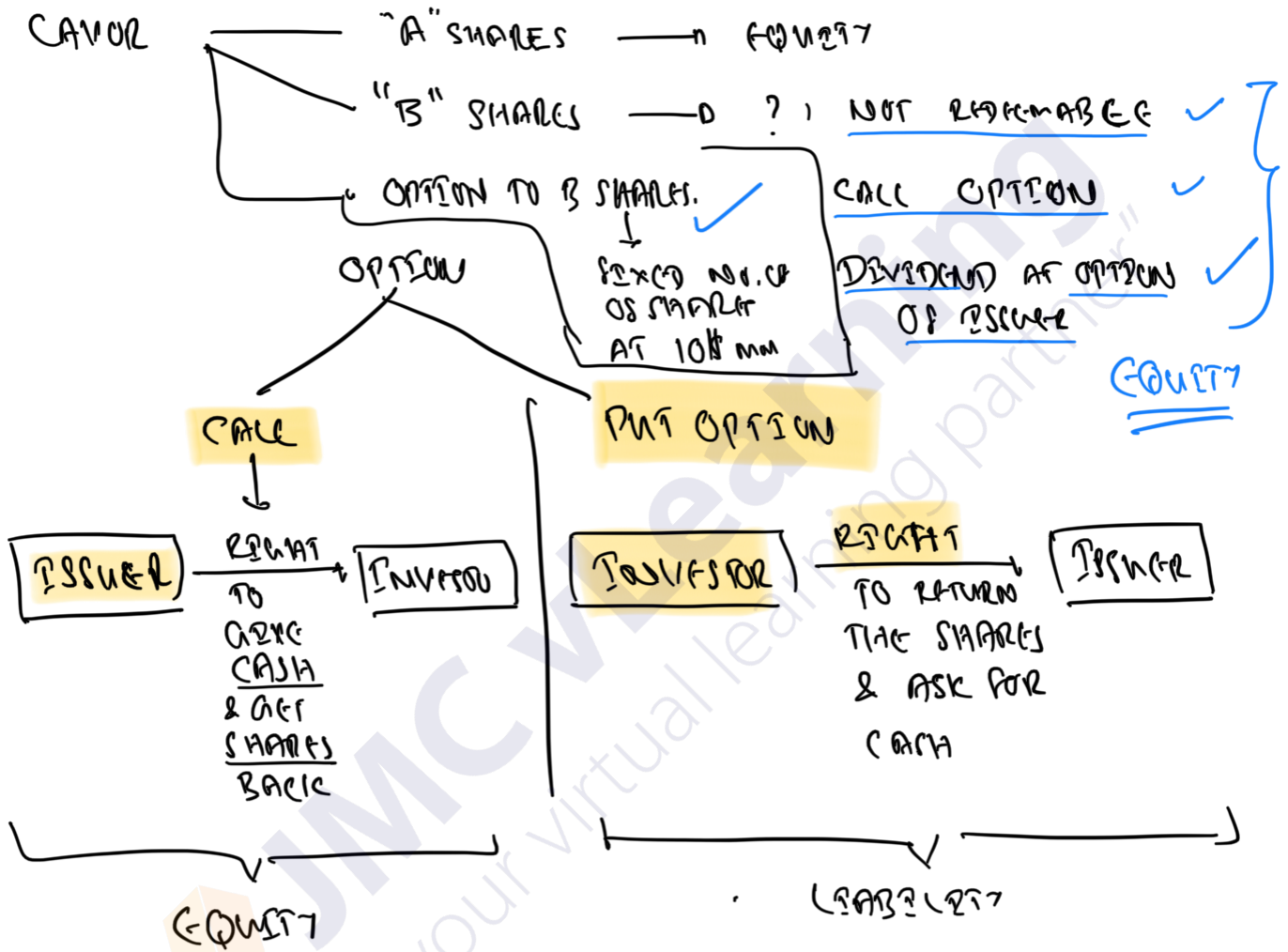
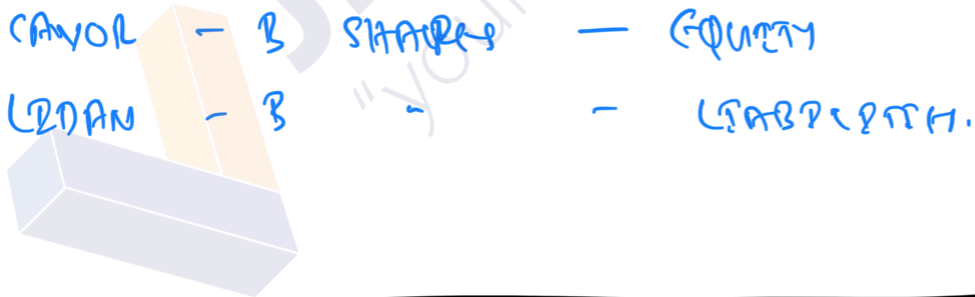
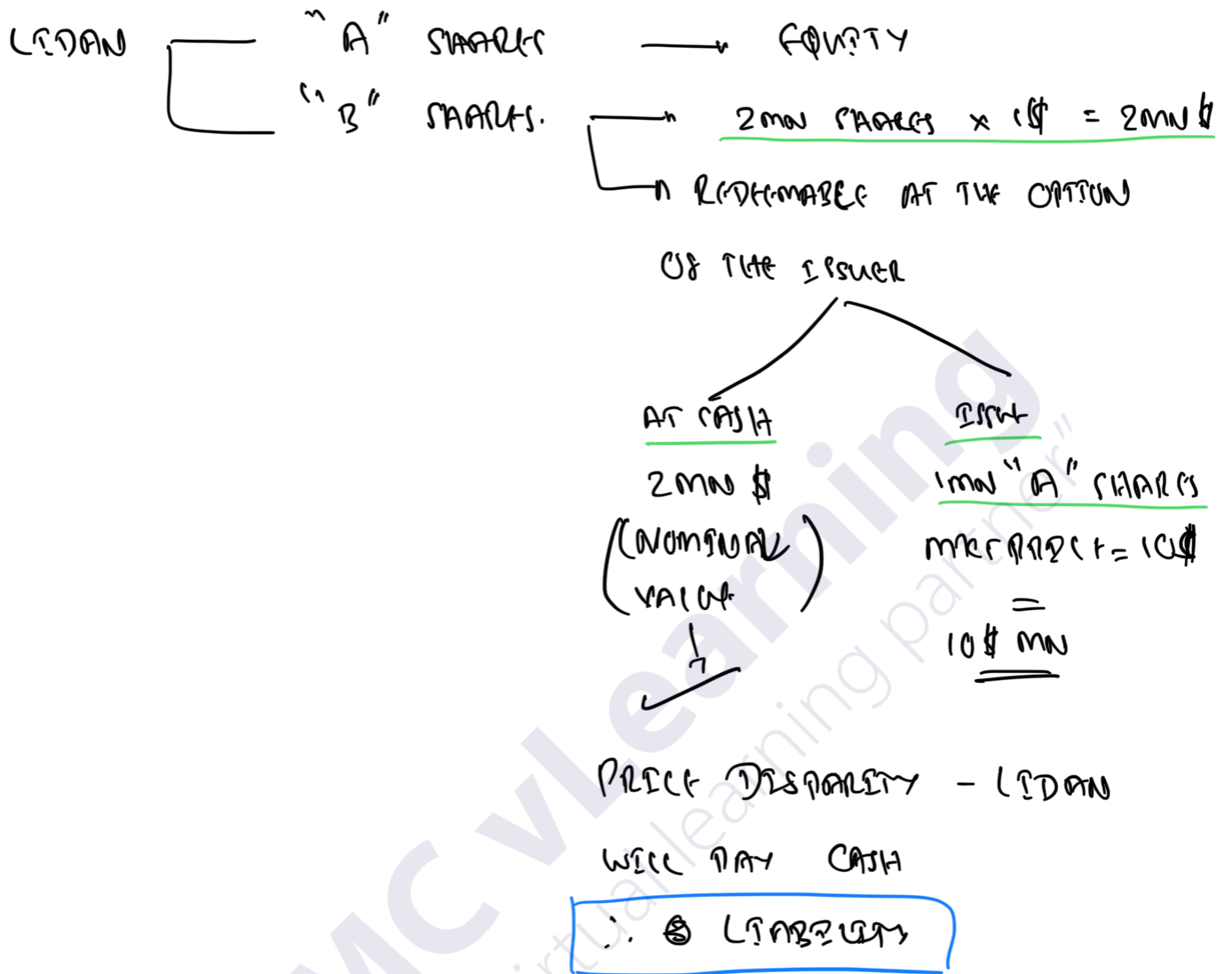


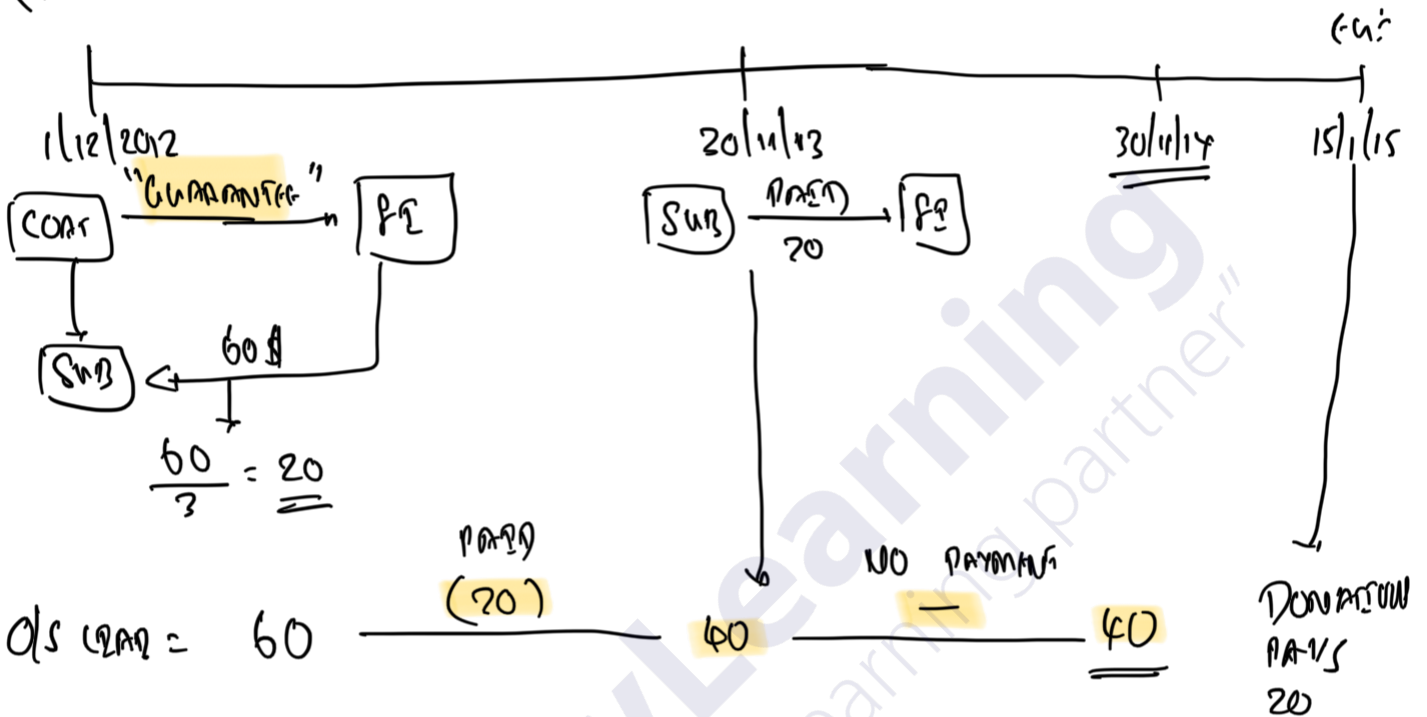
Q11 - CAVOR & CEDAR





Q12 CONTRACT - FINANCIAL GUARANTEE

(€'m)



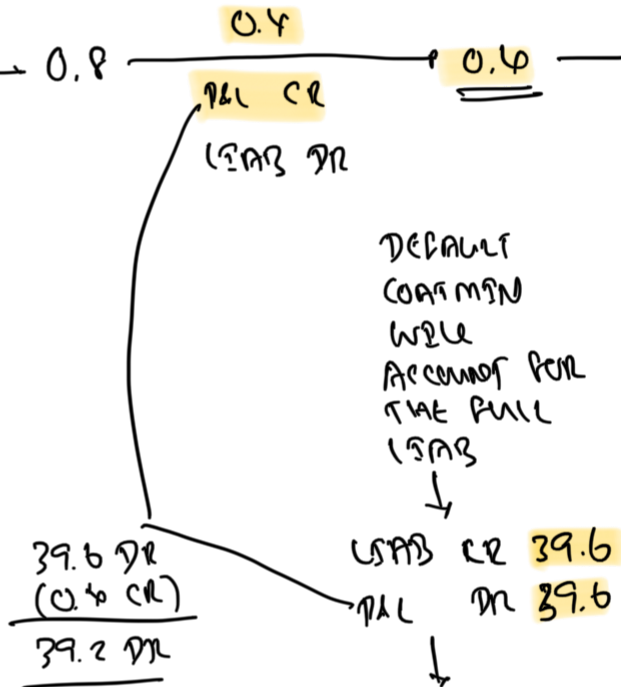
PV OF GUARANTEE = 1.2

P&L DR 1.2

FIN. GUAR CR - WAY 1.2

$1.2/3 = 0.4$

P&L CR
LIAB DR



DEFAULT CONTRACT WILL ACCOUNT FOR THE FULL SMB

LIAB CR 39.6
P&L DR 39.6

39.6 DR (0.4 CR)
39.2 DR

$$\frac{\text{LIAB}}{\text{ASST}} = \underline{\underline{40}}$$

ON 15/1/15

EMERGENCY PLAN LIAB

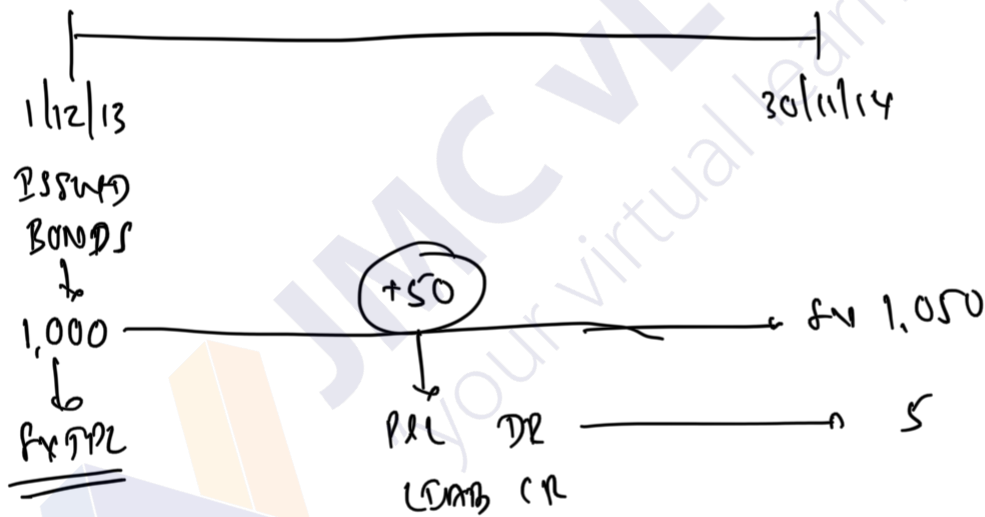
LIAB	DR	39.6
PRC	CR	39.6

BY 30/11/15

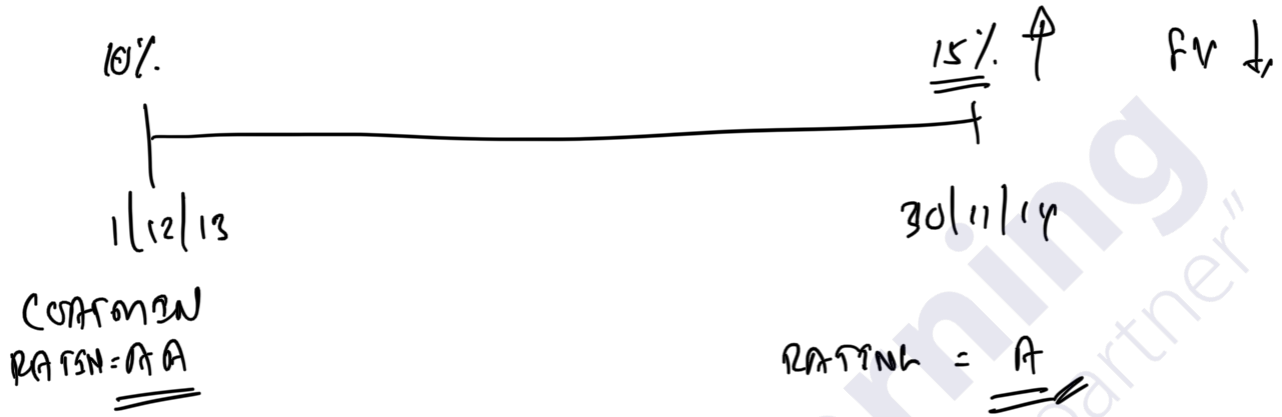
GUARANTEE AMORTISATION

LIAB	DR	0.4
PRC	CR	0.4

Q14 - FC - FYTPL
(\$'m)

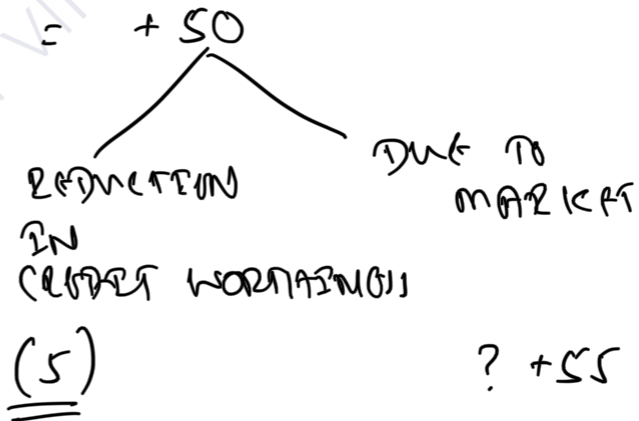


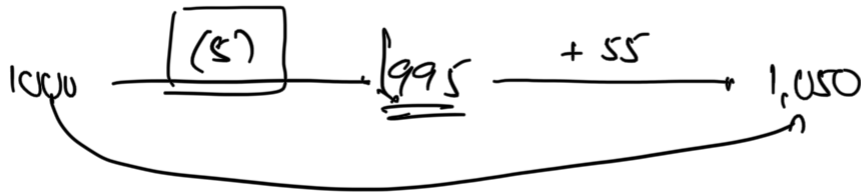
∴ If FV change is due credit risk or default that component is to OCS



INVESTORS WILL NOW EXPECT A HIGHER RETURN WHEN THERE'S A REDUCTION IN CREDIT WORTHINESS.

FV CHANGE





LIAB	DR	5	
OCE	CR	5	(FV CHANGE DUE TO REDUCTION IN CREDIT WORTHINESS)

LIAB	CR	55	
P&L	DR	55	(FV CHANGE DUE TO MARKET CIRCUMSTANCES)

