

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

'LUHFWRUV DQG DGYLVRUV

&XUUHQW GLUHFWRUV

\$ 0 3KLOOLSV

& - / 6SLFHU

/ & \$WNLQVRQ

&RPSDQ\ VHFUHWDU\

%DEFRFN &RUSRUDWH 6HFUHWLULHV /LPLWHG

5HJLVWHUHG RIILFH

:DWHUORR 6WUHHW

*ODVJRZ

* %:

,QGHSHQGHQW DXGLWRUV

'HORLWWH //3

1HZ 6WUHHW 6TXDUH

/RQGRQ

(& \$ +4

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

&RQWHQWV

6WUDWHJLF UHSRUW

'LUHFWRUV¶ UHSRUW

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

6WUDWHJLF UHSRUW

.H\ SHUIRUPDQFH LQGLFDWRUV

7KH FRPSDQ\¶V DFWLYLWLHV DUH PDQDJHG RQ D GLYLVLRQDO
D VHFWRU RI %DEFRFN ,QWHUQDWLRQDO *URXS 3/& ZKLFK LQ
WR RI WKH DQQXDO UHSRUW RI %DEFRFN ,QWHUQDWLRQDO
UHSRUW

0DQDJHPHQW FRQWLQXH WR XVH DOO UHOHYDQW ILQDQFLDO
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LQWHJUDWHG LQWR WKHLU WHUPV DQG FRQGLWLRQV 7KHVH
EHLQJ UHVSQRVH DQG DYDLODELOLW\ 5HVSQRVH PHDQV KRZ
FXVWRPHUV DQG WKHLU DVVHWV ZKHQ WKRVH DVVHWV EHFRP
W\SLFDOO\ PHDVXUH WKH DPRXQW RI WLPH WKDW D FXVWRPH
DUH DW WKH KHDUW RI WKH FRPSDQ\¶V DFWLYLWLHV DQG FXVW
E\ PDQDJHPHQW RQ D UHJXODU EDVLV

,Q WKH ODVW \HDU WKH FRPSDQ\ KDV FRQWLQXH WR PDLQWD
DQG QHZ FXVWRPHUV DQG GHOLYHU DFRQVLVWHQWO\ KLJK VH
FRPSDQ\¶V NH\ FXVWRPHUV FRQWLQXH WR EH VDWLVILHG ZLW

:H KDYH LGHQWLILHG WKH IROORZLQJ ILQDQFLDO DQG QRQ IL
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VWUDWHJ\

5HYHQXH *URZWK
2SHUDWLQJ 5HWX
2UGHU %RRN
7RWDO LQMXULHV SHU

... P... P

5HYHQXH *URZWK
5HYHQXH JURZWK LQ WKH \HDU HQGLQJ 0DUFK ZDV QHJDWL
SURFXUHPHQW DFWLYLW\ RQ DQ (PHUJHQF\ 6HUYLEFHV FRQWUD
IOXFWXDWH DQQXDOO\ EDVHG RQ WKH W\SH RI YHKLFOHV DQG
GULYHQ E\ WKH FXVWRPHU¶V OLIHF\FOH UHSODFHPHQW SURJU

2SHUDWLQJ 5HWXUQ RQ 5HYHQXH
7KLV PHDVXUH UHGXFHG \HDU RQ \HDU WKLV LV SULPDULO\ GX
RQ DQ (PHUJHQF\ 6HUYLEFHV FRQWUDFW ZKHUH WKH YDOXH RI
EDVHG RQ WKH W\SH RI YHKLFOHV DQG TXDQWLWLHV EHLQJ SX
FXVWRPHU¶V OLIHF\FOH UHSODFHPHQW SURJUDPPH 7KH FRPS
SURILWDELOLW\ RQ H\LVWLQJ FRQWUDFWV DQG WKURXJK JURZ

2UGHU %RRN
7KH FRPSDQ\ KDV D QXPEHU RI ORQJ WHUP FRQWUDFWV ZKLFK
JLYLQJ VWURQJ YLVLELOLW\ RI UHYHQXH IRU D QXPEHU RI \HD

7RWDO ,QMXULHV
(QVXULQJ HPSOR\HHV DQG VXEFRQWUDFWRUV ZKR YLVLV RXU
REMHFWLYH IRU WKH FRPSDQ\ DQG ZH VHHN WR FUHDWH DQ H
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%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

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 GR EXVLQHVV DQG LW XQGHUSLQV RXU FRUSRUDWH 3XUSRVH
 7KH FRPSDQ\ KDV GRQH D ORW LQ WKH SDVW \HDU DV SDUW R
 HQVXULQJ SURJUHVV WRZDUGV RXU *URXS FRUSRUDWH FRI
 (QYLURQPHQWDO 6RFLDO DQG &RUSRUDWH *RYHUQDQFH SUL
 :H ZLOO UHGXFH HPLVVLRQV DQG VHW VFLHQFH EDVHG W
 HVWDWH DVVHWV DQG RSHUDWLRQV E\
 :H ZLOO LQWHJUDWH HQYLURQPHQWDO VXVWDLQDELOLW\
 DQG RSWLPLVH UHVRXUFHV
 :H ZLOO HQVXUH WKH VDIHW\ DQG ZHOOEHLQJ RI DOO RXU
 :H ZLOO PDNH D SRVLWLYH GLIIHUHQFH WR WKH FRPPXQL
 KLJK TXDOLW\ MREV WKDW VXSSRUW ORFDO HFRQRPLHV
 :H ZLOO EH D FROODERUDWLYH WUXVWHG SDUWQHUV DFU
 FRPPRQ FKDOOHQJHV

7KHVH DFWLYLWLHV IRUP SDUW RI WKH FRPSDQ\’V LPSOHPHQ
 GHVFULEHG RQ SDJHV ± RI WKH DQQXDO UHSRUW RI %DEF

\$SSURYHG E\ WKH %RDUG DQG VLJQHG RQ LWV EHKDOI E\



\$ 0 3KLOOLSV
 'LUHFWRU
 'HFHPEHU

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

'LUHFWRUV UHSRUW

7KH GLUHFWRUV SUHVHQW WKHLU UHSRUW DQG WKH DXGLWHG
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0DUFK KDV EHHQ SURSRVHG E\ WKH GLUHFWRUV ... Q

'LUHFWRUV

7KH GLUHFWRUV ZKR KHOG RIILFH GXULQJ WKH \H DU DQG XS
ZHUH DV IROORZV

- 5 3DUNHU UHVLJQHG 0D\
5 + 7D\ORU UHVLJQHG
& - / 6SLFHU DSSRLQWHG 'HFHPEHU
0 +D\ZDUG UHVLJQHG 'HF
\$ 0 3KLOOLSV DSSRLQWHG 0D\
/ & \$WNLQVRQ DSSRLQWHG -XO\
UHVLJQHG

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GLUHFWRU KDV RU KDV KDG D PDWHULDO LQWHUHV

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

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3DJH

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

'LUHFWRUV† UHSRUW

(PSOR\HHV

7KH FRPSDQ\ LV FRPPLWWHG WR HTXDO RSSRUWXQLWLHV DQG
DJH UDFH FRORXU HWKQLF RULJLQ JHQQHU PDULWDO VW
RULHQWDWLRQ

:H EHOLHYH WKDW RQO\ E\ HQFRXUDJLQJ DSSOLFDQWV IURP V
VHOHFWLQJ WKH EHVW FDQGLGDWH EDVHG RQ WKHLU DELOLW\
RXU EHVW IRU RXU FXVWRPHUV DQG VDIHJDUG WKH IXWXUH
LQFOXVLRQ DQG GLYHUVLW\ SROLF\ SOHDVH VHH SDJHV D
,QWHUQDWLRQDO *URXS 3OF

(QJDJHPHQW ZLWK 8. HPSOR\HHV KDV EHHQ FRQVLGHUHJ RQ S

(QYLURQPHQW

7KH FRPSDQ\ UHFRJQLVHV LWV UHVSRQVLELOLW\ WR PLQLPL
SRWHQWLDO IRU DGYHUVH LPSDFWV IURP LWV RSHUDWLRQV
HQYLURQPHQWDO PDQDJHPHQW DQG VHHN DFFUHGLWDWLRQ W

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%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

'LUHFWRUV¶ UHSRUW

\$SSRLQWPHQW RI DXGLWRUV

\$W WKH \$QQXDO *HQHUDO PHHWLQJ RI %DEFRFN ,QWHUQ
XO \¶VVVP&QJHV &RPSFO5GR4@€O O/ JUO

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

6WDWHPHQW RI 'LUHFWRUV† UHVSQRVLELOLWLHV

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

5HJLVWHUHG QXPEHU 6&

3DJH

11/10/11

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

6WDWHPHQW RI)LQDQFLDO 3RVLWLRQ

1RWH

...

5HVWDWHG

...

1RQ FXUUHQW DVVHWV

5HJLVWHUHG QXPEHU 6&

3DJH

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

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%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

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6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

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JRRGV DQG VHUYLEFHV LQ WKH RUGLQDU\ FRXUVH RI WKH FRP
UHYHQXH LQ OLQH ZLWK ,)56 5HYHQXH IURP &RQWUDFWV
LGHQWLILFDWLRQ RI SHUIRUPDQFH REOLJDWLRQV LQ FRQWUD
WKH FRQWUDFW SULFH WR WKH SHUIRUPDQFH REOLJDWLRQV
REOLJDWLRQV DUH VDWLVILHG

D 3HUIRUPDQFH REOLJDWLRQV

&RQWUDFWV DUH DVVHVVHG WR LGHQWLI\ HDFK SURPLVH WR
VHULHV RI GLVWLQFW JRRGV RU VHUYLEFHV WKDW DUH VXEVV
WUDQVIHU WR WKH FXVWRPHU *RRGV DQG VHUYLEFHV DUH GLV
RQ WKHLU RZQ RU WRJHWKHU ZLWK RWKHU UHVRXUFHV UH
VHSDUDWHO\ LGHQWLILDEOH LQ WKH FRQWUDFW

,Q DVVHVVLQJ ZKHWKHU WKH SHUIRUPDQFH REOLJDWLRQV DU

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

5WPH - ~~Continued~~ - ^€P0U™x %o XC“DXRHVWR4@0

EE'QWHUPLQDWLRQ RI FRQWUDFW SULFH

SUBORDINATE SECURED RQ • FIDUCIARY POWERS FOR D R DX X H U P O O R E F D W H

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

5HYH(~~Continued~~)

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:KHUH WKH FRPSDQ\ VDWLVLHV SHUIRUPDQFH REOLJDWLRQV

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

5HYH ~~(continued)~~

\$VVHVPHQW RI FRQWUDFW SURILWDELOLW\

HVWLPDWLRQ XQFHUWDLQW\ LV UHVROYHG RQ D FRQWUDFW E
SURMHFW OLIHF\FOH

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

5HYHQXH

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&RQWUDFW YDULDWLRQV ZKHUH WKH IRUPDO FRQWUDFW DPHQ
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ZLWK ,)56 SDUDJUDSK 5HYHQXH IURP WKHVH FRQWUDF
FRQVLGHUDWLRQ DQG VXEMHFW WR FRQVWUDLQW DV RXWOLQH

&RQWUDFW FODLPV DUH DOVR FRQVLGHUHG WR EH FRQWUDFW
UHYHQXH LV VXEMHFW WR FRQVWUDLQW DV RXWOLQH LG VHF

&ODLPV DQG YDULDWLRQV ZKLFK DUH QRW GHHPHG WR EH FRQ

&ODLPV FDQ DOVR EH UDLVHG E\ %DEFRFN DJDLQVW WKLUG
FRPSDQ\ \$V WKHVH GR QRW UHODWH WR FRQWUDFWV ZLWK F
VXSSOLHUV WKH\ DUH QRW DFFRXQWHG IRU XQGHU ,)56 7KH
IRU VXFK FODLPV LQ DFFRUGDQFH ZLWK WKH FRQWLQJHQW DV
WKHVH FODLPV ZLOO RQO\ EH UHFRJQLVHG RQFH LW LV YLUWX

I &RVWV RI REWDLQLQJ D FRQWUDFW

&RVWV WR REWDLQ D FRQWUDFW WKDW ZRXOG KDYH EHHQ LQ
ZRQ RU ORVW DUH UHFRJQLVHG DV DQ H[SHQVH ZKHQ LQFXUUH

'LUHFWO\ DWWULEXWDEOH FRVWV WR REWDLQ D FRQWUDFW Z
LQFXUUHG LI WKH FRQWUDFW KDG QRW EHHQ ZRQ DUH UHFRJQ
DV DQ DVVHW DIWHU WKH SRLQW WKDW LW FDQ EH UHOLDEO\ F
DUH FDSLWDOLVHG DV DQ DVVHW LQ FDSLWDOLVHG FRQWUDF
W\SLFDOO\ VWUDLJKW OLQH EDVLV FRQVLVWHQW ZLWK WKH W
ZKLFK WKH DVVHW UHODWHV SURYLGHG WKDW WKH FRQWUDFW

J &RVWV WR IXOILQ D FRQWUDFW

3RVW FRQWUDFW DZDUG EXW SUH FRQWUDFW RSHUDWLRQDQ
FDSLWDOLVDWLRQ XQGHU DQRWKHU VWDQGDUG VXFK DV SURS
DVVHWV ,)6 DUH DFFRXQWHG IRU LQ DFFRUGDQFH ZLWK
ZKLFK GR QRW IDOO ZLWKLQ WKH VFRSH RI DQRWKHU VWDQGD
FDSLWDOLVHG FRQWUDFW FRVWV ZKHUH WKH\ PHHW DOO RI W

L WKH FRVWV UHODWH GLUHFWO\ WR D FRQWUDFW RU WR
LGHQWLILHG

LL WKH FRVWV JHQHUDWH RU HQKDQFH UHVRXUFHV RI WK
FRQWLQXLQJ WR VDWLVI\ SHUIRUPDQFH REOLJDWLRQV LQ

LLL WKH FRVWV DUH H[SHFWHG WR EH UHFRYHUHG

5HJLVWHUHG QXPEHU 6&

3DJH

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

%DVLV RI SUHSDUDWLRQ

5HYHQXH

J &RVWV WR IXOILQ D FRQWUDFW

&RVWV RI UHFUXLWLQJ RU WUDLQLQJ VWDII DUH H[SHQVHG DV

&DSLWDOLVHG FRQWUDFW FRVWV DUH DPRUWLHV WR FRVW WKH WUDQVIHU WR WKH FXVWRPHU RI WKH JRRGV DQG VHUYLEFH

K &RQWUDFW DVVHWV DQG OLDELWLHV

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3D\PHQW WHUPV DUH VHW RXW LQ WKH FRQWUDFW DQG UHIOHFWRU RU VXEWDQWLDOO\ DOO FRQWUDFWV WKH SD\PHQW WHUPV D REOLJDWLRQV DQG WKHUH UHFJRJQLWLRQ RI UHYHQXH VXRU FRQWUDFW OLDELWLW\ KRZHYHU WKHVH DUH QRW RYHUO\

IG` - ~~QWPD~~ PART OF DWLGLGHGH[SS €GW FK #DQH

,QWDQJLEOH DVVHWV DUH VWDWHG DW FRVW OHVV DFFXPXODPRUWLHV RQ D VWUDLJKW OLQH EDVLV DV IROORZV

5HVHDFK H[SHQGLWXUH LV UHFJRJQLVHG DV DQ H[SHQVH DV SURMHFWV DUH UHFJRJQLVHG DV LQWDQJLEOH DVVHWV ZKHQ L FRQVLGHULQJ LWV FRPPHUFLDO DQG WHFKQRORJLFDO IHDVLEOH UHOLDEO\ 2WKHU GHYHORSPHQW H[SHQGLWXUH LV UHFJRJQLV FRVWV SUHYLRXVO\ UHFJRJQLVHG DV DQ H[SHQVH DUH QRW UH

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

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%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW DFFRXQWLQJ SROLFLHV

7D[DW(~~continued~~)

D &XUUHQW LQFRPH WD[

&XUUHQW WD[DVVHWV DQG WD[OLDELOLWLHV DUH RIIVHW ZK
RIIVHW DQG LQWHQGV HLWKHU WR VHWWOH RQ D QHW EDVLV
VLPXOWDQHRXVO\

E 'HIUUHG LQFRPH WD[

'HIUUHG LQFRPH WD[LV SURYLGHG LQ IXOO XVLQJ WKH OLD
EHWZHHQ WKH WD[EDVLV RI DVVHWV DQG OLDELOLWLHV DQG W
VWDWHPHQWV +RZHYHU LI WKH GHIUUHG LQFRPH WD[DULVH

%DEFERN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6XPPDU\ RI VLJQLILFDQW ~~DFRFXQVXQV~~ SROLFLHV

/HVVHH DFF ~~FXGLFD~~ J

7KH OHDVH OLDELOLW\ LV VXEVTXHQWO\ PHDVXUH DW DPR
PHWKRQ ZLWK LQWHUHVW RQ WKH OHDVH OLDELOLW\ EHLQJ
VWDWHPHQW 7KH OHDVH OLDELOLW\ LV UHPHDVXUH ZLWK
DVVHW LI WKHUH LV D FKDQJH LQ IXWXUH OHDVH SD\PHQWV I
LQ D UDWLHQGH[RU FKDQJH LQ WKH FRPSDQ\ DVVHVPHQW
DQ H[WHQVLRQ WHUPLQDWLRQ RU SXUFKDVH RSWLRQ

7KH ULJKW RI XVH DVVHW LV LQLWLDOO\ UHFRUGHG DW FRVW
LQLWLDO GLUHFV FRVWV OHDVH SD\PHQWV PDGH SULRU WR
DQG DQ\ GLODSLGDWLRQ FRVWV 'HSUHFLDWLRQ RI ULJKW RI
LQFRPH VWDWHPHQW RQ D VWUDLJKW OLQH EDVLV RYHU WKH
RI WKH OHDVH

5LJKW RI XVH DVVHWV DULVLQJ IURP VDOH DQG OHDVHEDFN W
WKH SUHYLRXV FDUU\LQJ DPRXQW RI WKH DVVHW WKDW UHOD
*DLQV DULVLQJ RQ VDOH DQG OHDVHEDFN WUDQVDFWLRQV DUH
ULJKWV WUDQVIHUHG WR WKH EX\HU OHVVRU ZKLOVW ORVVH
UHFRJQLVHG LQ IXOO

5LJKW RI XVH DVVHWV DUH UHYLHZHG IRU LPSDLUPHQW ZKHQ
LQGLFDWH WKDW WKH FDUU\LQJ DPRXQW PD\ QRW EH UHFRY
UHFRJQLVHG LQ WKH LQFRPH VWDWHPHQW :KHUH D OHDVH LV
RU ORVV UHODWLQJ WR WKH UHOHDVH RI ULJKW RI XVH DVVHW
ORVV WKURXJK WKH LQFRPH VWDWHPHQW

3D\PHQWV LQ UHVSHFW RI VKRUW WHUP OHDVHV QRW H[FHHGL
DUH H[SHQVHG VWUDLJKW OLQH WR WKH LQFRPH VWDWHPHQW

3URYLVLRQV IRU OLDELOLWLHV
\$ SURYLVLRQ LV UHFRJQLVHG LQ WKH VWDWHPHQW RI ILQDQFL
OHJDO RU FRQWUXFWLYH REOLJDWLRQ DV D UHVXOW RI D SD
HFRQRPLF EHQHILWV ZLOO EH UHTXLUH WR VHWWOH WKH REC
HVWLPDWHG ,I WKH HIIHFW LV PDWHULDO SURYLVLRQV DUH G
FDVK IORZV DW DQ DSSURSULDWH GLVFRXQW UDWL

\$ SURYLVLRQ IRU UHVWUXFWXULQJ LV UHFRJQLVHG ZKHQ WKH
UHVWUXFWXULQJ SODQ DQG WKH UHVWUXFWXULQJ KDV HLWK
)XWXUH RSHUDWLQJ FRVWV DUH QRW SURYLGHG IRU

\$ SURYLVLRQ IRU RQHURXV FRQWUDFWV LV UHFRJQLVHG ZKHQ
FRPSDQ\ IURP D FRQWUDFW DUH ORZHU WKDQ WKH XQDYRLGD
FRQWUDFW

\$ SURYLVLRQ IRU HPSOR\HH EHQHILWV LV UHFRJQLVHG ZKHQ V

'LYLGHQGV

'LYLGHQGV DUH UHFRJQLVHG DV D OLDELOLW\ LQ WKH FRPSDQ
WKH\ DUH DSSURYHG ,QWHULP GLYLGHQGV DUH UHFRJQLVHG Z

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&ULWLFDO DFFRXQWLQJ HVWLPDWHV DQG MXGJHPHQWV

,Q WKH FRXUVH RI SUHSDUDWLRQ RI WKH ILQDQFLDO VWDWHPHQW
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UHFRJQLVHG LQ WKH ILQDQFLDO VWDWHPHQWV 7KH DSSOLFDM
WKH XVH RI HVWLPDWHV DQG WKH LQKHUHQW XQFHUWDLQW\ L
D PDWHULDO DGMXVWPHQW WR WKH FDUU\LQJ DPRXQWV RI D
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&ULWLFDO DFFRXQWLQJ MXGJHPHQWV LQ UHODWLRQ WR WKHV

5HYHQXH UHFRJQLWLRQ ± LGHQWLILFDWLRQ RI SHUIRUPDQFH

5HYHQXH UHFRJQLWLRQ LV LQLWLDOO\ GHSHQGDQW RQ LGHQW
REOLJDWLRQV WKDW H[L VW ZLWKLQ D FRQWUDFW -XGJHPHQW
FHUWDLQ FRQWUDFWV WKDW SURYLGH 5HSDLU DQG 0DLQWHQD
HQVXUH WKH &XVWRPHU KDV \$VVHW \$YDLODELOLW\ VKRXOG E
ZKHUH HDFK LV DFFRXQWHG IRU DV D VHSUDUDWH SHUIRUPDQFH
VHSUDUDWHO\ LGHQWLILDEOH EXW UDWKHU SDUW RI DQ LQWHJU
UHSUHVHQWV D VLQJOH SHUIRUPDQFH REOLJDWLRQ :LWK UHIF
SUDFWLFDO GHOLYHU\ RI WKH FRQWUDFWV FHUWDLQ FRQWUDF

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

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1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

2SHUDWLQJ ORVV

5HJLVWHUHG QXPEHU 6&

3DJH

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1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

6WDII FRVWV

7KH DYHUDJH PRQWKO\ QXPEHU RI HPSOR\HHV LQFOXGLQJ GL
WKH \HDU ZDV DV IROORZV

1XPE 1XPEHU

%\ DFW
2SHUD

0DQDJHP "Ry™"

5HJLVWHUHG QXPEHU 6&

3DJH

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

,QFRPH ~~(continued)~~

'HIHUUHG WD[DWLRQ

7KH PDMRU FRPSRQHQWV RI WKH GHIHUUHG WD[OLDELOLWLHV

3HQVLRQFFHOHUDWHQWKHU 7RWDQ
DVVHW FDSLWDO
DOORZDQFHV

'HIHUUHG WD[

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\$W \$SULO

&KDUJHG WR WKH LQFRPH VWDWHPHQW

&UHGLWHG WR RWKHU FRPSUHKHQVLYH
LQFI

\$W ODU

&KDUJHG WR WKH LQFRPH VWDWHPHQW

&UHGLWHG WR RWKHU FRPSUHKHQVLYH

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

7DQJLEOH IL[HG DVVHWV

/DQG %XLOGLQJV 3ODQW DQG 7RWDO
/HDVHKROGHTXLSPHQW
,PSURYHPHQWV
... ..

&RVW

\$W \$SULO SUHYLRXVO\ VWDWHG

3ULRU \HDU DGMXVWPHQW

\$W \$SULO UHVWDWHG ð @

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

5LJKW RI XVH DVVHWV

3URSI	3ODQW DQG	7R\
HTXLSF		
... ¶	... ¶	... ¶

&R

\$W §

\$GGLWLRQV

'LVSR

\$W 0D

\$FFXPXODWHG G

\$W §

&KDUJH IRU

5HFODVVLILFDWLRQV

'LVSRVDOV

\$W 0D

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

,QYHVWPHQWV

	5HVWDWHG
6KDUHV LQ JURXS	6KDUHV LQ JURXS
XQGHUWDLQJV	XQGHUWDLQJV
... ¶	... ¶

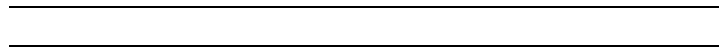
&R

\$W \$SULO

\$GGLWLRQV

'LVS RVDOV

\$W 0D



,PSDLU

\$W \$SULO

3ULRU \HDU UHVWDWHPHQWV#D VHH#R.WH 2€P `p tH •TMS,,H !2€P PY 3f#TM•

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQD ~~(continued)~~ WDWHPHQWV

7UDGH DQG RWKHU UHFHLYDEOHV

...

...
5HVWDWHG

5HJLVWHUHG QXPEHU 6&

3DJH

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQD ~~(continued)~~ WDWHPHQWV

7UDGH DQG RWKHU SD\DEOHV

...

...
5HVWDWHG

\$PRXQWV IDOOLQJ GXH ZLWKLQ RQH \HDU
7UDGH SD\DEOHV

\$PRXQWV RZHG WR SDUHQW DQG JURXS XQGHUWDLQJV
2WKHU WD[DWLRQ DQG VRFLDO VHFUXLW\

8. FRUSRUDWLRQ WD[SD\DEOH

\$FFUXDOV

&RQWUDFW OLDELOLWLHV

\$PRXQWV RZHG WR SDUHQW DQG JURXS XQGHUWDLQJV DUH
GHPDQG

\$PRXQWV GXH WR *URXS XQGHUWDLQJV DUH DOO GXH WR IH
SDUHQW %DEFRFN ,QWHUQDWLRQDO *URXS 3OF DQG FRPSULV

7ZR ORDQV WRWDOOLQJ ...

...

DUH UI

LQWHUHVW FKDUJH

&UHGLWRUV WRWDOOLQJ ...

...

7KH FRPSDQ\ KDV DFFHVV WR WKH %DEFRFN ,QWHUQDWLRQDO
DORQJ ZLWK IHOORZ JURXS XQGHUWDLQJV KDV SURYLGHG FU

&RQWUDFW
OLDEI
... ¶

\$W 0DU

5HYHQXH UHFRJQLVHG WKDW ZDV LQFOXGHG LQ FRQWUDFW O
WKH \HDU

\$W 0D

/HDVH OLDELOLWLHV

6HW RXW EHORZ DUH WKH FDUU\LQJ DPRXQWV RI OHDVH OLDE

... ¶

... ¶

2SHQLQJ YDOX

\$GGLWLRQV

'LVSR

5HJLVWHUHG QXPEHU 6&

3DJH

%DEFERN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

/HDVH OLDELWLHV

7KH HQWLW\ OHDVHV YDULRXV SUHPLVHV XQGHU QRQ FDQFHQ
YDULRXV WHUPV HVFDODWLRQ FODXVHV DQG UHQHZDO ULJKW
XQGHU QRQ FDQFHODEOH OHDVHV 'LVFRXQWHG IXWXUH PLQL

... ¶ ... ¶

:LWKLQ R
,Q PRUH WKDQ RQH \HDU EXW QRW PRUH WKDQ ILYH \HUV
\$IWHU IL
&DUU\LQJ YDOXH RI OLDELWLW\

7KH IROORZLQJ DUH WKH DPRXQWV UHFRJQLVHG LQ SURILW RU

... ¶ ... ¶

([SHQVH UHODWLQJ WR VKRUW WHUP OHDVHV
([SHQVH UHODWLQJ WR OHDVHV RI ORZ YDOXH DVVHWV

3URYLVLRQV IRU OLDELWLHV

(PSOR\HH
'LODSLGDWLRQWHODWHG
SURYLVLRQV SURYLVLRQ 7RWDO
... ...

\$W \$SULO ± SUHYLRXVO\ VWDWHG
3ULRU \HDU DGMXVWPHQW
\$W \$SU UHV
&KDUJHG FUHGLWHG WR WKH LQFRPH
VWDWHPHQW

\$W 0DUI

'LODSLGDWLRQ SURYLVLRQV UHODWH WR WKH FRVW RI GLODS
DUH H[SHFWHG WR EH XWLOLVHG LQ WKH QH[W \HUV

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

3HQVLRQ FRPPLWPHQWV

7KH VFKHPH LV IXQGHHG E\ SD\PHQWV WR OHJDOO\ VHSUDWH
WKH VFKHPH DUH UHTXLUHG E\ ODZ WR DFW LQ WKH EHVW LQV
GHWHUPLQLQJ IXWXUH FRQWULEXWLRQ UHTXLUHPHQWV ZLWK
WKH WUXVWHHV DUH UHVSQRVLEOH IRU VHWWLQJ WKH VFKHPH
7KH VFKHPH KDV DQ LQGHSHQGHQW WUXVWHH DQG PHPEHU QP
WR UHJXODWLRQ XQGHU WKH IXQGLQJ UHJLPH VHW RXW LQ 3D

,Q WKH ODVW ILQDQFLDO \HDU WKH %DEFRFN ,QWHUQDWLRQ

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

3ULRU \HDU UHVWDWHPHQW
7KH IROORZLQJ WDEOHV VKRZ WKH HIIHFW RQ WKH LQFRPH
\HDU UHVWDWHPHQW

	F 'HILQHG %HQHILW 3HQVLRQ	UHVWDWHPHQW	
\$V SUHYLRXVO\	WUXH XS	LPSDLUPHQW	5HVWDWH
VWC			
...

5HYH

%DEFRFN &ULWLFDO 6HUYLEFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

3ULRU \HDU UHVWDWHPHQW

7KH WDEOHV DERYH LQFOXGH RQO\ WKRVH ILQDQFLDO VWDW
WRWDO SURILW IRU WKH \HDU QRQ FXUUHQW DVVHWV QHW FX
WKHUHIRUH UHSUHVHQW WKH VXP RI WKH OLQH LWHPV SUHVH

D ,QWUD JURXS UHFHLYDEOHV
,Q WKH SULRU \HDU DPRXQWV GXH IURP JURXS XQGHUWDLQ
\HDU DQG FODVVLILHG ZLWKLQ FXUUHQW DVVHWV %DVHG RQ
FRQVLGHULQJ WKH IDFW WKHVH DVVHWV DUH QRW H[SHFWHG
FODVVLILFDWLRQ KDV EHHQ UHVVHVVHG 7KH DPRXQWV GXH
SUHVHQWHG ZLWKLQ QRQ FXUUHQW DVVHWV 7KH EDODQFH V
SHULRG KDYH EHHQ UHVWDWHG DFFRUGLQJO\ 7KH LPSDFW RQ
VKHHW LV WR GHFUHDVH FXUUHQW DVVHWV E\ ... DC
...

E ,QWHUFRPSDQ\ ORDQ
,Q WKH SULRU \HDU ORDQ EDODQFHV ZLWK %DEFRFN 9HKLFOH
FXUUHQW DVVHWV DQG FXUUHQW OLDELWLHV WKH ILQDQFL
DQG FUHGLWRU DV WKH LQWHQWLRQ LV WR VHWWOH WKH UHF
LPSDFW RQ WKH VWDWHPHQW RI ILQDQFLDO SRVLWLRQ EDO
UHFHLYDEOHV E\ ... DQG WR GHFUHDVH WUDGH DQG RW

F 'HILQHGH EHQHILW SHQVLRQ WUXH XS

Longevity swap valuation

7KH ORQJHYLW\ VZDS UHODWHG WR WKH %DEFRFN ,QWHUQDWL
YDOXHGH LQ OLQH ZLWK WKH FROODWHUDO SRVWHG E\ WKH VFK
SUR[\ IRU IDLU YDOXH LQ OLQH ZLWK , \$6 +DYLQJ FRQVLGHU
VZDS RU H[LW ZH QRZ EHOLHYH WKH SUHYLRXV DSSURDFK QR
VR ZH KDYH FKDQJHG RXU YDOXDWLRQ DSSURDFK DFFRUGLQJO

Change to Membership Data

)XUWKHUPRUH D FKDQJH WR PHPEHUVKLS GDWD DQG D UHILQ
WKH GHILQHGH EHQHILW REOLJDWLRQ IRU WKH VFKHPH ZKLFK Q
NQRZQ UDWH RI WKH QH[W SHQVLRQ LQFUHDVH UDWKHU WKDG
UDWH RI SHQVLRQ LQFUHDVHV KDV EHHQ UHIOHFWHG LQ WKH
DSSURSULDWHO\ IROORZHG LQ WKH \HDU HQGHG 0DUFK

7KH DERYH UHVWDWHPHQWV LQ WKH *URXS ILQDQFLDO VWDW
WKH SHQVLRQ DVVHW DOORFDWHG WR %DEFRFN &ULWLFDO 6H
LPSDFW RI WKH UHVWDWHPHQW RQ WKH SULRU \HDU LQFRPH V
... UHGXFH ILQDQFH LQFRPH ... VVH 0 €YLLQ L€P1

%DEFRFN &ULWLFDO 6HUYLFHV /LPLWHG

1RWHV WR WKH ILQDQFLDO VWDWHPHQWV

3ULRU \HDU UHVWDWHPHQW

G ,QYHVWPHQW LPSDLUPHQW
,Q WKH \HDU HQGHG 0DUFK

LW ZDV LGHQWLILHG WKDW W