Annual accounts of Boats Investments (Netherlands) B.V.

for the year 2018

Boats Investments (Netherlands) B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
Chamber of Commerce nr: 33299834

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Report of the management

Management herewith presents to the shareholder the annual accounts of Boats Investments (Netherlands) B.V. (the "Company") for the year 2018.

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. The Company's Dutch Chamber of Commerce registration number is 33299834.
All issued shares are held by Stichting Boats Investments (Netherlands), which also is established in Amsterdam, The Netherlands.

The Company is a so-called repackaging Company. The Company issues series of notes ("Series") under its USD 10,000,000,000 Secured Note Programme (the "Programme"). These Series are limited recourse; an investor (noteholder) is only entitled to the collateral/ proceeds of its own Series including all risks associated with the collateral. There will be no other assets of the Company available to meet outstanding claims of the noteholders, who bear such shortfall pro rata their holdings of the notes.

With collateral ("Collateral") is meant the actual investment(s) bought for a Series. Each Series has its own terms and conditions and has its own Collateral. When a new Series is issued all documents, including the derivative contracts, are signed simultaneously at the closing date.

The Collateral bought by the Company can consist of almost any item the investor in a certain Series prefers, as long as this fits within the terms and conditions of the Programme. This is, amongst other, loans, listed or unlisted bonds, notes, and any other kind of Collateral. It is the investor/noteholder together with the swap counterparty who decide what kind of Collateral they would like to purchase for a certain Series, as one of them bears the risk. All other conditions can also differ per Series (maturity date, interest rates, payment dates, parties involved etc).
As the limit of the Programme is set at USD 10,000,000,000 the total sum of the Company's outstanding Series may not at any time exceed the limit of USD 10,000,000,000 (or its equivalent in another currency at the date of issue).
Application will be made to the Irish Stock Exchange for certain Series during the period of twelve months from the last update of the Programme to be admitted to the Official List and trading on its regulated market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Notes may be listed on such other or further stock exchange(s). The Company may also issue unlisted Notes.

Report of the management - Continued

At balance sheet date several Series are listed on the Luxembourg Stock Exchange and several Series are listed on the Irish Stock Exchange. Notes of any Series or alternative investments may be rated by Moody's Investor Services, Inc and/ or Standard & Poor's Rating Services, a Division of McGraw-Hill Companies Inc. and/ or Fitch Ratings Limited (or any other relevant recognised debt rating agency (the "Rating Agency") as may be specified in the relevant Series memorandum or Alternative Memorandum and the relevant constituting instrument (the "Constituting Instrument")). The rating of Notes of any Series or alternative investments issued or entered into under the Programme will be specified in the relevant Series memorandum or alternative memorandum and the relevant Constituting Instrument.

The transactions are arranged by Credit Suisse International, London. ("Credit Suisse").

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

Information regarding financial instruments

Due to the limited recourse nature of the Series, the Company is not exposed to any risks as all the risks are fully mitigated by derivative contracts or transferred to the Noteholder / swap counterparty as described in the legal documentation for each Series as far as not transferred to the derivative Counterparty. The Company did enter into several derivative contracts to mitigate the risks of the Noteholders to the swap counterparty. The obligations and rights under the derivative contracts mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral as disclosed under Notes 1 and 7.

Financial risk management

General

The Company's principal financial instruments during the year comprised the Collateral, Notes issued and derivatives. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from its issued Notes and to minimise the impact of fluctuations in exchange rates on future cash flows.

The Series are limited recourse; an investor (noteholder) is only entitled to the Collateral/ proceeds of its own Series including all risks associated with the Collateral. The Company has entered into derivative contracts with the objective to mitigate the risk between the issued notes and collateral purchased. The risk is mainly currency, interest rate and inflation risk. In this respect, the Company mainly uses interest rate swaps, fx derivatives and inflation linked swaps.

The key financial instrument risks are classified as credit and concentration risk, market risk (interest rate risk and currency exchange rate risk) and liquidity risk.

Report of the management - Continued

Interest rate risk
The Notes bear interest (fixed, floating and variable). The Company is not exposed to interest rate risk due to the limited recourse nature of the issued Series. All possible risks regarding the interest are fully mitigated by derivative contracts at year end. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market interest rates from the noteholder to the swap counterparty.

Credit and concentration risk
The Company is not exposed to credit risk due to the limited recourse nature of the issued Series at year end as the noteholder bears the credit risk of the assets as well as the swap counterparty risk.

Currency exchange rate risk
The Company's accounts are denominated in EUR. The Collateral is denominated in EUR and foreign currencies, while the Notes are denominated in EUR and foreign currencies. The Company's accounts and Notes issued may be denominated in Euro while the portfolio is denominated in both Euro and foreign currencies.

The Company is not exposed to risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates due to the limited recourse nature of the issued Series. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates from the noteholder to the swap counterparty.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders as they become due. Liquidity risk on interest payments to be made by the Company to its Noteholders arises from mismatches on both the interest frequency on the Notes versus the portfolio, as well as from the outstanding par of the Notes compared to the portfolio. Liquidity risk on principal payments arises from mismatches in the maturity of the Notes compared to the maturity of the assets, as well from the par value outstanding of the Notes versus the par value of the portfolio.

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 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.

Report of the management - Continued

Risk appetite

As part of its objectives, the Company issues notes to investors. The proceeds of the notes are individually applied to purchases of debt securities (collateral).

Repayment of principal and interest payment on debt securities is subject to financial risks such as interest rate risk, credit and concentration risk and currency exchange rate risk (see details above). If and when these risks materialize into losses, these losses will be borne by holders of the notes issued, connected with the relevant collateral items. The return which the Company offers on a certain note correlates to the amount of collateral risk to which it is exposed.

The Company by its nature exposes itself to financial risks. The investors in the notes issued by the Company are made aware of these risks and understand the adverse effects on repayment of principal and interest payments on issued notes in the event these risks materialize into losses. The Company has delegated the risk management to Credit Suisse, arranger of the transaction, who monitors the nature of the changes in the value of the collateral and decides whether the composition may need to be changed. The arranger also decides on the hedging strategies that the Company needs to follow to minimize these risks.

Overview of activities

The Company, under the Programme, may from time to time issue new Series. The Company may also raise finance by other means, arranged by the sole arranger Credit Suisse or enter into other financial transactions under the Programme, including, without limitation, by way of loan or entering into derivatives. The aggregate nominal amount of Notes and alternative investments issued by the Company under the Programme may not at any time exceed USD 10 billion (or the equivalent in another currency).

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 issued no new Series, 4 Series matured (Series 139, 143, 145 and 149). None of the redemptions were caused by credit defaults.

On 23 June 2016 the Noteholders of Series 97 passed an extraordinary resolution instructing the Trustee and the Company amongst others to take such actions to give effect to the sale, transfer and assignment of the Company to each electing Noteholder's proportional share of the Collateral obligations. Subsequently during 2016 the Company has repurchased and cancelled a significant part of Notes Series 97. As these Series had already been largely impaired in prior years, the above transactions had limited implication on the Collateral position. Due to the limited recourse nature of the entire structure, there was no impact on profit and loss. During March 2017, Series 97 reached its contractual maturity date and the Company has repurchased and cancelled another part of Notes Series 97. As at 31 December 2018 the bookvalue of the residual Notes Series 97 is EUR 7.3 million (2017: EUR 5.4 million).

Report of the management - Continued

In April 2017, Series 98 Secured Notes due 2017, a PIK loan with a nominal amount of EUR 218 million, reached its contractual maturity. Due to the performance of the underlying assets, Series 98 had already been fully impaired in previous years. The tabulation agent is currently working on a final redemption notice that will be distributed to the Noteholders. The nominal amount including the capitalised interest and the related value diminution of Series 98 amounted to EUR 846.5 million as at December 31, 2018 (2017: EUR 775.4 million).

The Company issued EUR 340,000,000 Series 100 Secured Notes due 2015. According to documentation Boats Investments (Netherlands) B.V. has the obligation on maturity date to transfer all funds received from this PIK loan to the Noteholders. Since the Company received zero the payment obligation was also zero. The tabulation agent is currently working on a notice that will be distributed to the Noteholders. The nominal amount including capitalized interest was already completely written off during 2015 in the total amount of EUR 579.5 million.

Audit committee
The audit committee consists of two independent members. As per April 8 2016, Mr. J.C.M. Schoen and Mr. G.J. Huizing were appointed as member of the audit committee.

Report of the management - Continued

Results

The net asset value of the Company as at 31 December, 2018 amounts to EUR 68,941 (2017: EUR 74,169). The result for year 2018 amounts to EUR 50,790 (2017: EUR 56,018).

The fair value of the Collateral is measured on an item level. The revaluation analysis is also made on an item level. Where the fair value of a certain item is below the carrying amount, revaluation is taken. If the fair value increases after the revaluation is taken on an item, the revaluation is reversed to a maximum of the original carrying amount.

The cumulative revaluation amount as per 31 December 2018 amounts to approximately EUR 912 million and relates to Series 16, 20, 24, 86, 97, 98 104, 105, 115, 127 and 132. As the notes issued are limited recourse, this revaluation loss is also included in the valuation of the Notes.

Future outlook

Management is of the opinion that the present level of activities will be maintained during the next financial year. During the first quarter of 2019 no Series matured.

A possible downturn in economic conditions may affect the Company's investments and Noteholders may potentially face serious losses in future periods. The claims of the Noteholders are limited to the value of the underlying Collateral due to the limited recourse nature of the Programme.

The Company has no intention to issue new Series under the Programme after 31 December, 2018.

Management representation statement

Management declares that, to the best of their knowledge, the annual accounts 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 report of management 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.

The Company does not have any employees. The managing director is not a natural person, therefore, the requirements on information on the human sex ratio of board members can be found in the Director's report of the managing director.

Employees

The Company does not have any employees. During 2018 the Board of the Company was represented by Intertrust (Netherlands) B.V. The female/male ratio of Intertrust (Netherlands) B.V. was below 30%. The composition of the Board of Intertrust (Netherlands) B.V. is considered on a regularly basis and if needed adjusted based on the knowledge and experience of the Directors. Furthermore the audit committee as at 31 December 2018 was represented by male members. For the future nominations, the human gender will be taken into consideration.

Amsterdam, 29 April 2019
Intertrust (Netherlands) B.V.

Balance sheet as at 31 December 2018

Before result appropriation

			31-Dec-18		31-Dec-17
		EUR	EUR	EUR	EUR
FIXED ASSETS					
Financial assets					
Collateral	(1)	618,590,577		2,073,932,475	
			618,590,577		2,073,932,475
CURRENT ASSETS					
Other receivables	(2)	125,232		92,821	
Interest receivable	(3)	11,057,947		46,484,553	
Corporate income tax	(4)	7,122		18,831	
Cash	(5)	1,944,771		1,919,545	
			13,135,072		48,515,750
			631,725,649		2,122,448,225
SHAREHOLDERS' EQUITY	(6)				
Issued share capital		18,151		18,151	
Other reserves		0		0	
Retained earnings					
Result for the period		50,790		56,018	
			68,941		74,169
LONG-TERM LIABILITES					
Notes payable	(7)		618,590,577		2,073,932,475
CURRENT LIABLITIES					
Other payables	(8)	96,857		41,097	
Interest payable	(9)	12,969,274		48,400,484	
			13,066,131		48,441,581
			631,725,649		2,122,448,225

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

Profit and Loss account for the year 2018

			01/01/2018- 12/31/2018		01/01/2017- 12/31/2017
		EUR	EUR	EUR	EUR
FINANCIAL INCOME AND EXPENSES					
Interest income	(10)	71,033,345		128,841,699	
Interest expenses	(11)	(71,033,345)		(128,841,699)	
			0		0
OTHER INCOME					
Repackaging income	(15)		63,488		70,022
OPERATIONAL INCOME AND EXPENSES					
General and administrative expenses	(13)	(80,075)		(91,024)	
Recharged expenses	(14)	80,075		91,024	
			0		0
Net operating result			63,488		70,022
Revaluation of the portfolio of financial assets	(12)	(73,683,549)		(63,897,101)	
Attribution of revaluation collateral to Noteholders		73,683,549		63,897,101	
			0		0
Result from ordinary activities before taxation			63,488		70,022
Income tax expense	(16)		(12,698)		(14,004)
Result after taxation			50,790		56,018

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

Cash flow statement for the year 2018

		EUR	01/01/2018- 12/31/2018 EUR	EUR	01/01/2017- 12/31/2017 EUR
Cash flow from operating expenses					
Interest received	(3,10)	104,674,885		132,041,694	
Interest paid	(9,11)	(104,679,489)		(132,042,291)	
Repackaging income received	(15)	63,488		70,022	
Operational income and expenses paid		32,914		4,283	
Income tax paid	(4)	(10,554)		(12,511)	
Net cash (used in) / from operating activities			81,244		61,197
Cash flow from investment activities					
Purchase of Collateral	(1)	0		0	
Disposals of Collateral	(1)	1,383,443,415		51,143,522	
Net cash (used in) / provided by investment activities			1,383,443,415		51,143,522
Cash flow from financing activities					
Issuance of Notes	(7)	0		0	
Redemptions of Notes	(7)	(1,383,443,415)		(51,143,522)	
Dividend paid	(6)	(56,018)		(64,102)	
Net cash used in financing activities			(1,383,499,433)		(51,207,624)
Changes in cash			25,226		(2,905)
The movement of the cash is as follows:					
Balance as at 1 January			1,919,545		1,922,450
Movement for the year			25,226		(2,905)
Balance as at 31 December			1,944,771		1,919,545

Notes to the annual accounts

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. The Company's Dutch Chamber of Commerce registration number is 33299834.
All issued shares are held by Stichting Boats Investments (Netherlands), which also is established in Amsterdam.

The Company is a so-called repackaging Company. The Company issues series of notes ("Series") under its USD 10,000,000,000 Secured Note Programme (the "Programme"). These Series are limited recourse; an investor (noteholder) is only entitled to the Collateral/ proceeds of its own Series including all risks associated with the Collateral. With Collateral is meant the actual investment(s) bought for a Series. Each Series has its own terms and conditions and has its own Collateral. When a new Series is issued all documents, including the derivative contracts, are signed simultaneously at the closing date.
The Collateral bought by the Company can consist of almost any item the investor in a certain Series prefers, as long as this fits within the terms and conditions of the Programme. This is, amongst other, loans, listed or unlisted bonds, notes, and any other kind of Collateral. It is the investor/noteholder together with the swap counterparty who decide what kind of Collateral they would like to purchase for a certain Series, as one of them bears the risk. All other conditions can also differ per Series (maturity date, interest rates, payment dates, parties involved etc).
This Programme Memorandum constitutes a base prospectus for the purposes of the Prospectus Directive. As the limit of the Programme is set at USD 10,000,000,000 the total sum of the Company's outstanding Series may not at any time exceed the limit of USD 10,000,000,000 (or its equivalent in another currency).
Application will be made to the Irish Stock Exchange for certain Series during the period of twelve months from the last update of the Programme to be admitted to the Official List and trading on its regulated market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.
At balance sheet date several Series are listed on the Luxembourg Stock Exchange and several Series are listed on the Irish Stock Exchange. Notes of any Series or alternative investments may be rated by Moody's Investor Services, Inc and/ or Standard & Poor's Rating Services, a Division of McGraw-Hill Companies Inc. and/ or Fitch Ratings Limited (or any other relevant recognised debt rating agency (the "Rating Agency") as may be specified in the relevant Series memorandum or Alternative Memorandum and the relevant constituting instrument (the "Constituting Instrument")). The rating of Notes of any Series or alternative investments issued or entered into under the Programme will be specified in the relevant Series memorandum or alternative memorandum and the relevant Constituting Instrument.

Notes to the annual accounts - Continued

The transactions are arranged by Credit Suisse International, London ("Credit Suisse").

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

Financial Reporting period

These financial statements have been prepared for a reporting period of one year.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code and in accordance with Dutch Accounting Standards.

The applied accounting policies for all assets and liabilities are based on the historic cost convention, which effectively comprises the cost of the transaction.

These annual accounts are presented in Euros.

The preparation of the annual accounts requires 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.

Comparison with prior year
The principles of valuation and determination of result remain unchanged compared to the prior year.

Estimates
The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

a. Foreign currencies

The financial statements are presented in Euro, which is the functional and presentation currency of the Company. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies to closing rate, are recognized in the income statement.

The main exchange rates used in the financial statements are:

	31.12.2018	31.12.2017
1 EUR = USD	1.1439	1.1977
1 EUR = GBP	0.8972	0.8873

Notes to the annual accounts - Continued

b. Assets and liabilities

Fixed assets

Collateral

Collateral is comprised of bonds and loans. Generally, underlying contracts specify the timing of interest payments and the repayment of principal, both under normal conditions and in specific circumstances. Contracts may also include specific clauses on the payment of both interest and principal in case of default or breach of certain covenants. As such, the (re-)payment of both interest and principal (if any) include an element of uncertainty, with regards to both timing and amount.

Collateral is initially valued at fair value, including any transaction cost incurred. After initial recognition the Collateral is recognised at amortized cost. If the Collateral is acquired at a discount or premium, the discount or premium is recognised through profit or loss over the maturity of the asset using the straight line basis.
Revaluation losses on individual debt obligations are deducted from amortised cost and expensed in the statement of income and expenses. The revaluation loss equals the difference between the amortised cost value and the lower market value of the individual assets.

The fair value of the Collateral is measured on an item level. The revaluation analysis is also made on an item level. Where the fair value of a certain item is below the carrying amount, revaluation is taken. If the fair value increases after the revaluation is taken on an item, the revaluation is reversed to a maximum of the amortised cost amount.

Derivatives

The recognition and measurement of derivatives are discussed in a separate section, 'Derivatives'.

Current assets

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. All receivables included under current assets are due in less than one year. The fair value of the current assets approximates the book value due to its short term character.

Notes to the annual accounts - Continued

Cash
Cash comprises current balances with banks and deposits held at call with maturities of less than 3 months. Cash are stated at face value.

Current liabilities
After initial measurement at fair value, other financial liabilities are carried at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

Long term liabilities

Notes
Notes are initially recognised at fair value, normally being the amount received taking into account premium or discount less transaction costs. The Notes are subsequently stated at amortised cost, being the amount received taking into account of any premium or discount less any adjustments for attribution of revaluation on collateral to noteholders and the estimated diminution in the value of the Notes. Such adjustments to the amortised cost value of the Notes are reflective of the contractual agreements in place and represent an adjustment to the future expected cash flows.

Any difference between the proceeds and the redemption value is recognised on a straight line basis in the statement of income and expenses over the reinvestment period. The straight line method is used in the absence of any material difference from the effective interest method.

Contractual obligations of the Company towards the Noteholders are laid out in the offering circular. The limited recourse nature of the transaction may result in the non-payment of both principal and interest to the Noteholders.

c. Recognition of income

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

d. Interest income and expenses

The interest income on Collateral and the interest expense on the Notes are recognised in the income statement using the effective interest rate method.

Notes to the annual accounts - Continued

e. Derivatives and hedge accounting

The Company uses derivatives for hedging purposes. Derivatives are initially recognised at fair value and subsequently measured at cost. 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 recognised at cost. The profits or losses associated with the derivative contracts are recognised in the profit or loss account in the same period as in which the asset or liability affects the profit or loss.

As part of its asset and liability risk management the Company uses derivatives to hedge its exposure to interest rate and foreign exchange risk. This is achieved by hedging specific transactions using financial derivatives, mostly interest rate swaps, foreign exchange derivatives and inflation linked swaps.

Cost price hedge accounting
The hedges are recognised on the basis of cost price hedge accounting if the following conditions are met:
- the general hedging strategy and the way in which the hedging relationships are in line with risk management objectives and the expected effectiveness of these hedging relationships must be documented;
- the nature of the hedging instruments involved and hedged positions must be documented;
- the ineffectiveness must be recognised in the profit and loss account.

Cost hedge accounting is no longer applied if:
- The hedging instrument expires, is sold, terminated or exercised. The realised cumulative gains or losses on the hedging instrument not yet recognised in the profit and loss account at the time the hedge was effective, are then recognised in the balance sheet separately under accruals until the hedged transaction occurs.
- The hedging relationship no longer meets the criteria for hedge accounting.

Notes to the annual accounts - Continued

f. Financial risk management

General

The Company's principal financial instruments during the year comprised the Collateral, Notes issued and derivatives. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from its issued Notes and to minimise the impact of fluctuations in exchange rates on future cash flows.

The Series are limited recourse; an investor (noteholder) is only entitled to the Collateral/ proceeds of its own Series including all risks associated with the Collateral. The Company has entered into derivative contracts with the objective to mitigate the risk between the issued notes and collateral purchased. The risk is mainly currency, interest rate and inflation risk. In this respect, the Company mainly uses interest rate swaps, fx derivatives and inflation linked swaps. Please refer to note 1 for further details.

The key financial instrument risks are classified as credit and concentration risk, market risk (interest rate risk and currency exchange rate risk) and liquidity risk.

Interest rate risk

The Notes bear interest (fixed and variable). All possible risks regarding the interest mismatches between Collateral and Notes are fully mitigated by derivative contracts at year end. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

Credit and concentration risk

Credit risk relates to the fact that the Company is exposed to the risk that borrowers who issued the bond and loans in the Company's collateral portfolio will not be able to meet their obligations to the Company. The Company is exposed to an amount of EUR 1.531 million of credit risk, being the total book value of the collateral as per 31 December 2018 (31 December 2017; 2.897 million). However, this risk is transferred to the Noteholders, as in case of impairment of the collateral, the noteholders will ultimately bear the losses.

The concentration risk is the risk that the portfolio of collateral is concentrated in one issuer, industry, region or country as a result of the increased potential for correlated defaults in respect of a single issuer or with a single industry, region or country as a result of downturns relating generally to such issuer, such industry, region or country. This risk is mitigated by the diversification of the portfolio.

Furthermore, financial derivatives involve the Company entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Company under certain circumstances as described therein. The counterparty risk is the risk that the Company will be exposed to the risk that these counterparties will not be able to meet their obligations to the Company. However, this risk is similarly mitigated, as in case of counterparty default, the noteholders will ultimately bear the losses.

Notes to the annual accounts - Continued

Currency exchange rate risk
The Company's accounts are denominated in EUR. The Collateral is denominated in EUR and foreign currencies, while the Notes are denominated in EUR and foreign currencies. The Company's accounts and Notes issued may be denominated in Euro while the portfolio is denominated in both Euro and foreign currencies.

The Company is not exposed to risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates due to the limited recourse nature of the issued Series. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the effects of fluctuations in the prevailing levels of market currency exchange rates from the noteholder to the swap counterparty.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders as they become due. Liquidity risk on interest payments to be made by the Company to its Noteholders arises from mismatches on both the interest frequency on the Notes versus the Collateral portfolio, as well as from the outstanding par of the Notes compared to the Collateral portfolio. Liquidity risk on principal payments arises from mismatches in the maturity of the Notes compared to the maturity of the assets, as well from the par value outstanding of the Notes versus the par value of the portfolio.

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.

g. Critical accounting estimates and judgments
Application of the accounting policies in the preparation of the financial statements requires the management of the Company to exercise judgment involving assumptions and estimates concerning future results or other developments, including the likelihood, timing or amount of future transactions or events. There can be no assurance that actual results will not differ materially from those estimates. Accounting policies that are critical to the financial statement presentation and that require complex estimates or significant judgment are described below.

Fair value estimation of financial instruments
The Company discloses the fair value of the financial instruments in the notes to the financial statements. The fair value of financial assets and financial derivatives traded in active markets, if available, are based on market prices at the balance sheet date.

In the absence of quoted prices in active markets, considerable judgment is required in developing estimates of fair value. Estimates are not necessarily indicative of the amounts the Company could realise in a current market transaction. The Company obtains the fair valuations for (derivative) financial instruments from the calculation agent, the swap counterparty or other third parties. The following methods and assumptions were used to estimate fair values:

Collateral
The fair value of the financial instruments is disclosed in the notes to the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between

Notes to the annual accounts - Continued

knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for Company-specific inputs.

Notes
Fair value of Notes is derived from the fair value of the Asset and the Swap.

Revaluation estimate of Collateral
The Company applies the method allowed under RJ290 537 a. Under this method the Company recognises a revaluation loss which equals the difference between the costs and the lower market value. For the estimates and judgement with respect to the fair values reference is made to the above paragraph 'fair value estimation of Collateral'. If, in a subsequent period, the fair value increases, the previously recognised revaluation loss is reversed. The reversal shall not result in a carrying amount of the financial assets that exceeds what the amortised cost would have been had the revaluation not been recognised.

h. Corporate Income Tax

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

i. Cash flow statement

The cash flow statement has been prepared using the direct method. Cash flows in foreign currencies are converted into Euros at the exchange rates prevailing at the date of the transactions.

Balance sheet

		31-Dec-18 EUR	31-Dec-17 EUR
1	**Collateral**		
	Balance as per 1 January	2,073,932,475	2,196,240,131
	Net Acquisitions/ (Disposals)	(1,383,443,415)	(57,664,231)
	Revaluation	(73,683,549)	(63,897,101)
	Amortisation (premium/discount)	1,785,066	(746,324)
	Balance as per 31 December	618,590,577	2,073,932,475
	Amount of bonds falling due within 1 year	20,326,741	1,416,937,025
	Amount of bonds falling due between 1 and 5 years	63,209,902	27,599,500
	Amount of bonds falling due after 5 years	535,053,934	629,395,950
		618,590,577	2,073,932,475
	Collateral	1,531,009,061	2,897,117,842
	Impairment	(912,418,484)	(823,185,367)
	Balance as at 31 December	618,590,577	2,073,932,475

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

The fair value of the Collateral as per 31 December 2018 estimated at EUR 705,574,908 (2017: EUR 2,307,666,898).

The fair value of the Collateral is measured on an item level. The revaluation analysis is also made on an item level. Where the fair value of a certain item is below the carrying amount, revaluation is taken. If the fair value increases after the revaluation is taken on an item, the revaluation is reversed to a maximum of the original carrying amount. Based on this methodology, a revaluation amounting to EUR 73,683,549 (2017: EUR 63,897,101) is recognized.

The cumulative revaluation amount as per 31 December 2018 amounts to approximately EUR 912 million and relates to Series 16, 20, 24, 86, 97, 98, 104, 105, 115, 127 and 132. As the notes issued are limited recourse, this revaluation loss is also included in the valuation of the Notes. The decrease of the revaluation is caused by fx revaluation.

All Collateral is taken up under the USD 10,000,000,000 Secured Note Programme. The effective interest rate on the Collateral was 2.4383% (2017: 3.4380%).

Nature and risks of the collateral portfolio
The Company is a repackaging Company, issuing series of notes which are limited recourse in nature. An investor (noteholder) is only entitled to the Collateral proceeds of its own series including all risks associated with the Collateral. The Collateral is the actual investment(s) bought for a Series. Each Series has its own terms and conditions and has its own Collateral.

Balance sheet - continued

Nature of hedges

The Company can enter into hedging derivatives on individual Series level, with the objective to fully mitigate any economic mismatch between the note issued and the collateral purchased. The main risk being hedged is interest rate risk, in particular a mismatch between notes issued at a floating rate and collateral purchased at a fixed interest rate. The nature of main hedges outstanding as at 31 December 2018 is as follows:

- Interest rate Swaps: The bonds, deposits and loans in the collateral portfolio mainly consist of fixed rate instruments. For the series with floating rate notes connected to the fixed rate collateral positions (see note 7 for detail). The Company entered into interest rate swaps, on which fixed interest rates are being paid and floating rates are received. Those interest rate swaps fully mitigate the interest rate mismatch between the fixed rate collateral positions and floating rate notes.
- Inflation Linked Swaps: the Company pays a fixed rate on a notional principal amount, and receives a floating rate linked to an inflation index. This type of hedge is related to series in which the collateral position consists of inflation linked bonds, while the issued note is not inflation linked. The mismatch if fully mitigated by the hedging derivatives.
- Total Return Swaps*:* the Company pays the return on an asset or pool of assets for an agreed amount of interest which can be fixed or floating. Those total return swaps also mitigate currency mismatches between collateral and issued note. The hedging derivatives fully mitigate the interest rate and foreign exchange mismatches between collateral and related notes.

The Company's derivatives counterparties are banking institutions in the EU, Credit Suisse as at December 31, 2018 and Credit Suisse, Mediobanca, Credit Agricole, as at December 31, 2017. There are no exchanges of collateral (cash nor securities) between the Company and its derivatives counterparties in relation to the derivatives positions.

Balance sheet– continued

		31-Dec-18 EUR	31-Dec-17 EUR
2	**Other receivables**		
	Stichting Boats Investments (Netherlands)	1,041	1,041
	Withholding tax receivable	0	5,243
	Credit Suisse (recharged expenses)	124,191	86,537
		125,232	92,821
3	**Interest receivable**		
	Interest receivable Collateral	8,837,924	29,491,845
	Swap interest receivable	2,220,023	16,992,708
		11,057,947	46,484,553
4	**Corporate income tax**		
	Corporate income tax 2017	0	8,876
	Corporate income tax 2018	6,732	0
	VAT	390	9,955
		7,122	18,831

Corp. income tax summary	01.01.18	paid/(received)	p/l account	31.12.18
2017	8,876	(8,876)	0	0
2018	0	19,430	(12,698)	6,732
Total	8,876	10,554	(12,698)	6,732

Final corporate income tax assessments have been received for the financial years through 2017.
The Company has been qualified as VAT entrepreneur by the Dutch Tax authorities.

		31-Dec-18 EUR	31-Dec-17 EUR
5	**Cash**		
	Current account ABN AMRO	33,443	3,613
	Current accounts Bank of New York	1,911,328	1,915,932
		1,944,771	1,919,545

The current account ABN AMRO is freely available to the Company and the current account Bank of New York is not freely available to the Company.

6 Shareholders' equity

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.

	Issued share capital	Other reserves	Unappr. results
Balance as per 31.12.2016	18,151	0	64,102
Paid-in / (repaid)	0	0	0
Dividend	0	0	(64,102)
Interim dividend	0	0	0
Result for the period	0	0	56,018
Balance as per 31.12.2017	18,151	0	56,018
Paid-in / (repaid)	0	0	0
Dividend	0	0	(56,018)
Interim dividend	0	0	0
Result for the period	0	0	50,790
Balance as per 31.12.2018	18,151	0	50,790

Balance sheet– continued

	31-Dec-18 EUR	31-Dec-17 EUR
7 Notes payable		
Balance as per 1 January	2,073,932,475	2,196,240,131
Net Acquisitions/ (Disposals)	(1,383,443,415)	(57,664,231)
Attribution of revaluation collateral	(73,683,549)	(63,897,101)
Amortisation (premium/discount)	1,785,066	(746,324)
Balance as per 31 December	618,590,577	2,073,932,475
Amount of Notes falling due within 1 year	20,326,741	1,416,937,025
Amount of Notes falling due between 1 and 5 years	63,209,902	27,599,500
Amount of Notes falling due after 5 years	535,053,934	629,395,950
	618,590,577	2,073,932,475
Notes	1,531,009,061	2,897,117,842
Value diminution	(912,418,484)	(823,185,367)
Balance as at 31 December	618,590,577	2,073,932,475

Attribution of revaluation on collateral to Noteholders.
In order to present the actual payment obligation to the Noteholders, an estimated value diminution of the Notes has been included in the amount payable. The revaluation of collateral is attributed to the Notes, since the collateral risk is borne by the Noteholders. Since Collateral is intended to be held till maturity, it should be noted the revaluation is not definitive but reflects the change in value of the collateral portfolio at balance sheet date. Changes in the estimated value diminution of the Notes are directly charged or credited to the income statement.

The total fair value of the Notes is estimated at EUR 705,574,908 (2017 EUR 2,307,666,898).

The effective interest rate on the Notes was 1.6049% (2017: 2.5933%).

During the year, the Company issued no new Series, 4 Series matured (Series 139, 143, 145 and 149). None of the redemptions were caused by credit defaults.

On 23 June 2016 the Noteholders of Series 97 passed an extraordinary resolution instructing the Trustee and the Company amongst others to take such actions to give effect to the sale, transfer and assignment of the Company to each electing Noteholder's proportional share of the Collateral obligations. Subsequently during 2016 the Company has repurchased and cancelled a significant part of Notes Series 97. As these Series had already been largely impaired in prior years, the above transactions had limited implication on the Collateral position. Due to the limited recourse nature of the entire structure, there was no impact on profit and loss. During March 2017, Series 97 reached its contractual maturity date and the Company has repurchased and cancelled another part of Notes Series 97. As at 31 December 2018 the bookvalue of the residual Notes Series 97 is EUR 7.3 million (2017: EUR 5.4 million).

Report of the management - Continued

In April 2017, Series 98 Secured Notes due 2017, a PIK loan with a nominal amount of EUR 218 million, reached its contractual maturity. Due to the performance of the underlying assets, Series 98 had already been fully impaired in previous years. The tabulation agent is currently working on a final redemption notice that will be distributed to the Noteholders. The nominal amount including the capitalised interest and the related value diminution of Series 98 amounted to EUR 846.5 million as at December 31, 2018 (2017: EUR 775.4 million).

The Company issued EUR 340,000,000 Series 100 Secured Notes due 2015. According to documentation Boats Investments (Netherlands) B.V. has the obligation on maturity date to transfer all funds received from this PIK loan to the Noteholders. Since the Company received zero the payment obligation was also zero. The tabulation agent is currently working on a notice that will be distributed to the Noteholders. The nominal amount including capitalized interest was already completely written off during 2015 in the total amount of EUR 579.5 million.

		31-Dec-18 EUR	31-Dec-17 EUR
8	**Other payables**		
	Other fees	5,857	5,097
	Audit fee payable	91,000	36,000
		96,857	41,097
9	**Interest payable**		
	Interest payable on Notes issued	2,220,023	16,992,708
	Interest payable Swap Collaterals	10,749,251	31,407,776
		12,969,274	48,400,484

Off balance sheet instruments

The Company has entered into multiple derivative contracts to hedge the liabilities on the Notes against the assets of the Collateral. The obligations and rights under the derivative contracts mirror the obligations and rights on respectively the liabilities in relation to the Notes and the assets on the Collateral. The fair value of all derivative contracts the Company entered into is estimated at EUR 101,062,134 (2017: -62,671,121) and the derivative contracts can be classified as follows:

	2018 EUR	2017 EUR
Interest Rate Swaps	(231,729,463)	(412,259,388)
Inflation linked Swaps	320,876,783	355,573,135
Other Swaps	11,914,814	(3,225,277)
Total Return Swaps	0	(2,759,591)
	101,062,134	(62,671,121)

The Company's derivatives counterparties are banking institutions in the EU, Credit Suisse as at December 31, 2018 and Credit Suisse, Mediobanca, Credit Agricole, as at December 31, 2017. There are no exchanges of collateral (cash nor securities) between the Company and its derivatives counterparties in relation to the derivatives positions.

Profit and loss account

	2018 EUR	2017 EUR
10 Interest income		
Interest income on Collateral	33,715,690	74,796,374
Swap interest income	35,532,589	54,791,648
Amortisation Collateral discount/premium	1,785,066	(746,323)
	71,033,345	128,841,699

	2018 EUR	2017 EUR
11 Interest expenses		
Interest expenses on Notes	35,532,589	54,470,169
Swap interest expense	33,715,690	75,117,853
Amortisation Notes discount/premium	1,785,066	(746,323)
	71,033,345	128,841,699

	2018 EUR	2017 EUR
12 Operational income and expenses		
Revaluation of the portfolio of financial assets	(73,683,549)	(63,897,101)
Attribution of revaluation collateral to Noteholders	73,683,549	63,897,101
	0	0

The revaluation of the portfolio of financial assets is attributable to the Noteholder.

	2018 EUR	2017 EUR
13 General and administrative expenses		
Tax advisory fees	0	7,950
Audit fee	55,000	44,000
Bank charges	2,344	1,635
General expenses	22,731	37,439
	80,075	91,024

	2018 EUR	2017 EUR
14 Recharged expenses		
Recharged expenses	80,075	91,024
	80,075	91,024

The Company has an agreement with Credit Suisse International to recharge all expenses made.

	2018 EUR	2017 EUR
15 Repackaging income		
Repackaging income	63,488	70,022
	63,488	70,022

The Company is entitled to make a certain amount of profit that is based on the number of series outstanding.

	2018 EUR	2017 EUR
16 Income tax expense		
Corporate income tax current year	12,698	14,004
	12,698	14,004

Profit and loss account - Continued

Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

Audit fee

With reference to Section 2:382a of the Netherlands Civil Code, the following fees for the financial year have been charged Ernst & Young Accountants LLP to the Company (previous year: Ernst & Young Accountants LLP).

	2018 **EUR**	**2017** **EUR**
Statutory audit of annual accounts	55,000	44,000
Other assurance services	0	0
Tax advisory services	0	0
Other non-audit services	0	0
	55,000	44,000

Directors

The Company has one (previous year: one) managing director, who receives no (previous year: nihil) remuneration.
The Company has no (previous year: none) supervisory directors.

Amsterdam, 29 April 2019
Intertrust (Netherlands) B.V.

Other information

Appropriation of results

According to article 14 of the Company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

The Company proposes to distribute the result in the amount of EUR 50,790 as dividend to the shareholder.

Auditor's report

The independent auditor's report is presented on the next page.

Building a better
working world

Independent auditor's report

To: the shareholders of Boats Investments (Netherlands) B.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Boats Investments (Netherlands) 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 Boats Investments (Netherlands) B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2018
- The profit and loss account for 2018
- The notes comprising a summary of the 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 Boats Investments (Netherlands) B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, 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.

Materiality

Materiality	€6,850,000
Benchmark applied	0.5% of average total assets
Explanation	We have considered average total assets as an appropriate benchmark, because this better reflects the business of the Company.

We have also taken into account misstatements into account and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the management that misstatements in excess of €342,500, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter identified to the management. The key audit matter is not a comprehensive reflection of all matters discussed.

The matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the collateral portfolio: assessment of impairment	
Risk	The Company was set up in order to facilitate access to certain financial markets to investors, through the issuance of notes that are linked to collateral portfolio presented under the Note 1 Collateral of the financial statements. As disclosed in the General note b) Assets and liabilities, paragraph Collateral of the financial statements, the collateral portfolio is measured at amortised cost, although it still encompasses credit risk, and needs to be assessed for the need of impairment. The Notes issued by the Company have been structured in a way that the credit risk of the collateral portfolio is transferred to the noteholders. Therefore, we consider this credit risk to be a key audit matter, as it is of significant relevance to the noteholders, which are the key stakeholders of the Company.
Our audit approach	We have performed detailed audit work addressing the valuation of the collateral portfolio through independent price testing of the debt securities and loans. In addition to this, when applicable, in order to address the credit risk of the Company and the note holders, we have performed detailed audit procedures addressing the identification of impairment triggers through the analysis of counterparties and the sectors and markets in which the collateral counterparties operate. This included, an assessment whether the performance of the loans is monitored by management, together with the compliance with the covenants as set out in the offering memorandum of the notes issued.
Key observations	Based on the procedures performed we concur with management that no objective evidence is available that triggers further impairment of the collateral portfolio.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Report of the management
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

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

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.

Management is responsible for the preparation of the other information, including the Report of the management 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.

Report on other legal and regulatory requirements

Engagement

We were engaged by the management as auditor of Boats Investments (Netherlands) B.V. on 19 January 2017, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Other non-prohibited services provided

Our services are only related to the audit of the financial statements.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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. 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
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the management 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. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Amsterdam, 29 April 2019

Ernst & Young Accountants LLP

signed by R.A.J.M. Emmerink