

**Semi-Annual accounts of  
Boats Investments  
(Netherlands) B.V.**

**for the six months ended 30  
June, 2011**



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Boats Investments (Netherlands) B.V., Amsterdam

## **Report of the management**

Management herewith presents to the shareholder the annual accounts of Boats Investments (Netherlands) B.V. (the "Company") for the six months ended 30 June, 2011.

### **General**

The Company is a private company with limited liability incorporated under the laws of the Netherlands on 3 February 1998. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands.

All issued shares are held by Stichting Boats Investments (Netherlands), which also is established in Amsterdam, The Netherlands.

The objectives of the Company are to act as a so-called repackaging company. Under its USD 10,000,000,000 Secured Note Programme, the Company may from time to time issue for Bond Obligation Asset Trust Securities ("Notes"), subscribe for loans, receive deposits and/or enter into derivative transactions, which will be issued to or concluded with one or more financial institutions and other professional market parties. Under the Programme, various assets may be repackaged into instruments.

We refer to the programme memorandum dated 12 February 1998, as updated from time to time lastly on 7 October 2010.

The transactions are arranged by Credit Suisse International.

As all operational activities are performed by external parties, the Company does not have any personnel.

### **Information regarding financial instruments**

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest and currency exchange rates on its financial position and cash flows. These risks are addressed and mitigated by asset swap agreements with Credit Suisse International. The obligations and rights under the swap agreements mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral.

### **Overview of activities**

Under the Programme, the Company may from time to time issue Notes on the terms set out in the Programme and supplemented by an Issue Memorandum relating thereto. Notes are issued in series ("Series"), Notes of each Series having the same maturity date, bearing interest (if any) on the same basis and on terms otherwise identical. The Notes are issued to acquire, and are secured by, various bonds and other securities. All Series are limited recourse structured in a way that if the net proceeds of the security upon enforcement are insufficient to meet in full the claims of the Noteholders, the Couponholders (if any) and the Swap Counterparty, the conditions and the swap agreement provide that, none of the other assets of the Company are available to meet the insufficiency and that any outstanding liability of the Company in respect of such claims will be extinguished upon enforcement.

Each series is structured in such a way that differences between conditions of the notes and conditions of the assets, if any, are mitigated by swap agreements with Credit Suisse.

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The Company has appointed the Bank of New York Mellon as principal paying agent, custodian and trustee under the Programme Memorandum. Furthermore, in the specific Series documents professional market parties may be appointed to fulfil other functions, such as calculation agent, purchase agent and liquidation agent.

During the year, the Company has issued two new Series (Series 135 and 136)

#### **Audit Committee**

In August 2008 the Dutch Act on the Supervision of Accounting Firms (Wet Toezicht Accountantsorganisaties) ("ASAF") was amended. This resulted in a broader definition of a public interest entity (organisatie van openbaar belang) ("PIE"). All Dutch entities which have issued listed debt are now considered to be PIE's.

In addition on 8 August 2008, an implementing regulation (algemene maatregel van bestuur) ("IR") came into force in the Netherlands, enforcing Art. 41 of European Directive no. 2006/43/EG (the "ED"), regarding legislative supervision of annual reports and consolidated financial statements. This IR obliges all PIE's to establish an audit committee ("AC"). The AC is formed by members of the Company's supervisory board ("SB") or by non-executive management board members. Because the Company falls within the definition of a PIE it is in principle obliged to establish an AC. Although the ED provides certain exemptions for establishing an AC for securitisation vehicles ("SV"), under the IR (the regulation whereby the ED was implemented in the Netherlands) the Company is not considered to be a SV and therefore cannot make use of an exemption to install an AC.

Further to extensive research and discussions with amongst others the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten), several legal advisors and audit firms, there are certain observations to be made in respect of the obligation to establish an AC or not:

1. the activities of the Company and those of a SV are very much alike;
2. under the ED the Company qualifies as a SV and would thus be exempted from the obligation to establish an AC;
3. the Company does not have a SB nor non-executive board members. Establishment of a SB requires an amendment to the Company's Articles of Association;
4. it remains unclear why the IR contains a more stringent definition of a SV than the ED.

The general view in the Netherlands is that it could not have been the legislators' intention for repackaging vehicles, such as the Company, not to fall within the description of a SV and thus not to be exempted. In view of the above reasons, management currently does not consider it to be in the Company's best interest nor has it taken steps to implement an AC.

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## **Results**

The net asset value of the Company as at 30 June, 2011 amounts to EUR 73,673 (31 December 2010: EUR 85,119). The result for the six months ended 30 June, 2011 amounts to EUR 55,486 (30 June 2010: EUR 54,106).

Given the current market conditions, we have paid additional attention to impairment triggers as per 30 June 2011. The impairment analysis is based on current market values, actual interest payments and other qualitative information, if applicable. We have at least identified an impairment trigger for Collateral which market value is significantly below the nominal value. If an impairment trigger is identified, the impairment amount is measured on the basis of an instrument's fair value.

## **Future outlook**

Management is of the opinion that the present level of activities will be maintained during the next financial year.

At this moment management is not aware of any impairments other than those recognised as per 30 June 2011. However, as a result of the current economic conditions, some of the Company's investments may be negatively affected and the Noteholders may potentially face serious losses in future periods. The claims of the Noteholders are limited to the value of the underlying collateral ("Collateral") due to the limited recourse nature of the Programme.

During the next financial period the Company will issue new series.

In accordance with the objectives of the Company, new investments will be funded by the issuing Notes.

## **Management representation statement**

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Management Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, 30 August 2011  
Intertrust (Netherlands) B.V.

## Balance sheet as at 30 June 2011

	Notes	30-Jun-11 EUR	31-Dec-10 EUR
<b>Fixed assets</b>			
Financial fixed assets			
Collateral	1	3,204,999,247	3,192,851,688
Total fixed assets		<u>3,204,999,247</u>	<u>3,192,851,688</u>
<b>Current assets</b>			
Debtors			
Amounts owed by group entities	2	455	455
Prepayments and accrued income	3	122,693,044	98,416,206
Taxation	4	6,836	(4,320)
Cash and cash equivalents	5	1,012,626	268,785
Total current assets		<u>123,712,961</u>	<u>98,681,126</u>
<b>Current liabilities (due within one year)</b>			
Floating rate secured Notes	6	30,000,000	30,000,000
Accruals and deferred income	7	123,639,324	98,596,007
Total current liabilities		<u>153,639,324</u>	<u>128,596,007</u>
<b>Current assets less current liabilities</b>		<u>(29,926,363)</u>	<u>(29,914,881)</u>
<b>Total assets less current liabilities</b>		3,175,072,884	3,162,936,807
<b>Non-current liabilities (due after one year)</b>			
Notes	8	3,174,999,247	3,162,851,688
<b>Net asset value</b>		<u><u>73,637</u></u>	<u><u>85,119</u></u>
<b>Capital and reserves</b>	9		
Paid up and called up share capital		18,151	18,151
Other reserves		0	(50,000)
Unappropriated results		55,486	116,968
Total shareholder's equity		<u><u>73,637</u></u>	<u><u>85,119</u></u>

The accompanying notes form an integral part of these annual accounts.

## Profit and Loss account for the six months ended 30 June, 2011

	Note	Six months ended 30 June, 2011 EUR	Six months ended 30 June, 2010 EUR
<b>Financial income and expenses</b>			
Interest income on Collateral	10	141,258,739	131,791,463
Interest expenses on Notes	11	<u>(141,258,739)</u>	<u>(131,791,463)</u>
Result financial income and expenses		0	0
<b>Other financial income and expenses</b>			
Other interest income	12	0	0
Other financial income and expenses	13	<u>0</u>	<u>0</u>
Total other financial income and expenses		0	0
<b>Other income and expenses</b>			
General and administrative expenses	14	(32,898)	(24,754)
Recharged expenses	15	32,546	24,754
Repackaging income	16	<u>69,358</u>	<u>67,632</u>
Total other income and expenses		69,006	67,632
<b>Result before taxation</b>		<u>69,006</u>	<u>67,632</u>
Corporate income tax	17	(13,520)	(13,526)
<b>Result after taxation</b>		<u><u>55,486</u></u>	<u><u>54,106</u></u>

The accompanying notes form an integral part of these annual accounts.

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## **Notes to the unaudited semi-annual accounts for the six months ended 30 June, 2011**

### **General**

The Company is a private company with limited liability incorporated under the laws of the Netherlands on 3 February 1998. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands.

All issued shares are held by Stichting Boats Investments (Netherlands), which also is established in Amsterdam.

The objectives of the Company are to act as a so-called repackaging company. Under its USD 10,000,000,000 Secured Note Programme, the Company may from time to time issue for Bond Obligation Asset Trust Securities ("Notes"), subscribe for loans, receive deposits and/or enter into derivative transactions, which will be issued to or concluded with one or more financial institutions and other professional market parties. Under the Programme, various assets may be repackaged into instruments.

We refer to the programme memorandum dated 12 February 1998, as updated from time to time lastly on 7 October 2010.

### **Basis of preparation**

The accompanying accounts have been prepared under the historic cost convention in accordance with accounting principles generally accepted in the Netherlands (Dutch GAAP) and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Netherlands Civil Code.

The financial statements are presented in Euros.

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

#### **a. Foreign currencies**

Amounts receivable and payable in foreign currencies, in respect of which forward exchange contracts have been entered into, are converted at the exchange rate of the forward transaction. Transactions in foreign currencies are converted into Euros at the exchange rate prevailing on the date of the transactions. Other assets and liabilities in foreign currencies are converted into Euros at their exchange rates prevailing on the balance sheet date. The resulting currency exchange rate differences are taken to the profit and loss account.



## **Notes to the unaudited semi-annual accounts for the six months ended 30 June, 2011 - Continued**

### **b. Assets and liabilities**

Purchased loans and bonds, which the Company intends to hold to maturity, as well as notes outstanding, are measured at amortised cost using the effective interest method less impairment losses. Initial measurement is at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Impairment analysis is based on current market values, actual interest payments and other qualitative information, if applicable. An impairment trigger for Collateral is at least identified if the market price is significantly below the nominal value. If an impairment trigger is identified, the impairment amount is measured on the basis of an instrument's fair value. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

All other assets and liabilities are shown at face value, unless stated otherwise.

### **c. Recognition of income**

Income and expenses, including taxation, are allocated to the period to which they relate.

### **d. Derivatives**

The Company uses derivatives for hedging purposes. The Company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the derivative and the hedged item in the profit and loss account.

Resulting from the application of cost price hedge accounting, derivatives are initially carried at cost.

The profits or losses associated with the forward foreign exchange contract are recognised in the profit or loss account in the same period in which the asset or liability affects the profit or loss.

### **e. Financial risk management**

#### **General**

Each series of notes is structured in such a way that differences between conditions of the notes and conditions of the assets, if any, are mitigated by swap agreements with Credit Suisse.

#### **Interest rate risk**

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. These risks are addressed and mitigated by an asset swap agreement with Credit Suisse International.

#### **Credit and concentration risk**

The credit risk of the assets held by the Company, as well as the Swap Counterparty risk, is transferred to the Noteholders through the conditioned mentioned in each supplemental offering circular. All the Notes are credit-linked Notes.

## **Notes to the unaudited semi-annual accounts for the six months ended 30 June, 2011 - Continued**

### **Currency exchange rate risk**

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates on its financial position and cash flows. These risks are addressed and mitigated by a currency swap agreement with Credit Suisse International.

### **Liquidity risk**

Matching maturities of assets and liabilities and related cash flows is fundamental to the management of the Company. This risk is addressed and mitigated by an agreement with Credit Suisse to secure any mismatch (as Credit Suisse being the Arranger reimburses all expenses and taxes of the Company). Positive or negative results from the Collateral held will be balanced with the Noteholders or the Swap Counterparty at the date of redemption.

### **f. Corporate Income Tax**

Provisions for taxation have been made in accordance with the tax ruling the Company obtained from the Dutch Tax Authorities.

## Balance sheet

	30-Jun-11 EUR	31-Dec-10 EUR
<b>1 Collateral</b>		
Balance as per 1 January	3,192,851,688	2,871,865,197
Net Acquisitions/Disposals	36,999,066	113,112,668
Impairment	(27,210,391)	205,714,939
Amortisation (premium/discount)	2,358,884	2,158,884
Balance as per 30 June	<u>3,204,999,247</u>	<u>3,192,851,688</u>
Amount of bonds falling due within 1 year	30,000,000	30,000,000
Amount of bonds falling due between 1 and 5 years	27,036,186	41,255,818
Amount of bonds falling due after 5 years	<u>3,147,963,061</u>	<u>3,121,595,870</u>
	<u>3,204,999,247</u>	<u>3,192,851,688</u>

Given the current market conditions, we have paid additional attention to impairment triggers as per 30 June 2011. The impairment analysis is based on current market values, actual interest payments and other qualitative information, if applicable. We have at least identified an impairment trigger for Collateral which market value is significantly below the nominal value. If an impairment trigger is identified, the impairment amount is measured on the basis of an instrument's fair value.

All Collateral is taken up under the USD 10,000,000,000 Secured Note Programme.

The average interest received on the Collateral was 2.6240% (31 December 2010: 2.5236%)

**Balance sheet - continued**

	30-Jun-11 EUR	31-Dec-10 EUR		
<b>2 Amounts owed by group entities</b>				
Stichting Boats Investments (Netherlands)	455	455		
	<u>455</u>	<u>455</u>		
<b>3 Prepayments and accrued income</b>				
Receivable for bank balances Bank of New York	0	0		
Interest receivable Collateral	107,498,551	86,197,168		
Swap interest receivable	15,187,266	12,211,811		
Withholding tax receivable	7,227	7,227		
	<u>122,693,044</u>	<u>98,416,206</u>		
<b>4 Taxation</b>				
Corporate income tax 2010	0	0		
Corporate income tax 2011	13,902	1,657		
VAT	<u>(7,066)</u>	<u>(5,977)</u>		
	<u>6,836</u>	<u>(4,320)</u>		
Corp. income tax summary	<u>01.01</u>	<u>paid/received</u>	<u>p/l account</u>	<u>30.06</u>
2010	0	0	0	0
2011	0	27,422	(13,520)	13,902
Total	0	27,422	(13,520)	13,902

Final corporate income tax assessments have been received for the financial years through 2009.

As per 1 January 2010, the Company has been qualified as VAT entrepreneur by the Dutch Tax authorities.

<b>5 Cash and cash equivalents</b>			
Current account ABN AMRO		62,011	52,620
Current account Bank of New York		0	0
Current account Bank of New York		0	0
Current account Bank of New York		0	0
Current account Bank of New York		950,615	216,165
		<u>1,012,626</u>	<u>268,785</u>

**Balance sheet – continued**

	30-Jun-11 EUR	31-Dec-10 EUR
<b>6 Floating rate secured Notes</b>		
Balance as per 1 January	30,000,000	122,036,830
Net Acquisitions/Disposals	(30,000,000)	(122,036,830)
Transferred from long term	30,000,000	30,000,000
Impairment	0	0
Balance as per 30 June	<u>30,000,000</u>	<u>30,000,000</u>

The fair value of the Notes at 30 June 2011 approximates the nominal value as per 30 June 2011.

<b>7 Accruals and deferred income</b>		
Amount payable to credit institutions	950,615	216,164
Interest payable on Notes issued	54,345,885	51,370,428
Interest payable Swap Collaterals	68,341,926	47,040,544
Tax advisory fees	0	4,100
Audit fee payable	26,775	26,775
Credit Suisse International (recharged expenses)	(25,877)	(62,004)
	<u>123,639,324</u>	<u>98,596,007</u>

<b>8 Notes</b>		
Balance as per 1 January	3,162,851,688	2,749,828,367
Net Acquisitions/Disposals	66,999,066	235,149,498
Impairment	(27,210,391)	205,714,939
Amortisation (premium/discount)	2,358,884	2,158,884
Transferred to short term	(30,000,000)	(30,000,000)
Balance as per 30 June	<u>3,174,999,247</u>	<u>3,162,851,688</u>

Amount of Notes falling due within 1 year	0	0
Amount of Notes falling due between 1 and 5 years	27,036,186	41,255,818
Amount of Notes falling due after 5 years	<u>3,147,963,061</u>	<u>3,121,595,870</u>
	<u>3,174,999,247</u>	<u>3,162,851,688</u>

## **Balance sheet – continued**

### **9 Capital and reserves**

The authorised share capital of the Company amounts to NLG 200,000 (EUR 90,756.04) divided into 2,000 shares of NLG 100 (EUR 45.38) each of which 400 shares are issued and paid up.

For expressing the Dutch guilder capital in Euros, the Company made use of article 2.178c DCC.

### **9 Capital and reserves**

	<u>Share capital</u>	<u>Other reserves</u>	<u>Unappr. results</u>
Balance as per 01.01.2010	18,151	0	99,633
Paid-in / (repaid)	0	99,633	(99,633)
Dividend	0	(99,633)	0
Result for the period	0	0	116,968
Balance as per 01.01.2011	18,151	(50,000)	116,968
Paid-in / (repaid)	0	116,968	(99,633)
Dividend	0	(66,968)	0
Interim dividend	0	0	0
Result for the period	0	0	55,486
Balance as per 30.06.2011	18,151	0	72,821

The Company distributed a dividend of EUR 66,968 for the year 2010.

### **Off balance sheet instruments**

The Company has entered into multiple asset swap agreements to hedge the liabilities on the Notes against the assets of the Collateral. The obligations and rights under the swap agreements mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral.

**Profit and loss account**

	<b>Six months ended 30 June, 2011</b>	<b>Six months ended 30 June 2010</b>
<b>10 Interest income on Collateral</b>		
Interest income on Collateral	79,729,680	72,348,599
Swap interest income	53,111,939	50,614,857
Amortisation Collateral discount	4,876,554	4,977,663
Amortisation on Notes premium	<u>3,540,566</u>	<u>3,850,344</u>
	<u>141,258,739</u>	<u>131,791,463</u>
<b>11 Interest expenses on Notes</b>		
Interest expenses on Notes	53,111,939	50,614,857
Swap interest expense	79,729,680	72,348,599
Amortisation Collateral premium	4,876,554	4,977,663
Amortisation Notes discount	<u>3,540,566</u>	<u>3,850,344</u>
	<u>141,258,739</u>	<u>131,791,463</u>
<b>12 Other interest income</b>		
Bank interest income	0	0
Other operational income	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>13 Other financial income and expenses</b>		
Revaluations of Collateral (impairments)	(27,210,391)	0
Revaluations of Notes (impairments)	27,210,391	0
Foreign exchange differences	0	0
Losses / gains on sale of Collateral	0	0
Losses / gains on redemption of Notes	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>14 General and administrative expenses</b>		
Tax advisory fees	2,715	9,587
Audit fee	27,251	13,388
Bank charges	208	224
General expenses	<u>2,724</u>	<u>1,555</u>
	<u>32,898</u>	<u>24,754</u>
<b>15 Recharged expenses</b>		
Recharged expenses	<u>32,546</u>	<u>24,754</u>
	<u>32,546</u>	<u>24,754</u>
<b>16 Repackaging income</b>		
Repackaging income	<u>69,358</u>	<u>67,632</u>
	<u>69,358</u>	<u>67,632</u>
<b>17 Corporate income tax</b>		
Corporate income tax current year	<u>13,520</u>	<u>13,526</u>
	<u>13,520</u>	<u>13,526</u>