

**Annual accounts of  
Boats Investments  
(Netherlands) B.V.  
for the year 2015**



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Document to which our report dated

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Boats Investments (Netherlands) B.V., Amsterdam

## Report of the management

Management herewith presents to the shareholder the annual accounts of Boats Investments (Netherlands) B.V. (the "Company") for the year 2015.

### 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.

We refer to the programme memorandum dated 12 February 1998, as updated from time to time lastly on 18 July 2013.

The Company is a so-called repackaging entity. 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).

The Programme Memorandum has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank only approves the Programme Memorandum as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. 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 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.

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## 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.

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. 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.

### 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 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, 11 Series matured or early redeemed (Series 100, 135, 142, 144, 146, 148, 151, 154, 155, 156 and 166). None of the early terminations were caused by credit defaults.

The Company issued EUR 340,000,000 Series 100 Secured Notes due 2015 (the "Notes"). The Mortgaged Property for the Notes includes, Among other items, the Company's rights under the Participation Agreement entered into between Credit Suisse, London Branch ("CS London") and the the Company referencing the EUR 340,000, 000 Term Loan Credit Agreement (the "Reference Facility") dated 15 July 2007 between, among others, Masampe Holding B. V. ("Masampe"), as borrower, and CS London, as lender, formed part of the Mortgaged Property for the Notes. Masampe is a majority

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Boats Investments (Netherlands) B.V., Amsterdam

## Report of the management - Continued

shareholder in Codere S. A. ("Codere"), a Spanish gaming company which is in the process of a debt restructuring which is expected to be completed in the second quarter of 2016.

### Audit committee

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



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## Report of the management - Continued

### Results

The net asset value of the Company as at 31 December 2015 amounts to EUR 95,903 (2014: EUR 72,327). The result for the year 2015 amounts to EUR 77,752 (2014: EUR 89,176).

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 2015 amounts to approximately EUR 1,809 million and relates to Series 16, 20, 24, 31, 86, 97, 98, 104, 105, 109, 114, 115, 125, 127, 128, 132, 143 and 149. 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.

As a result of the current economic conditions, some of the Company's investments may be negatively affected and the Noteholders may potentially face serious losses in future periods. The claims of the Noteholders are limited to the value of the underlying Collateral due to the limited recourse nature of the Programme.

During the first four months of 2016 the Company has issued no new Series and no defaults occurred. In accordance with the objectives of the Company, new investments, if any, will be funded by issuing Notes.

### 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.

Amsterdam, 26 April 2016  
Intertrust (Netherlands) B.V.



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## Balance sheet as at 31 December 2015

Before result appropriation

		EUR	31-Dec-15 EUR	EUR	31-Dec-14 EUR
<b>FIXED ASSETS</b>					
Financial assets					
Collateral	(1)	<u>2,719,399,648</u>	2,719,399,648	<u>2,874,567,448</u>	2,874,567,448
<b>CURRENT ASSETS</b>					
Other receivables	(2)	1,041		1,006	
Corporate income tax	(4)	11,235		11,001	
Interest receivable	(3)	65,157,301		67,141,321	
Cash and cash equivalents	(5)	<u>1,933,950</u>		<u>2,156,115</u>	
			<u>67,103,527</u>		<u>69,309,443</u>
			<u>2,786,503,175</u>		<u>2,943,876,891</u>
<b>SHAREHOLDERS' EQUITY</b>					
Issued share capital	(8)	18,151		18,151	
Other reserves		0		0	
Retained earnings					
Result for the period		<u>77,752</u>		<u>54,176</u>	
			95,903		72,327
<b>LONG-TERM LIABILITIES</b>					
Notes payable	(7)		2,719,399,648		2,874,567,448
<b>CURRENT LIABILITIES</b>					
Interest payable	(6)	66,982,624		69,212,116	
Other payables and accrued expenses		<u>25,000</u>		<u>25,000</u>	
			<u>67,007,624</u>		<u>69,237,116</u>
			<u>2,786,503,175</u>		<u>2,943,876,891</u>

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



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## Profit and Loss account for the year 2015

		01/01/2015- 12/31/2015	01/01/2014- 12/31/2014
		EUR	EUR
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income	(9)	199,430,554	237,068,317
Interest expenses	(10)	<u>(199,430,554)</u>	<u>(237,068,317)</u>
		0	0
<b>OTHER INCOME</b>			
Repackaging income	(14)	97,190	111,470
<b>OPERATIONAL INCOME AND EXPENSES</b>			
General and administrative expenses	(12)	(55,183)	(36,902)
Recharged expenses	(13)	<u>55,183</u>	<u>36,902</u>
		0	0
Net operating result		97,190	111,470
Revaluation of the portfolio of financial assets	(11)	(63,099,152)	132,332,655
Attribution of revaluation collateral to Noteholders		<u>63,099,152</u>	<u>(132,332,655)</u>
		0	0
Result from ordinary activities before taxation		97,190	111,470
Income tax expense	(15)	(19,438)	(22,294)
Result after taxation		<u><u>77,752</u></u>	<u><u>89,176</u></u>

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## Cash flow statement for the year 2015

		01/01/2015- 12/31/2015	01/01/2014- 12/31/2014
	EUR	EUR	EUR
<b>Cash flow from operating expenses</b>			
Interest received	(3,9)	196,116,470	243,641,892
Interest paid	(6,10)	(196,310,707)	(250,665,618)
Repackaging Income received	(14)	97,190	111,470
Operational income and expenses paid		(51,284)	0
Income tax paid	(4)	(19,658)	(22,294)
Net cash (used in) / from operating activities		(167,989)	(6,934,549)
<b>Cash flow from investment activities</b>			
Purchase of Collateral	(1)	0	0
Disposals of Collateral	(1)	264,342,750	91,919,490
Net cash (used in) / provided by investment activities		264,342,750	91,919,490
<b>Cash flow from financing activities</b>			
Issuance of Notes	(7)	0	0
Repurchase of Notes	(7)	(264,342,750)	(91,919,490)
Dividend paid	(8)	(54,176)	(71,437)
Net cash used in financing activities		(264,396,926)	(91,990,927)
<b>Changes in cash and cash equivalents</b>		<u>(222,165)</u>	<u>(7,005,986)</u>
<b>The movement of the cash and cash equivalents is as follows:</b>			
Balance as at 1 January		2,156,115	9,162,101
Movement for the year		<u>(222,165)</u>	<u>(7,005,986)</u>
<b>Balance as at 31 December</b>		<u>1,933,950</u>	<u>2,156,115</u>

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## Notes to the annual accounts

### General

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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).

The Programme Memorandum has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank only approves the Programme Memorandum as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. 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.

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## Notes to the annual accounts - Continued

We refer to the programme memorandum dated 12 February 1998, as updated from time to time lastly on 18 July 2013.

The transactions are arranged by Credit Suisse International.

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.

The 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.

The comparative figures can be restated for comparison purposes.

### a. Foreign currencies

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

The main exchange rates used in the financial statements are:

1 EUR = USD  
1 EUR = GBP

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31.12.2015 31.12.2014  
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1.0902 1.2153  
0.7344 0.7797  
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## Notes to the annual accounts - Continued

### 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. If necessary for the purposes of providing the view

required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

### Comparison with prior year

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

### 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.

The portfolio is initially measured at fair value and subsequently carried at amortised cost or lower market value as allowed under RJ290.537a. If a financial asset 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 original carrying 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 and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and deposits held at call with maturities of less than 3 months. Cash and cash equivalents are stated at face value.

### Current liabilities

After initial measurement, 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.

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. Derivatives

The Company uses derivatives for hedging purposes. The Company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the derivative and the hedged item in the profit and loss account. Hedge accounting is applied to all derivative contracts the Company entered into. The fair value of the derivative contracts is disclosed as a separate item on page 18 of this annual report. This is the fair value of all derivative contracts the Company entered into. The fair value of the derivative contracts is also included in the fair value of the Collateral as disclosed on page 15.

Initial measurement is at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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## Notes to the annual accounts – Continued

### e. 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 two types of derivative contracts; these are the only financial instruments the Company has. The first type is contracts to mitigate the risk (currency, interest rate, counterparty, etcetera) associated with the Collateral from the noteholder to the swap counterparty. The second type is credit default swaps, where the noteholder takes over certain risks of a portfolio of Collateral from the swap counterparty. As the Company is a party in the derivative contracts, we do disclose the information in this annual report. However, as mentioned above, the derivative contracts are in place to mitigate the risks of the noteholder/ the swap counterparty, the Company is not exposed to any risks at any time.

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, floating and variabel). 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. For multiple Series the Company has entered into derivative contracts to mitigate the risks associated with the credit risk of the assets from the Noteholder to the swap counterparty.

#### 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.

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## Notes to the annual accounts – Continued

### 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.

### f. 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 investment manager, 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 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 entity-specific inputs.

### Notes

Fair value of Notes is derived from deducting the value adjustment of the portfolio and the amount of value diminution from the notes.

## Notes to the annual accounts – Continued

### Derivatives

For the derivatives the cost model for hedge accounting is applied. Therefore no revaluation of the derivative instrument takes place, as long as the derivative hedges the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is recognised in the profit and loss account. If the hedged position of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the cost of the asset is adjusted by the hedge results that have not yet been recognised in the profit and loss account.

When a derivative expires or is sold, the accumulated profit or loss that has not yet been recognised in the profit and loss account prior to that time must then be included as a deferral in the balance sheet until the hedged transactions take place. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the profit and loss account. If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then the hedge accounting is also terminated. Subsequent measurement of the derivative instrument is then at the lower of cost or market value.

### Revaluation estimate of Collateral

The Company applies the method allowed under RJ290 537 a. Under this method the Company recognises an 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.

### g. Corporate Income Tax

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

### h. 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 average weighted exchange rates at the dates of the transactions.

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## Balance sheet - continued

	31-Dec-15 EUR	31-Dec-14 EUR
<b>1 Collateral</b>		
Balance as per 1 January	2,874,567,448	3,096,235,861
Net Acquisitions/Disposals	(219,779,690)	(91,919,490)
Revaluation	63,099,152	(132,332,655)
Amortisation (premium/discount)	1,512,738	2,583,732
Balance as per 31 December 2015	<u>2,719,399,648</u>	<u>2,874,567,448</u>
 Amount of bonds falling due within 1 year	 46,758,281	 397,566,904
Amount of bonds falling due between 1 and 5 years	1,994,432,030	1,949,032,299
Amount of bonds falling due after 5 years	<u>678,209,337</u>	<u>527,968,245</u>
	<u>2,719,399,648</u>	<u>2,874,567,448</u>
 Collateral	 4,528,057,804	 4,776,820,416
Impairment	(1,808,658,156)	(1,902,252,968)
Balance as per 31 December 2015	<u>2,719,399,648</u>	<u>2,874,567,448</u>

The fair value of the Collateral at year end is estimated at EUR 3,001,433,165 (2014: EUR 3,212,161,942).

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 reversed revaluation amounting to EUR 63,099,152 (2014: EUR -132,332,655) is recognized.

The cumulative revaluation amount as per 31 December 2015 amounts to approximately EUR 1,809 million and relates to Series 16, 20, 24, 31, 86, 97, 98, 104, 105, 109, 114, 115, 125, 127, 128, 132, 143 and 149. As the notes issued are limited recourse, this revaluation loss is also included in the valuation of the notes

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

The average interest received on the Collateral was 2.857% (2014: 2.903%).

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also refers.  
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## Balance sheet - continued

	31-Dec-15 EUR	31-Dec-14 EUR		
<b>2 Other receivables</b>				
Stichting Boats Investments (Netherlands)	1,041	1,006		
	<u>1,041</u>	<u>1,006</u>		
<b>3 Interest receivable</b>				
Interest receivable Collateral	45,120,822	43,342,251		
Swap interest receivable	19,936,150	23,749,976		
Withholding tax receivable	5,242	5,242		
Credit Suisse International (recharged expenses)	95,087	43,852		
	<u>65,157,301</u>	<u>67,141,321</u>		
<b>4 Corporate income tax</b>				
Corporate income tax 2014	0	10,836		
Corporate income tax 2015	11,056	0		
VAT	179	165		
	<u>11,235</u>	<u>11,001</u>		
Corp. income tax summary	<u>01.01.15</u>	<u>paid/(received)</u>	<u>p/l account</u>	<u>31.12.15</u>
2014	10,836	(10,836)	0	0
2015	0	30,494	(19,438)	11,056
Total	<u>10,836</u>	<u>19,658</u>	<u>(19,438)</u>	<u>11,056</u>

Final corporate income tax assessments have been received for the financial years through 2014.

The Company has been qualified as VAT entrepreneur by the Dutch Tax authorities.

## 5 Cash and cash equivalents

Current account ABN AMRO	8,298	36,226
Current accounts Bank of New York	1,925,652	2,119,889
	<u>1,933,950</u>	<u>2,156,115</u>

## 6 Interest payable

Interest payable on Notes issued	31,984,123	35,457,509
Interest payable Swap Collaterals	34,998,501	33,754,607
Audit fee payable	25,000	25,000
	<u>67,007,624</u>	<u>69,237,116</u>

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## Balance sheet – continued

	31-Dec-15 EUR	31-Dec-14 EUR
<b>7 Notes payable</b>		
Balance as per 1 January	2,874,567,448	3,096,235,861
Net Acquisitions/Disposals	(219,779,690)	(91,919,490)
Attribution of revaluation collateral	63,099,152	(132,332,655)
Amortisation (premium/discount)	1,512,738	2,583,732
Balance as per 31 December 2015	<u>2,719,399,648</u>	<u>2,874,567,448</u>
Amount of Notes falling due within 1 year	46,758,281	397,566,904
Amount of Notes falling due between 1 and 5 years	1,994,432,030	1,949,032,299
Amount of Notes falling due after 5 years	678,209,337	527,968,245
	<u>2,719,399,648</u>	<u>2,874,567,448</u>
Notes	4,528,057,804	4,776,820,416
Value diminution	(1,808,658,156)	(1,902,252,968)
Balance as per 31 December 2015	<u>2,719,399,648</u>	<u>2,874,567,448</u>

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 credit risk is borne by the Noteholders. Since Collateral is intended to be held till maturity, it should be noted the revaluation is not definitive. 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 2,923,335,766 (2014: EUR 2,503,372,354).

The average interest paid on the Notes was 2.331% (2014: 2.677%).

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## Balance sheet – continued

### 8 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.

### 8 SHAREHOLDERS' EQUITY

	<u>Issued share capital</u>	<u>Other reserves</u>	<u>Unappr. results</u>
Balance as per 31.12.2013	18,151	0	36,437
Paid-in / (repaid)	0	0	0
Dividend	0	0	(36,437)
Interim dividend	0	0	(35,000)
Result for the period	0	0	89,176
Balance as per 31.12.2014	18,151	0	54,176
Paid-in / (repaid)	0	0	0
Dividend	0	0	(54,176)
Interim dividend	0	0	0
Result for the period	0	0	77,752
Balance as per 31.12.2015	18,151	0	77,752

The Company distributed a dividend of EUR 54,176 for the year 2014 during 2015.



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## ***Balance sheet – continued***

### **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 with CS is estimated at EUR 31,240,407 (positive for the Company) and the derivative contracts can be classified as follows:

	<b>2015</b>
	<b>EUR</b>
Cap-Floor	(3,557,913)
Credit Default Swaps	12,704,831
Interest Rate Swaps	(274,671,349)
Options	34,894
Swaptions	167,659
Total Return Swaps	(41,840,898)
Exotic Swaps	<u>338,403,183</u>
	<u><u>31,240,407</u></u>

The Company entered into a Swap agreement with the Swap Counterparty, in which the Swap Counterparty will pay to the Company the interest amounts due to the Noteholders and at maturity date pay to the Company the outstanding USD 350,000,000 nominal amount which is due to the Noteholders. The Swap agreement is valued at EUR 341,304,343 (positive to the Company) as per 31 December 2015. Under the Credit Support Annex between the Company and the Swap Counterparty the Company will at maturity date transfer back the Collateral, with a fair value of EUR 343,056,032 as per 31 December 2015 to the swap counterparty.

Furthermore, the Company entered into another Swap agreement with the Swap Counterparty, in which the Swap Counterparty will pay to the Company the interest amounts due to the Noteholders and at maturity date pay to the Company the outstanding EUR 400,000,000 nominal amount which is due to the Noteholders. The Swap agreement is valued at EUR 421,851,002 (positive to the Company) as per 31 December 2015. Under the Credit Support Annex between the Company and the Swap Counterparty the Company will at maturity date transfer back the Collateral, with a fair value of EUR 529,437,120 as per 31 December 2015 to the swap counterparty.

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## Profit and loss account

	2015 EUR	2014 EUR
<b>9 Interest income</b>		
Interest income on Collateral	133,425,446	142,099,577
Swap Interest income	60,655,768	89,821,719
Amortisation Collateral discount	3,431,039	3,865,376
Amortisation on Notes premium	<u>1,918,301</u>	<u>1,281,645</u>
	<u>199,430,554</u>	<u>237,068,317</u>
<b>10 Interest expenses</b>		
Interest expenses on Notes	105,559,268	127,882,380
Swap interest expense	88,521,946	104,038,917
Amortisation Collateral premium	3,431,039	3,865,376
Amortisation Notes discount	<u>1,918,301</u>	<u>1,281,644</u>
	<u>199,430,554</u>	<u>237,068,317</u>
<b>11 Operational Income and expenses</b>		
Revaluation of the portfolio of financial assets	63,099,152	(132,332,655)
Attribution of revaluation collateral to Noteholders	<u>(63,099,152)</u>	<u>132,332,655</u>
	<u>0</u>	<u>0</u>
<b>12 General and administrative expenses</b>		
Tax advisory fees	3,710	3,902
Audit fee	25,500	25,500
Bank charges	773	222
General expenses	<u>25,200</u>	<u>7,278</u>
	<u>55,183</u>	<u>36,902</u>
<b>13 Recharged expenses</b>		
Recharged expenses	<u>55,183</u>	<u>36,903</u>
	<u>55,183</u>	<u>36,903</u>
<b>14 Repackaging income</b>		
Repackaging income	<u>97,190</u>	<u>111,470</u>
	<u>97,190</u>	<u>111,470</u>
<b>15 Income tax expense</b>		
Corporate income tax current year	<u>19,438</u>	<u>22,294</u>
	<u>19,438</u>	<u>22,294</u>

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

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

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

Document to which our report dated

26 APR 2016 19,438 22,294  
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Boats Investments (Netherlands) B.V., Amsterdam

## 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 by KPMG Accountants NV to the Company:

	2015 EUR	2014 EUR
Statutory audit of annual accounts	25,500	25,500
Other assurance services	0	0
Tax advisory services	0	0
Other non-audit services	0	0
	<u>25,500</u>	<u>25,500</u>

### **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, 26 April 2016  
Intertrust (Netherlands) B.V.

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## 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 has distributed a dividend in the amount of Euro 54,176 for the year 2014. The Company proposes to distribute the result in the amount of EUR 77,752 as dividend to the shareholder.

### Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

### Independent Auditor's report

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



KPMG Audit  
Document to which our report dated

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# Independent auditor's report

To: the General Meeting of Shareholders and Audit Committee of Boats Investments (Netherlands) B.V.

## Report on the audit of the annual financial statements 2015

### Opinion

In our opinion the financial statements give a true and fair view of the financial position of Boats Investments (Netherlands) B.V. as at 31 December 2015, and of its result for 2015 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### What we have audited

We have audited the financial statements 2015 of Boats Investments (Netherlands) B.V., based in the Netherlands. The financial statements comprise:

- 1 the balance sheet as at 31 December 2015;
- 2 the following statements for 2015: profit and loss account and cash flow statement; and
- 3 the notes to the annual accounts comprising a summary of the significant 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 Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Audit approach

#### Summary



Unqualified audit opinion



#### Materiality

- Overall materiality of EUR 27.6 million
- Approximately 1% of total asset



#### Key audit matter

Valuation of the portfolio asset



### Materiality

Misstatements can arise from fraud or errors 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.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 27.6 million (Prior year: EUR 29.5 million). The materiality is determined with reference to total assets (approximately 1%). We consider total assets the most appropriate benchmark, as the holders of the Notes issued by the company are entitled to the proceeds from the assets of the entity. Due to the nature and objective of the Entity, total assets has reduced from last year, resulting in a different materiality this year. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with Management that misstatements in excess of EUR 1.3 million (Prior year: EUR 1.4 million) 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 matter

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 to Management. The key audit matter is not a comprehensive reflection of all matters discussed.

This 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 this matter.

Given the company's activities are of a long-term, predefined nature, the matters that have the greatest effect on our audit are subject to little change year on year. As a result, there have not been any significant changes in our key audit matters compared to prior year.

### Estimation uncertainty in relation to the valuation of the portfolio of assets

#### Description

The company applies the lower of amortized cost or market value as the valuation policy for the portfolio of assets. For assets for which observable market prices or parameters are not available, the market value is subject to estimation uncertainty as significant judgement is applied to estimate market value. Changes in assumptions and estimates used to value these assets may have a significant effect on the entity's ability to fully redeem the noteholder. The valuation of this part of the portfolio of assets has therefore been identified as a key audit matter.



#### Our response

We challenged the key assumptions used by Management in determining the market value of this part of the portfolio of assets, with assistance from our own valuation specialists. Our procedures included, amongst others, a comparison of the discount rate and cash flow assumptions against contractual and externally derived market data and inspection and analyses of post year-end events indicative for possible credit defaults. Furthermore, we considered the adequacy of Management's disclosures in note F. "Critical accounting estimates and judgments" to the financial statements in respect of the sensitivity of the determined market value to changes in these key assumptions.



#### Our observation

We observed that the market value of this part of the portfolio of assets has been estimated in a balanced manner for the purpose of the financial statements and that the disclosures in note 1 appropriately describe the inherent degree of subjectivity in the estimates.



### Responsibilities of Management and the Audit Committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the Managing directors' report, both in accordance with Part 9 of Book 2 of the Netherlands 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 errors or fraud.

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.

The Audit Committee is responsible for overseeing the company's financial reporting process.

#### **Our responsibilities for the audit of financial statements**

Our objective is to plan and perform the audit 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 have detected all errors and fraud. For a further description of our responsibilities in respect of an audit of financial statements we refer to the website of the professional body for accountants in the Netherlands (NBA) [www.nba.nl/standardtexts-auditorsreport](http://www.nba.nl/standardtexts-auditorsreport).

#### **Report on other legal and regulatory requirements**

##### **Report on the Managing directors' report and the other information**

Pursuant to legal requirements of Part 9 of Book 2 of the Netherlands Civil Code (concerning our obligation to report about the Managing directors' report and other information):

- We have no deficiencies to report as a result of our examination whether the Managing directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, and whether the information as required by Part 9 of Book 2 of the Netherlands Civil Code has been annexed.
- We report that the Managing directors' report, to the extent we can assess, is consistent with the financial statements.

#### **Engagement**

We were engaged for the financial year 2007 by Management for the first time as auditor of Boats Investments (Netherlands) B.V. and operated as auditor since then.

Amstelveen, 26 April 2016

KPMG Accountants N.V.

E.H.R. Schuit RA