2018-03	Sukuk Assets- Deposit with Qatar Islamic Bank QPSC	USD	148,600,000	-
2017-03	Egypt Treasury Bills due 2018 by the Arab Republic of Egypt	EGP	-	247,100,000
2017-04	Egypt Treasury Bills due 2018 by the Arab Republic of Egypt	EGP	-	264,725,000

11 Other receivables

	31-Dec-18	31-Dec-17
	EUR	EUR
Unpaid share capital	38,100	38,100
	38,100	38,100

12 Cash and cash equivalents

	31-Dec-18	31-Dec-17
	EUR	EUR
Cash at bank	35	72

The Company's cash and cash equivalent is held with Allied Irish Bank p.l.c (100%).

Refer to note 20(b) for credit risk disclosure relating to cash and cash equivalents.

13 Financial liabilities designated at fair value through profit or loss

	31-Dec-18	31-Dec-17
	EUR	EUR
Financial liabilities designated at fair value through profit or loss	596,811,179	132,479,686

Financial liabilities issued for a particular Series are designated at fair value through profit or loss when the related financial assets are fair valued or when they contain embedded derivatives that significantly modify cash flows that otherwise would be required to be separated.

The Company’s obligations under the Notes issued are secured by financial assets as per note 10. The investors’ recourse per Series is limited to the assets of that particular Series. They have an option for early redemption.

13 Financial liabilities designated at fair value through profit or loss (continued)

In the event that accumulated losses prove not to be recoverable during the life of the Company, then this will reduce the obligation to the holders of the Notes by an equivalent amount.

Series 2014-02, 2017-02, 2018-01, 2018-02, 2018-03 and 2018-04 are listed on Vienna Stock Exchange and Series 2015-01 is listed on the ISE. Series 2017-03, 2017-04, are not listed.

Refer to note 20(b) for credit risk disclosure relating to debt securities issued.

Movement in financial liabilities	**31-Dec-18**	**31-Dec-17**
	EUR	**EUR**
At beginning of the financial year	132,479,686	-
Cash transactions:		
Issuances during the financial year	492,047,160	134,875,473
Redemptions during the financial year	(26,535,248)	-
Net changes in fair value during the financial year	(1,180,419)	(2,395,787)
At end of the financial year	596,811,179	132,479,686

Maturity analysis of financial liabilities	**31-Dec-18**	**31-Dec-17**
	EUR	**EUR**
Within 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	596,811,179	132,479,686
More than 5 years	-	-
	596,811,179	132,479,686

The financial liabilities in issue at 31 December 2018 and 31 December 2017 are as follows:

Series	**Description**	**Maturity Date**	**CCY**	**31-Dec-18 Nominal CCY**	**31-Dec-17 Nominal CCY**
Fund-linked Notes					
2017-02	Certificates linked to the Credit Suisse Alternative Access 2017 Portfolio	15-Aug-22	USD	127,090,000	157,090,000
2018-02 Tranche 1A	Class A Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	21,780,000	-
2018-02 Tranche 1B	Class B Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	20,000,000	-
2018-02 Tranche 2A	Class A Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	21,780,000	-
2018-02 Tranche 2B	Class B Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio	15-Aug-23	USD	9,920,000	-
2018-03	Yield Plus Notes linked to US Treasury Bills	10-Dec-20	USD	508,950,000	-
Pass-through Notes					
2014-02*	"Nature Conservation" Notes linked to the Althelia Climate Fund and a Bond Basket	17-Jun-21	EUR	15,000,000	15,000,000
2015-01**	SAPIC-98 Master Fund Linked Notes	30-Nov-23	USD	80,000,000	80,000,000
2018-01***	Sukuk Certificates linked to Qatar Islamic Bank Deposit	29-Mar-19	USD	150,700,000	-
2018-04****	Sukuk Certificates linked to Qatar Islamic Bank Deposit	05-Dec-19	USD	148,600,000	-

13 Financial liabilities designated at fair value through profit or loss (continued)

The financial liabilities in issue at 31 December 2018 and 31 December 2017 are as follows (continued):

Pass-through Notes (continued)

2017-03*****	Zero coupon Notes linked to EGP Denominated Egyptian Government Bond Collateral	14-Sep-18	USD	-	14,000,000
2017-04******	Zero coupon Notes linked to EGP Denominated Egyptian Government Bond Collateral	26-Sep-18	USD	-	15,000,000

*** Series 2014-02**

On 11 December 2014, the Company had issued Series 2014-02 EUR 15,000,000 "Nature Conservation" Notes linked to the Althelia Climate Fund and a Bond Basket due 17 June 2021 and the proceeds of the issuance have been used to invest in Althelia Climate Fund, the bond basket, cash Notes and auxiliary cash held with the Custodian. Any interest income received on the investment securities are transferred to the noteholders (the "Noteholders") as interest expense on the Notes. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2014-02 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to EUR 15,000,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2014. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2014.

****Series 2015-01**

On 30 April 2015, the Company had issued Series 2015-01 USD 80,000,000 SAPIC-98 Master Fund Linked Notes due 30 November 2023 and the proceeds of the issuance have been used to invest in USD Share Class V shares issued by the Fund and a cash component. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2015-01 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 80,000,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2015. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2015.

*****2018-01**

On 28 March 2018, the Company had issued Series 2018-01 USD 150,700,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit due 29 March 2019 and the proceeds of the issuance of Certificates have been used to enter into a mudarabah agreements with the Deposit Bank.

After considering the above conditions of IFRS 9, the directors concluded that Series 2018-01 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 150,700,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2018. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2018.

******2018-04**

On 05 December 2018, the Company had issued Series 2018-04 USD 148,600,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit due 05 December 2019 and the proceeds of the issuance of Certificates have been used to enter into a Mudarabah Agreements with the Deposit Bank.

After considering the above conditions of IFRS 9, the directors concluded that Series 2018-04 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes issued amounting to USD 148,600,000 have accordingly not been recognised for that particular Series in the financial statements for the year ended 31 December 2018. The corresponding investment securities has also not been recognised in the financial statements for the year ended 31 December 2018.

14 Financial liabilities designated at fair value through profit or loss (continued)

*****Series 2017-03**

On 14 September 2017, the Company had issued Series 2017-03 USD 14,000,000 Zero coupon Notes linked to EGP Denominated Egyptian Government Bond Collateral due 14 September 2018 and the proceeds of the issuance have been used to invest in Egyptian Treasury Bills due 2018 by the Arab Republic of Egypt. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2017-03 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions.

******Series 2017-04**

On 26 September 2017, the Company had issued Series 2017-04 USD 15,000,000 Zero coupon Notes linked to EGP Denominated Egyptian Government Bond Collateral due 26 September 2018 and the proceeds of the issuance have been used to invest in Treasury Bills issued by the Arab Republic of Egypt due 2018. The investment securities can only be sold during the life of the transaction based on pre-determined contractually agreed events and the sale proceeds will be used to redeem the Notes without any material delay.

After considering the above conditions of IFRS 9, the directors concluded that Series 2014-02 did not meet the recognition criteria since inception and fully meets the conditions mentioned in IFRS 9 for pass-through transactions. The Notes for that particular Series has accordingly not been recognised in the financial statements. The corresponding financial asset has also not been recognised in the financial statements. The Series matured on 26 September 2018.

14 Option Instruments	**31-Dec-18**	**31-Dec-17**
	EUR	**EUR**
Option	(88,781)	-
	(88,781)	-

During the financial year, the Company entered into a cash settled Put option in respect of Series 2018-03. Under this agreement, the put option is deemed to have automatically exercised if the calculation agents determines that the certificate value in respect of the maturity date is less than 10% of the authorised denomination. If the calculation agent determines that the certificate value in respect of the maturity date per certificate is equal to or greater that 10% of the authorised denomination then the put option shall expire without payment on the expiration date. The value of the option on 31 December 2018, amounts to EUR 88,781.

On 6 December 2018, the Company entered into an option in respect of Series 2018-03. Under the term of the agreement, the issuer have the option to redeem all the Notes. The noteholder option, the noteholders have the option to exercise the right to redeem all or some of their notes. As at 31 December 2018, none of the options in respect to Series 2018-03 has been exercised.

15 Other payables	**31-Dec-18**	**31-Dec-17**
	EUR	**EUR**
Due to Arranger	35	72
	35	72

16 Called up share capital presented as equity	**31-Dec-18**	**31-Dec-17**
Authorised:	**EUR**	**EUR**
100,000,000 ordinary shares of EUR 1 each	100,000,000	100,000,000
Issued and unpaid	**EUR**	**EUR**
38,100 ordinary shares of EUR 1 each	38,100	38,100
Presented as follows:	**EUR**	**EUR**
Called up share capital presented as equity	38,100	38,100

17 Ownership of the Company

The principal shareholder of the Company is Registered Shareholder Services No. 1 Company Limited by Guarantee holding 12,703 shares, Registered Shareholder Services No. 2 Company Limited by Guarantee holding 12,699 shares and Registered Shareholder Services No. 3 Company Limited by Guarantee holding 12,698 shares (the "Share Trustees"). All shares are held in trust for charity under the terms of declarations of trust.

The Share Trustees have appointed a Board of Directors to run the day to day activities of the Company. The Board of Directors have considered the issue as to who is the ultimate Controlling Party. It has been determined that the control of the day to day activities of the Company rests with the Board. The Board consists of two independent Directors.

18 Transactions with related parties

Transactions with Administrator

The Administrator provides corporate administration services to the Company at commercial rates. The directors are employees of VAIIL, which is also the administrator of the Company. As at 31 December 2018, no amount is due to the administrator of the Company (2017: Nil).

Transactions with Arranger

Credit Suisse International, as Arranger, paid all costs associated with the Company. During the financial year, an amount of EUR 12,000 (2017: EUR 12,000) relating to audit fees and EUR 3,000 (2017: EUR 3,000) relating to tax advisory fees were incurred by the Company.

There were no other transactions with the Administrator or Arranger that require disclosure in the financial statements.

19 Charges

The Notes issued by the Series are secured by way of a charge over the collateral purchased by the respective Series and by an assignment of a fixed first charge of the Company's rights, title and interest for the Series. All of the financial assets designated at fair value through profit or loss on the Statement of financial position are held as collateral under each Series. The charged assets comprise of investment in shares as more particularly specified in the relevant prospectus.

The charged assets comprise those financial assets detailed in note 10. Further details on the profile are included in note 20.

20 Financial risk management

Introduction and overview

The Company has Fund-linked Notes and Pass-through Notes issued to investors. The proceeds from the issue of the Notes have been used to purchase various financial assets as disclosed in note 10.

The net proceeds of each Series will be used by the Company to purchase the financial asset and in meeting certain expenses and fees payable in connection with the operations of the Company and the issue of the Notes as set out in the relevant prospectus relating to each Series.

The Company was set up as a structured special purpose vehicle (the "SPV") which ensures that if one Series defaults, the holders of that Series do not have the ability to reach other assets of the Company, resulting in the Company's bankruptcy and the default of the other Series of Notes. The segregation criteria include the following:

- the Company is a bankruptcy remote SPV, organised in Ireland;
- the Company issues separate Series of debt obligations;
- assets relating to any particular Series of debt securities are held separate and apart from the assets relating to any other Series;
- each Series of debt securities, only the trustee are entitled to exercise remedies on behalf of the debt security holders; and
- each Series of issued debt securities are reviewed by a rating agency prior to issuance regardless of whether it is to be rated or not.

The Company is not engaged in any other activities.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk profile of the Company is such that market, credit, liquidity and other risks of the financial assets held for risk management purposes are borne fully by the holders of Notes issued.

20 Financial risk management (continued)

Risk management framework (continued)

The Company has exposure to the following risks from its use of financial instruments:

(a) Market risk;
(b) Credit risk;
(c) Liquidity risk; and
(d) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company operates in an autopilot mode with the risk management framework agreed at the time of issuance of the Notes and included in the prospectus of each Series of Notes. The prospectus provides detailed information to the noteholders regarding their exposure to different risks as well as how such risks will be managed going forward until the maturity of Notes. The Board of Directors has responsibility to ensure compliance with the prospectus and execute different legal documents as the need arises.

The Company has entered into a number of Series in the Programme. Each Series is governed by a separate prospectus and consists of an investment in collateral from the proceeds of the issuance of Notes.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns on risk.

(i) Interest rate risk

Interest rate is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. There may be a timing mismatch between payments of interest on the Notes issued and payments of interest on the financial assets and, in the case of floating rate financial assets, the rates at which they bear interest may adjust more or less frequently, and on different dates and based on different indices than the interest rate of the Notes issued.

The Series in issue are non-interest bearing and therefore, the Company does not bear any interest rate risk.

(ii) Currency risk

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates. Notes issued under Series 2017-02, 2018-02 Tranche 1A, 2018-02 Tranche 1B, 2018-02 Tranche 2A, 2018-02 Tranche 2B, 2018-03 are denominated in US Dollar ("USD").

The currency risk is mitigated by investing in financial assets with the same currency as that of the Notes issued.

The Company's exposure to foreign currency risk as at 31 December 2018 is as follows:

31-Dec-18	**USD**	**Total**
	EUR	**EUR**
Financial assets designated at fair value through profit or loss	596,899,960	596,899,960
Total assets	596,899,960	596,899,960
Financial liabilities designated at fair value through profit or loss	(596,811,178)	(596,811,178)
Total liabilities	(596,811,178)	(596,811,178)
Net exposure	88,782	88,782

The following significant exchange rates have been applied as at the financial year end:

	Closing rate	
	31-Dec-18	**31-Dec-17**
USD:EUR	0.8722	0.8330

20 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

Sensitivity analysis

The impact of any change in exchange rates is borne by the noteholders.

At 31 December 2018, had the EUR strengthened against USD by 10% with all other variables held constant, the fair value of the financial liabilities would have decreased by EUR 59,689,996 (2017: EUR 13,247,969). A 10% weakening of the EUR against the USD would have had an equal but opposite effect on the fair value of financial liabilities issued.

This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

The impact of any change in the exchange rates on the financial assets relating to any Series is offset by the foreign exchange rate changes on the Notes issued under the Series. Any difference is borne by the noteholder and thus the exchange rate changes have no net impact on the equity or the profit or loss of the Company.

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market.

Other price risks may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

The Company is exposed to price risk by investing in a portfolio of investments. However, any fluctuation in the value of financial assets designated at fair value through profit or loss held by the Company will be borne by the noteholders.

The price risk is managed by monitoring the market prices of the financial instruments.

Financial assets		
Fund-linked Notes	**31-Dec-18**	**31-Dec-17**
Not listed	100%	100%
Credit-linked Notes		
Not listed	100%	-

Sensitivity analysis

Any changes in the prices of the financial assets designated at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the noteholders. As at 31 December 2018, exposure to price risk relates to the value of financial assets amounting to EUR 596,899,960 (2017: EUR 132,479,686).

An increase of 10% in the market prices of the financial assets at the reporting date would result in an equivalent increase in the fair values of the Notes of EUR 59,689,996 (2017: EUR 13,247,969). A decrease of 10% in the market prices of the financial assets and financial instruments at the reporting date would result in an equivalent decrease in the fair values of the Notes of EUR 59,689,996 (2017: EUR 13,247,969).

Any changes in the net asset value of the investments in funds held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the noteholders by the Company and as such no detailed sensitivity analysis has been provided.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment securities. The Company's principal financial assets are cash and cash equivalents, other receivables and financial assets designated at fair value through profit or loss, which represents the Company's maximum exposure to credit risk.

20 Financial risk management (continued)

(b) Credit risk (continued)

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2018 in relation to each class of recognised financial assets, is set out below:

Fund-linked Notes	**31-Dec-18**	**31-Dec-17**
	EUR	**EUR**
Investment in Credit Suisse Alternative Access portfolio	152,183,878	132,479,686
	152,183,878	132,479,686
Credit-linked Notes		
Investment in treasury bill	444,716,082	-
	444,716,082	-

Credit quality of financial assets

Cash and cash equivalents

The Company's cash and cash equivalents are held with Allied Irish Bank Plc, which is rated as per below:

	31-Dec-18		**31-Dec-17**	
	Long term	**Short term**	**Long term**	**Short term**
Moody's Investors Service	A2	P-1	A3	P-2
Standard & Poor's	BBB+	A-2	A+	A-1
Fitch ratings	BBB-	F3	A-	F1

Although the ratings of Allied Irish Bank Plc has been downgraded, the directors believe that the bank is still highly rated.

The credit quality of the collaterals which are not rated are believed to be recoverable with respect to the following measurements:
- ability to pay interest
- enhanced fair values

Concentration risk

At the reporting date, the Company's financial assets designated at fair value through profit or loss were concentrated in the following asset types and geographical locations:

By industry	**31-Dec-18**	**31-Dec-17**
Types of collaterals	**Fair value %**	**Fair value %**
Fund-linked Notes		
Investment in Credit Suisse Alternative Access portfolios		
Financial	100	100
Credit-linked Notes		
Investment in Treasury Bills		
Financial	100	-

By Geographical location	**31-Dec-18**	**31-Dec-17**
Country of origin	**Fair value %**	**Fair value %**
Fund-linked Notes		
Investment in Credit Suisse Alternative Access portfolios		
United Kingdom	100	100
Credit-linked Notes		
Investment in Treasury Bills		
United States	100	-

Other receivables

Other receivables includes unpaid share capital as at the financial year end.

20 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset and thus, the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk is managed, where possible, by having the same maturity profile of financial liabilities and related financial assets.

The Company's obligation to the noteholders is limited to the net proceeds upon realisation of the collateral of the Series. Should the net proceeds be insufficient to make all payments due in respect of a particular Series of Notes, the other assets of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the noteholders according to the priority of payments mentioned in the agreements.

The timing and amounts from realising the collateral of each Series is subject to market conditions. There were no liquidity issues experienced by the Company in respect to meeting obligations to the noteholders. The Company did not default on any of its contractual commitments during the financial year.

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

31-Dec-18	Carrying amount EUR	Gross contractual cash flows EUR	Less than one year EUR	Between one to five years EUR	More than five years EUR
Financial liabilities designated at fair value through profit or loss	(596,811,179)	(599,846,828)	-	(599,846,828)	-
Other payables	(35)	(35)	(35)	-	-
Net amount	(596,811,214)	(599,846,863)	(35)	(599,846,828)	-

31-Dec-17	Carrying amount EUR	Gross contractual cash flows EUR	Less than one year EUR	Between one to five years EUR	More than five years EUR
Financial liabilities designated at fair value through profit or loss	(132,479,686)	(130,855,970)	-	(130,855,970)	-
Other payables	(72)	(72)	(72)	-	-
Net amount	(132,479,758)	(130,856,042)	(72)	(130,855,970)	-

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All management and administration functions are outsourced to VAIIL.

(e) Fair values

The fair value of a financial asset and financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for 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.

20 Financial risk management (continued)

(e) Fair values (continued)

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows (continued):

- 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 could 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.

Refer to note 4 for more details on how the different classes of Notes are valued.

At the reporting date, the carrying amounts of financial assets and Notes issued by the Company which fair values were determined directly, in full or in part, by reference to NAV and determined using valuation techniques are as follows:

	31-Dec-18			
	Level 1	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	-	596,899,960	-	596,899,960
Financial liabilities designated at fair value through profit or loss	-	(596,811,179)	-	(596,811,179)
	-	88,781	-	88,781

	31-Dec-17			
	Level 1	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	-	132,479,686	-	132,479,686
Financial liabilities designated at fair value through profit or loss	-	(132,479,686)	-	(132,479,686)
	-	-	-	-

(f) Profile of Series of debt securities issued by the Company

The following are the broad categories as at 31 December 2018:

Type of transaction	**No of Series**	**%**	**Financial liabilities issued EUR**	**%**	**Financial assets EUR**
Fund-linked Notes	3	25	152,183,878	25	152,183,878
Credit-linked Notes	1	75	444,627,300	75	444,716,082
Total		100	596,811,178	100	596,899,960

The following are the broad categories as at 31 December 2017:

Type of transaction	**No of Series**	**%**	**Financial liabilities issued EUR**	**%**	**Financial assets EUR**
Fund-linked Notes	1	100	132,479,686	100	132,479,686
Total		100	132,479,686	100	132,479,686

The Company has also issued 6 pass-through Series (2017: 4).

21 Capital management

The Company views the share capital as its capital. The Company is an SPV set up to issue debt for the purpose of making investments as defined under the programme memorandum and in each of the Series memorandum agreements. Share capital of EUR 38,100 was issued in line with Irish Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

22 Subsequent events

The Company issued the following additional tranche in respect to Series 2018-02 after the financial year:

Date	Series	Description
26-Feb-19	2018-02 Tranche 3	USD 4,870,000 Class A Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio
26-Feb-19	2018-02 Tranche 3	USD 5,170,000 Class B Certificates linked to the Credit Suisse Alternative Access 2018 Portfolio
20-Mar-19	2019-02	Sukuk Certificates linked to Qatar Islamic Bank Deposit
27-Jun-19	2019-03	EGP 250,000,000 Secured Repackaged Notes due 2026
27-Jun-19	2019-04	EGP 167,500,000 Secured Repackaged Notes due 2029
30-Jul-19	2019-05	EGP 778,000,000 Secured Repackaged Notes due 2026
26-Jun-19	2019-06	Sukuk Certificates linked to Barwa Bank Deposit

The following series terminated after the financial year:

Date	Series	Description
29-Mar-19	2018-01	USD 150,700,000 Sukuk Certificates linked to Qatar Islamic Bank Deposit

Other than the above, there are no significant events after financial year end up to the date of signing this report that require disclosure and/or adjustment in the financial statements.

23 Approval of financial statements

The Board of directors approved these financial statements on ………………………………