Unaudited semi-annual accounts of Boats Investments (Netherlands) B.V.

for the first six months ended 30 June, 2020

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

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Report of the management

Management herewith presents to the shareholder the semi-annual accounts of Boats Investments (Netherlands) B.V. (the "Company") for the six months ended 30 June, 2020.

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 billion 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 billion the total sum of the Company's outstanding Series may not at any time exceed the limit of USD 10 billion (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 8.

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, total return 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 and floating). 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 EUR while the portfolio is denominated in both EUR 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 value 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 who 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 first six months of 2020, the Company issued no new Series, 2 Series matured . This redemption was not caused by credit default.

Report of the management - Continued

Audit committee

The audit committee consists of two members. After the audit of the financial statements 2018 has taken place, Mr. J.C.M Schoen and Mr. G.J. Huizing have been replaced by Mr. R Ahlers and Mr. S. van Ulsen as newly appointed members of the audit committee. This audit committee change was executed on 30 August 2019.

Results

The net asset value of the Company as at 30 June, 2020 amounts to EUR 85,037 (31 December, 2019: EUR 116,247). The result for the first six months of 2020 amounts to EUR 19,580 (30 June, 2019: EUR 24,336).

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.

Future outlook

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

The Company has no intention to issue new Series under the Programme after 30 June, 2020.

The global economy is affected currently by the Corona crisis. The economic consequences of the rapid spread of Covid-19 (“Coronavirus”) forms a serious threat to the world economic outlook right now with short-term, medium-term and even long-term consequences being very unpredictable. 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. Management is fully aware and will consider the situation every day.

Report of the management - Continued

Management representation statement

Management declares that, to the best of their knowledge, the semi-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 the first six months of 2020 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 30 June 2020 was represented by male members. For the future nominations, the human gender will be taken into consideration.

Amsterdam, 30 September 2020

Intertrust (Netherlands) B.V.

Balance sheet as at 30 June 2020

Before result appropriation

			30/06/20		31/12/19
		EUR	EUR	EUR	EUR
FIXED ASSETS					
Financial assets					
Collateral	(1)	556,629,996		566,026,929	
			556,629,996		566,026,929
CURRENT ASSETS					
Amounts owed by group entities	(2)	1,041		1,041	
Other receivables	(3)	136,919		183,816	
Interest receivable	(4)	6,959,950		12,059,875	
Tax payable	(5)	17,576		13,019	
Cash	(6)	400,297		1,998,803	
			7,515,782		14,256,554
			564,145,778		580,283,483
SHAREHOLDER'S EQUITY	(7)				
Issued share capital		18,151		18,151	
Other reserves		47,306		50,790	
Retained earnings					
Result for the period		19,580		47,306	
			85,037		116,247
LONG-TERM LIABILITES					
Notes payable	(8)		556,629,996		566,026,929
CURRENT LIABLITIES					
Other payables	(9)	77,778		94,201	
Interest payable	(10)	7,352,967		14,046,106	
			7,430,745		14,140,307
			564,145,778		580,283,483

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

Profit and Loss account for the six months ended 30 June, 2020

			01/01/2020-30/06/2020		01/01/2019-30/06/2019
		EUR	EUR	EUR	EUR
FINANCIAL INCOME AND EXPENSES					
Interest income	(11)	15,478,665		56,413,886	
Interest expenses	(12)	(15,478,665)		(56,413,886)	
			0		0
OTHER INCOME					
Repackaging income	(16)		23,449		30,420
OPERATIONAL INCOME AND EXPENSES					
General and administrative expenses	(14)	(39,495)		(19,997)	
Recharged expenses	(15)	39,495		19,997	
			0		0
Net operating result			23,449		30,420
Revaluation of the portfolio of financial assets	(13)	2,722,321		5,175,216	
Attribution of revaluation Collateral to Noteholders		(2,722,321)	0	(5,175,216)	0
Result from ordinary activities before taxation			23,449		30,420
Income tax expense	(17)		(3,869)		(6,084)
Result after taxation			19,580		24,336

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

Notes to the semi-annual accounts for the six months ended 30 June, 2020

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.
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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 billion the total sum of the Company's outstanding Series may not at any time exceed the limit of USD 10 billion (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 semi-annual accounts for the six months ended 30 June, 2020 - 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 interim financial statements have been prepared for a reporting period of six months.

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 EUR.

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.

Offsetting
Financial assets and liabilities are offset at the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to the semi-annual accounts for the six months ended 30 June, 2020 - continued

a. Foreign currencies

The financial statements are presented in EUR, 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 Profit and Loss account.

The main exchange rates used in the financial statements are:

	30/06/2020	31/12/2019
1 EUR = USD	1.1206	1.1214
1 EUR = GBP	0.9133	0.8519

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 Profit and Loss account. 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 semi-annual accounts for the six months ended 30 June, 2020 - continued

Cash

Cash comprises current balances with banks and deposits held at call with maturities of less than 3 months. Cash is 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. The fair value of the current liabilities approximates the book value due to its short term character.

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 Profit and Loss account 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 Profit and Loss account using the effective interest rate method.

Notes to the semi-annual accounts for the six months ended 30 June, 2020 - 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 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 semi-annual accounts for the six months ended 30 June, 2020 - 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, total return 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 floating). 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 a credit risk, being the total book value of the Collateral as per 30 June 2020. 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 semi-annual accounts for the six months ended 30 June, 2020 - 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 EUR while the portfolio is denominated in both EUR 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 value 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:

Fair value estimation of 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 semi-annual accounts for the six months ended 30 June, 2020 - 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 at 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 Collateral 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. The applicable tax rate for the year under review is 16.5% (previous year: 19%).

i. Cash flow statement

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

j. Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties, if any, are disclosed under the Programme Memorandum. All transactions are executed at normal market conditions.

Balance sheet as at 30 June, 2020

		30/06/2020 EUR	31/12/2019 EUR
1	**Collateral**		
	Balance as per 1 January	566,026,929	618,590,577
	Net Acquisitions/ (Disposals)	(13,984,362)	(86,084,527)
	Revaluation	3,654,875	31,730,551
	Amortisation (premium/discount)	932,554	1,790,328
	Balance as per 31 December	556,629,996	566,026,929
	Amount of bonds falling due within 1 year	15,632,987	18,721,939
	Amount of bonds falling due between 1 and 5 years	51,265,894	50,270,866
	Amount of bonds falling due after 5 years	489,731,114	497,034,124
		556,629,996	566,026,929
	Collateral	1,296,684,756	1,444,924,535
	Impairment	(740,054,760)	(878,897,606)
	Balance as at 31 December	556,629,996	566,026,929

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 30 June 2020 is estimated at EUR 638,152,846 (2019: EUR 657,592,251).

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 3,654,875 (2019: EUR 31,730,551) is recognized.

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 as at 30 June, 2020 - 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 30 June 2020 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 8 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 is 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 Notes. The hedging derivatives fully mitigate the interest rate and foreign exchange mismatches between Collateral and related Notes.

The Company's derivatives counterparty is Credit Suisse. There are no exchanges of Collateral (cash nor securities) between the Company and its derivatives counterparty in relation to the derivatives positions. The Swap with Credit Suisse is the balancing figure between the Notes issued and the Collateral.

		30/06/2020 EUR	31/12/2019 EUR
2	**Amounts owed by group entities**		
	Stichting Boats Investments (Netherlands)	1,041	1,041
		1,041	1,041
3	**Other receivables**		
	Credit Suisse (recharged expenses)	136,919	183,816
		136,919	183,816

Balance sheet as at 30 June, 2020 - continued

		30/06/2020 EUR	31/12/2019 EUR
4	**Interest receivable**		
	Interest receivable Collateral	6,361,636	10,897,097
	Swap interest receivable	598,314	1,162,778
		6,959,950	12,059,875

5	**Tax payable**		
	Corporate income tax 2019	4,516	11,249
	Corporate income tax 2020	(2,510)	0
	VAT	15,570	1,770
		17,576	13,019

Summary	01/01/2020	paid/(received)	p/l account	30/06/2020
2019	11,249	(6,733)	0	4,516
2020	0	1,359	(3,869)	(2,510)
Total	11,249	(5,374)	(3,869)	2,006

Final corporate income tax assessments have been received for the financial years through 2018.
The Company has been qualified as VAT entrepreneur by the Dutch Tax authorities.

6	**Cash**		
	Current account ABN AMRO	10,707	12,572
	Current accounts Bank of New York	389,590	1,986,231
		400,297	1,998,803

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.

7 Shareholder's 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 EUR, the Company made use of article 2.178c DCC.

	Issued share capital	Other reserves	Unappr. results	Total
Balance as per 31/12/2018	18,151	0	50,790	68,941
Paid-in / (repaid)	0	50,790	(50,790)	0
Dividend	0	0	0	0
Interim dividend	0	0	0	0
Result for the period	0	0	47,306	47,306
Balance as per 31/12/2019	18,151	50,790	47,306	116,247
Paid-in / (repaid)	0	47,306	(47,306)	0
Dividend	0	(50,790)	0	(50,790)
Interim dividend	0	0	0	0
Result for the period	0	0	19,580	19,580
Balance as per 30/06/2020	18,151	47,306	19,580	85,037

Balance sheet as at 30 June, 2020 - continued

	30/06/2020 EUR	31/12/2019 EUR
8 Notes payable		
Balance as per 1 January	513,463,281	618,590,577
Net Acquisitions/ (Disposals)	(13,984,362)	(86,084,527)
Attribution of revaluation collateral	3,654,875	31,730,551
Amortisation (premium/discount)	932,554	1,790,328
Balance as per 31 December	556,629,996	513,463,281
Amount of Notes falling due within 1 year	15,632,987	18,721,939
Amount of Notes falling due between 1 and 5 years	51,265,894	50,270,866
Amount of Notes falling due after 5 years	489,731,114	497,034,124
	556,629,996	566,026,929
Notes	1,296,684,756	1,444,924,535
Value diminution	(740,054,760)	(878,897,606)
Balance as at 31 December	556,629,996	566,026,929

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 Profit and Loss account.

Credit-linked Notes are Notes of which the performance is linked to the credit of a portfolio of reference entities, and the first loss protection amount is the amount of loss that the portfolio of reference entities can accumulate without the principal amount of the Credit Linked Notes being affected. These write downs due to credit events have occurred where the losses on the portfolio of reference entities have exceeded their first loss protection amounts. In some cases these losses have resulted in the Credit Linked Notes redeeming at zero. There are three write downs in 2020 (2019: seven write downs).

The total fair value of the Notes is estimated at EUR 798,940,942 (2019: EUR 845,390,251).

Balance sheet as at 30 June, 2020 - continued

		30/06/2020 EUR	31/12/2019 EUR
9	**Other payables**		
	Other fees	73,954	41,601
	Audit fee payable	3,824	52,600
		77,778	94,201
10	**Interest payable**		
	Interest payable on Notes issued	509,653	1,162,778
	Interest payable Swap Collateral	6,843,314	12,883,328
		7,352,967	14,046,106

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 160,788,096 as at 30 June 2020 (2019: EUR 187,798,000)

The Company's derivatives counterparty is Credit Suisse. There are no exchanges of Collateral (cash nor securities) between the Company and its derivatives counterparty in relation to the derivatives positions.

Based on the structure of the Notes, whereby credit derivatives are embedded, part has an on balance effect as well.

Profit and loss account for the first six months ended 30 June, 2020

	Six months ended 30 June 2020 EUR	Six months ended 30 June 2019 EUR
11 Interest income		
Interest income on Collateral	9,622,453	27,841,632
Swap interest income	4,923,658	28,152,680
Amortisation Collateral discount/premium	932,554	419,574
	15,478,665	56,413,886

12 Interest expenses		
Interest expenses on Notes	9,622,453	28,152,680
Swap interest expense	4,923,658	27,841,632
Amortisation Notes discount/premium	932,554	419,574
	15,478,665	56,413,886

13 Operational income and expenses		
Revaluation of the portfolio of financial assets	2,722,321	5,175,216
Attribution of revaluation collateral to Noteholders	(2,722,321)	(5,175,216)
	0	0

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

14 General and administrative expenses		
Tax advisory fees	17,372	0
Audit fee	3,824	0
Bank charges	1,278	1,322
General expenses	17,021	18,675
	39,495	19,997

15 Recharged expenses		
Recharged expenses	39,495	19,997
	39,495	19,997

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

16 Repackaging income		
Repackaging income	23,449	30,420
	23,449	30,420

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

17 Income tax expense		
Corporate Income Tax	3,869	6,084
	3,869	6,084

The applicable tax rate for the year under review is 16.5% (previous year: 19%).