

## Independent auditor's report

To: the shareholder of CID Finance B.V.

### Report on the audit of the financial statements 2022 included in the annual report

#### Our opinion

We have audited the financial statements for the financial year ended on 31 December 2022 of CID Finance B.V. based in Amsterdam, the Netherlands.

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 2022 and of its result and its cash flows for 2022 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

The financial statements comprise:

- The statement of financial position as at 31 December 2022
- The following statements for 2022: the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows
- 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. (the Company) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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).

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

#### Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes. We refer to section Principal Risks and Uncertainties of the director's report for board of directors' risk assessment, after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the section Use of estimates and judgements in note 2 (b) to the financial statements. We have also performed procedures to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We particularly evaluated whether transactions with related parties were accounted for at arm's length and in accordance with contractual agreements.

These risks did however not require significant auditor's attention during our audit.

We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant executives, and the Company's board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities, and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in the section Going concern in note 2 (a) to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern including considerations relating to the financial position of the group in cooperation with the group auditor. 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.

Based on our procedures performed, we did not identify material uncertainties about 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.

## Report on other information included in the annual report

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

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

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

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 substantially 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 management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities regarding the financial statements

### Responsibilities of management 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 the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 framework mentioned, board of directors should prepare the financial statements using the going concern basis of accounting unless the shareholder 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.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

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

#### Communication

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.

Amsterdam, 22 September 2023

Ernst & Young Accountants LLP

signed by P. Sira

# **CID FINANCE B.V.**

**Annual Report**  
**for the year ended**  
**31 December 2022**

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

<b>Director</b>	Vistra Capital Markets (Netherlands) N.V.
<b>Registered office</b>	Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
<b>Trustee</b>	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
<b>Administrator &amp; Company Secretary</b>	Vistra Capital Markets (Netherlands) N.V. Jupiter Building Herikerbergweg 88 1101 CM Amsterdam The Netherlands
<b>Independent Auditor</b>	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
<b>Arranger, Issue Agent, Principal Paying Agent, Swap Counterparty, Custodian &amp; Registrar</b>	Banco Bilbao Vizcaya Argentaria, S.A. Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
<b>Listing Agent</b>	Banco Bilbao Vizcaya Argentaria, S.A. Sauceda 28, Edificio Asia - Nivel I 28050 Madrid Spain
<b>Tax advisors</b>	Simmons & Simmons LLP Claude Debussylaan 247 1082 MC Amsterdam The Netherlands



# CID FINANCE B.V.

## 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 2022.

### 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 and Series 60 has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the note.

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 opportunity to invest in portfolio in investments (the "investment securities") and alter the risk profile of the portfolio through the use of derivative instruments.

The Company limits its exposure to risk by issuing limited recourse debt instruments. The risk of default on these investments is therefore borne by the holders of the issued limited recourse debt instruments in accordance with their respective agreements.

The Investment Securities consist of short term German government bonds.

The Company is exposed to the German markets. Developments in the 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 2022, the Company had in issue 2 Series (2021: 2 Series), nominal amounting to EUR 147,383,623 and fair value amount of EUR 137,198,198 (2021: nominal amount: EUR 58,000,000, fair value: EUR 58,079,603).

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

### Business review

During the year:

- The Company issued Series 60;
- The Company issued debt of EUR 243,963,694 (2021: EUR 54,850,000) but made no redemption (2021: NIL);
- The Company acquired new investment securities for an amount of EUR 243,924,000 (2021: EUR 54,850,000) and dispose an amount EUR 155,708,000 existing investment securities (2021: EUR NIL);
- The Company made a profit after tax of EUR 14,325 (2021: EUR 14,326);
- The Company paid a dividend of EUR 14,326 (2021: EUR 9,664) 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 104,763 (2021: EUR 155,435); and
- Net changes in fair value of debt securities designated at fair value through profit or loss amounted to a loss of EUR 10,265,028 (2021: EUR 918,839).

As at 31 December 2022:

- The Company's total indebtedness was EUR 137,198,198 (2021: EUR 58,079,603); and
- The cash position at balance sheet date was EUR 235,737 (2021: EUR 242,497).

## 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.

100.00% of the income of the Company is generated in Germany (2021: 94.94%). There is no current net income attributable to the banking industry (2021: 5.06%). 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 will 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 and Series 60 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) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

The Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments is reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

#### (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.

# CID FINANCE B.V.

## Director's report (continued)

### Results and dividends for the year

The Company recorded a profit of EUR 14,325 for the year under review (2021: EUR 14,326). 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 2022 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 2022 will continue in existence for at least more than one year. Based on these, the Directors believe that the going concern basis is appropriate.

### *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.

### Business environment

The global economy has slowed down throughout 2022, in an environment marked by strong inflationary pressures, an aggressive tightening of monetary conditions, the negative impact of the war in Ukraine and lower growth in China.

Despite the moderation trend, the uncertainty about the future evolution of the monetary policy and the recent turmoil in the banking sector in March, 2023, economic growth has exhibited a certain resilience and has generally been higher than expected by most analysts due to previously accumulated savings, the normalization of activity following the restrictions and disruptions generated by the COVID-19 pandemic, as well as the dynamism of the labor markets, which have contributed, in particular, to the performance of private consumption and the services sector.

Inflation has remained at high levels in 2022. However, after surging upwards for most of the year, it has begun to moderate in recent months, in line with the slowdown in aggregate demand, the recent moderation of energy prices and the process of normalization of global supply chains. In annual terms, inflation reached 9.2% in the Eurozone at the end of the year 2022.

In this context of still high inflationary pressures, central banks have continued to tighten monetary conditions. In the Eurozone, the ECB has raised interest rates for its refinancing operations to 2.5% in December (250 basis points higher than the level at the beginning of 2022), it has tightened the conditions of its Tetas (targeted longer-term refinancing operations), which provide financing to credit institutions, and has indicated that it could soon launch an asset selling program. Further adjustments were announced in the coming months, such as the rise in the ECB's target range for funds rate to 3.5%, announced during March, 2023.

In a highly uncertain environment, the baseline scenario of BBVA Research considers that the global economy will continue to slow down in the near future, with possible episodes of recession in the Eurozone. This slowdown in growth is mainly attributable to the significant tightening of monetary conditions (official interest rates are expected to reach around 3.75% in the Eurozone in the coming months, and to remain unchanged until, at least, the end of the year 2023) and still high inflation, which, however, will likely slowdown progressively.

According to BBVA Research, after increasing by 6.3% in 2021 and around 3.3% in 2022, global GDP will grow by just 2.3% in 2023. In the Eurozone, slight drops in GDP are likely in the coming quarters, mainly due to the disruptions created by the war in Ukraine, including the still high gas prices. Annual growth in the region is expected to be around 3.2% in 2022 and -0.1% in 2023.

### Director, Secretary and their interests

The Director and Secretary who held office on 31 December 2022 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.

# **CID FINANCE B.V.**

## **Director's report (continued)**

### **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.

### **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 2022 is separately included in the shareholders equity as unappropriated net income.

### **Subsequent events**

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 nor redeemed any new series.

### **On behalf of the Board of Directors**

**Vistra Capital Markets (Netherlands) N.V.**

**Date: 22 September 2023**

# **CID FINANCE B.V.**

## **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: 22 September 2023**

# CID FINANCE B.V.

## Statement of financial position

As at 31 December 2022

(before appropriation of result)

	Note (s)	31-Dec-2022 EUR	31-Dec-2021 EUR
<b>Current assets</b>			
Investment securities	5	145,690,730	57,893,140
Derivatives held for risk management purposes	6	-	151,966
Cash and cash equivalents	7	235,737	242,497
Other assets	8	105,689	193,185
Total current assets		<u>146,032,156</u>	<u>58,480,788</u>
<b>Total assets</b>		<u>146,032,156</u>	<u>58,480,788</u>
<b>Equity</b>			
Share capital	9	18,000	18,000
Profit for the year (unappropriated net income)		<u>14,325</u>	<u>14,326</u>
Total equity		<u>32,325</u>	<u>32,326</u>
<b>Non-current liabilities</b>			
Debt securities issued	10	<u>137,198,198</u>	<u>54,964,124</u>
Total non-current liabilities		<u>137,198,198</u>	<u>54,964,124</u>
<b>Current liabilities</b>			
Debt securities issued	10	-	3,115,479
Other liabilities	11	8,791,069	360,823
Taxation	12	<u>10,564</u>	<u>8,036</u>
Total current liabilities		<u>8,801,633</u>	<u>3,484,338</u>
<b>Total liabilities</b>		<u>145,999,831</u>	<u>58,448,462</u>
<b>Total equity and liabilities</b>		<u>146,032,156</u>	<u>58,480,788</u>

Approved and authorised for issue

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

The notes on pages 11 to 31 form an integral part of these financial statements

# CID FINANCE B.V.

## Statement of comprehensive income For the year ended 31 December 2022

	Note (s)	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Interest income		16,041	106,458
Interest expense		(13,386,876)	(890,937)
<b>Net interest expense</b>		<u>(13,370,835)</u>	<u>(784,479)</u>
<i>Designated at fair value through profit or loss</i>			
Net loss from investment securities	13	(104,763)	(155,435)
Net gain on debt securities issued	14	13,734,023	918,839
Net loss from derivative financial instruments held for risk management purposes		(185,879)	(763,404)
Realised gain on settlement of derivatives		202,668	890,937
Realised loss on settlement of derivatives		<u>(275,214)</u>	<u>(106,458)</u>
<b>Operating income</b>		-	-
Other income	15	58,825	87,255
Other expenses	16	<u>(41,972)</u>	<u>(70,401)</u>
Profit on ordinary activities before taxation		16,853	16,854
Taxation	12	<u>(2,528)</u>	<u>(2,528)</u>
<b>Profit for the year</b>		14,325	14,326
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>14,325</u>	<u>14,326</u>

All items dealt with in arriving at the profit for the year ended 31 December 2022 and 2021 related to continuing operations.

Approved and authorised for issue

**On behalf of the Board of Directors**

**Vistra Capital Markets (Netherlands) N.V.**

**Date: 22 September 2023**

The notes on pages 11 to 31 form an integral part of these financial statements

# CID FINANCE B.V.

## Statement of cash flows

For the year ended 31 December 2022

	Note (s)	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
<b>Cash flows from operating activities</b>			
Profit on ordinary activities before taxation		16,853	16,854
Adjustments for:			
Realised losses on settlement of derivatives		275,214	106,458
Realised gains on settlement of derivatives		(202,668)	(890,937)
Fair value loss on investment securities	13	104,763	155,435
Fair value gain on debt securities	14	(7,153,078)	(918,839)
Unrealised loss on revaluation of derivatives		185,879	763,404
Interest income		(16,042)	(106,458)
Interest expense		6,805,932	890,937
Write off of receivables		(448)	39,055
		<u>(448)</u>	<u>39,055</u>
Changes in:			
Tax paid		(2,923)	(3,028)
Net movement in other assets and liabilities		<u>(7,860)</u>	<u>61,998</u>
		(10,783)	58,970
<b>Net cash flows generated from operating activities</b>		<u>5,622</u>	<u>114,879</u>
<b>Cash flows from investing activities</b>			
Interest received on investment securities		106,458	106,750
Receipts in respect of derivatives held for risk management purposes		15,825,951	889,670
Payments in respect of derivatives held for risk management purposes		<u>(11,850,764)</u>	<u>(256,750)</u>
<b>Net cash flows generated from investing activities</b>		<u>159,789,645</u>	<u>739,670</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of debt securities		(243,963,694)	(54,850,000)
Payments on maturity / redemption of debt securities		(10,875,550)	-
Interest paid on debt securities issued		(4,948,457)	(889,670)
Loans granted		100,000,000	55,000,000
Interim dividend paid		(14,326)	(9,664)
<b>Net cash flows used in financing activities</b>		<u>(159,802,027)</u>	<u>(749,334)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(6,760)</u>	<u>105,215</u>
Cash and cash equivalents at beginning of year		242,497	137,282
<b>Cash and cash equivalents at end of year</b>		<u>235,737</u>	<u>242,497</u>

The notes on pages 11 to 31 form an integral part of these financial statements



## CID FINANCE B.V.

### Statement of changes in equity For the year ended 31 December 2022

	Share capital EUR	Retained earnings EUR	Profit for the year EUR	Total EUR
<b>Balance at 1 January 2021</b>	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
<b>Balance at 31 December 2021</b>	<u>18,000</u>	<u>-</u>	<u>14,326</u>	<u>32,326</u>
Appropriation of profit	-	14,326	(14,326)	-
Dividend paid	-	(14,326)	-	(14,326)
Profit for the year	-	-	14,325	14,325
<b>Balance at 31 December 2022</b>	<u>18,000</u>	<u>-</u>	<u>14,325</u>	<u>32,325</u>

#### Proposed appropriation of result for the 2022 financial year

The net result for the financial year is a profit amounting to EUR 14,325. No decision has been made about the purpose of the result. The appropriation of the result will be proposed by the board of directors to the General Meeting which will be held after the adoption of the financial statements.

The notes on pages 11 to 31 form an integral part of these financial statements

# CID FINANCE B.V.

## Notes to the financial statements For the year ended 31 December 2022

### 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 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 and Series 60 has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the note.

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 opportunity to invest in portfolio in investments (the "investment securities") and alter the risk profile of the portfolio through the use of derivative instruments.

The Investment Securities consist of short term German government bonds.

The Company has no direct employees. The financial statements were authorised for issue by the Board of Directors on 22 September 2023

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 2022 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 (IFRS)

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 International Financial Reporting 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.

Minor changes to IFRS Standards (IAS 37 Provisions - Onerous contracts, IAS 16 Property, Plant and Equipment and IFRS 3 Business Combinations) and Annual Improvements to IFRS 2018 - 2020 (IFRS 1 - First application of IFRS, IFRS 9 Financial Instruments, IAS 41 Agriculture and modifications to the illustrative examples of IFRS 16 - Leases) The amendments have had no impact on the Company's financial statements.

## Notes to the financial statements For the year ended 31 December 2022

### 2 Basis of preparation (continued)

#### (a) Statement of compliance (continued)

##### 2.2 New and revised IFRS in issue but not yet effective

The following new International Financial Reporting Standards and Interpretations or amendments had been published at the date of preparation of the financial statements, but are not mandatory as of December 31st, 2022. Although in some cases the IASB allows early adoption before their effective date, the Company has not proceeded with this option for any such new standards. No impact is expected on the Company's financial statements:

- IFRS 17 - Insurance contracts (applicable to annual reporting periods beginning on or after 1st January, 2023. Endorsed for use in the EU, albeit with an optional exemption from applying the annual cohort requirement).
- Amendments to IAS 1 - "Presentation of financial statements" (effective for annual reporting periods beginning on or after 1st January, 2023) and not yet endorsed for use in the EU, and IAS 8 - "Accounting policies, changes in accounting estimates and errors" (effective for annual reporting periods beginning on or after 1st January, 2023) and not yet endorsed for use in the EU.
- Amendment IAS 12 - "Income taxes", endorsed for use in EU.
- Amendment to IFRS 16 - "Leases", not yet endorsed for use in the EU.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 2 Basis of preparation (continued)

#### (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; and
- 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 are 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 Euro.

#### **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 2022

### 3 Significant accounting policies

#### *Financial instruments*

The financial instruments of the Company include the following:

- Investment securities,
- Derivative financial instruments held for risk management, and
- 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 classified and initially measured at fair value through profit or loss. The investment securities held by the Company have been designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. The investment securities are closely linked to the financial liabilities and the derivatives and therefore, as the derivatives are required to be at fair value through profit or loss investment securities have been designated at fair value to eliminate this accounting mismatch. Subsequent changes in the fair value of investment securities designated at fair value through profit or loss are recognised directly in the Statement of comprehensive income.

#### *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.

#### *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.

#### *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 2022

### 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.

#### **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.

#### **Share capital**

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

## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 3 Significant accounting policies (continued)

#### *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 from investment securities is recognised on an accrual basis in the Statement of comprehensive income.

#### *Interest expense*

Interest expense from debt securities designated at fair value through profit or loss is recognised on an accrual basis in the Statement of comprehensive income.

#### *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.

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 3 Significant accounting policies (continued)

#### *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.

#### *Impairment*

At the end of each reporting date, the Company tests whether there are 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 2022, no impairment loss was recognised.

#### *Other income and expenses*

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

#### *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 investment securities 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 2022, the Company issued Notes under Series 59 and Series 60 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.

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.



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 4 Financial risk management (continued)

#### *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

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 holders of the debt securities of the relevant series.

At 31 December 2022, the Company issued Notes under Series 59 and Series 60 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note.

#### (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

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 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) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments are reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

5 Investment securities	31-Dec-2022 EUR	31-Dec-2021 EUR
<i>Nominal amount:</i>		
Opening balance as at 1 January	57,850,000	3,000,000
Additions during the year	243,924,000	54,850,000
Disposals during the year	(155,708,000)	-
Closing balance as at 31 December	<u>146,066,000</u>	<u>57,850,000</u>
<i>Movement in fair value:</i>		
Opening balance as at 1 January	43,140	49,160
Net (discount)/ premium on additions during the year	421,142	149,415
Disposal during the year	(43,140)	-
Net fair value movement during the year	(796,412)	(155,435)
Closing balance as at 31 December	<u>(375,270)</u>	<u>43,140</u>
<b>Closing fair value as at 31 December</b>	<u>145,690,730</u>	<u>57,893,140</u>

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 and Series 60 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 to eliminate or significantly reduce an "accounting mismatch".

	Nominal value		Carrying value	
	31-Dec-2022 EUR	31-Dec-2021 EUR	31-Dec-2022 EUR	31-Dec-2021 EUR
<i>Maturity analysis of investment securities is as follows:</i>				
Less than one year	146,066,000	57,850,000	145,690,730	57,893,140
Between one and five years	-	-	-	-
More than five years	-	-	-	-
	<u>146,066,000</u>	<u>57,850,000</u>	<u>145,690,730</u>	<u>57,893,140</u>

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**6 Derivatives held for risk management purposes**

	Notional Amount 31-Dec-2022 EUR	Carrying value 31-Dec-2022 EUR	Average Interest Rate 31-Dec-2022	Notional Amount 31-Dec-2021 EUR	Carrying value 31-Dec-2021 EUR
Derivative assets held for risk management purposes	-	-	0.00%	3,000,000	151,966
Derivative liabilities held for risk management purposes	-	-	0.00%	-	-
		<u>-</u>			<u>151,966</u>

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 and Series 60 does not have any swap. The Company issued Notes under Series 59 and Series 60 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 and Series 60 which has a guarantee for a loan held by BBVA. The fair value of that guarantee is incorporated in the value of the Note.

# CID FINANCE B.V.

## Notes to the financial statements (continued) For the year ended 31 December 2022

7	Cash and cash equivalents	31-Dec-2022 EUR	31-Dec-2021 EUR
	Cash at banks	<u>235,737</u>	<u>242,497</u>

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-2022 EUR	31-Dec-2021 EUR
	Loan to Douro Finance B.V.	45,000	45,000
	Loan to Atlanteo Capital B.V.	33,376	33,376
	Loan to Boiro Finance B.V.	13,825	13,825
	Tax advance	13,488	10,567
	Interest income receivable from investment securities	-	90,417
		<u>105,689</u>	<u>193,185</u>

The advances to Douro Finance B.V., Atlanteo Capital B.V. and Boiro Finance B.V are unsecured, interest free and repayable on demand.

9	Share capital	31-Dec-2022 EUR	31-Dec-2021 EUR
	<b>Authorised, issued and fully paid</b>		
	180 ordinary shares of EUR 100 each.	<u>18,000</u>	<u>18,000</u>

At 31 December 2022, 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 2022, the Company paid EUR 14,326 as dividend (being a dividend per share of EUR 79.59) (2021: EUR 9,664).

10	Debt securities issued	31-Dec-2022 EUR	31-Dec-2021 EUR
	Designated at fair value through profit or loss	<u>137,198,198</u>	<u>58,079,603</u>
	<i>Nominal amount:</i>		
	Opening balance as at 1 January	58,000,000	3,000,000
	Additions during the year	100,000,000	55,000,000
	Disposals / principal repayments during the year	(10,616,377)	-
	Closing balance as at 31 December	<u>147,383,623</u>	<u>58,000,000</u>
	<i>Movement in fair value:</i>		
	Opening balance as at 1 January	79,603	999,026
	Disposals during the year	(3,111,950)	-
	Net fair value movement during the year	(7,153,078)	(918,839)
	Closing balance as at 31 December	<u>(10,185,425)</u>	<u>79,603</u>
	<b>Closing fair value as at 31 December</b>	<u>137,198,198</u>	<u>58,079,603</u>

Maturity analysis of debt securities is as follows :

	Nominal value		Carrying value	
	31-Dec-2022 EUR	31-Dec-2021 EUR	31-Dec-2022 EUR	31-Dec-2021 EUR
Less than one year	-	3,000,000	-	3,115,479
Between one and five years	-	-	-	-
More than five years	147,383,623	55,000,000	137,198,198	54,964,124
	<u>147,383,623</u>	<u>58,000,000</u>	<u>137,198,198</u>	<u>58,079,603</u>

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 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.

The outstanding notional amount of the financial liabilities designated at fair value through profit or loss as at 31 December 2022 was EUR147,383,623 (2021: EUR 58,000,000).

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-2022 EUR	31-Dec-2021 EUR
Interest payable on debt securities issued	8,492,979	56,505
Other payables	248,805	254,561
Accrual on audit fees	41,588	24,526
Accrual on tax advisory fees	7,697	12,186
Accrual on tax administration fees	-	13,045
	<u>8,791,069</u>	<u>360,823</u>

12 Taxation	Profit for the year ended 31-Dec-2022 EUR	Tax @ 15 % 31-Dec-2022 EUR	Profit for the year ended 31-Dec-2021 EUR	Tax @ 15% 31-Dec-2021 EUR
Tax on profit on ordinary activities	16,853	2,528	16,854	2,528
	<u>16,853</u>	<u>2,528</u>	<u>16,854</u>	<u>2,528</u>

The corporate income tax charged is based on the agreement with the Dutch Tax Authorities, dated 9 August 2007, that the Company should earn a minimal income that will be taxable at the normal statutory tax rates in the Netherlands.

If the taxable amount is EUR 395,000 or less, the corporate income tax rate is 15%. If the taxable amount is more than EUR 395,000, the corporate income tax rate is EUR 59,250 plus 25,8% for the taxable amount exceeding EUR 395,000. (2021: 15% on the first EUR 245,000 and 25% above EUR 245,000). There are no differences between the effective and applicable tax rate.

13 Net loss from investment securities	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
<i>Designated as at fair value through profit or loss</i>		
Net changes in fair value during the year	<u>(104.763)</u>	<u>(155.435)</u>
14 Net gain on debt securities issued	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
<i>Designated as at fair value through profit or loss</i>		
Net changes in fair value during the year	<u>13,734,023</u>	<u>918,839</u>

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

15 Other income	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Arranger income	45,780	86,913
Administration fees	13,045	342
	<u>58,825</u>	<u>87,255</u>
16 Other expenses	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR
Audit fees *	(38,323)	(24,527)
Bank charges	(3,009)	(2,972)
Write off - Others	(448)	-
Tax advisory fees	(192)	(3,847)
Write off of receivable from CID II	-	(39,055)
	<u>(41,972)</u>	<u>(70,401)</u>

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.

\* The audit fees expensed in the current year is inclusive of VAT and includes additional expenses relating to the prior year audit which were not accrued for in the prior financial statements. The table below shows the breakdown for other services provided by the Audit Network Firms other than the audit in 2022 and 2021, respectively:

	Ernst & Young Accountants LLP	Other Ernst & Young Network Firms	Total Ernst & Young Network Firms	Ernst & Young Accountants N.V.	Other KPMG Network Firms	Total KPMG Network Firms
	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2022 EUR	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2021 EUR	Year ended 31-Dec-2021 EUR
Current year audit fees	27,225	-	27,225	9,730	10,540	20,270

## 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 (2021: 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

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

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

	Categories of financial liabilities			
<b>Liabilities</b>				
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
	<b>Carrying value</b>	<b>Nominal value</b>	<b>Carrying value</b>	<b>Nominal value</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2021</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Assets</b>				
Investment securities	145,690,730	146,066,000	57,893,140	57,850,000
Derivative assets held for risk management purposes	-	-	151,966	3,000,000
Cash and cash equivalents	235,737	235,737	242,497	242,497
Other assets	105,689	105,689	193,185	193,185
	<u>146,032,156</u>	<u>204,449,014</u>	<u>58,480,788</u>	<u>61,285,682</u>
	<b>Carrying value</b>	<b>Nominal value</b>	<b>Carrying value</b>	<b>Nominal value</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2021</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Liabilities</b>				
Debt securities issued	137,198,198	147,383,623	58,079,603	58,000,000
Other liabilities	8,791,069	8,791,069	360,823	360,823
	<u>145,989,267</u>	<u>214,069,692</u>	<u>58,440,426</u>	<u>61,451,240</u>

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.

### 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 7.13B 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.

	<b>Before netting</b>	<b>31-Dec-2022</b>	<b>After netting</b>	<b>Before netting</b>	<b>31-Dec-2021</b>	<b>After netting</b>
	<b>EUR</b>	<b>Netting</b>	<b>EUR</b>	<b>EUR</b>	<b>Netting</b>	<b>EUR</b>
		<b>EUR</b>			<b>EUR</b>	
<b>Assets</b>						
Derivative assets held for	-	-	-	151,967	-	151,967
<b>Liabilities</b>						
Derivative liabilities held	-	-	-	-	-	-

# CID FINANCE B.V.

## Notes to the financial statements (continued) For the year ended 31 December 2022

### 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:

<b>Assets</b>	<b>31-Dec-2022 EUR</b>	<b>31-Dec-2021 EUR</b>
Investment securities	145,690,730	57,893,140
Derivative assets held for risk management purposes	-	151,966
Cash and cash equivalents and deposits	235,737	242,497
Other assets	105,689	193,185
	<u>146,032,156</u>	<u>58,480,788</u>
<b>Liabilities</b>	<b>31-Dec-2022 EUR</b>	<b>31-Dec-2021 EUR</b>
Debt securities issued	(137,198,198)	(58,079,603)
Other liabilities	(8,791,069)	(360,823)
	<u>(145,989,267)</u>	<u>(58,440,426)</u>

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

<b>Rating Agency</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Not Rated	100%	100%
	<u>100%</u>	<u>100%</u>

#### 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 Germany due to concentration risk in this market, amongst others resulting from exposure to BBVA. The deteriorating current developments in the German 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.

<b>Country of origin:</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Germany	100.00%	94.94%
France	0.00%	5.06%
	<u>100.00%</u>	<u>100.00%</u>

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.

<b>Industry type:</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Bank	0.00%	5.06%
Government	100.00%	94.94%
	<u>100.00%</u>	<u>100.00%</u>



**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**20 Financial instruments (continued)**

**(i) Credit risk (continued)**

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.

<b>Counterparty concentration:</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Other counterparties	100%	100%
	<u>100%</u>	<u>100%</u>

**(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.

The maturity profile of financial assets as at 31 December 2022 is as follows:

	<b>Carrying amount EUR</b>	<b>Nominal value EUR</b>	<b>Less than one year EUR</b>	<b>Between one and five years EUR</b>	<b>More than five years EUR</b>
Investment securities	145,690,730	146,066,000	145,690,730	-	-
Cash and cash equivalents	235,737	235,737	235,737	-	-
Other assets	105,689	105,689	105,689	-	-
	<u>146,032,156</u>	<u>204,449,014</u>	<u>146,032,156</u>	<u>-</u>	<u>-</u>

The maturity profile of financial liabilities as at 31 December 2022 is as follows:

	<b>Carrying amount EUR</b>	<b>Nominal value EUR</b>	<b>Less than one year EUR</b>	<b>Between one and five years EUR</b>	<b>More than five years EUR</b>
Debt securities issued	137,198,198	147,383,623	-	-	137,198,198
Other liabilities	8,791,069	8,791,069	8,791,069	-	-
	<u>145,989,267</u>	<u>214,069,692</u>	<u>8,791,069</u>	<u>-</u>	<u>137,198,198</u>

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

	<b>Carrying amount EUR</b>	<b>Nominal value EUR</b>	<b>Less than one year EUR</b>	<b>Between one and five years EUR</b>	<b>More than five years EUR</b>
Investment securities	57,893,140	57,850,000	57,893,140	-	-
Derivative assets held for risk	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	-	-
	<u>58,480,788</u>	<u>61,342,187</u>	<u>58,480,788</u>	<u>-</u>	<u>-</u>

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

	<b>Carrying amount EUR</b>	<b>Nominal value EUR</b>	<b>Less than one year EUR</b>	<b>Between one and five years EUR</b>	<b>More than five years EUR</b>
Debt securities issued	58,079,603	58,000,000	3,115,479	-	54,964,124
Other liabilities	360,823	360,823	360,823	-	-
	<u>58,440,426</u>	<u>61,451,240</u>	<u>3,476,302</u>	<u>-</u>	<u>54,964,124</u>

## Notes to the financial statements (continued) For the year ended 31 December 2022

### 20 Financial instruments (continued)

#### (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

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates.

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. Foreign exchange rates has no impact on the statements of comprehensive income of the Company.

##### (b) Interest rate risk

This risk arises as a result of changes in market interest rates. The Series 59 and Series 60 do not have any swap.

#### (iv) Asset-specific performance risk

Asset-specific performance risk is related to the risk that a single asset or a group of assets will perform poorly (or not at all).

Company is legally isolated so the assets in the entity are ring-fenced solely for the benefit of its investors, even in the event of bankruptcy. Any changes in the fair value of the Investment securities and / or Derivative instruments are reflected in the changes in the fair value of the Debt securities and / or Derivative instruments.

#### (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 of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values. Their fair values together with carrying amounts shown in the statement of financial position are disclosed in Note 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 2022

**20 Financial instruments (continued)**

**(vi) Fair values (continued)**

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

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>31-Dec-2022</b>				
Investment securities	145,690,731	-	-	145,690,731
Debt securities	-	(128,705,220)	-	(128,705,220)
	<u>145,690,731</u>	<u>(128,705,220)</u>	<u>-</u>	<u>16,985,511</u>
<b>31-Dec-2021</b>				
Investment securities	-	57,983,557	-	57,983,557
Derivative assets held for risk management purposes	-	151,966	-	151,966
Debt securities	-	(58,136,108)	-	(58,136,108)
	<u>-</u>	<u>(585)</u>	<u>-</u>	<u>(585)</u>

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.

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>31-Dec-2022</b>				
Cash and cash equivalents	235,737	-	-	235,737
Other liabilities	-	(8,492,979)	-	(8,492,979)
	<u>235,737</u>	<u>(8,492,979)</u>	<u>-</u>	<u>(8,257,242)</u>
<b>31-Dec-2021</b>				
Cash and cash equivalents	242,497	-	-	242,497
Other liabilities	-	(56,505)	-	(56,505)
	<u>242,497</u>	<u>(56,505)</u>	<u>-</u>	<u>185,992</u>

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 2022

**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:

	<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>	
	<b>Transfers in EUR</b>	<b>Transfers out EUR</b>	<b>Transfers in EUR</b>	<b>Transfers out EUR</b>	<b>Transfers in EUR</b>	<b>Transfers out EUR</b>
Investment securities	145,690,731	-	-	(145,690,731)	-	-
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:

	<b>Beginning Balance January 1 EUR</b>	<b>Purchases EUR</b>	<b>Sales EUR</b>	<b>Realised and Unrealised Gains/(Losses), net EUR</b>	<b>Transfers In and/or Out of Level 3, net EUR</b>	<b>Ending Balance December 31 EUR</b>
<b>31-Dec-2022</b>						
Investment securities	-	-	-	-	-	-
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-

# CID FINANCE B.V.

## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 20 Financial instruments (continued)

#### (vi) Fair values (continued)

	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
<b>31-Dec-2021</b>						
Investment securities	-	-	-	-	-	-
Derivative assets held for risk management purposes	-	-	-	-	-	-
Derivative liabilities held for risk management purposes	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-

#### (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

- The published condensed interim consolidated financial statements of the Group for the three month period ending on 31 March 2023 (including the auditors' limited review report thereon).  
([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/27042023InformeResultados1Q23\\_ENG.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/27042023InformeResultados1Q23_ENG.pdf)).
- The English translations of the audited consolidated annual financial statements of BBVA for the financial year ended on 31 December 2022 (which includes for comparison purposes financial data for the years ended on 31 December 2022 and 2021) and the audit report issued in respect thereof, prepared in accordance with EU-IFRS, which are available on BBVA's website (<https://accionistasinversores.bbva.com/microsites/cuentasanuales2022/en/index.html>) 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](http://www.cnmv.es)).

### 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 nor redeemed any new series.

On behalf of the Board of Directors

Vistra Capital Markets (Netherlands) N.V.

Date: 22 September 2023

# **CID FINANCE B.V.**

## **Other information**

**For the year ended 31 December 2022**

### ***Statutory rules concerning the appropriation of results***

The appropriation of profit is governed by Article 25 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.

## **CID FINANCE B.V.**

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

## **CID FINANCE B.V.**

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