CID FINANCE B.V.

Annual Report

for the year ended

31 December 2021

CID FINANCE B.V.
Jupiter Building
Herikerbergweg 88
1101 CM Amsterdam
The Netherlands
Chamber of Commerce number: 34211673

CID FINANCE B.V.

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CID FINANCE B.V.

Director and other details

Directors	Vistra Capital Markets (Netherlands) N.V.
Registered office	Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Vistra Capital Markets (Netherlands) N.V. Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
Independent Auditor	KPMG Accountants N.V. Laan van Langerhuize 1 1186 DS Amstelveen The Netherlands
Arranger, Issue Agent, Principal Paying Agent, Swap Counterparty, Custodian & Registrar	Banco Bilbao Vizcaya Argentaria, S.A Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
Listing Agent	Banco Bilbao Vizcaya Argentaria, S.A Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
Tax advisors	Simmons & Simmons LLP Claude Debussylaan 247 1082 MC Amsterdam The Netherlands

Director's report

The Board of Directors of CID Finance B.V. (the "Company") herewith presents the Director's report and the financial statements for the year ended 31 December 2021.

Incorporation

The Company was incorporated under the laws of the Netherlands on 20 August 2004, with limited liability and having its statutory seat in Amsterdam, the Netherlands.

Stichting CID Finance is the sole shareholder of the Company.

Principal activities, business review and future developments

The objective of the Company is to raise finance through, inter alia, the issuance of Bonds, Notes and other debt instruments, the entering into loan agreements, derivatives and other instruments evidencing indebtedness

The principal activity of the Company is the issue of Notes (the "Notes") in series pursuant to a EUR 5,000,000,000 Secured Limited Recourse Note Programme (the "Programme") for the issue of Notes and the making of Alternative Investments (the "Alternative Investments") arranged by Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA").

The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, priority of payments, and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in issue terms (each “Issue Terms”).

The Notes of each Series will be secured in the manner set out in the terms and conditions of the Notes, including a charge on and/or assignment of and/or other security interest over or in respect of the charged assets as defined in the programme memorandum and the Master Trust Deed (as defined in the Terms and Conditions of the Notes) and all sums held from time to time by the Custodian and/or the Issuing and Principal Paying Agent in so far as such sums relate to that Series. Each Series may also be secured on such additional security as may be described in the relevant Issue Terms.

Series 59 has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the note.

The Company is exposed to the French and German markets. Developments in the French and German markets affect the fair value of the investment securities going forward. Due to the structure of the Company, these are fully borne by the holders of the debt securities and hence it will not have an impact on the Company as such.

Due to the nature of the activities of the Company, the Company does not have any intention to change the number of staff (now: zero).
The Company does not have any activities in the field of research and development, nor has it any intention to do so

At 31 December 2021, the Company had in issue 2 Series (2020: 1 Series), nominal amounting to EUR 58,000,000 and fair value amount of EUR 58,079,603 (2020: nominal amount: EUR 3,000,000, fair value: EUR 3,999,026)

The Company does not anticipate any significant changes in the activities for the next financial yea

Business review

During the year:
- The Company issued Series 59;
- The Company issued debt of EUR 54,850000 (2020: NIL) but made no redemption (2020: EUR 28,175,675);
- The Company acquired new investment securities for an amount of EUR 54,850,000 (2020: EUR NIL) and did not dispose any existing investment securities (2020: EUR NIL);
- There was no realised gain on investment securities disposed (2020: NIL)
- The Company made a profit after tax of EUR 14,326 (2020: EUR 9,572)
- The Company paid a dividend of EUR 9,664 (2020: EUR 12,300) to its sole shareholder
- Net changes in fair value of investment securities designated at fair value through profit or loss amounted to a loss of EUR 155,435 (2020: EUR 109,400); and
- Net changes in fair value of debt securities designated at fair value through profit or loss amounted to a loss of EUR 918,839 (2020: EUR 937,068).

As at 31 December 2021:
- The Company's total indebtedness was EUR 58,079,603 (2020: EUR 3,999,026); an
- The cash position at balance sheet date was EUR 242,497 (2020: EUR 137,282)

Director's report (continued)

Principal risks and uncertainties

The risk appetite of the Company is limited. Risks are monitored on a continuous basis. The Company aims to limit its exposure to material risks, or uncertainties, through (economic) hedging. There has been no change in the risk and business environment of the Company.

The Company's risk policy is designed to achieve a moderate risk profile, keeping a medium / low risk profile and supported by long-term relationships with customers.

The principal risks and uncertainties facing the Company relate to the debt securities issued, investment securities and derivative instruments held by the Company for risk management purposes.

The Company has exposure to the following risks from its use of financial instruments and does not have any externally imposed capital requirements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each investment security. However, management also considers the demographics of the security base, including the default risk of the industry and country in which the investment security is located, as these factors may have an influence on the credit risk of the Company

Approximately 5.06% of the Company's income is generated from investment securities based in France (2020: 100.00%) and and 94.94% in Germany. 94.94% of the net income is attributable to the banking industry (2020: 100.00%). A more detailed breakdown is provided in Note 20.

The risk of default on these assets is borne by the holders of the debt securities of the relevant series

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due.

The Company’s obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the investment securities of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company wi not be available for payment and the deficit is instead borne by the Noteholders and the Swap Counterparty according to established priorities as per legal documentations.

The Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company’s income or the value of its holdings of financial instruments and receivable under total return swap

The Company does not have any foreign exchange risk and interest rate risk

(iv) 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 risks arise from all of the Company’s operations.

Director's report (continued)

Principal risks and uncertainties (continued)

(v) Financial reporting and disclosure risk

Governance surrounding financial reporting and disclosure risk promotes the importance of accurate, timely and complete financial reporting, the finance and control department is responsible for financial reporting, both internally including management information) and externally (including statutory and regulatory reporting). Policies and procedures are in place to reduce subjectivity in terms of measurement and reporting. The Directors have implemented a Code of Business Conduct and Ethics, a whistleblower policy (SpeakUp) and an anti-fraud policy to prevent fraud and non-compliance with laws and regulations.

Further quantitative disclosures are included in Note 20 of the financial statements

The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All administration functions have been outsourced by the Company.

COVID-19 has not affected our capacity to continue with our activity, and we do not foresee this to happen in the short term. At this stage we cannot foresee if there will be any changes in demand for the Company´s structured securities. The situation and uncertainties caused by COVID-19 require us to review the situation continuously

Results and dividends for the year

The Company recorded a profit of EUR 14,326 for the year under review (2020: EUR 9,572). The result for the year is set out on page 8. Profits of the Company are at the disposal of the Annual General Meeting. The Company may distribute a dividend only if, and to the extent that, its shareholders' equity is greater than the aggregate of the paid and called-up part of the issued capital

Going concern

The Company's financial statements for the year ended 31 December 2021 have been prepared on a going concern basis. The assets and derivative transactions are referenced to the Notes in issue and any loss derived will ultimately be borne by the noteholders. The Directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The Notes in issue at 31 December 2021 will continue in existence for at least more than one year. Based on these, the Directors believe that the going concern basis is appropriate.

Business environment

The derivative instruments held by the Company for risk management purposes have BBVA as Arranger, Issue Agent, Principal Paying Agent, Custodian and Registrar and Swap Counterparty.

BBVA operates in more than 30 countries with an asset based of around EUR 736 billion. Total active customers is also showing a positive trend with an increase of 2.8 million customers in 2021 (+9.2 million since 2020), with positive developments in all of the countries in which BBVA is present. BBVA has maintained its rating during 2021 in the single A space for senior preferred debt granted by all agencies. During 2021, BBVA's rating has continued to show its strength and in the month of June 2021, Fitch confirmed the rating of BBVA at BBB+. In December 2021, S&P upgraded BBVA's rating one notch from A to A, with a negative outlook conditioned by the rating given to the Spanish sovereign by S&P.

The BBVA Group generated a net attributable profit, excluding non-recurring impacts, of EUR 5.07 million in 2021, representing a year-on year increase of +64.61%. In terms of shareholder value creation, the tangible book value per share plus dividends closed the year at EUR 6.66 which is 7.25% higher than 2020, which placed BBVA ahead of the financial industry in terms of profitability. The Group's fully loaded CET1 capital ratio ended the year at 12.75%. These results demonstrate BBVA's ability to generate earnings and strengthening its capacity to grow, despite being in a complex environment. Please refer to Note 21 for additional links to information on the business environment of BBVA

Director, Secretary and their interests

The Director and Secretary who held office on 31 December 2021 did not hold any shares in the Company at that date, or during the year. There were no contracts in relation to the business of the Company in which the Director had any interest at any time during the year.

Personnel

During the year under review, the Company had no employees other than its Managing Director. The Company has no Board of Supervisory Directors.

The Director (Vistra Capital Markets (Netherlands) N.V.) is appointed by the shareholder. The composition of the representatives within Vistra Capital Markets (Netherlands) N.V. that are responsible for this entity complies with article 2:166 of the Dutch Civil Code (minimum 30% male and 30% female).

During the year under review, there was no remuneration paid to management of the Company

Director's report (continued)

Accounting records

The Director believes that it has complied with the legal requirements for the financial statements as included in Part 9 of Book 2 of the Dutch Civil Code by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands.

Future outlook

The Board of Directors expects the present level of activity to be sustained for the foreseeable future. At this stage it is too soon to estimate if any specific plans in the future will be necessary.

Appropriation of net income for the year

Awaiting the decision of shareholders, the net income for the year 2021 is separately included in the shareholders equity as unappropriated net income.

Subsequent events

Except for the below, there were no significant post balance events that would affect the presentation and disclosure in the current year.

At the date of our report, the Company had not issued any new series and the below series were fully redeemed / matured:

Series 27 - EUR 3,000,000 Variable Rate Secured Limited Recourse Notes due 2022.

Russia-Ukraine conflict

The ongoing war in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows and profitability. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due, therefore continues to apply the going concern and the Board of Managers continues to monitor the evolving situation and its impact on the financial position of the Company.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 18 November 2022

Statement of Director's responsibility in respect of Director's report and the financial statements

The Director is responsible for preparing the Director's report and financial statements in accordance with applicable laws and regulations.

The Director considers that, in preparing the financial statements, the Company has used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards as adopted by the European Union and requirements of Part 9 of Book 2 of the Dutch Civil Code which they consider to be applicable have been followed.

The Company's financial statements are required by law to give a true and fair view of the financial position of the Company and of its financial performance for that year.

In preparing these financial statements, the Director is required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. It is also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Director is also responsible for preparing a Director's report that complies with the requirements of Part 9 of Book 2 of the Dutch Civil Code in the Netherlands.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 18 November 2022

CID FINANCE B.V.

Statement of financial position
As at 31 December 2021
(before appropriation of result)

	Note (s)	31-Dec-2021 EUR	31-Dec-2020 EUR
Non-current assets			
Investment securities	5	-	3,049,160
Derivatives held for risk management purposes	6	-	913,813
Total non-current assets		-	3,962,973
Current assets			
Cash and cash equivalents	7	242,497	137,282
Investment securities	5	57,893,140	-
Derivatives held for risk management purposes	6	151,966	-
Other assets	8	193,185	330,085
Total current assets		58,480,788	467,367
Total assets		58,480,788	4,430,340
Equity			
Share capital	9	18,000	18,000
Retained earnings		-	92
Profit for the year (unappropriated net income)		14,326	9,572
Total equity		32,326	27,664
Non-current liabilities			
Debt securities issued	10	54,964,124	3,999,026
Total non-current liabilities		54,964,124	3,999,026
Current liabilities			
Debt securities issued	10	3,115,479	-
Other liabilities	11	360,823	398,142
Taxation	12	8,036	5,508
Total current liabilities		3,484,338	403,650
Total liabilities		58,448,462	4,402,676
Total equity and liabilities		58,480,788	4,430,340

Approved and authorised for issue

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 18 November 2022

The notes on pages 11 to 33 form an integral part of these financial statements

Statement of comprehensive income
For the year ended 31 December 2021

	Note (s)	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Interest income		106,458	107,043
Interest expense		(890,937)	(1,083,072)
Designated at fair value through profit or loss			
Net loss from investment securities	13	(155,435)	(109,400)
Net gain on debt securities issued	14	918,839	937,068
Net loss from derivative financial instruments held for risk management purposes		(763,404)	(827,669)
Realised gain on settlement of derivatives		890,937	1,299,754
Realised loss on settlement of derivatives		(106,458)	(323,724)
Operating income		-	-
Other income	15	87,255	50,287
Other expenses	16	(70,401)	(38,155)
Profit on ordinary activities before taxation		16,854	12,132
Taxation - previous year		-	-
Taxation - current year	12	(2,528)	(2,560)
Profit for the year		14,326	9,572
Other comprehensive income		-	-
Total comprehensive income for the year		14,326	9,572

All items dealt with in arriving at the profit for the year ended 31 December 2021 and 2020 related to continuing operations.

Approved and authorised for issue

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 18 November 2022

The notes on pages 11 to 33 form an integral part of these financial statements

CID FINANCE B.V.

Statement of cash flows
For the year ended 31 December 2021

	Note (s)	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Cash flows from / (used in) operating activities			
Profit on ordinary activities before taxation		16,854	12,132
Adjustments for:			
Realised losses on settlement of derivatives		106,458	323,724
Realised gains on settlement of derivatives		(890,937)	(1,299,754)
Fair value loss on investment securities	13	155,435	109,400
Fair value gain on debt securities	14	(918,839)	(937,068)
Unrealised loss on revaluation of derivatives		763,404	827,669
Interest income		(106,458)	(107,043)
Interest expense		890,937	1,083,072
Write off of receivables		39,055	-
		39,055	-
Changes in:			
Tax paid		(3,028)	(3,433)
Net movement in other assets and liabilities		61,998	47,343
		58,970	43,910
Net cash flows generated from operating activities		114,879	56,042
Cash flows from investing activities			
Interest received on investment securities		106,750	106,750
Receipts in respect of derivatives held for risk management purposes		889,670	29,257,386
Payments in respect of derivatives held for risk management purposes		(256,750)	(106,750)
Net cash flows generated from investing activities		739,670	29,257,386
Cash flows from financing activities			
Proceeds from issuance of debt securities		(54,850,000)	-
Payments on maturity / redemption of debt securities		-	(28,175,675)
Interest paid on debt securities issued		(889,670)	(1,081,713)
Loans granted		55,000,000	-
Interim dividend paid		(9,664)	(12,300)
Net cash flows used in financing activities		(749,334)	(29,269,688)
Net increase in cash and cash equivalents		105,215	43,740
Cash and cash equivalents at beginning of year		137,282	93,542
Cash and cash equivalents at end of year		242,497	137,282

The notes on pages 11 to 33 form an integral part of these financial statements

Statement of changes in equity
For the year ended 31 December 2021

	Share capital EUR	Retained earnings EUR	Profit for the year EUR	Total EUR
Balance at 1 January 2020	18,000	(175)	12,567	30,392
Appropriation of profit	-	12,567	(12,567)	-
Dividend paid	-	(12,300)	-	(12,300)
Profit for the year	-	-	9,572	9,572
Balance at 31 December 2020	18,000	92	9,572	27,664
Appropriation of profit	-	9,572	(9,572)	-
Dividend paid	-	(9,664)	-	(9,664)
Profit for the year	-	-	14,326	14,326
Balance at 31 December 2021	18,000	-	14,326	32,326

The notes on pages 11 to 33 form an integral part of these financial statements

Notes to the financial statements
For the year ended 31 December 2021

1 General information

CID Finance B.V. (the "Company"), a corporation with limited liability, having its statutory seat in Amsterdam, the Netherlands, has been incorporated under the law of the Netherlands on 20 August 2004

The objectives of the Company are to raise finance, through the issuance of bonds, notes and other debt instruments, entering into loan agreements, derivatives and other instruments evidencing indebtedness and receiving deposits, to invest the funds raised in bonds, notes, loans, deposits and other debt instruments, shares, warrants, derivatives and other similar financial assets.

The Company is a special purpose entity ("SPE") that has been established to issue debt securities under a €5,000,000,000 Secured Limited Recourse Note Programme (the "Programme") arranged by Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA")

The Company has no direct employees. The financial statements were authorised for issue by the Director on 18 November 2022.

The registered office of the Company is Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and its trade register number is 34211673.

Stichting CID Finance is the sole shareholder of the Company

2 Basis of preparation

(a) Statement of compliance

The financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. The accounting policies have been applied throughout the year.

Going concern

These financial statements have been prepared on a going concern basis because the director considers, in the circumstances of the arrangement established when the Company was formed and based on the nature of the Company's activities, that this is a fair basis for presenting the results of the accounting year and the state of affairs at end of the year

Application of New and Revised International Financial Reporting Standards

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2017.

2.1 Mandatory Standards, amendments and interpretations with no material effect on the financial statements

The following relevant new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material effect on the amounts reported in these financial statements, other than additional disclosures in the financial statements, but may affect the accounting for future transactions or arrangements

IAS 1	Definition of Materia
IFRS 3	Definition of a business
IFRS 9, IAS 39 and IFRS 7	Modifications – IBOR Reform, Phase 1 *
IFRS 16	Leases – COVID-19 modifications
IFRS 4	Amendment to Insurance Contracts

* The Company does not have any financial instruments with payments linked to LIBOR or EONIA.

Notes to the financial statements (continued)
For the year ended 31 December 2021

2 Basis of preparation (continued)

(a) Statement of compliance (contiued)

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standard and Interpretations were in issue but not yet effective as of 31 December 2021:

Amendments to IAS 37	Onerous contracts – Cost of Fulfilling a Contract (effective 1 January 2022)
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
IFRS Standards 2018-2020	Annual improvements to IFRS Standards 2018-2020 (effective 1 January 2022)
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)
Amendments to IFRS 3	Reference to Conceptual Framework (effective 1 January 2022)
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (effective 1 January 2023)

The Director anticipates that all of the above amendments will be applied in the Company's financial statements at the above effective dates. The future impacts of the adoption of these standards have not been analysed to date.

(b) Basis of measurement

The financial statements are prepared on a going concern and historical basis except for the following:

- Derivative financial instruments are measured at fair value through profit and loss
- Investment securities measured at fair value through profit or loss are measured at fair value; anc
- Debt securities issued are measured at fair value through profit and loss

The methods used to measure fair values are discussed further in Note 3

Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional 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 Euro and the debt securities issued ar also primarily denominated in Euro. The Director of the Company believes that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information are presented in Eurc

Notes to the financial statements (continued)
For the year ended 31 December 2021

2 Basis of preparation (continued)

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, 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.

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.

Measurement of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Fair values of financial assets and financial liabilities that are traded in active markets, level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Level 2 instruments use widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data. Observable prices and model inputs are available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter ("OTC") derivatives, e.g. interest rate swaps. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex level 3 instruments proprietary valuation models are used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain OTC derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management's judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

Any change in the pricing assumptions for those assets which use level 3 valuation techniques would not have an impact on the overall financial position of the Company due to the limited recourse nature of the notes in issue. The variability in pricing of such assets would directly impact the noteholders in each specific series but does not alter the underlying risk faced by each noteholder or the ultimate return on the transaction.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Significant accounting policies

Financial instruments

The financial instruments of the Company include the following:
- Investment securities,
- Derivative financial instruments held for risk management
- Financial assets and financial liabilities, an
- Debt securities issued.

Classification

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated at fair value through profit or loss.

Investment securities

Investment securities are initially measured at fair value. Subsequent to initial recognition, investment securities are measured at fair value, and changes therein are recognised in profit or loss.

Derivative financial instruments held for risk management purposes

Derivative financial instruments held for risk management purposes include all derivative assets and liabilities that are used to economically hedge the derivatives of each series from any interest rate and market fluctuations affecting the relevant collateral assets. Such derivatives are not however, formally designated into a qualifying hedge relationship and, therefore, all changes in their fair value are recognised immediately in profit or loss. The fair values of the derivative financial instruments are presented in the statement of financial position inclusive of interest.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at cash equivalents, other assets and deposits with credit institutions. Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

Debt securities issued

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss

Recognition

The Company initially recognises all financial assets and liabilities on the settlement date at which the Company becomes a party to the contractual provisions of the instruments. From settlement date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the profit and loss

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 expired.

Offsetting

Financial assets and 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, or for gains and losses arising from a group of similar transactions.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Significant accounting policies (continued)

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like options and interest rate and currency swaps.

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

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

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction.

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 cash flows etc and, therefore, cannot be determined with precision.

Financial liability and equity

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exist, these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are distributions from the net income attributable to equity holders and are recorded directly in equity.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value

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

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 profit or loss and are included under net gain / (loss) from investment securities, derivatives held for risk management and debt securities issued depending on which of them it relates to.

Unrealised gains and losses on exchange are accounted as an adjusting item in the statement of cash flows under operating activities. Realised portions are allocated accordingly to their respective items / transactions in the statement of cash flows

Revenue recognition

Interest income is recognised on investment securities on an accrual basis using an effective interest rate

Interest expense

Interest expense is recognised on debt securities on an accrual basis using an effective interest rate

Net gain / (loss) from investment securities

Net income / (loss) from investment securities designated at fair value through profit or loss relates to investments in corporate bonds and receivables under total return swaps, and includes realised and unrealised fair value changes, and foreign exchange differences.

Net gain / (loss) from derivative financial instruments held for risk management purposes

Net income / (loss) from derivative financial instruments held for risk management purposes designated at fair value through profit or loss relates to the fair value movements on swaps held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

Net gain / (loss) on debt securities issued at fair value through profit or loss

Finance expense on debt securities issued designated at fair value through profit or loss relates to debt securities issued and includes realised and unrealised fair value changes, and foreign exchange differences

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

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 end of the reporting date, and adjustment to tax payable in respect of previous years

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

Related party

Stichting CID Finance is the sole shareholder of the Company and thus, the parent Company is considered to be a related party. In addition, Vistra Capital Markets (Netherlands) N.V. is Managing Director of the Company. The Company has intercompany loans with Douro Finance B.V., Atlanteo Capital B.V. and Boiro Finance B.V.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Significant accounting policies (continued)

Impairment

At the end of each reporting date, the Company tests whether there is any indications of receivables being subject to impairment. If any such indications are present, the recoverable amount of the receivable is determined. A receivable is subject to impairment if its carrying amount exceeds its recoverable amount. An impairment loss is directly recognised as an expense in statement of profit or loss and other comprehensive income. As at 31 December 2021, no impairment loss was recognised.

The Company recognises loss allowances for Expected Credit Losses (hereunder referred to as "ECLs") on:
- financial assets measured at amortised cost

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Other debt securities held at amortised cost and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Other income and expenses

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

Share capital

Share capital is issued in Euro. Dividends are recognised and deducted from equity when declared

Carrying value

The carrying value is the same as the fair value of the assets and liabilities.

Statement of cash flows

The cash flow statement, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year

4 Financial risk management

Introduction and overview

The CID Finance B.V. Programme (the "Programme) was set up on 20 August 2004 to issue multiple series of notes, with the rating on each series independent of the other (if applicable). This means that the Company can issue various series of notes ranging from AAA to not rated.

The Company was set up as a segregated multi-issuance SPE. Each Series is governed by a separate Issue Terms. Each Series consists of an investment in charged assets and / or derivative instrument or other contracts from the proceeds of the issuance of debt securities and / or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments (the “investment securities”) and alter the risk profile of the portfolio through the use of derivative instruments

This ensures that if one Series defaults, the holders of that Series do not have the ability to reach other assets of the issuer, resulting in the issuer’s bankruptcy and the default of the other Series of notes. The segregation criteria include the following

- The Company is a bankruptcy remote SPE, organised in the Netherlands
- 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 issuer for a series is separate from any other swap transaction for any other series; and
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the debt security holders.

At 31 December 2021, the Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note

The Company has, in most Series, entered into asset swap agreements with Banco Bilbao Vizcaya Argentaria, S.A. (refer to note 6). The net proceeds from the issue of the Notes are paid to the Swap Counterparty to purchase the portfolio of collateral plus any interest accrued thereon. During the term of the asset swap, the Company pays to the Swap Counterparty amounts equal to the interest received in respect of the collateral, and on the maturity date of the collateral, the Company will deliver the portfolio or the proceeds of its redemption to the Swap Counterparty.

Notes to the financial statements (continued)
For the year ended 31 December 2021

4 Financial risk management (continued)

Introduction and overview (continued)

The Swap Counterparty delivers the Charged Assets to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities, and if the swap agreement terminates on the maturity date of the respective notes, a sum equal to the redemption amount payable on the debt securities.

The proceeds from the issue of Notes, which form part of the so-called synthetic structures, are used to invest directly in swaps (paid to the Swap Counterparty). Both the Notes and the derivatives are carried at fair value through profit or loss.

The ultimate amount repaid to the Noteholders of these debt securities will depend on the proceeds from the charged assets and any payment that the Swap Counterparty is obliged to make under the terms of the swap agreement. The Company is obliged to provide for the payment or physical delivery of the deliverable obligations to the Swap Counterparty and to the holders of debt securities. This obligation is determined by the Calculation Agent in accordance with the terms of the swap agreement.

In case of the synthetic structures, the Swap Counterparty will provide the Company the amount to repay the Noteholders, as per the terms of the swap agreement.

Risk management framework

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

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

The Company has exposure to the following risks from its use of financial instruments
(i) Credit risk;
(ii) Liquidity risk;
(iii) Market risk; and
(iv) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included in Note 20 to these financial statements.

The Company does not have any externally imposed capital requirements

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's credit linked assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each investment security. However, management also considers the demographics of the security base, including the default risk of the industry and country in which the investment security is located, as these factors may have an influence on the credit risk of the Company, particularly in the currently deteriorating economic circumstances.

The risk of default on these assets is borne by the counterparty of the asset or total return swap if available, or the holders of the debt securities of the relevant series.

At 31 December 2021, the Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of tha guarantee is incorporated in the value of the Note.

Management considered the (movement in) own credit risk as immaterial

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due.

The Company's obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

Notes to the financial statements (continued)
For the year ended 31 December 2021

4 Financial risk management (continued)

Risk management framework (continued)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments and receivable under total return swap

Foreign exchange risk and interest rate risk are economically hedged under the currency swap agreement and the asset swap agreement, respectively.

(iv) 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 risks arise 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 administration functions have been outsourced by the Company

5 Investment securities

	31-Dec-2021 EUR	31-Dec-2020 EUR
Nominal amount:		
Opening balance as at 1 January	3,000,000	3,000,000
Additions during the year	54,850,000	-
Closing balance as at 31 December	57,850,000	3,000,000
Movement in fair value:		
Opening balance as at 1 January	49,160	158,560
Additions during the year	149,415	-
Net fair value movement during the year	(155,435)	(109,400)
Closing balance as at 31 December	43,140	49,160
Closing fair value as at 31 December	57,893,140	3,049,160

The carrying value of the assets of the Company represents their maximum exposure to credit risk. The investment securities are held as collateral for the debt securities by the Company. The Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note

There have been no defaults of interest and principal repayments during the current year under review.

The assets of the Company are not pledged.
Investment securities are designated at fair value through profit or loss, upon initial recognition when the Company holds related derivatives at fair value through profit or loss.

	Nominal value		Carrying value	
Maturity analysis of investment securities is as follows:	31-Dec-2021 EUR	31-Dec-2020 EUR	31-Dec-2021 EUR	31-Dec-2020 EUR
Less than one year	57,850,000	-	57,893,140	-
Between one and five years	-	3,000,000	-	3,049,160
More than five years	-	-	-	-
	57,850,000	3,000,000	57,893,140	3,049,160

Notes to the financial statements (continued)
For the year ended 31 December 2021

6 Derivatives held for risk management purposes

	Notional Amount 31-Dec-2021 EUR	Carrying value 31-Dec-2021 EUR	Average Interest Rate 31-Dec-2021	Notional Amount 31-Dec-2020 EUR	Carrying value 31-Dec-2020 EUR
Derivative assets held for risk management purposes	3,000,000	151,966	3.55%	3,000,000 *	913,813
Derivative liabilities held for risk management purposes	-	-	59.40%	-*	-
		151,966			913,813

* The notional amounts of the derivatives for the year ended 2020 have been adjusted for comparison purposes.

The swaps entered by the Company are detailed below

Assets swap

Pursuant to an ISDA master agreement for each new series of Notes issued, the Company has entered into a swap agreement with the Swap Counterparty.

Under the swap agreements the Company pays the Swap Counterparty amounts equal to the net subscription moneys for the Notes and sums equal to the interest and principal amounts receivable by the Company in respect of the investment securities. In return the Swap Counterparty pays the Company amounts equal to the net sum payable by the Company for the purchase of the investment securities or cash deposits (with the exception of those series where specific swaps are entered into, as stated below) and sums equal to the interest and principal payable to the Noteholders under the Notes.

The effect on the financial statements is that for all investment security and cash deposit income and Note interest expense there is an equal and opposite amount paid and received from the Swap Counterparty. In the statement of financial position, there is an amount payable to the Swap Counterparty equal to the fair value of the investment, and there is an amount receivable equal to the fair value of the amount payable to Noteholders. The overall swap position is presented on a net basis in the statement of financial position as a net receivable or payable, since the Swap Counterparty is party to both sides of the swap transactions.

The overall maturity of the swaps is based on the maturity dates of their corresponding Series and debt securities issued; such that upon maturity of the Note, the corresponding shall be terminated

The Series 59 does not have any swap. The Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note.

Credit default, total return, index option, share option, equity basket and foreign exchange option swaps

The Company has also entered into credit default swaps in respect of a number of credit linked Notes Series. Under the terms of these swap agreements the Company is liable to the Swap Counterparty should a credit event with respect to the reference obligations in the swap agreements take place. In such event, it is the Noteholders who will bear the economic risk and will absorb the loss by partial or full impairment of that Note.

Under the terms of the swap agreements, the Company paid out to the Swap Counterparty the proceeds from the Notes issued. The Noteholder has taken on the economic return to the performance of reference obligations and indices

In respect of all swaps mentioned above, under the terms of the swap agreements, the swaps terminate on the maturity date of the Notes and also under any of the following circumstances

- If at any time the Notes become payable in accordance with specific conditions prior to the maturity date
- At the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation under the relevant swap agreement; and
- If withholding taxes are imposed on payments made by the Company to the Swap Counterparty under the relevant swap agreement or if it becomes illegal for either party to perform its obligations under the swap agreement.

The Company issued Notes under Series 59 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note.

Notes to the financial statements (continued)
For the year ended 31 December 2021

7 Cash and cash equivalents

	31-Dec-2021 EUR	31-Dec-2020 EUR
Cash at banks	242,497	137,282

Cash and cash equivalents consist of cash at banks. The cash at bank balance is at the free disposal of the Company.

8 Other assets

	31-Dec-2021 EUR	31-Dec-2020 EUR
Interest income receivable from investment securities	90,417	91,292
Loan to Douro Finance B.V.	45,000	45,000
Loan to Atlanteo Capital B.V.	33,376	33,376
Tax advance	10,567	7,537
Loan to Boiro Finance B.V.	13,825	13,825
Other receivable	-	100,000
Loan to CID II Finance B.V.	-	39,055
	193,185	330,085

The advances to Douro Finance B.V., Atlanteo Capital B.V. and Boiro Finance B.V are unsecured, interest free and repayable on demand. The advance to CID II Finance B.V. was written off during the year 31 December 2022.

9 Share capital

	31-Dec-2021 EUR	31-Dec-2020 EUR
Authorised, issued and fully paid		
180 ordinary shares of EUR 100 each.	18,000	18,000

At 31 December 2021, Stichting CID Finance held 100% of the shares of the Company and is entitled to dividend payments and carry voting rights.

During the year ended 31 December 2021, the Company paid EUR 9,664 as dividend (being a dividend per share of EUR 0.54) (2020: EUR 12,300).

10 Debt securities issued

	31-Dec-2021 EUR	31-Dec-2020 EUR
Designated at fair value through profit or loss	58,079,603	3,999,026
Nominal amount:		
Opening balance as at 1 January	3,000,000	30,958,993
Additions during the year	55,000,000	-
Disposals / principal repayments during the year	-	(27,958,993)
Closing balance as at 31 December	58,000,000	3,000,000
Movement in fair value:		
Opening balance as at 1 January	999,026	1,936,094
Disposals during the year	-	-
Net fair value movement during the year	(918,839)	(937,068)
Closing balance as at 31 December	79,603	999,026
Closing fair value as at 31 December	58,079,603	3,999,026

Maturity analysis of debt securities is as follows :	Nominal value 31-Dec-2021 EUR	Nominal value 31-Dec-2020 EUR	Carrying value 31-Dec-2021 EUR	Carrying value 31-Dec-2020 EUR
Less than one year	3,000,000	-	3,115,479	-
Between one and five years	-	3,000,000	-	3,999,026
More than five years	55,000,000	-	54,964,124	-
	58,000,000	3,000,000	58,079,603	3,999,026

Notes to the financial statements (continued)
For the year ended 31 December 2021

10 Debt securities issued (continued)

Debt securities issued for a particular series are designated at fair value through profit or loss as the related investment securities and derivatives are fair valued and when they contain embedded derivatives that significantly modify cash flows that otherwise would be required to be separated.

The outstanding notional amount of the financial liabilities designated at fair value through profit or loss as at 31 December 2021 was EUR 58,000,000 (2020: EUR 3,000,000).

The Company's obligations under debt securities issued and related derivative financial instruments are secured by collateral purchased as described in Note 5. The investors' recourse per series is limited to the assets of that particular series

Most of the debt securities issued are interest-bearing Notes which bear interest at rates ranging between 1% and 5%. The debt securities issued may be redeemable at their scheduled maturity dates or at the option of the Noteholder

In the event that the 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 issued by the Company, i.e., contractual amounts at maturity by an equivalent amount.

11 Other liabilities

	31-Dec-2021 EUR	31-Dec-2020 EUR
Other payables	254,561	297,571
Interest payable on debt securities issuec	56,505	55,238
Accrual on audit fees	24,526	20,679
Accrual on tax advisory fees	12,186	12,184
Accrual on tax administration fees	13,045	12,470
	360,823	398,142

12 Taxation

	Profit for the year ended 31-Dec-2021 EUR	Tax @ 15% 31-Dec-2021 EUR	Profit for the year ended 31-Dec-2020 EUR	Tax @ 16.5% 31-Dec-2020 EUR
Tax on profit on ordinary activities	16,854	2,528	12,132	2,560
	16,854	2,528	12,132	2,560

The corporate income tax rate for 2021 is 15% on the first EUR 245,000 and 25% above EUR 245,000 (2020: 16.5% on the first EUR 200,000 and 25% above EUR 200,000). There are no differences between the effective and applicable tax rate

13 Net loss from investment securities

	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Designated as at fair value through profit or loss		
Net changes in fair value during the year	(155,435)	(109,400)

14 Net gain on debt securities issued

	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Designated as at fair value through profit or loss		
Net changes in fair value during the year	**918,839**	**937,068**

Notes to the financial statements (continued)
For the year ended 31 December 2021

15 Other income

	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Arranger income	86,913	53,487
Administration fees	342	-
Other income	-	(3,200)
	87,255	50,287

16 Other expenses

	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2020 EUR
Write off of receivable from CID II	(39,055)	-
Audit fees	(24,527)	(23,377)
Tax advisory fees	(3,847)	16
Bank charges	(2,972)	-
Filing fees	-	(124)
Administration fees	-	(14,670)
	(70,401)	(38,155)

The Company has no employees. The fees to Vistra Capital Markets (Netherlands) N.V. relate solely to the remuneration for its services as administrators of the Company.

Audit fees relate solely to fees payable for the audit of the annual accounts. The audit fees (exclusive of VAT) is segregated as follows:

	KPMG Accountants N.V. Year ended 31-Dec-2021 EUR	Other KPMG Network Year ended 31-Dec-2021 EUR	Total KPMG Network Firms Year ended 31-Dec-2021 EUR	KPMG Accountants N.V. Year ended 31-Dec-2020 EUR	Other KPMG Network Firms Year ended 31-Dec-2020 EUR	Total KPMG Network Year ended 31-Dec-2020 EUR
Current year audit fees	9,730	10,540	20,270	6,391	6,923	16,110
Overrun costs	-	-	-	264	716	980

There was a underprovision for the year 31 December 2020 reason for the difference in the expenses and accrual for 2020

17 Related party transactions

Stichting CID Finance is the sole shareholder of the Company. As at year end, no transaction took place. During the year under review, there was no remuneration (2020: EUR Nil) paid to management of the Company. The remuneration of management is paid by Stichting CID Finance from the profits made available to the Stichting CID Finance by the Company through dividend payments.

18 Charges

The Notes issued by the Company are secured by way of collateral purchased in respect of each Note, and by assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreement for each series.

19 Accounting classifications and fair values of financial assets and liabilities

Assets	Categories of financial assets
Cash and cash equivalents	Loan and receivables
Investment securities	Fair value through profit or loss
Derivative assets held for risk management purposes	Fair value through profit or loss
Other assets	Loan and receivables

Notes to the financial statements (continued)
For the year ended 31 December 2021

19 Accounting classifications and fair values of financial assets and liabilities (continued)

Liabilities	Categories of financial liabilities
Debt securities issued	Fair value through profit or loss
Derivatives liabilities held for risk management purposes	Fair value through profit or loss
Other liabilities	At amortised cost

Assets	Carrying value 31-Dec-2021 EUR	Nominal value 31-Dec-2021 EUR	Carrying value 31-Dec-2020 EUR	Nominal value 31-Dec-2020 EUR
Investment securities	57,893,140	57,850,000	3,049,160	3,000,000
Derivative assets held for risk management purposes	151,966	3,000,000*	913,813	3,000,000 *
Cash and cash equivalents	242,497	242,497	137,282	137,282
Other assets	193,185	193,185	330,085	330,085
	58,480,788	61,342,187	4,430,340	6,522,605

* The nominal amount of the derivatives represents the notional value. The values for the year ended 2020 have been adjusted for comparison purposes.

Liabilities	Carrying value 31-Dec-2021 EUR	Nominal value 31-Dec-2021 EUR	Carrying value 31-Dec-2020 EUR	Nominal value 31-Dec-2020 EUR
Debt securities issued	58,079,603	58,000,000	3,999,026	3,000,000
Derivatives liabilities held for risk management purposes	-	-*	-	-*
Other liabilities	360,823	360,823	398,142	398,142
	58,440,426	61,451,240	4,397,168	6,489,434

* The nominal amount of the derivatives represents the notional value. The values for the year ended 2020 have been adjusted for comparison purposes.

The Director considers the carrying amounts of financial assets and financial liabilities (other than those categorised as Fair value through profit or loss) recognised in the financial statements to approximate their fair values

Notes to the financial statements (continued)
For the year ended 31 December 2021

19 Accounting classifications and fair values of financial assets and liabilities (continued)

The table below shows the gross amounts of the derivatives that are set off in compliance with the IFRS 7.13 which indicated that the entity shall disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position.

	31-Dec-2021			31-Dec-2020		
	Before netting EUR	Netting EUR	After netting EUR	Before netting EUR	Netting EUR	After netting EUR
Assets						
Derivative assets held for risk management purposes	151,967	-	151,967	1,170,235	(256,422)	913,813
Liabilities						
Derivative liabilities held for risk management purposes	-	-	-	(256,422)	256,422	-

20 Financial instruments

(i) Credit risk

The Swap Counterparty and the holders of the debt securities bear all the credit risks of the Company, in respect of the deposits, investment securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

Assets	31-Dec-2021 EUR	31-Dec-2020 EUR
Investment securities	57,893,140	3,049,160
Derivative assets held for risk management purposes	151,966	913,813
Cash and cash equivalents and deposits	242,497	137,282
Other assets	193,185	330,085
	58,480,788	4,430,340

Liabilities	31-Dec-2021 EUR	31-Dec-2020 EUR
Debt securities issued	(58,079,603)	(3,999,026)
Other liabilities	(360,823)	(398,142)
	(58,440,426)	(4,397,168)

At the reporting date, the credit quality of the Company's investments securities was as follows

Rating Agency		31-Dec-2021	31-Dec-2020
A	S&P	0%	0%
Not Rated		100%	100%
		100%	100%

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(i) Credit risk (continued)

Concentration risk

For management purposes, the Company is organised into one main operating segment, which invest in debt instruments, deposits and related derivatives. All the entities activities are inter-related, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the entity as one segment. The financial results from this segment are equivalent to the financial statements of the entity as a whole

The Company is exposed to BBVA Group as a counterparty for derivatives and cash deposits and hence dependent on the financial performance of the BBVA Group as a whole. Management is of the opinion that this counterparty risk has properly being reflected in the current fair value measurement applied.

Assets of the Company (derivatives, deposits and investment securities) and their fair value might be affected by the developments in the economic situation, in particular Spain due to concentration risk in this market, amongst others resulting from exposure to BBVA. The deteriorating current developments in the Spanish Markets affect the fair value of the assets going forward but are fully borne by the holders of the debt securities and hence it will not have an impact on the Company as such.

The following table analyses the entity's operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the instruments counterparty

Country of origin:	**31-Dec-2021**	**31-Dec-2020**
Germany	94.94%	0.00%
France	5.06%	100.00%
	100.00%	100.00%

The table below analyses the entity's operating income per industry. The basis for attributing the operating income is the industry in which the issuer of the instruments operate.

Industry type:	**31-Dec-2021**	**31-Dec-2020**
Bank	5.06%	100.00%
Government	94.94%	0.00%
	100.00%	100.00%

The table below analyses the entity's counterparty concentration. The basis for attributing the operating income is the counterparty in which the issuer invested into.

Counterparty concentration:	**31-Dec-2021**	**31-Dec-2020**
Other counterparties	100%	100%
	100%	100%

(ii) Liquidity risk

Liquidity risk is the risk that 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. 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 will not be available for payment and the deficit is instead borne by the Noteholders and the swap counterparties according to the established priorities.

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(ii) Liquidity risk (continued)

The maturity profile of financial assets as at 31 December 2021 is as follows

	Carrying amount EUR	Nominal value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Investment securities	57,893,140	57,850,000	57,893,140	-	-
Derivative assets held for risk management purposes	151,966	3,000,000*	151,966	-	-
Cash and cash equivalents	242,497	242,497	242,497	-	-
Other assets	193,185	193,185	193,185	-	-
	58,480,788	61,342,187	58,480,788	-	-

* The nominal value represents the notional value

The maturity profile of financial liabilities as at 31 December 2021 is as follows

	Carrying amount EUR	Nominal value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	58,079,603	58,000,000	3,115,479	-	54,964,124
Derivative liabilities held for risk management purposes	-	-*	-	-	-
Other liabilities	360,823	360,823	360,823	-	-
	58,440,426	61,451,240	3,476,302	-	54,964,124

* The nominal value represents the notional value

The maturity profile of financial assets as at 31 December 2020 is as follows

	Carrying amount EUR	Nominal value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Investment securities	3,049,160	3,000,000	-	3,049,160	-
Derivative assets held for risk management purposes	913,813	3,000,000*	-	913,813	-
Cash and cash equivalents	137,282	137,282	137,282	-	-
Other assets	330,085	330,085	330,085	-	-
				-	-
	4,430,340	6,522,605	467,367	3,962,973	-

* The nominal amount of the derivatives represents the notional value. The values for the year ended 2020 have been adjusted for comparison purposes.

The maturity profile of financial liabilities as at 31 December 2020 is as follows

	Carrying amount EUR	Nominal value EUR	Less than one year EUR	Between one and five years EUR	More than five years EUR
Debt securities issued	3,999,026	3,000,000	-	3,999,026	-
Derivative liabilities held for risk management purposes	-	-*	-	-	-
Other liabilities	398,142	398,142	398,142	-	-
	4,397,168	6,489,434	398,142	3,999,026	-

* The nominal amount of the derivatives represents the notional value. The values for the year ended 2020 have been adjusted for comparison purposes.

(iii) Market risk

Market risk is the potential adverse change in earnings or the value of net worth arising from movements in interest rates, foreign exchange rates or other market prices.

(a) Currency risk

The Company limits its exposure to currency risk by operating bank accounts in other currencies than its functional currency for receipts and payments in other currencies than its functional currencies as all activity are in EUR

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(iii) Market risk (continued)

(b) Sensitivity analysis

The impact of any change in the exchange rates and interest rate on the investment securities relating to any series is offset by the foreign exchange rate and interest rate changes on the debt securities issued under the series. Any difference is borne by the Swap Counterparty and thus the exchange rate and interest rate changes have no net impact on the profit and loss of the Company. The Series 59 does not have any swap.

(c) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of investment securities held by the Company will be borne by the Swap Counterparties and/or Noteholders

(iv) 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, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise 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 Vistra Capital Markets (Netherlands) N.V.

(v) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders. The capital structure of the Company consists of debt securities offset by cash and cash equivalents and equity comprising of issued capital and reserves.

(vi) Fair values

The Company's investment securities, derivative financial instruments and debt securities issued are carried at fair value on the statement o 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 19.

The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(vi) Fair values (continued)

The fair values in the below disclosure note have been disclosed at dirty prices

31-Dec-2021	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	-	57,983,557	-	57,983,557
Derivative assets held for risk management purposes	-	151,966	-	151,966
Derivative liabilities held for risk management purposes	-	-	-	-
Debt securities	-	(58,136,108)	-	(58,136,108)
	-	(585)	-	- 585

31-Dec-2020	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Investment securities	-	3,140,452	-	3,140,452
Derivative assets held for risk management purposes	-	913,813	-	913,813
Derivative liabilities held for risk management purposes	-	-	-	-
Debt securities	-	(4,054,265)	-	(4,054,265)
	-	-	-	-

The Director considers the carrying amounts of financial assets and financial liabilities (other than those categorised as fair value through profit or loss) recognised in the financial statements to approximate their fair values.

31-Dec-2021	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Cash and cash equivalents	242,497	-	-	242,497
Other assets	-	-	-	-
Other liabilities	-	(56,505)	-	- 56,505
	242,497	(56,505)	-	185,992

31-Dec-2020	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Cash and cash equivalents	137,282	-	-	137,282
Other assets	-	91,292	-	91,292
Other liabilities	-	(55,238)	-	(55,238)
	137,282	36,054	-	173,336

BBVA continuously carries out an analysis and a review of different drivers. The main ones being :

- Liquidity indicators: the trading frequency and the trading volume of the securities, the number of contributors which support a quoted market price, the existence of an active market, the volatility of the quoted prices
- Credit indicators: the credit rating of the collaterals, the concentration of the collaterals

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(vi) Fair values (continued)

These kind of analysis provides the Company relevant information to detect which securities are able to be transferred from one level to another level within the categories of fair value described in the Note 2 “Basis of preparation”.

According to the classification levels :
- The movement of securities into Level 1 are those that now have observable liquid prices in the market.
- The movement into level 2 securities are those that do not have observable liquid prices anymore. So their theoretical prices are derived from observable market inputs.
- The movement into level 3 are those securities where some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions.

The transfers between the fair value hierarchy classification levels during the year were as follows

	Level 1		Level 2		Level 3	
	Transfers in EUR	Transfers out EUR	Transfers in EUR	Transfers out EUR	Transfers in EUR	Transfers out EUR
Investment securities	-	-	-	-	-	
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-

The changes in the financial instruments measured at fair value using significant level 3 inputs are reflected below

31-Dec-2021	Beginning Balance January 1 EUR	Purchases EUR	Sales EUR	Realised and Unrealised Gains/(Losses), net EUR	Transfers In and/or Out of Level 3, net EUR	Ending Balance December 31 EUR
Investment securities	-	-	-	-		-
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	-		-	-	-	-

Notes to the financial statements (continued)
For the year ended 31 December 2021

20 Financial instruments (continued)

(vi) Fair values (continued)

31-Dec-2020	Beginning Balance January 1 EUR	Purchases EUR	Sales EUR	Realised and Unrealised Gains/(Losses), net EUR	Transfers In and/or Out of Level 3, net EUR	Ending Balance December 31 EUR
Investment securities	-	-	-	-	-	-
Derivative assets held for risk management purposes	27,984,043	-	(27,984,043)	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	(27,984,043)	(27,984,043)	-	55,968,086	-	-

(vii) Significant accounting policies

Details of the significant accounting policies and method adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed in Note 3 of these financial statements.

21 Additional links to information on business environment for BBVA

(a) The published condensed interim consolidated financial statements of the Group for the three month period ending on 31 March 2022 (including the auditors' limited review report thereon).
(https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/Annual-Report-2021.pdf).

(b) The English translations of the audited consolidated annual financial statements of BBVA for the financial year ended on 31 December 2021 (which includes for comparison purposes financial data for the years ended on 31 December 2021 and 2020) and the audit report issued in respect thereof, prepared in accordance with EU-IFRS, which are available on BBVA's website (https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/Annual-Report-2021.pdf) and have been filed with the Central Bank of Ireland. The Spanish version of which was filed with the Spanish Securities Market Commission (the "CNMV") and can be also consulted on their website (www.cnmv.es).

Notes to the financial statements (continued)
For the year ended 31 December 2021

22 Subsequent events

Except for the below, there were no significant post balance events that would affect the presentation and disclosure in the current year.

At the date of our report, the Company had not issued any new series and the below series were fully redeemed / matured:

Series 27 - EUR 3,000,000 Variable Rate Secured Limited Recourse Notes due 2022.

Russia-Ukraine conflict

The ongoing war in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows and profitability. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due, therefore continues to apply the going concern and the Board of Managers continues to monitor the evolving situation and its impact on the financial position of the Company

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 18 November 2022

Other information
For the year ended 31 December 2021

Statutory rules concerning the appropriation of results

The appropriation of profit is governed by Article 21 of the articles of association. The profit is at free disposal of the general meeting. The general meeting may decide to pay dividend only after adoption of the annual accounts and if profit so permits.

Independent auditor's report

Reference is made to the Independent auditor's report as included hereinafter.

Independent auditor's report to the shareholders of CID Finance B.V.

Independent auditor's report to the shareholders of CID Finance B.V. (continued)

Independent auditor's report

To: the General Meeting of Shareholders of CID Finance B.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of CID Finance B.V. as at 31 December 2021 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2021 of CID Finance B.V. (the “Company”) based in Amsterdam.

The financial statements comprise:

1 the statement of financial position as at 31 December 2021;

2 the following statements for 31 December 2021: the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of CID Finance B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters should be viewed in that context and not as separate opinions or conclusions.

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

KPMG Accountants N.V., a Dutch limited liability company registered with the trade register in the Netherlands under number 33263683, is a member firm of the global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Audit approach

Summary

Materiality
— Materiality of EUR 586 thousand — 1% of total assets

Going concern and Fraud/Noclar
— Going concern: no significant going concern risks identified. — Fraud & Non-compliance with laws and regulations (Noclar): management override of controls.

Key audit matters
— Estimation uncertainty in respect to the valuation of the level 2 investment securities and derivatives

Opinion
Unqualified opinion

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 586 thousand (2020: EUR 44 thousand). The materiality is determined with reference to total assets (1%, 2020:1%). We consider total assets as the most appropriate benchmark because the holders of the Notes issued by the Company are entitled to the proceeds from the assets of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements identified during our audit in excess of EUR 29 thousand, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the audit

On the basis of the relationship between the Company and Banco Bilbao Vizcaya Argentaria, S.A. based in Bilbao, Spain (“BBVA”) in its capacity as the arranger, collateral manager, swap counterparty, issue agent, registrar and principal paying agent of the Company, we made use of work of KPMG Auditores, S.L., the auditor of BBVA (referred to as the ‘other audit team’), for the audit of account balances, profit and loss accounts and disclosures of the Company as serviced by BBVA.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audit. In this respect we have determined the nature and extent of the audit procedures to be carried out by the other audit team.

We sent instructions to KPMG Auditores, S.L., covering significant areas including the relevant risks of material misstatement and set out the information required to be reported to us.

We discussed the work performed with KPMG Auditores, S.L. and performed a review of their audit file. During these discussions and reviews, the planning, risk assessment, procedures performed, and findings and observations reported to us were discussed in more detail and evaluated.

By performing the procedures mentioned above at BBVA, together with additional procedures at the Company level, we have been able to obtain sufficient and appropriate audit evidence about the Company's financial information to provide an opinion about the annual accounts.

Audit response to going concern – no significant going concern risks identified

The management board has performed its going concern assessment and has not identified any significant going concern risks. To assess the management board's assessment, we have performed, inter alia, the following procedures:

— we considered whether the management board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;

— we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to the risk of fraud and non-compliance with laws and regulations

In the Director's Report, the management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. The Company has no own personnel and makes use of service organisations for all operating processes. Our procedures included, among other things, assessing the code of conduct, anti-fraud and whistleblowing procedures as implemented by these service organisations. Furthermore, we performed relevant inquiries with management and those charged with governance. As part of our audit procedures, we evaluated legal confirmation letters and inspected correspondence (if any) with the regulatory authorities overseeing the Company.

In addition, we identified no areas that are likely to have a material effect on the financial statements.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

We assessed the presumed fraud risk on revenue recognition as irrelevant, because of the specific set-up of the note structure only the minimum required returns are generated. As a consequence, we did not identify an incentive or pressure for the management to achieve certain results or specific financial income targets and there appears to be limited perceived opportunity to commit a material fraud in this area.

Based on the above and on the auditing standards, we identified only the presumed fraud risk laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

— Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

— We evaluated the design and implementation of policies that mitigate fraud and non-compliance risks, such as the Code of Conduct, Anti-Fraud, and Whistleblower policy of the service providers engaged by the Company.

— We examined all minutes and resolutions of the Companies to search for indications of fraud and for significant transactions that are outside the Companies normal course of business, or are otherwise unusual.

— We examined all correspondence with regulatory authorities (if any).

— We assessed whether there were indications of a possible management bias in the valuation of the investment securities and the derivatives.

— We incorporated elements of unpredictability in our audit, including a full assessment of all bank transactions for the financial year of the Company.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

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.

Estimation uncertainty in respect to the valuation of the level 2 investment securities and derivatives

Description

The company uses fair value as the accounting policy for the level 2 investment securities and derivatives. Changes in the valuation of these investment securities and derivatives may have a significant effect on the entity's ability to fully redeem the Notes. A higher estimation uncertainty was identified for instruments that make use of less liquid inputs. The estimation uncertainty in respect to the valuation of the level 2 investment securities and derivatives has therefore been identified as a key audit matter.

Our response

— We challenged the key assumptions, valuation methods, techniques and input data used by Management in determining the fair value of the portfolio of level 2 investment securities and derivatives, with assistance from our own valuation specialists. Our procedures included, amongst others, a comparison of the discount rate and cash flow assumptions against contractual and externally derived market data and inspection and analyses of post year-end events indicative for possible credit defaults.

— For a sample selection our valuation specialists performed an independent reassessment of the fair value of selected positions using our own independent valuation models, inputs and assumptions. We compared our independent evaluation with the fair values applied by the company.

— We also assessed the design, implementation and operating effectiveness of the controls performed by the Arranger, Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") on the pricing of investment securities and derivatives.

— Furthermore, we considered the adequacy of Management's disclosures in Note 2(b) ("Use of estimates and judgments") and note 20(vi) to the financial statements in respect of the sensitivity of the determined fair value to changes in the discount rates and cash flow projections.

Our observation

— We observed from our assessment of the design, implementation and operating effectiveness of the related controls that the controls can prevent or detect and correct material misstatements that could arise in the pricing of the level 2 investment securities and derivatives.

— Based on our independent reassessments of the fair values of selected positions we conclude that the fair value of the level 2 investment securities and derivatives has been estimated in a balanced manner for the purpose of the financial statements and that the disclosures meet the requirements of IFRS and appropriately describe the inherent degree of subjectivity in the estimates.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by General Meeting of Shareholders as auditor of CID Finance B.V. on 15 December 2017, as of the audit for the year 2017 and have operated as statutory auditor ever since that financial year. We were re-engaged by the General Meeting of Shareholders as auditor of the Company on 18 November 2021.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Directors is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 18 November 2022

KPMG Accountants N.V.

E.D.H. Vinke-Smits RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

— identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

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

— evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are, given our ultimate responsibility for the opinion, also responsible for directing and supervising the audit procedures performed by another audit member firm. In this respect we determine the nature and extent of the audit procedures to be carried out.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.