Corsair Finance (Ireland) No.2 Designated Activity Company

Directors' report and audited financial statements

For the financial year ended 31 December 2020

Registered number 349239

Corsair Finance (Ireland) No.2 Designated Activity Company

Contents

Directors and other information

Directors	Conor Clancy (Irish) (Appointed as director on 14 April 2020) Eimir McGrath (Irish) (Appointed as director on 28 June 2018) Adrienne Lonergan (Irish) (Appointed as director on 14 February 2018 and resigned on 14 April 2020)
Registered Office	Block A George's Quay Plaza George's Quay Dublin 2 Ireland
Administrator & Company Secretary	Vistra Alternative Investments (Ireland) Limited Block A George's Quay Plaza George's Quay Dublin 2 Ireland
Arranger	J.P. Morgan Securities Public Limited Company 125 London Wall London EC2Y 5AJ United Kingdom
Swap Counterparty	J.P. Morgan SE (formerly known as J.P Morgan AG) TaunusTurm Taunustor 1 60310 Frankfurt am Main Germany
Trustee	U.S. Bank N.A. 100 Wall Street Suite 1600 New York NY 10005 United States of America
Banker, Custodian & Paying Agent	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom
Independent Auditor	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Solicitor	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
Banker	Barclays Bank Ireland Plc One Molesworth Street Dublin 2 D02 RF29 Ireland

Directors' report

The Directors present the Directors' report and audited financial statements of Corsair Finance (Ireland) No.2 Designated Activity Company (the "Company") for the financial year ended 31 December 2020.

Principal activities and business review

The Company is a limited company incorporated on 22 October 2001 with registered number 349239 under the name of Corsair Finance (Ireland) No.2 Limited. On 9 September 2016, the Company changed its name to Corsair Finance (Ireland) No.2 Designated Activity Company.

The Company established a EUR 10,000,000,000 Programme to issue Notes and/or other secured limited recourse indebtedness. Notes are issued in Series and the terms and conditions of the Notes of each Series are set out in a Supplemental Information Memorandum for such Series.

Each Series of Notes will, unless otherwise specified in the Supplemental Information Memorandum, be secured by a first fixed charge over the Charged Assets and all rights and sums derived there from and a first fixed charge over funds in respect of the Charged Assets as are held from time to time by the custodian as documented in the pricing supplement. Each Series may also be secured by an assignment by way of security of the Company's rights under one or more Swap Agreement and/or option agreement and/or repurchase agreement and/or credit support document (each as defined in the terms and conditions of the Notes) and any additional security as may be described in the relevant Offering Circular Supplement. The obligations of the Company under a Swap Agreement to the Swap Counterparty and to certain of the agents will, unless otherwise specified in the applicable Supplemental Information Memorandum, also be secured by certain assets comprised in the Mortgaged Property. As per the Offering Circular Supplement, the Company may from time to time substitute its charged assets.

The investors' recourse per Series is limited to the assets of that particular Series.

As part of certain Series Programmes, the Company has entered into interest rate swap agreements (Series 14, 15, 16 and 17), asset swap (Series 17), bond forward transaction (Series 17), delta hedge swap (Series 17) and swaption (Series 17) with the Swap Counterparty for the relevant Series.

Details of the Notes issued for each Series under the Programme are outlined in note 16 to the financial statements including the key terms. The related financial assets held under each Series are described in note 12 while description of the derivative contracts entered into has been detailed under note 15 to the financial statements. A summary of the key risks regarding these financial instruments is outlined in note 22.
At the reporting date, the Company's financial liabilities designated at fair value through profit or loss were concentrated in Secured Notes.

General information regarding the Company is further described in note 1 to the financial statements.

None of the series of notes outstanding at year end, issued by the Company, are listed on any stock exchange. Subsequent to the year end, the Company has issued four series of Notes which are listed on the Vienna MTF stock exchange. The Company entered into a deed of substitution with Corsair Finance (Ireland) DAC and was appointed as the Substitued Issuer to a series of Notes which are listed on the Global Exchange Market of Euronext Dublin.

Key performance indicators

The Company is a special purpose vehicle (the "SPV") and its principal activity is to issue Notes, make investments and enter into derivative contracts.

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 loss on financial liabilities amounted to EUR 25,647,721 (2019: EUR 2,806,875);
- the Company's net gain on financial assets amounted to EUR 40,491,338 (2019: EUR 9,514,755);
- the Company's net loss on derivative financial instruments amounted to EUR 14,843,617 (2019: EUR 6,707,880);
- the Company earned coupon income on financial assets designated at fair value through profit or loss amounting to EUR 6,569,197 (2019: EUR 3,425,079);
- the total equity of the Company was EUR 2,833 (2019: EUR 2,833); and
- the following Series of Notes were partially redeemed:

Series	Description	Maturity Date	CCY	Redemptions
14	Secured Note	31-Oct-64	EUR	936,249
15	Secured Note	31-Dec-55	EUR	4,355,005
16	Secured Note	31-Dec-55	EUR	1,520,214

Directors' report (continued)

Key performance indicators (continued)

During the financial year: (continued)

As at 31 December 2020:

- the Company made a profit before tax of EUR Nil (2019: EUR 268);
- the fair value of the Company's total Notes issued was EUR 373,229,714 (2019: EUR 368,155,244);
- the Company had the following Series of Notes in issue:

Series	Description	Maturity Date	CCY	Nominal
14	Secured Note	31-Oct-64	EUR	55,972,067
15	Secured Note	31-Dec-55	EUR	99,764,328
16	Secured Note	31-Dec-55	EUR	98,625,569
17	Secured Note	08-Aug-24	EUR	61,951,500

- the investments that the Company has in respect of each Series are included in note 12.
- Movement of fair value on government bonds:
  The prices of the government bonds held as underlying collateral by the Company has generally increased during the year ended 31 December 2020 and this is due to the market forces.

Credit events

No credit events affected the Company during the financial year and/or since the financial year end (2019: Nil).

Future developments

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

Going concern

The Company's financial statements for the financial year ended 31 December 2020 have been prepared on a going concern basis. Each asset and/or derivative transaction are referenced with a specific series, and any loss derived from the asset and/or derivative will be ultimately 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's liabilities as they fall due. The Notes in issue as at 31 December 2020 have maturities ranging between the financial years 2024 to 2064. For these reasons, the Directors believe that the going concern basis is appropriate.

Business risks and principal uncertainties

The Directors have considered the impact of COVID-19 on the going concern assumption of the Company. The structure of the Company's debt securities issued mitigates the impact of the pandemic on the Company as the debt securities issued by the Company are limited recourse, and hence any losses suffered on the underlying securities will ultimately be borne by the noteholders. While the COVID-19 pandemic continues to impact entities in different ways depending on the industry and economic environment in which they trade, both the Vistra Alternative Investments (Ireland) Limited ("VAIIL" or the "Administrator") and J.P. Morgan Securities Public Limited Company (the "Arranger") have extensive business continuity plans, and even during the pandemic, they continue to provide services to the Company. The Noteholders have no right to petition for insolvency proceedings against the Company in the event that the underlying assets are insufficient to repay the principal amount of the debt securities issued. A high-level analysis was made on the liquidity and performance of the Company. The Company continues to receive interest cashflows from the underlying securities, to make payments to holders of debt securities issued (as per the repayment schedule) and to meet its operational costs. No significant variation was noted on the valuation of the underlying securities.

The result of COVID-19 on the critical judgements and sources of estimation uncertainty has been outlined in note 2 of the financial statements.

The Company does not foresee any change to its structure or business strategy as the Directors have concluded that the impact of the COVID-19 does not represent a material uncertainty in relation to the Company's ability to continue as a going concern as at the date of issuance of these financial statements.

The Company is subject to various risks. The key risks facing the Company are set out in note 22 to the financial statements.

Results and dividends for the financial year

The results for the financial year are set out on page 12. The Directors do not recommend the payment of a dividend for the financial year (2019: Nil).

Directors, secretary and their interests

None of the Directors or their families and secretary who held office on 1 January 2020 and 31 December 2020 held any shares in the Company at that date, or during the year. Except for the corporate services agreement entered into by the Company with VAIIL, 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 Section 309 of the Companies Act 2014 (the "Act"), at any time during the financial year.

The Directors of the Company, as employees of the Administrator, had an interest in the administrative fees.

Directors' report (continued)

Directors, secretary and their interests (continued)

On 14 April 2020, Adrienne Lonergan resigned as director of the Company and on the same date, Conor Clancy was appointed as director.

There were no other changes in directors, secretary and registered office during the financial year.

Shares and shareholders

The authorised share capital of the Company is EUR 10,000,000 divided into 10,000,000 shares of EUR 1 each (the "Shares") of which 3 shares are issued and unpaid. The issued shares are held in trust by Matheson Services Limited, Matsack Trust Limited and Matsack Nominees Limited (the "Share Trustees") under the terms of a declaration of trust (the "Declaration of Trust") dated 10 June 2000 under which the Share Trustees hold the benefit of the shares on trust for charitable purposes. The Share Trustees have 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.

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 the preceding paragraphs. All management and administration functions are outsourced to VAIIL, a reputable corporate services provider.

Audit committee

The Board, having given due consideration to Section 167(1) and Section 167(3) of the Act as amended and noting the contractual obligations of the Administrator, the limited recourse nature of the notes issued by the Company and turnover being within the thresholds has concluded that there is currently no need for the Company to have an 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 and the monitoring of the statutory audit and the independence of the statutory auditor.

Accounting records

The Directors believe that they have complied with requirements of sections 281 to 285 of the Act with regards to keeping adequate accounting records by engaging VAIIL as the Company's corporate services provider who employs accounting personnel with appropriate experience and expertise and by providing services to the financial function. The accounting records of the Company are maintained at Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland.

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 to 31 December 2020.

Subsequent events

Subsequent events have been disclosed in note 25 to the financial statements.

Independent auditor

KPMG Chartered Accountants, Statutory Audit Firm, have been appointed as auditor in accordance with Sections 383(2) of the Act for the financial year and have signified their willingness to continue in office.

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 auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as directors in order to make himself/ herself aware of any relevant audit information and to ensure that the Company's auditor is aware of this information.

Directors' report (continued)

Statement of relevant audit 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, noting however that the obligations as set out under section 341 have not been met due to a delay in finalising the financial statements for the year end 31 December 2020;
- 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, have been reviewed during the financial year.

On behalf of the Board

DocuSigned by:
589B84C42AA2430...
Conor Clancy
Director

DocuSigned by:
EAB12D731F8A44C...
Eimir McGrath
Director

Date: 19 July 2022

Statement of directors responsibilities in respect of the directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company's financial statements in accordance with International Financial reporting Standards ("IFRS") as adopted by the European Union and applicable law.

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 and of its profit or loss for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Act.

On behalf of the Board

DocuSigned by:
589B84C42AA2430...
Conor Clancy
Director

DocuSigned by:
EAB12D731F8A44C...
Eimir McGrath
Director

Date: 19 July 2022

KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORSAIR FINANCE (IRELAND) NO. 2 DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Corsair Finance (Ireland) No. 2 Designated Activity Company ('the Company') for the year ended 31 December 2020 set out on pages 12 to 40, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 2020 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

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 further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included our knowledge of the Company to identify the inherent risks to the Company's business model and analysing how those risks might affect the Company's financial resources or ability to continue as a going concern over the twelve months from the date of when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORSAIR FINANCE (IRELAND) NO. 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Conclusions relating to going concern (continued)

We held discussions with management and reviewed all board meeting minutes during the year up to the date of approval of the financial statements for evidence of any discussions and/or decisions that could impact the Company's ability to continue as a going concern.

The Directors' assessment is consistent with our understanding of the Company. There were no risks identified that we considered were likely to have a material adverse effect on the Company's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Valuation and ownership of Financial Assets designated at Fair Value through Profit or Loss ("FVTPL") €372,144,905 (2019: €373,011,153)

Refer to note 3(g) (accounting policy) on pages 19 - 21, and note 12 on page 24 - 26 (financial disclosures), and note 22 on pages 30 - 38 (Fair Value)

The key audit matter	How the matter was addressed in our audit
Valuation of Financial assets designated at FVTPL is considered to be a key audit matter. The Company's Financial assets designated at FVTPL make up 99% of total assets (by value). Due to their materiality in the context of the financial statements as a whole, valuation is considered to be one of the most significant areas to the audit of the financial statements.	Our audit procedures over the valuation of the Company's Financial assets designated at FVTPL included but not limited to: ▪ engaging our valuation specialists to price 100% of the Financial assets designated at FVTPL held by the Company at year end by independently pricing to third party sources;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORSAIR FINANCE (IRELAND) NO. 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Key audit matters: our assessment of risks of material misstatement (continued)

Valuation and ownership of Financial Assets designated at Fair Value through Profit or Loss ("FVTPL") €372,144,905 (2019: €373,011,153) (continued)

Refer to note 3(g) (accounting policy) on pages 19 - 21, and note 12 on page 24 - 26 (financial disclosures), and note 22 on pages 30 - 38 (Fair Value)

The key audit matter	How the matter was addressed in our audit
The Company's investment portfolio comprises of Government and Corporate Bonds. Due to their materiality in the context of the financial statements as a whole, Financial assets designated at FVTPL as a whole are considered of most significance to the audit of the financial statements.	▪ assessing the appropriateness of the pricing through obtaining the quotes from independent vendors, concluding on the depth of quotes available and inspecting assumptions (if any) made by the Company in pricing; and ▪ inspecting the disclosure of investments in the financial statements in accordance with fair value hierarchy as set out in IFRS 13. We found that the valuation of Financial assets designated at FVTPL and related disclosures were appropriately disclosed in the financial statements. No material misstatements were noted as part of our testing.
Ownership of Financial assets designated at FVTPL is considered to be a key audit matter. Due to the size of the portfolio and the fact that the Financial assets designated at FVTPL are the main asset owned by the Company, ownership is considered a key audit matter as the financial assets within the portfolio may not be owned by the Company at year end.	Our audit procedures over the ownership of the Company's Financial assets designated at FVTPL included but not limited to confirming the ownership of the bonds at year end by obtaining an independent third-party confirmation directly from the Custodian and agreeing it to the investments held at year end. No material misstatements were noted as part of our testing.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORSAIR FINANCE (IRELAND) NO. 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Our application of materiality and an overview of the scope of our audit

Materiality for the Company's financial statements as a whole was set at €3,734,360 (2019: €11,197,060) determined with reference to a benchmark of the Company's total assets, of which it represents 1% as at 31 December 2020. We consider total assets to be one of the principal considerations for members of the Company in assessing the financial performance of the Company. We applied materiality to assist us determine what risks were significant risks and the procedures to be performed.

We agreed to report to the Directors any corrected or uncorrected identified misstatements exceeding €186,718 (2019: €559,853), in addition to other identified misstatements that warranted reporting on qualitative grounds. Our audit of the Company was undertaken to the materiality level specified above and was all performed by one engagement team in Dublin.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors and Other Information, Directors' report and Statement of Directors' responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the Directors and Other Information, Directors' report and Statement of Directors' responsibilities;

- in our opinion, the information given in the Directors and Other Information, Directors' report and Statement of Directors' responsibilities is consistent with the financial statements; and

- in our opinion, the Directors and Other Information, Directors' report and Statement of Directors' responsibilities have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose 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 and the Company's financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORSAIR FINANCE (IRELAND) NO. 2 DESIGNATED ACTIVITY COMPANY (CONTINUED)

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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.

A fuller description of our responsibilities is provided on IAASA's website at http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for.

The purpose of our audit work and to whom we owe our responsibilities

Our 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 our report, or for the opinions we have formed.

Cr Reyes

Cristian Reyes **Date – 19 July 2022**
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place,
International Finance Service Centre,
Dublin 1

Statement of comprehensive income
For the financial year ended 31 December 2020

	Notes	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Net gain on financial assets designated at fair value through profit or loss	6	40,491,338	9,514,755
Net loss on financial liabilities designated at fair value through profit or loss	7	(25,647,721)	(2,806,875)
Net loss on derivative financial instruments	8	(14,843,617)	(6,707,880)
Other operating result		-	-
Other income	9	116,330	169,111
Other expenses	10	(116,330)	(168,843)
Profit before tax		-	268
Taxation	11	-	(67)
Net profit for the financial year		-	201
Other comprehensive income		-	-
Total comprehensive income for the financial year		-	201

The related notes on pages 16 to 40 form an integral part of the financial statements.

Statement of financial position
As at 31 December 2020

	Notes	31-Dec-20 EUR	31-Dec-19 EUR
Assets			
Cash and cash equivalents	13	20,173	26,168
Other receivables	14	186,120	198,207
Financial assets designated at fair value through profit or loss	12	372,144,905	373,011,153
Derivative financial instruments	15	1,084,809	-
Total assets		373,436,007	373,235,528
Liabilities and equity			
Liabilities			
Financial liabilities designated at fair value through profit or loss	16	373,229,714	368,155,244
Derivative financial instruments	15	-	4,855,909
Other payables	17	203,460	221,475
Corporation tax payable		-	67
Total liabilities		373,433,174	373,232,695
Equity			
Called up share capital presented as equity	18	3	3
Retained earnings		2,830	2,830
Total equity		2,833	2,833
Total liabilities and equity		373,436,007	373,235,528

On behalf of the Board

DocuSigned by:
589B84C42AA2430...
Conor Clancy
Director

DocuSigned by:
EAB12D731F8A44C...
Eimir McGrath
Director

Date: 19 July 2022

The related notes on pages 16 to 40 form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 December 2020

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance as at 1 January 2019	3	2,629	2,632
Total comprehensive income for the financial year			
Net profit or loss	-	201	201
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	201	201
Balance as at 31 December 2019	3	2,830	2,833
Balance as at 1 January 2020	3	2,830	2,833
Total comprehensive income for the financial year			
Net profit or loss	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	-	-
Balance as at 31 December 2020	3	2,830	2,833

Statement of cash flows
For the financial year ended 31 December 2020

	Notes	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Cash flows from operating activities			
Profit on ordinary activities before taxation		-	268
Adjustments for:			
Coupon income on financial assets designated at fair value through profit or loss	6	(6,569,197)	(3,425,079)
Interest expense on financial liabilities designated at fair value through profit or loss	7	2,907,196	2,074,270
Net swap expense	8	3,662,001	1,350,809
Net fair value gain on financial assets designated at fair value through profit or loss	6	(33,922,141)	(6,089,676)
Net fair value loss on financial liabilities designated at fair value through profit or loss	7	22,740,525	732,605
Net loss on derivative financial instruments	8	11,181,616	5,357,071
Acquisitions of financial assets designated at fair value through profit or loss	12	(28,537,100)	(72,564,516)
Disposal of financial assets designated at fair value through profit or loss	12	63,325,489	23,988,753
Coupon income received on financial assets designated at fair value through profit or loss	6	6,569,197	3,425,079
Movements in working capital			
Decrease in other receivables		12,087	71,347
Decrease in other payables		(18,082)	(47,246)
Net cash generated from/ (used in) operating activities		41,351,591	(45,126,315)
Cash flows from investing activities			
Receipts from Swap Counterparty	15	4,114,302	4,272,089
Payments to Swap Counterparty	15	(21,236,636)	(2,800,000)
Net swap expense paid	8	(3,662,001)	(1,350,809)
Net cash (used in)/ generated from operating activities		(20,784,335)	121,280
Cash flows from financing activities			
Issue of financial liabilities designated at fair value through profit or loss	16	-	73,153,314
Redemption and Unwind of financial liabilities designated at fair value through profit or loss	16	(17,666,055)	(26,049,640)
Interest paid on financial liabilities designated at fair value through profit or loss	7	(2,907,196)	(2,074,270)
Net cash (used in)/ generated from financing activities		(20,573,251)	45,029,404
(Decrease)/ increase in cash and cash equivalents		(5,995)	24,369
Cash and cash equivalents at start of the financial year		26,168	1,799
Cash and cash equivalents at end of the financial year	13	20,173	26,168

1 General information

The Company is a limited company incorporated on 22 October 2001 with registered number 349239 under the name of Corsair Finance (Ireland) No.2 Limited. On 9 September 2016, the Company changed its name to Corsair Finance (Ireland) No.2 Designated Activity Company. The registered address of the Company is Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland.

The Company established a EUR 10,000,000,000 Programme to issue Notes and/or other secured limited recourse indebtedness. Notes are issued in Series and the terms and conditions of the Notes of each Series are set out in a Supplemental Information Memorandum for such Series.

Each Series of Notes will, unless otherwise specified in the Supplemental Information Memorandum, be secured by a first fixed charge over the Charged Assets and all rights and sums derived there from and a first fixed charge over funds in respect of the Charged Assets as are held from time to time by the custodian as documented in the pricing supplement. Each Series may also be secured by an assignment by way of security of the Company's rights under one or more Swap Agreement and/or option agreement and/or repurchase agreement and/or credit support document (each as defined in the terms and conditions of the Notes) and any additional security as may be described in the relevant Offering Circular Supplement. The obligations of the Company under a Swap Agreement to the Swap Counterparty and to certain of the agents will, unless otherwise specified in the applicable Supplemental Information Memorandum, also be secured by certain assets comprised in the Mortgaged Property. As per the Offering Circular Supplement, the Company may from time to time substitute its charged assets.

The investors' recourse per Series is limited to the assets of that particular Series.

As part of certain Series Programmes, the Company has entered into interest rate swap agreements (Series 14, 15, 16 and 17), asset swap (Series 17), bond forward transaction (Series 17), delta hedge swap (Series 17) and swaption (Series 17) with the Swap Counterparty for the relevant Series.

Details of the Notes issued for each Series under the Programme are outlined in note 16 to the financial statements including the key terms. The related financial assets held under each Series are described in note 12 while description of the derivative contracts entered into has been detailed under note 15 to the financial statements. A summary of the key risks regarding these financial instruments is outlined in note 22.

None of the series of notes outstanding at year end, issued by the Company, are listed on any stock exchange. Subsequent to the year end, the Company has issued four series of Notes which are listed on the Vienna MTF stock exchange. The Company entered into a deed of substitution with Corsair Finance (Ireland) DAC and was appointed as the Substitued Issuer to a series of Notes which are listed on the Global Exchange Market of Euronext Dublin.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRSs, issued by the International Accounting Standard Board (IASB) and its interpretations as adopted by the EU and in accordance with the Act.

The accounting policies set out below have been consistently applied in preparing the financial statements for the financial year ended 31 December 2020 and 31 December 2019, the comparative information presented in these financial statements is for financial year ended 31 December 2019.

These financial statements have been prepared on a going concern basis as defined in the Directors' report. The response to the impact of COVID-19 is set out in the Business risks and principal uncertainties section of the Directors' report. The structure of the Company's debt securities issued mitigates any impact on the Company as the debt securities issued by the Company are limited recourse, and hence any losses suffered on the underlying securities will ultimately be borne by the noteholders. The Noteholders have no right to petition for insolvency proceedings against the Company in the event that the underlying assets are insufficient to repay the principal amount of the debt securities issued. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future that is at least 12 months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

(b) Basis of measurement

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

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

2 Basis of preparation (continued)

(b) Basis of measurement (continued)

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 upon initial recognition when either:

- the designation 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; and
- the liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

The methods used to measure fair values are discussed further in note 5.

(c) Functional and presentation currency

These financial statements are presented in Euro (EUR) which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in EUR and the financial liabilities are also denominated in EUR. The Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions. The amounts in these financial statements have been rounded off to the nearest Euro.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS 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 significant judgements and estimates have been further described in accounting policy 3(g) "Financial instruments" and notes 5 and 22 to the financial statements.

Key accounting estimates

The key accounting estimate made within these financial statements is the determination of fair value for the financial liabilities held at fair value through profit or loss. Please see further information on determination of fair values below:

(i) Determining of fair value of financial liabilities designated at fair value through profit or loss

Because of its limited recourse nature, the fair value of the financial liabilities are derived from the fair values of the financial assets and derivative financial instruments. Please refer to note 3(g) for more details.

Significant judgments

The following are the critical judgments that the Directors have made in the process of applying the Company's accounting policies in these financial statements;

Designating financial assets purchased and financial liabilities issued at fair value through profit or loss

Note 3(g) to the financial statements describes that the Directors have designated the financial assets purchased and financial liabilities issued at fair value through profit or loss. In making their judgement, the Directors have considered the requirements of IFRS 9 Financial Instruments: Recognition and Measurement. Directors consider that such designation 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.

Determination of inputs

The determination of what constitutes an active market and what inputs are "observable" requires judgment by the Directors. Such judgment can have impact on fair value levelling of financial assets and liabilities disclosed in Note 22.

2 Basis of preparation (continued)

(e) New standards and interpretations

The Directors have set out below both the EU endorsed and un-endorsed accounting standards, amendments or interpretations.

(i) ***New standards, amendments and interpretations issued effective as of 1 January 2020:***

Description	Effective date*
IAS 1 and IAS 8: Amendments regarding the definition of material	1 January 2020
IFRS 3 Business Combinations: Amendments to clarify the definition of a business	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 9 Financial Instruments: Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2020

None of the above standards, amendments and interpretations had a significant impact on the Company's financial statements.

(ii) ***Standards not yet effective, but available for early adoption***

Description	Effective date*
Amended by Covid-19-Related Rent Concessions (Amendment to IFRS 16)	01 April 2021
Interest rate benchmark reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021
Amendments to IFRS 3 Business Combinations	1 January 2022
Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9	1 January 2021
IFRS 17: Insurance contracts	1 January 2023
IFRS 17: Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information	1 January 2023
IAS 1 Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2023
IAS 1 Presentaion of Financial Statements: Amendement regarding disclosure of Accounting Policies	1 January 2023
Amendment to IAS 8 Accounting policies, changes in accounting estimates and errors: definition of accounting estimate	1 January 2023

*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.

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

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

Net gain on financial assets designated at fair value through profit or loss relates to investments and includes all realised and unrealised fair value changes, foreign exchange differences and coupon receipts. 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(g)).

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

Net loss on financial liabilities issued relates to financial liabilities and includes all realised and unrealised fair value changes and coupon payments. Any gains and losses arising from changes in fair value of the financial liabilities 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 (g)).

(c) Net loss on derivative financial instruments

Net loss on derivative financial instruments relates to the fair value movements on swaps and other derivative contracts held by the Company and includes realised and unrealised fair value movements, foreign exchange differences and net coupon payments. Any gains and losses arising from changes in fair value of the derivative financial instruments are recognised in the Statement of comprehensive income. Details of recognition and measurement of derivative financial instruments are disclosed in the accounting policy of financial instruments (note 3(g)).

3 Significant accounting policies (continued)

(d) Other income and expenses

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

(e) Taxation

Tax expense is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustments to tax payable in respect of previous years.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Company does not have any deferred tax.

(f) Cash and cash equivalents

Cash and cash equivalents include 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.

Based on business model assessment under IFRS 9, cash and cash equivalents are carried at amortised cost in the Statement of financial position.

(g) Financial instruments

The financial instruments held by the Company include 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
- derivative financial instruments are measured at fair value.

Initial recognition

The Company initially recognises all financial instruments 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 instruments at fair value through profit or loss are recorded in the Statement of comprehensive income.

Classification

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.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in the Statement of comprehensive income immediately. A derivative financial instrument with a positive fair value is recognised as a derivative financial asset; a derivative with a negative fair value is recognised as a derivative financial liability.

All changes in its fair value are recognised immediately in the Statement of comprehensive income as a component of net expense on derivative financial liabilities carried at fair value.

Financial assets designated at fair value through profit or loss

The financial assets include a investment portfolio of fixed income securities. The assessment of classification of financial assets is described as below:

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

3 Significant accounting policies(continued)

(g) Financial instruments (continued)

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

Business model assessment (continued)

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment whether contractual cash flows are solely payment of principal and interest ("SPPI")

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Based on the business model assessment and SPPI assessment, the Directors conclude that financial assets are held within the business model of "held to collect contractual cash flows and sell" and should be classified as "fair value through other comprehensive income" in accordance with the guidance in IFRS 9. On initial recognition, the Company may irrevocably designate a financial instrument at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. In determining whether changes in fair value should be accounted for through Other Comprehensive Income or Profit or Loss, the Company has concluded that accounting for fair value changes through Other Comprehensive Income would lead to split presentation of changes in fair value and would create an accounting mismatch between financial assets and financial liabilities given that financial liabilities are classified as FVTPL. Therefore, all fair value changes in financial assets are presented through profit or loss and accordingly the financial assets have been designated at FVTPL.

Financial liabilities designated at fair value through profit or loss

As per IFRS 9, financial liabilities are classified and measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The Company's financial liabilities are not held for trading and are not derivative instruments, hence these should be classified as measured at amortised cost. However, on initial recognition, the Company may irrevocably designate a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Since the financial assets and derivative financial instruments are classified as FVTPL, the Company has concluded that classifying financial liabilities as measured at amortised cost would lead to split presentation of changes in fair value and would create an accounting mismatch. Therefore, all fair value changes in financial liabilities are presented through profit or loss and accordingly the financial liabilities have been designated at FVTPL.

Subsequent measurement

After initial measurement, the Company measures the financial instruments which are classified at FVTPL at their fair value. Subsequent changes in the fair value of financial instruments designated at FVTPL are recognised directly in the Statement of comprehensive income. The fair value of financial assets and derivatives are 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. The fair value of the financial liabilities on the other hand is derived from the fair values of the financial assets and derivative financial instruments because of its limited recourse nature.

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 or cancelled or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to offset 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.

3 Significant accounting policies(continued)

(g) Financial instruments (continued)

Determination of fair values

Fair value 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 process and principles followed by the Company to determine fair values is set out in note 22(d) to the financial statements.

(h) Share capital

Share capital is issued in Euro (EUR). Dividends are recognised as a liability in the period in which they are approved. No dividend has been paid during the year under review (2019: EUR Nil)

(i) Other receivables

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(j) Other payables

Other payables are not interest-bearing and are stated at amortised cost.

(k) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of comprehensive income.

4 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 administrating and operating functions are carried out and reviewed by the Administrator and Company Secretary, VAIIL.

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 SPV 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 Company as a whole. Based on that fact, the Directors confirm that there is only one segment.

Financial results of operating in this segment encompass total assets of EUR 373,426,782 (2019: EUR 373,235,528) and total liabilities of EUR 373,423,949 (2019: EUR 373,232,695). The segment also generated a profit before taxation of EUR Nil (2019: EUR 268).

At the reporting date, the Company's coupon income was concentrated in the following geographical locations:

By Geographical location	**31-Dec-20**	**31-Dec-19**
Country of origin	**EUR**	**EUR**
Spain	4,652,608	3,150,528
Germany	1,141,883	34,393
Italy	466,200	233,100
London	163,861	253
France	136,050	-
Cayman Island	8,595	6,805
	6,569,197	3,425,079

Refer to note 22(b) for further information and analysis of the assets for concentration risk for geographical segmental reporting of the assets.

5 Determination of fair values

Fair value measurement principles

The Company's financial assets and financial liabilities issued are carried at fair value on the Statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values. Their fair values together with carrying amounts shown in the Statement of financial position are disclosed in note 22.

5 Determination of fair values (continued)

Fair value measurement principles (continued)

The methodology applied in the determination of fair value for financial assets, derivative financial instruments and financial liabilities have been listed below. For financial instruments that trade infrequently and have little price transparency, fair value is more subjective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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 instrument has been detailed in note 2(d) and note 22.

The following methodologies have been applied in determining the fair values of each financial instrument:
Financial assets - The methodology applied to fair value the investments is to use the values from Bloomberg Generic Prices (BGN). The BGN is Bloomberg's market consensus price for corporate and government bonds.

Financial liabilities - The methodology applied to value the index linked Notes is the combined value of the investment securities and derivative financial instruments that is owed to the Noteholders due to the limited recourse nature of the financial liabilities.

Derivative financial instruments - The fair value of the derivatives has been calculated and provided by the team in PricingDirect Inc. ("PricingDirect"), a subsidiary of JP Morgan Chase & Co. The PricingDirect team has established a valuation process supported by professional Evaluators (the "Evaluators"). The Evaluators track the market by interacting with various market participants to capture information for traded and quoted securities on a daily basis. The PricingDirect team rely on multiple sources including internal sources like the JP Morgan trading desks and external sources like publicly available information and other market participants. The inputs are processed by the PricingDirect internal system to generate the valuations of the derivatives based on recognised valuation models. The Directors believed that they can therefore rely on the J.P. Morgan SE (formerly known as J.P Morgan AG) to provide the valuations of the derivative financial instruments.

Details of Secured Notes is included in note 16.

6 Net gain on financial assets designated at fair value through profit or loss

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Net gain on financial assets designated at fair value through profit or loss	40,491,338	9,514,755
Analysed as follows:		
Coupon receipts	6,569,197	3,425,079
Net fair value gain on financial assets designated at fair value through profit or loss	33,922,141	6,089,676
	40,491,338	9,514,755

7 Net loss on financial liabilities designated at fair value through profit or loss

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Net loss on financial liabilities designated at fair value through profit or loss	(25,647,721)	(2,806,875)
Analysed as follows:		
Coupon expense	(2,907,196)	(2,074,270)
Net fair value loss on financial liabilities designated at fair value through profit or loss	(22,740,525)	(732,605)
	(25,647,721)	(2,806,875)

8 Net loss on derivative financial instruments

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Net loss on derivative financial instruments	(14,843,617)	(6,707,880)
Analysed as follows:		
Net swap expense	(3,662,001)	(1,350,809)
Net fair value loss on financial instruments	(11,181,616)	(5,357,071)
	(14,843,617)	(6,707,880)

9 Other income

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
*Other income	116,330	168,843
Corporate benefit	-	268
	116,330	169,111

*Other income relates mainly to Arranger income received during the year.

10 Other expenses

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Audit fees	(54,115)	(29,520)
Professional fees	(37,996)	(114,110)
Administration Fees	(17,600)	(19,176)
Taxation fees	(5,566)	(5,658)
Foreign exchange movements	(918)	(243)
Bank charges	(135)	(136)
	(116,330)	(168,843)

Auditor's remuneration in respect of the financial year (excluding VAT):	**31-Dec-20 EUR**	**31-Dec-19 EUR**
Statutory audit of individual company accounts	(37,500)	(24,000)
Other assurance services	-	-
Tax advisory services	(4,600)	(4,600)
Other non-audit services	-	-
	(42,100)	(28,600)

Section 305A(1)(a) of the Act, requires disclosure that VAIIL receives EUR 1,000 (2019: EUR 1,000) per Director included in administration fees as consideration for the making available of individuals to act as Directors of the Company. The terms of the corporate services agreement in place between the Company and VAIIL provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, Conor Clancy and Eimir McGrath do not receive any remuneration for acting as Directors of the Company as they are employees of VAIIL. The Company has no employees (2019: no employees) and services required are contracted from third parties.

11 Taxation

	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Profit before tax	-	268
Current tax at standard rate of 25%	-	(67)
Current tax charge	-	(67)

The Company will continue to be taxed at 25% (2019: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997 (as amended).

12 Financial assets designated at fair value through profit or loss

	31-Dec-20	31-Dec-19
	EUR	EUR
Financial assets	372,144,905	373,011,153

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	**EUR**	**EUR**
At beginning of the financial year	373,011,153	-
Cash transactions		
Additions during the financial year	28,537,100	72,564,516
Disposals during the year	(63,325,489)	(23,988,753)
Non cash transactions		
Additions during the financial year	-	318,345,714
Net changes in fair value during the year	33,922,141	6,089,676
At end of the financial year	372,144,905	373,011,153

Contractual maturity analysis of financial assets	**31-Dec-20**	**31-Dec-19**
	EUR	**EUR**
Within 1 year	2,854,116	4,878,843
More than 1 year and less than 5 years	46,392,005	28,558,707
More than 5 years	322,898,784	339,573,603
	372,144,905	373,011,153

The amounts expected to be settled within the next 12 months is EUR 2,854,116 (2020: EUR 4,878,843).

The fair value of the assets of the Company represents their maximum exposure to the credit risk. The credit risk is eventually transferred to the Noteholders through the individual terms of each Series in issue.

The financial assets are held as collateral for each Series of debt securities issued by the Company as per note 16.

Refer to note 22 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	Interest rate basis	Maturity date	CCY	31-Dec-20 Nominal Source CCY	31-Dec-19 Nominal Source CCY
14	Spain Government Fixed Rate Bond	Fixed - 5.75%	30 Jul 2032	EUR	4,950,000	4,950,000.00
14	Spain Government Fixed Rate Bond	Fixed - 4.80%	31 Jan 2024	EUR	300,000	300,000.00
14	Spain Government Fixed Rate Bond	Fixed - 4.65%	30 Jul 2025	EUR	7,930,000	7,930,000.00
14	Spain Government Fixed Rate Bond	Fixed - 4.20%	31 Jan 2037	EUR	3,210,000	3,210,000.00
14	Spain Government Fixed Rate Bond	Fixed - 4.70%	30 Jul 2041	EUR	1,975,000	1,975,000.00
14	French Government Fixed Rate Bond	Fixed - 4.50%	25 Apr 2041	EUR	1,690,000	1,690,000.00
14	Spain Government Fixed Rate Bond	Fixed - 6.00%	31 Jan 2029	EUR	1,025,000	1,025,000.00
14	Spain Government Fixed Rate Bond	Fixed - 4.90%	30 Jul 2040	EUR	220,000	220,000

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

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

Series	Description	Interest rate basis	Maturity date	CCY	31-Dec-20 Nominal Source CCY	31-Dec-19 Nominal Source CCY
14	Italian Government Fixed Rate Bond	Fixed - 5.00%	01 Sep 2040	EUR	185,000	185,000
14	Italian Government Fixed Rate Bond	Fixed - 4.00%	01 Feb 2037	EUR	300,000	300,000
14	Italian Government Fixed Rate	Fixed - 4.50%	01 Mar 2024	EUR	110,000	110,000
14	Spain Government Fixed Rate Bond	Fixed - 5.50%	30 Apr 2021	EUR	2,700,000	2,700,000
14	Spain Government Fixed Rate Bond	Fixed - 5.85%	31 Jan 2022	EUR	4,100,000	4,100,000
14	Spain Government Fixed Rate Bond	Fixed - 5.90%	30 Jul 2026	EUR	1,000,000	1,000,000
14	Italian Government Bond	Zero Coupon	01 Aug 2039	EUR	1,400,000	1,400,000
14	Spain Government Fixed Rate Bond	Fixed - 5.15%	31 Oct 2044	EUR	8,350,000	8,350,000
14	Spain Government Bond	Zero Coupon	31 Jan 2037	EUR	3,200,000	3,200,000
14	Spain Government Fixed Rate Bond	Fixed - 1.95%	30 Jul 2030	EUR	750,000	750,000
14	French Government Fixed Rate Bond	Fixed - 4.00%	25 Apr 2055	EUR	1,500,000	1,500,000
14	Spain Government Fixed Rate Bond	Fixed - 4.00%	30 Apr 2020	EUR	-	3,990,000.00
15	Spain Government Fixed Rate Bond	Fixed - 4.80%	31 Jan 2024	EUR	1,458,000	1,458,000
15	Spain Government Bond	Zero Coupon	30 Jul 2025	EUR	3,500,000	3,500,000
15	Spain Government Fixed Rate Bond	Fixed - 5.90%	30 Jul 2026	EUR	4,457,000	5,457,000
15	Spain Government Bond	Zero Coupon	30 Jul 2028	EUR	2,142,000	2,142,000
15	Spain Government Fixed Rate Bond	Fixed - 5.15%	31 Oct 2028	EUR	5,848,000	5,848,000
15	Spain Government Bond	Zero Coupon	31 Jan 2029	EUR	11,400,000	13,000,000
15	Spain Government Bond	Zero Coupon	30 Jul 2032	EUR	20,200,000	20,200,000
15	Spain Government Bond	Zero Coupon	30 Jul 2035	EUR	-	1,835,000
15	Spain Government Bond	Zero Coupon	30 Jul 2036	EUR	4,500,000	4,500,000
15	Spain Government Fixed Rate Bond	Fixed - 4.20%	31 Jan 2037	EUR	3,300,000	4,000,000
15	Spain Government Bond	Zero Coupon	30 Jul 2038	EUR	2,275,000	3,675,000
15	Spain Government Bond	Zero Coupon	30 Jul 2039	EUR	3,000,000	3,000,000
15	Spain Government Bond	Zero Coupon	30 Jul 2040	EUR	8,000,000	8,000,000
15	Spain Government Fixed Rate Bond	Fixed - 4.70%	30 Jul 2041	EUR	1,173,000	1,173,000
15	Spain Government Bond	Zero Coupon	30 Jul 2041	EUR	27,100,000	28,100,000
15	Spain Government Fixed Rate Bond	Fixed - 5.15%	31 Oct 2044	EUR	6,050,000	7,050,000
15	Italian Government Fixed Rate Bond	Fixed - 6.00%	01 May 2031	EUR	675,000	3,675,000
15	Italian Government Fixed Rate Bond	Fixed - 5.00%	01 Aug 2034	EUR	3,310,000	4,390,000
15	AYT Cedulas Cajas Global - Fondo de Titulización de Activos fixed rate bonds	Fixed - 4.25%	25 Oct 2023	EUR	-	400,000
15	French Government Bond	Zero Coupon	25 Apr 2051	EUR	-	500,000
16	Principal Financial Global Funding LLC Floating Rate Bonds	Floating- 3M USD Libor+ 0.52%	10 Jan 2031	USD	500,000	500,000

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

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

Series	Description	Interest rate basis	Maturity date	CCY	31-Dec-20 Nominal Source CCY	31-Dec-19 Nominal Source CCY
16	Spain Government Bond	Zero Coupon	31 Jan 2028	EUR	5,495,000	5,495,000
16	Spain Government Bond	Zero Coupon	31 Jan 2035	EUR	2,000,000	2,000,000
16	Spain Government Fixed Rate Bond	Fixed - 4.20%	31 Jan 2037	EUR	5,453,000	5,453,000
16	Spain Government Bond	Zero Coupon	30 Jul 2041	EUR	13,000,000	13,000,000
	AYT Cedulas Cajas Global - Fondo de Titulización de Activos fixed rate bonds	Fixed - 4.25%	25 Oct 2023	EUR	2,300,000	2,300,000
16	Spain Government Bond	Zero Coupon	30 Jul 2024	EUR	9,000,000	9,000,000
16	Spain Government Fixed Rate Bond	Fixed - 5.90%	30 Jul 2026	EUR	5,743,000	5,743,000
16	Spain Government Bond	Zero Coupon	30 Jul 2035	EUR	5,500,000	5,500,000
16	Spain Government Fixed Rate Bond	Fixed - 5.15%	31 Oct 2044	EUR	1,400,000	1,400,000
16	French Government Bond	Zero Coupon	25 Apr 2046	EUR	7,872,000	7,872,000
16	French Government Bond	Zero Coupon	25 Apr 2047	EUR	7,968,000	7,968,000
16	Spain Government Bond	Zero Coupon	31 Jan 2037	EUR	4,300,000	4,300,000
16	Spain Government Fixed Rate Bond	Fixed - 1.60%	30 Apr 2025	EUR	700,000	700,000
16	Spain Government Bond	Zero Coupon	30 Jul 2032	EUR	10,400,000	10,400,000
16	Spain Government Fixed Rate Bond	Fixed - 5.15%	31 Oct 2028	EUR	1,300,000	1,300,000
16	Fixed Rate Bonds issued by landesbank Baden-Wurttembergnachr DL Anleihe	Fixed - 7.63%	01 Feb 2023	USD	1,000,000	1,000,000
16	Spain Government Fixed Rate Bond	Fixed - 4.70%	30 Jul 2041	EUR	2,250,000	2,250,000
16	Spain Government Bond	Zero Coupon	30 Jul 2040	EUR	4,000,000	4,000,000
16	Fixed rate bonds issued by Fondo de Titulizacion del deficit del Sistema Electrico	Fixed - 6.25%	17 Mar 2025	EUR	5,000,000	5,000,000
16	French Government Bond	Zero Coupon	25 Apr 2048	EUR	1,340,000	1,340,000
16	Fixed rate Bonds issued by Lloyds Bank Plc	Fixed - 9.63%	04 Jun 2023	GBP	1,500,000	1,500,000
16	Spain Government Fixed Rate Bond	Fixed - 5.75%	30 Jul 2032	EUR	1,250,000	1,250,000
16	Spain Government Fixed Rate Bond	Fixed - 4.80%	31 Jan 2024	EUR	500,000	500,000
16	Spain Government Bond	Zero Coupon	31 Jan 2029	EUR	2,281,000	2,281,000
16	Spain Government Bond	Zero Coupon	31 Jan 2024	EUR	2,200,000	2,200,000
16	Spain Government Bond	Zero Coupon	30 Jul 2025	EUR	900,000	900,000
16	French Government Bond	Zero Coupon	25 Apr 2051	EUR	1,697,000	1,697,000
16	Lloyds Bank Plc Floating Rate Bonds	Floating - 0.5%	04 Dec 2020	EUR	-	100,000
16	Spain Government Fixed Rate Bond	Fixed - 4.00%	30 Apr 2020	EUR	-	600,000
17	2,15% Nordrhein-Westfalen, Land	Fixed - 2.15%	21 Mar 2119	EUR	25,000,000	50,000,000
17	Bundesrepublik Deutschland bonds	Zero coupon	15 Aug 2026	EUR	27,400,000	-

13 Cash and cash equivalents	**31-Dec-20**	**31-Dec-19**
	EUR	**EUR**
Cash at bank	20,173	26,168
	20,173	26,168

The cash at bank is held with Barclays Bank Plc 100% (2019: 88%) and The Bank of New York Mellon 0% (2019: 12%).

14 Other receivables	**31-Dec-20**	**31-Dec-19**
	EUR	**EUR**
Other receivables	94,357	73,995
Prepaid expenses	91,760	124,209
Unpaid share capital	3	3
	186,120	198,207

15 Derivative financial instruments	**31-Dec-20**	**31-Dec-19**
Movement in derivative financial instruments	**EUR**	**EUR**
At beginning of the financial year	(4,855,909)	-
Cash transactions with Swap Counterparty	17,122,334	(1,472,089)
Non-cash transactions with Swap Counterparty	-	1,973,251
Net changes in fair value during the financial year	(11,181,616)	(5,357,071)
At end of the financial year	1,084,809	(4,855,909)

	31-Dec-20	**31-Dec-19**
	EUR	**EUR**
Derivative financial asset/ (liability)	1,084,809	(4,855,909)
	1,084,809	(4,855,909)

	31-Dec-20	**31-Dec-19**
Types of swaps:	**EUR**	**EUR**
Bond forward transaction	28,384,283	6,445,884
Interest rate swap	16,610,707	2,636,725
Swaption	2,252,883	1,438,313
Asset swap	349,222	(405,416)
Delta hedge swap	(46,512,286)	(14,971,415)
	1,084,809	(4,855,909)

The table above relates to the fair value of the derivative financial instruments as at the financial year end, including any collateral postings as at 31 December 2020 and 31 December 2019.

The Company has entered into a derivative contract for most of the Series issued either to reduce mismatch between the amounts payable in respect of the debt securities and return from the investment securities held as collateral, to create a risk profile appropriate for the investor or to mitigate its exposure to market risk (interest rate risk and currency risk) within the Company. The rationale behind entering into these instruments is to provide an asset risk profile which is suited to the needs of the investors (the holders of debt securities).

The derivatives entered into by the Company can be grouped into two categories, those that create a risk profile appropriate to the investor and, those that mitigate exposure to market risk.

Interest Rate Swaps
Under the interest rate swap, any difference between the interest rate from interest expense on debt securities and coupon income from financial assets will be borne by the Swap Counterparty.

The Company has entered into interest rate swaps to hedge its exposure in respect of Series 14,15,16 and 17 (2019: Series 14,15,16 and 17).

Asset Swap
Under the asset swap, asset swaps exchange fixed rate investments such as bonds which pay a guaranteed coupon rate with floating rate investments such as an index.

The Company has entered into asset swap to hedge its exposure in respect of Series 17 (2019: Series 17).

15 Derivative financial instruments (continued)

Delta Hedge Swap

Under the delta hedge swap, the main aim of the Company is to reduce its risk associated with the price movement of the underlying investment.

The Company has entered into delta hedge swap to hedge its exposure in respect of Series 17 (2019: Series 17).

Swaption

Under the swaption, the Company has an option but not the obligation to enter into a predetermined swap agreement in a specified future date.

The Company has entered into a swaption for Series 17 (2019: Series 17).

Bond Forward Transaction

Under the bond forward transaction, the Company has with the swap counterparty agreed to sell a bond at a specific price and on a specific date.

The Company has entered into a bond forward transaction for Series 17 (2019: Series 17).

16 Financial liabilities designated at fair value through profit or loss	**31-Dec-20**	**31-Dec-19**
	EUR	**EUR**
Financial liabilities	373,229,714	368,155,244

The Company's obligations under the debt securities issued and related derivative financial instruments are secured by the investment securities as per note 12. The investors' recourse per Series is limited to the assets of that particular Series. Series 17 has an option for early redemption.

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 debt securities by an equivalent amount.

Movement in financial liabilities	**EUR**	**EUR**
At beginning of the financial year	368,155,244	-
Cash transactions		
Issue of financial liabilities	-	73,153,314
Redemption payments	(17,666,055)	(26,049,640)
Non-cash transactions		
Issue of financial liabilities	-	320,318,965
Net changes in fair value during the financial year	22,740,525	732,605
At end of the financial year	373,229,714	368,155,244

Maturity analysis	**EUR**	**EUR**
Within 1 year	57,825,014	61,096,456
More than 1 year and less than 5 years	-	-
More than 5 years	315,404,700	307,058,788
	373,229,714	368,155,244

The maturity analysis disclosed above is based on expectations. Series 17 has been included in "Within 1 year category" as Series 17 note holders have an option of early redemption. The contractual maturities are disclosed in Note 22.

Refer to note 22 for a description of the key risks regarding the issue of these instruments.

The financial liabilities in issue at 31 December 2020 and 31 December 2019 are as follows:

Series	**Description**	**Interest rate basis**	**Maturity date**	**CCY**	**31-Dec-20 Nominal EUR**	**31-Dec-19 Nominal EUR**
14	Secured Notes	Variable	31-Oct-64	EUR	55,972,067	56,908,316
15	Secured Notes	Variable	31-Dec-55	EUR	99,764,328	103,465,013
16	Secured Notes	Variable	31-Dec-55	EUR	98,625,569	100,145,783
17	Secured Notes	Variable	08-Aug-24	EUR	61,951,500	61,951,500

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

The fair values of the financial liabilities in issue at 31 December 2020 and 31 December 2019 are as follows:

Series	Description	Interest rate basis	Maturity date	CCY	31-Dec-20 EUR	31-Dec-19 EUR
14	Secured Notes	Variable	31-Oct-64	EUR	73,167,587	68,596,428
15	Secured Notes	Variable	31-Dec-55	EUR	122,951,832	125,499,756
16	Secured Notes	Variable	31-Dec-55	EUR	119,285,281	112,962,604
17	Secured Notes	Variable	08-Aug-24	EUR	57,825,014	61,096,456
					373,229,714	368,155,244

At the reporting date, the Company's financial liabilities designated at fair value through profit or loss were concentrated in the following types:

Types of financial liabilities	31-Dec-20 EUR	31-Dec-19 EUR
Secured Notes	100%	100%

The amounts expected to be settled within the next 12 months is EUR 57,825,014 (2020: EUR 61,096,456).

A description of the principal types of financial liabilities in issue is as follows:

Secured Notes in respect to Series 14, 15, 16 and 17

Under these Series, the Noteholders have secured their investments with the corresponding collaterals and/ or the swap agreements that have been entered into.

Unwind payment

As per the pricing conditions, subject to certain conditions being met, the Noteholder has the right to give a modification event notice which can either be in the form of a "Partial Unwind" or "Substitution". During the year, there was a partial unwind in Series 15 and as part of the partial unwind, payment was made to the Noteholders. The unwind payment is included in redemptions in the notes reconciliation above.

17 Other payables

	31-Dec-20 EUR	31-Dec-19 EUR
Accrued expenses	109,946	95,361
Deferred income*	93,514	126,114
	203,460	221,475

*Deferred income relates to funds received from the Arranger to settle the administration fees and moody's rating fees which have been paid by the Company till the year 2023 and 2024 respectively. Each year, the portion for the financial year is released in the statement of comprehensive income.

18 Called up share capital presented as equity

	31-Dec-20	31-Dec-19
Authorised:	**EUR**	**EUR**
10,000,000 ordinary shares of EUR1 each	10,000,000	10,000,000
Issued and alloted:	**EUR**	**EUR**
3 ordinary shares of EUR1 each - unpaid	3	3
Presented as follows:	**EUR**	**EUR**
Called up share capital presented as equity	3	3

19 Ownership of the Company

Matheson Services Limited, Matsack Trust Limited and Matsack Nominees Limited hold one share each in the Company. 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.

20 Transactions with related parties

Transactions with Administrator

During the financial year, the Company incurred a fee of EUR 17,600 (2019: EUR 19,176) relating to administration services provided by VAIIL. All Directors are employees of VAIIL, which is considered to be a related party. As at 31 December 2020, no amount is due to the Administrator of the Company (2019: EUR Nil).

20 Transactions with related parties (continued)

Transactions with Administrator (continued)

Section 305A(1)(a) of the Act, requires disclosure that VAIIL receives EUR 1,000 (2019: EUR 1,000) per Director included in administration fees as consideration for the making available of individuals to act as Directors of the Company. The terms of the corporate services agreement in place between the Company and VAIIL provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, Conor Clancy and Eimir McGrath do not receive any remuneration for acting as Directors of the Company as they are employees of VAIIL. The Company has no employees (2019: no employees) and services required are contracted from third parties.

Transactions with the Noteholders

During the financial year, no new Series were issued (2019: 1 Series was issued). There were no other transactions with the Noteholders during the year, other than those already disclosed in Note 16 which require disclosure (2020: Nil).

Transactions with Arranger and Swap Counterparty

J.P Morgan Securities Public Limited Company is the Arranger of the Company. In line with the Master Mandate Terms, the Arranger has agreed to reimburse the Company against expenses. As such, all costs associated with the Company are paid by the Arranger. During the financial year, the Arranger paid the Company EUR Nil (2019: EUR 268) for the new Series issued.

The Company has also entered into various swap agreements with J.P. Morgan SE (formerly known as J.P Morgan AG), as Swap Counterparty. All payments to and from the Swap Counterparty have been disclosed on the Statement of comprehensive income and the notes to the financial statements. Details of the swaps are disclosed in note 15 to the financial statements.

Net derivative interest expense incurred by the Company during the financial year amounts to EUR 3,662,001 (2019: EUR 1,350,809).

There were no other transactions with VAIIL or arranger that require disclosure in the financial statements.

21 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 under respective swap agreements 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 bonds, swap rights or credit derivative products all as more particularly specified in the relevant Supplemental Information Memorandum.

The Charged Assets comprise those financial assets and derivatives detailed in notes 12 and 15 respectively. Further details on the profile of both are included in note 22.

22 Financial risk management

Introduction and overview

The Company has Secured Notes issued to investors and entered into swap agreements with Swap Counterparty. The proceeds from the issue of the Notes have been used to purchase various collaterals as disclosed in note 12.

The net proceeds of each Series will be used by the Company to purchase the Collateral, pay for or enter into any Swap Agreement 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 Offering Circular Supplement relating to each Series.

The Company was set up as a segregated multi issuance 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, incorporated 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;
- any swap transaction entered into by the Company for a Series is separate from any other swap transaction for any other Series;
- for each Series of debt securities, only the trustee is entitled to exercise remedies on behalf of the debt security holders; and
- the relevant series memorandum will state whether or not a Series of Notes is, or is anticipated to be, rated by any rating agency.

The Company is not engaged in any other activities.

22 Financial risk management (continued)

Risk management framework

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

The Company has identified certain risks that it is exposed to. The Company reviews and monitors such risks in light of market conditions and the Company's activities.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities and derivatives held for risk management purposes are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:
(a) market risk;
(b) credit risk; and
(c) liquidity risk.

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

The Company has, in all of its Series, entered into Swap Agreements with J.P. Morgan SE (formerly known as J.P Morgan AG). Refer to note 14 for a description of the different types of swaps entered into by the Company.

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.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Noteholders are exposed to the market risk of the assets portfolio.

Market risk embodies the potential for both loss and gains and includes interest rate risk, currency risk and other 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 risk is the risk that the Company does not receive enough interest from the underlying investments to secure interest payments on the Notes. There may be a timing mismatch between payments of interest on the Notes 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 debt securities.

Interest rate swaps have been entered into, where necessary, to match the interest flows on the financial assets, financial liabilities and derivative financial instruments. The interest rate basis applicable to the financial assets and liabilities of each Series are detailed in notes 12 and 16.

Interest received on the financial asset is passed on to the Swap Counterparty, in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear interest rate risk. For those Series where there is no swap in place, interest received on the financial asset is passed on to the noteholders.

22 Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

At the reporting date, the interest rate risk profile of the Company's interest bearing financial instruments was:

31-Dec-20	**Floating rate**	**Fixed rate (including zero coupon)**	**Non-interest bearing**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	373,404	371,771,501	-	372,144,905
Derivative financial instruments	1,084,809	-	-	1,084,809
Other receivables	-	-	186,120	186,120
Cash and cash equivalents	20,173	-	-	20,173
Total Assets	1,478,386	371,771,501	186,120	373,436,007
Financial liabilities designated at fair value through profit or loss	(373,229,714)	-	-	(373,229,714)
Other payables	-	-	(109,946)	(109,946)
Total Liabilities	(373,229,714)	-	(109,946)	(373,339,660)
Net exposure	(371,751,328)	371,771,501	76,174	96,347
31-Dec-19				
Financial assets designated at fair value through profit or loss	511,089	227,275,614	145,224,450	373,011,153
Derivative financial instruments	306,547,699	-	-	306,547,699
Other receivables	-	-	198,207	198,207
Cash and cash equivalents	26,168	-	-	26,168
Total assets	307,084,956	227,275,614	145,422,657	679,783,227
Financial liabilities designated at fair value through profit or loss	(307,058,788)	-	(61,096,456)	(368,155,244)
Derivative financial instruments	-	(227,275,614)	(84,127,994)	(311,403,608)
Other payables	-	-	(95,361)	(95,361)
Total liabilities	(307,058,788)	(227,275,614)	(145,319,811)	(679,654,213)
Net exposure	26,168	-	102,846	129,014

Sensitivity analysis

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

The Company does not bear any interest rate risk as the interest rate risk associated with the financial liabilities issued by the Company is neutralised by entering into swap agreements whereby the Swap Counterparty pays the Company amounts equal to the interest payable to the Noteholders in return for the interest earned by the Company on its collaterals. Where there is no swap in place, the coupon income is passed on to the Noteholders. Therefore, any change in the interest rates would not affect the equity or the profit or loss of the Company.

A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the coupon income on the financial assets would have increased by EUR 5,000 (2019: EUR 6,000) and the interest expense on the financial liabilities would have increased by EUR 2,543,620 (2019: EUR 2,605,191).

22 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company also mitigates its exposure to currency mainly by matching the foreign currency assets with foreign currency liabilities and in cases of any net exposure, the Company has derivative financial instruments in place. The Company is exposed to movement in exchange rates between the Euro, its functional currency, and certain foreign currencies, namely US Dollars (USD) and British Pound (GBP).

The Directors have managed the risk by entering into swap transactions and the impact of any fluctuations in the foreign currency rates will be passed onto the Swap Counterparty. The Company's exposure to foreign currency risk is as follows:

31-Dec-20	**USD**	**GBP**	**Total**
	EUR	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	1,335,644	2,124,333	3,459,977
Other receivables	118,435	118,686	237,121
Total assets	1,454,079	2,243,019	3,697,098
Other payables	(10,545)	(2,081)	(12,626)
Total liabilities	(10,545)	(2,081)	(12,626)
Net exposure	1,443,534	2,240,938	3,684,472

31-Dec-19	**USD**	**GBP**	**Total**
	EUR	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	1,472,861	2,331,738	3,804,599
Other receivables	123,615	-	123,615
Total assets	1,596,476	2,331,738	3,928,214
Other payables	(6,590)	(2,081)	(8,671)
Total liabilities	(6,590)	(2,081)	(8,671)
Net exposure	1,589,886	2,329,657	3,919,543

The impact of any change in the exchange rates on the investment securities relating to any Series is offset by the foreign exchange rate changes on the debt securities issued under the Series. Any difference is borne by the Swap Counterparty and thus the exchange rate changes have no net impact on the equity or the profit or loss of the Company.

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

	Closing rate	
	31-Dec-20	**31-Dec-19**
USD: EUR	0.8186	0.8919
GBP: EUR	1.1185	1.1825

Sensitivity analysis

The impact of any change in exchange rates is borne by the Noteholders and/ or the Swap counterparty.

As at 31 December 2020, had the EUR strengthened against USD by 1% with all other variables held constant, the fair value of the financial assets would have decreased by EUR 13,356 (2019: EUR 14,729).

As at 31 December 2020, had the EUR strengthened against GBP by 1% with all other variables held constant, the fair value of the financial assets would have decreased by EUR 21,243 (2019: EUR 23,317).

As at 31 December 2020, all the Series were in EUR, therefore there was no currency risk in respect to fair value of the financial liabilities (2019: Nil), other than the residual impact from the asset sensitivity.

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.

22 Financial risk management (continued)

(a) Market risk (continued)

(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 and is also exposed under swap agreements outlined in note 15. 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 to the extent not borne by Swap Counterparty.

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

Investment securities	**31-Dec-20**	**31-Dec-19**
Bonds	**Fair value %**	**Fair value %**
Listed	100	100
	100	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 2020, exposure to price risk relates directly to the value of financial assets amounting to EUR 372,144,905 (2019: EUR 373,011,153). Price risk is actively managed by investing in highly rated investments ensuring that we have priority of payment.

An increase of 10% in the market prices of the financial assets and financial instruments at the reporting date would result in an equivalent increase in the fair values of the Notes of EUR 37,214,491 (2019: EUR 37,301,115). 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 37,322,971 (2019: EUR 36,815,524).

(b) Credit risk

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

The Company limits its exposure to credit risk by only investing with counterparties that have a credit rating defined in the documentation of the relevant Series. The risk of default on these assets and on the underlying reference entities is borne by the Counterparty of the assets, the Swap Counterparty, or the holders of the debt securities of the relevant Series that the Company has in issue.

The Company invested in bonds for all Series as at 31 December 2020.

For all Series in place, the Notes value is dependent not only on the development of the return of the collaterals, but also on the creditworthiness of the issuer of the bonds. The Notes are secured and limited recourse obligations of the Company and as such will be secured solely by the charged assets.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2020 and 31 December 2019 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of financial position.

	31-Dec-20	**31-Dec-19**
	EUR	**EUR**
Bonds	372,144,905	373,011,153
	372,144,905	373,011,153

22 Financial risk management (continued)

(b) Credit risk (continued)

Counterparty risk

With respect to derivative financial instruments, credit risk arises from the potential failure of the counterparty to meet their obligations under the contract or arrangement. The Company's maximum credit risk exposure to derivative instruments as at 31 December 2020 and 31 December 2019 is disclosed in note 15.

The debt securities issued in each Series are limited recourse to the assets in each particular Series and therefore the Noteholders are exposed to the credit risk of the Swap Counterparty and the issuers of the securities forming the portfolio of collateral of each Series.

The Company is exposed to the credit risk of the Swap Counterparty with respect to payments due under the Swaps. This risk is borne by the Noteholders who are subject to risk of defaults by the Swap Counterparty as well as to the risk of defaults by the reference obligations. J.P. Morgan SE (formerly known as J.P Morgan AG) is the counterparty on the swap transactions. The Directors are satisfied with the current exposure and monitor ratings of J.P. Morgan SE (formerly known as J.P Morgan AG), as Swap Counterparty.

J.P. Morgan SE (formerly known as J.P Morgan AG) is the swap counterparty for the Series containing swap agreement and has the following ratings:

	Long term 2020	**Short term 2020**	**Long term 2019**	**Short term 2019**
Standard & Poor's	A+	A-1	A+	A-1
Moody's	Aa3	P-1	Aa3	P-1
Fitch	AA	F1+	AA	F1+

Credit quality of financial assets

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 20,173 as at 31 December 2020 (2019: EUR 26,168) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks and financial institutions.

During the year, 0% of the cash balances are held with The Bank of New York Mellon (2019: 12%) which has the following ratings:

	Long term 2020	**Short term 2020**	**Long term 2019**	**Short term 2019**
Standard & Poor's	AA-	A-1+	AA-	A-1+
Moody's	Aa1	P-1	Aa1	P-1
Fitch	AA+	F1+	AA+	F1+

The Company is exposed to the credit risk of the Custodian with respect to the financial assets held. This risk is borne by the Noteholders who are subject to risk of defaults by the Custodian. The ratings of the Custodian are disclosed above.

During the year, 100% of the cash balances are held with Barclays Bank Ireland Plc (2019: 88%) which has the following ratings:

	Long term 2020	**Short term 2020**	**Long term 2019**	**Short term 2019**
Standard & Poor's	A	A-1	A	A-1
Moody's	A1	P-1	A1	P-1
Fitch	A+	F1	A+	F1

Financial assets

The credit quality of investment securities that are neither past due nor impaired can be assessed to external credit ratings from rating agency (S&P, Moody's and Fitch). At the reporting date, the rating analysis of the investment securities was as follows:

	31-Dec-20 Fair value %	**31-Dec-19 Fair value %**
AAA	1	1
AA	2	-
A+	2	1
A	3	1
A-	40	34
BBB+	2	3
BBB	2	3
BBB-	8	8
Aau	3	3
Baa1	10	10
NR	27	36
	100	100

22 Financial risk management (continued)

(b) Credit risk (continued)

Credit quality of financial assets (continued)

Financial assets (continued)

The Company has also appointed the Custodian to monitor the performance of the non-rated investment securities by keeping track of their interest flows and changes in market value.

There were no credit events during the financial year.

Impairment review

IFRS 9 requires an expected credit loss assessment to be carried out on its financial assets carried at amortised cost. Impairment does not apply to financial assets classified as fair value through profit or loss. As at 31 December 2020, cash and cash equivalents and other receivables are held with counterparties with credit rating disclosed above and are due to be settled within 12 months of the reporting date. The Board considers the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements for the year ended 31 December 2020, based on 12-month expected credit losses. As such, any impairment would be wholly insignificant to the Company. There was no impairment recognised in the financial statements for the year ended 31 December 2020 and 31 December 2019.

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-20**	**31-Dec-19**
Types of collaterals	**%**	**%**
Government	92	92
Financial	7	7
Bank	1	1
	100	100

By Geographical location	**31-Dec-20**	**31-Dec-19**
Country of origin	**%**	**%**
Spain	71	71
Germany	20	19
France	6	6
Italy	2	4
Cayman Islands	1	-
	100	100

Other receivables

Other receivables mainly include prepaid expenses and arranger income receivable as at 31 December 2020.

(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.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's obligation to the Noteholders is limited to the net proceeds upon realisation of the collateral of the Series and 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 and the Swap Counterparty 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 or the Swap Counterparty in respect to meeting obligations to Noteholders or to Swap Counterparty. The Company and/ or the Swap Counterparty did not default on any of its contractual commitments during the financial year.

22 Financial risk management (continued)

(c) Liquidity risk (continued)

The following are the contractual maturities of financial assets and liabilities including undiscounted interest payments and excluding the impact of netting agreements:

31-Dec-20	Carrying amount	Gross contractual cash flows	Less than one year	Between one to five years	More than five years
	EUR	EUR	EUR	EUR	EUR
Financial liabilities designated at fair value through profit or loss	(373,229,714)	(330,473,724)	(6,991,055)	(35,822,400)	(287,660,269)
Other payables	(109,946)	(109,946)	(109,946)	-	-
	(373,339,660)	(330,583,670)	(7,101,001)	(35,822,400)	(287,660,269)

31-Dec-19	Carrying amount	Gross contractual cash flows	Less than one year	Between one to five years	More than five years
	EUR	EUR	EUR	EUR	EUR
Financial liabilities designated at fair value through profit or loss	(368,155,244)	(355,912,706)	(7,073,483)	(34,298,547)	(314,540,676)
Derivative financial liabilities	(4,855,909)	(144,842,594)	(4,222,459)	(15,047,058)	(125,573,077)
Other payables	(95,361)	(95,361)	(95,361)	-	-
Net amount	(373,106,514)	(500,850,661)	(11,391,303)	(49,345,605)	(440,113,753)

As noted above, the gross contractual cash flows are less than the carrying amount of the cash flows and this is due to the fact that the gross contractual cash flows takes into consideration the amortisation which, as per the payment schedule of each Series, will happen in the different years.

The derivatives have been entered into to hedge the liquidity exposure on a series by series basis. The above table reflects derivative liability cash flows as being the cash flows required to ensure that the contractual undiscounted cash flows arising on the Company's assets match the undiscounted cash flows arising on the Company's liabilities.

(d) Fair values

The fair value of a financial asset and financial liability is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation.

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.
- 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.

22 Financial risk management (continued)

(d) Fair values (continued)

Refer to accounting policy in note 5 for more details on how the different classes of Notes are valued.

	31-Dec-20			
	Level 1	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	142,348,573	229,796,332	-	372,144,905
Financial liabilities designated at fair value through profit or loss	-	(373,229,714)	-	(373,229,714)
Derivative financial instrument	-	1,084,809	-	1,084,809
	142,348,573	(142,348,573)	-	-

	31-Dec-19			
	Level 1	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets designated at fair value through profit or loss	-	373,011,153	-	373,011,153
Financial liabilities designated at fair value through profit or loss	-	(368,155,244)	-	(368,155,244)
Derivative financial instrument	-	(4,855,909)	-	(4,855,909)
	-	-	-	-

IFRS 13 says if there is an active market, then the securities would fall in Level 1 however, if there is not active market and prices are being take through observable inputs, then securities are Level 2. Based on the guidance of IFRS 13, we have changed the levelling from 2019 to 2020 for some of the financial assets designated at fair value through profit or loss. With regards to the financial assets designated at fair value through profit or loss for which the levelling has been changed, active markets can be observed.

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cashflows etc and therefore, cannot be determined with precision.

The methodologies used to fair value the financial assets, financial derivatives and financial liabilities have been detailed under Note 5.

The carrying amounts of financial assets and financial liabilities not measured at fair values recognised in the financial statements approximate their fair values as these are considered short term in nature and are not considered to be realised or settled at values different from their carrying amounts. The Directors concluded that these assets and liabilities would be classified as Level 2 instruments in the fair value hierarchy.

(e) Profile of series of debt securities issued and financial assets purchased by the Company:

The following are the broad categories as at 31 December 2020:

Type of transaction	**No of Series**	**%**	**Amount**
			EUR
Financial liabilities	4	100	373,229,714
Financial assets		100	372,144,905
			745,374,619

The following are the broad categories as at 31 December 2019:

Type of transaction	**No of Series**	**%**	**Amount**
			EUR
Financial liabilities	4	100	368,155,244
Financial assets		100	373,011,153
			741,166,397

23 Contingent liabilities and commitments

The Company had no contingent liabilities or commitments which would require disclosure in the financial statements as at year end (2019: None).

24 Capital management

The Company views the share capital as its capital. The Company is a special purpose vehicle set up to issue debt for the purpose of making investments as defined under the programme memorandum and in each of the Supplemental Information Memorandum. Share capital of EUR 3 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.

25 Subsequent events

(i) Novel Coronavirus COVID-19 Global Pandemic

The Directors continue to assess the potential impact of the COVID-19 Global Pandemic on the Company. While the pandemic continues to impact entities in different ways, the Directors currently believe that any impact on the operations of the Company is likely to be limited as:

- The limited recourse nature of any future securities issued by the Company will limit the investors' recourse to the underlying net assets of that particular debt securities issued. The investors will have no right to petition for insolvency proceedings against the Company in the event that the underlying assets are insufficient to repay the principal amount of (or interest on) the debt securities issued. The Arranger will continue to provide service to the Company against any costs, fees, expenses or out-goings incurred by the Company; and
- the Arranger, Administrator and administrative agent have extensive business continuity plans, and should still be able to provide services to the Company in the event of a prolonged pandemic.

Post year end, the level of activity of the Company has remained stable and it was able to meet its contractual payments to the Noteholders which confirms the Company's ability to continue to generate cash flows to meet its obligations as they fall due.

(ii) Series 17

Subsequent to year end, the following events happened with regards to Series 17:

- Restructuring:
  The Series was restructured post the financial year end and as a result, the underlying collateral in which the Company had originally invested has been amended and the Company also entered into a proceeds asset swap transaction as per the relevant agreements.
- Partial redemption:
  The Series has been partially redeemed subsequent to the financial year end. However, the partial redemption has had no impact on the outstanding nominal of the Series.
- Full unwind:
  The Series has been fully unwind subsequent to the financial year end, the underlying collateral was disposed and the swaps in place were terminated.

(iii) Partial Unwind

The following Series have been partially unwind subsequent to the financial year end:

Series	Description	Maturity Date	CCY	Nominal
14	Secured Note	31-Oct-64	EUR	1,096,796

(iv) New issuances

The following Series have been issued subsequent to the financial year end:

Series	Description	Maturity Date	CCY	Listing	Nominal
19	Secured Fixed Rate and Index-Linked Notes	24-May-28	EUR	MTF - Vienna Stock Exchange	40,000,000
21	Secured Fixed Rate to Floating Rate Instalment Notes	15-Sep-32	EUR	MTF - Vienna Stock Exchange	20,000,000
22	Secured Fixed Rate to Floating Rate Notes	15-Sep-32	EUR	MTF - Vienna Stock Exchange	30,000,000
23	Secured Fixed Rate to Floating Rate Instalment Notes	15-May-33	EUR	MTF - Vienna Stock Exchange	20,000,000

(v) LIBOR reform

The London Interbank Offered Rates (LIBORs) will soon either cease, or no longer be available for use.
The USD LIBOR settings on the other hand will continue to exist until 30 June 2023 but will no longer be available for use in new contracts.
As such, the Directors are communicating with the relevant parties, to know which rates will be used to replace the USD Libor rate currently being used to calculate the interest receipts on certain underlying collaterals.

25 Subsequent events (continued)

(vi) Series transferred from Corsair Finance (Ireland) DAC

Subsequent to the financial year end, the Company entered into a deed of substitution with Corsair Finance (Ireland) DAC and was appointed as the Substitued Issuer to the following Series:

Series	Description	Maturity Date	CCY	Listing	Nominal
25	Notes Linked to US Treasury Bonds	15-Feb-44	EUR	GEM of Euronext Dublin	150,000,000

(vii) Russian-Ukrainian conflict

On 24 February 2022, Russia commenced a large-scale invasion against Ukraine. In response, the West has moved to impose broad-based sanctions targeting Russia, including but not limited to certain Russian banks and the Russian Central Bank, companies, parliamentary members and members of the Russian elite and their families. It is possible that additional sanctions and other measures may be imposed in the future. There has been no impact on the operations of the Company. The Directors will continue to monitor the developments closely and continue to assess the impact on the Company.

There are no other events as at date of approval of the financial statements that require disclosure.

26 Approval of financial statements

The Board of Directors approved these financial statements on 19 July 2022.