Renew Project Finance CLO 2017-1 Designated Activity Company
(Formerly, Boadilla Project Finance CLO (2009-1) Limited and
Boadilla Project Finance CLO (2009-1) Designated Activity Company)

Directors' report and audited financial statements

For the financial year ended 31 December 2016

Registered number: 477864

**Renew Project Finance CLO 2017-1 Designated Activity Company
(Formerly, Boadilla Project Finance CLO (2009-1) Limited and
Boadilla Project Finance CLO (2009-1) Designated Activity Company)**

Contents

Directors and other information

Directors	John Paul Mcguire (appointed on 13 June 2017) Niall Vaughan (appointed on 16 May 2016) Lynda Ellis (resigned on 16 May 2016) Margaret Kennedy (resigned on 13 June 2017)
Registered Office	Pinnacle 2 Eastpoint Business Park Clontarf Dublin 3 Ireland
Administrator and Company Secretary	Deutsche International Corporate Services (Ireland) Limited Pinnacle 2 Eastpoint Business Park Clontarf Dublin 3 Ireland
Arranger and Swap Counterparty	Banco Santander S.A. Ciudad Grupo Santander Edificio Encinar planta 1 28660 Boadilla del Monte Madrid Spain
Trustee	Deutsche Trustee Company Limited Winchester House 1, Great Winchester Street London EC2N 2DB United Kingdom
Paying Agent, Issuer Account Bank, Cash Administrator and Agent Bank	Deutsche Bank AG, London Branch Winchester House 1, Great Winchester Street London EC2N 2DB United Kingdom
Cash Collateral Bank	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD United Kindgom
Independent Auditor	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland
Legal advisors	A & L Goodbody International Financial Services Centre North Wall Quay Dublin 1 Ireland
Calculation agent	Abbey National Treasury Services Plc 2 Triton Square Regent's place London NW1 3AN United Kingdom

Directors' report

The directors present their annual report and audited financial statements of Boadilla Project Finance CLO (2009-01) Designated Activity Company (formerly, Boadilla Project Finance CLO (2009-01) Limited) (the "Company") for the financial year ended 31 December 2016. On 20 September 2016, the Company converted to a Designated Activity Company under Companies Act 2014 (the "Act") and was named Boadilla Project Finance CLO (2009-1) Designated Activity Company. On 21 December 2017, the Company further changed its name from Boadilla Project Finance CLO (2009-1) Designated Activity Company to Renew Project Finance CLO 2017-1 Designated Activity Company.

Principal activities and business review

Boadilla Project Finance CLO (2009-01) Designated Activity Company (formerly, Boadilla Project Finance CLO (2009-01) Limited) was incorporated on 20 November 2009 as a private limited liability company under the laws of Ireland as a special purpose vehicle for the purpose of issuing asset-backed securities. The Company concurrently with the issuance of the Notes, entered into a Credit Default Swap with Banco Santander S.A. the swap counterparty, in respect of a portfolio of European project finance loans "Eligible Reference Obligations", amounting to €102,000,000. The Company used proceeds from the issue of the Notes to transfer the Cash Collateral in an amount of €102,000,000 into an account in the name of the Company with Banco Santander, S.A. In 2012, the cash collateral account with Banco Santander S.A. was closed and a new cash collateral account was opened with Standard Chartered Bank (the "Cash Collateral Bank"). On 2 March 2017, subsequent to the year end, the Company made further changes to the terms of the original transaction. The Cash Collateral Account Agreement was terminated and cash funds on deposit held by Standard Chartered Bank (the "Cash Collateral Bank") was transferred to the Bank Of New York Mellon (the "Custodian") to be invested in short term government bonds.

At 31 December 2016, the Company had the following classes of Notes in issue:

€ 42,900,000 Class A Asset-Backed Credit Linked Notes due 2045
€ 31,124,567 Class B Asset-Backed Credit Linked Notes due 2045

The Notes were listed on the Irish Stock Exchange.

Going concern and future developments

On 15 December 2017, the outstanding cash collateral of the Company has been repaid in full, the derivative financial instruments teminated and all the outstanding debt securities repaid. On 21 December 2017, the Company entered into a new transaction whereby Class A, B, C, D, E and F notes were issued which was used to invest in bonds. The Notes issued will mature in 2045. As such, the directors anticipate that the financial assets will generate enough cash flow on an on going basis to meet the Company's liabilities as they fall due. Thus the Company's financial statements for the year ended 31 December 2016 have been prepared on a going concern basis.

Risks and uncertainities

The Company is subject to various risks. The key risks facing the Company are outlined in note 17 to the financial statements.

Results and dividends for the financial year

The results for the financial year are set out on page 8. No dividends are recommended by the directors for the financial year under review (2015: nil).

Key performance indicators

During the financial year :
• the Company's profit after tax was €750 (2015: €750): and
• there was no defaulted obligation in the reference portfolio (2015: five defaulted obligation).

As at the financial year end, the Company's financial liabilities amounted to €75,944,492 (2015: €81,607,655).

Shares and shareholders

The authorised share capital of the Company is €1,000 divided into 1,000 shares of €1 each (the "Shares") of which 1 is issued and unpaid and are directly or indirectly held by Deutsche International Finance (Ireland) Limited (the "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust") dated 16th December 2009 under which the Share Trustee holds the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

Changes in directors, secretary and registered office

On 16 May 2016, Lynda Ellis resigned as director of the Company and was replaced by Niall Vaughan on the same date.

On 13 June 2017, Margaret Kennedy resigned as director of the Company and was replaced by John Paul Maguire on the same date.

There were no other changes in secretary, directors or registered office of the Company during the financial year and/or since the financial year end.

Directors, secretary and their interests

None of the directors or the secretary who held office on 31 December 2016 and 01 January 2016 held any shares in the Company or Banco Sanatander S.A or any other Group Company at that date, or during the financial year. There were no contracts of any significance in relation the business of the Company in which the directors held any interest as defined in the Companies Act 2014, at any time during the financial year.

Subsequent events
Subsequent events have been disclosed in note 22 to the financial statements.

Corporate Governance Statement
Introduction
The Company is subject to and complies with Irish Statute comprising the Companies Act 2014 and the Listing Rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial reporting process
The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Deutsche International Corporate Services (Ireland) Limited (the "Administrator"), to maintain the accounting records of the Company independently of the Arranger. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration Agreement. To that end the Administrator performs reconciliations of the Company's records to those of the Arranger. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk assessment
The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements. More specifically:
- The Administrator has a review procedure in place to ensure if there are errors and omissions in the financial statements, they are identified and corrected on a timely basis;
- Regular training on accounting rules and recommendations is provided to the accountants employed by The Administrator; and
- Accounting bulletins, issued by Deutsche Bank AG, London, an entity related to Deutsche International Corporate Services (Ireland) Limited, are distributed monthly to all accountants employed by the Administrator.

Control activities
The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring
The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligations of the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital structure
No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Act 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Directors' report (continued)

Corporate Governance Statement (continued)

Powers of directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction of the Directors. The directors have delegated the day-to-day administration of the Company to the Administrator.

Audit committee

As at the date of these financial statements, the Company is operating within the turnover threshold limits as set out under Section 167(1) of the Companies Act 2014 (the "Act"), and as such the Company does not meet the requirements to establish an audit committee for the current financial year ending 31 December 2016. The sole business of the Company relates to the issuing of asset-backed securities. It also enters into certain derivative agreements to hedge out interest rate, currency and portfolio default risk arising between asset and liability mismatches.

Under Section 115 (10) of the European Union (Statutory Audits) (Directive 2006/43/ EC as amended by Directive 2014/ 56/ EU and Regulation (EU) No. 537/ 2014 Regulations 2016 ("SI 312/ 2016 – The EU Audit Directive"), such a Company may avail itself of an exemption from the requirements to establish an audit committee. Given the contractual obligations of the administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process and the monitoring of the statutory audit and the independence of the statutory auditors. Accordingly, the Company has availed itself of the exemption under paragraph 10(c) of the Regulations.

Accounting records

The directors believe that they have complied with the requirements of section 281 to 285 of the Companies Act 2014, adequate accounting records are kept by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained by Deutsche International Corporate Services (Ireland) Limited at Pinnacle 2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland.

Statement on relevant audit information

The directors confirm that

- so far as each director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware: and
- The director has taken all steps that ought to have been taken by the director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' compliance statement

At this present time the Company is operating within the turnover threshold limits as set out under Section 225 (7) of the Companies Act 2014 (the "Act"), which enables the Company to avail of an exemption to the Compliance Policy Statement obligations. Accordingly the Directors are not required to include a Compliance Statement in their statutory directors' report for the current financial year ending 31 December 2016.

Independent auditor

During the financial year, Deloitte, Chartered Accountants and Statutory Audit Firm, resigned as independent auditor of the Company and PricewaterhouseCoopers, Chartered Accountant and Statutory Audit Firm, were appointed as the independent auditor. In accordance with Section 383(2) of the Companies Act 2014, PricewaterhouseCoopers have signified their willingness to continue in office.

On behalf of the board

Niall Vaughan
Director

John Paul Maguire
Director

Date: 30 May 2018

Statement of director's responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

International Accounting Standard 1 'Presentation of Financial Statements', requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cashflows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and the Listing Rules of the Irish Stock Exchange and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Niall Vaughan
Director

John Paul Maguire
Director

Date: 30 May 2018

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Independent auditors' report to the members of Renew Project Finance CLO 2017-1 Designated Activity Company

Report on the financial statements

Our opinion

In our opinion, Renew Project Finance CLO 2017-1 Designated Activity Company's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

What we have audited

The financial statements, included within the Directors' report and audited financial statements, comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014.
- Based on our knowledge and understanding of the company and its environment, obtained in the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

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Independent auditors' report to the members of Renew Project Finance CLO 2017-1 Designated Activity Company (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and audited financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Ivan McLoughlin

Ivan McLoughlin
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
7th June 2018

Statement of comprehensive income
For the financial year ended 31 December 2016

	Note	Financial year ended 31-Dec-16 €	Financial year ended 31-Dec-15 €
Interest and similar expense	4	(8,971,016)	(9,076,636)
Net (loss)/gain on revaluation of financial liabilities designated at fair value through profit or loss	5	(4,908,639)	4,460,519
Net gain/(loss) on revaluation of derivative financial instruments	6	4,908,639	(4,460,519)
Fee income from derivative financial instruments	7	9,074,841	9,188,117
Other expenses	8	(102,825)	(110,481)
Operating profit before taxation		1,000	1,000
Tax on profit on ordinary activities	9	(250)	(250)
Net profit and other comprehensive income for the financial year		750	750
Total comprehensive income		750	750

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

Statement of financial position
As at 31 December 2016

	Note	31-Dec-16	31-Dec-15
Assets		€	€
Cash and cash equivalents	10	1,926,175	2,114,590
Cash collateral	11	74,024,567	79,498,565
Total assets		75,950,742	81,613,155
LIABILITIES AND EQUITY			
Liabilities			
Derivative financial instruments	13	9,936,703	14,845,342
Other payables	14	1,919,925	2,109,090
Financial liabilities designated at fair value through profit or loss	12	64,087,864	64,653,223
Total liabilities		75,944,492	81,607,655
Equity			
Called up share capital presented as equity	15	1,000	1,000
Retained earnings		5,250	4,500
Total equity		6,250	5,500
Total liabilities and equity		75,950,742	81,613,155

The financial statements were approved by the board of directors and authorised for issue on ……………………

On behalf of the board

Niall Vaughan
Director

John Paul Maguire
Director

Date: 30 May 2018

Statement of changes in equity
For the financial year ended 31 December 2016

	Called up share capital €	Retained earnings €	Total equity €
Balance at 1 January 2015	1,000	3,750	4,750
Total comprehensive income for the financial year	-	750	750
Balance as at 31 December 2015	1,000	4,500	5,500
Total comprehensive income for the financial year	-	750	750
Balance as at 31 December 2016	1,000	5,250	6,250

Statement of cash flows
For the financial year ended 31 December 2016

	Notes	Financial year ended 31-Dec-16 €	Financial year ended 31-Dec-15 €
Cash flows from operating activities			
Operating profit before tax		1,000	1,000
Adjustment for:			
Net loss/(gain) on revaluation of financial liabilities designated at fair value through profit	5	4,908,639	(4,460,519)
Net (gain)/loss on revaluation of derivative financial instruments	6	(4,908,639)	4,460,519
Swap income	7	(9,074,841)	(9,188,117)
Interest expense	4	8,971,016	9,076,636
Decrease in other payables		(445)	(17,321)
Tax paid		(283)	(184)
Net cash used in operating activities		(103,553)	(127,986)
Cash flows from investing activities			
Repayment of cash collateral	11	5,473,998	11,601,435
Income from derivative financial instruments		7,392,211	8,637,532
Net cash generated from investing activities		12,866,209	20,238,967
Cash flows from financing activities			
Repayment of Notes	12	(5,473,998)	(11,601,435)
Interest paid		(7,477,073)	(8,809,764)
Net cash used in financing activities		(12,951,071)	(20,411,199)
Net decrease in cash and cash equivalents		(188,415)	(300,218)
Cash and cash equivalents at beginning of the financial year		2,114,590	2,414,808
Cash and cash equivalents at end of the financial year	10	1,926,175	2,114,590

1. General information

Boadilla Project Finance CLO (2009-1) Designated Activity Company (formerly, Boadilla Project Finance (2009-1) Limited) (the "Company") was incorporated on 20 November 2009 as a private limited liability company in Ireland and established as a special purpose vehicle for the purpose of issuing asset-backed securities. The Company transferred the proceeds from issue of the Notes to a bank as cash collateral.

At 31 December 2016, the Company had the following classes of Notes in issue:
€42,900,000 Class A Asset-Backed Credit Linked Notes due 2045
€31,124,567 Class B Asset-Backed Credit Linked Notes due 2045

On 20 September 2016, the Company converted to a Designated Activity Company under Companies Act 2014 (the "Act") and therefore was named Boadilla Project Finance CLO (2009-1) Designated Activity Company. On 21 December 2017, the Company further changed its name from Boadilla Project Finance CLO (2009-1) Designated Activity Company to Renew Project Finance CLO 2017-1 Designated Activity Company.

The Notes were listed on the main market of the Irish Stock Exchange.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") and its interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"). The financial statements are also prepared in accordance with Irish Statute, comprising Companies Act 2014.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2016. The comparative information presented in these financial statements are for the financial year ended 31 December 2015.

The financial statements have been prepared on a going concern basis as defined in the Director's report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:
- Financial liabilities designated at fair value through profit or loss are measured at fair value; and
- Derivative financial instruments are measured at fair value.

The methods used to measure fair values are discussed further in notes 3(i) and 17(d).

(c) Functional and presentation currency

These financial statements are presented in Euro ("€") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The debt securities issued are primarily denominated in EUR and the directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of material judgements and estimates have been further described in accounting policy 3(i) "Financial instruments" and note 17 to the financial statements.

Key sources of estimation uncertainty

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(i) "Financial instruments" and in note 17 to the financial statements. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The derivative is held at its fair value as determined by the swap counterparty.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Critical accounting judgements in applying the Company's accounting policies

The Company's accounting policy on fair value measurements is discussed under note 3(i) "Financial instruments". Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of financial instruments are as follows:

Valuation of financial instruments

The Company measures fair values using the following hierarchy of methods:

- Quoted market price in an active market for an identical instrument.
- Valuation techniques based on observable/unobservable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Methods of valuation of financial instruments are disclosed in note 17 to the financial statements.

3. Significant accounting policies

(a) Net gain/(loss) on financial liabilities designated at fair value through profit or loss

Net gain/(loss) on financial liabilities designated at fair value through profit or loss relates to debt securities issued and includes all realised and unrealised fair value changes. Any gains and losses arising from changes in fair value of the financial liabilities at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(i)).

Realised gains and losses are recognised on redemption of the financial liabilities when the redemption price is not equal to the carrying value of the financial liabilities.

(b) Net gain/(loss) on derivative financial instruments

Net gain/(loss) from derivatives held for trading relates to the fair value movements on derivative financial instruments held by the Company and includes realised and unrealised fair value movements and are recognised in the Statement of comprehensive income. Details of recognition and measurement of derivative financial instruments are disclosed in the accounting policy of financial instruments (note 3(i)).

Realised gains and losses are recognised on termination of swap when the termination price is not equal to the carrying value of the financial liabilities.

(c) Interest income, expenses, net income from derivative financial instruments

Interest income and expense are recognised on an effective interest basis and recognised in the Statement of comprehensive income. Net income from derivative financial instruments relates to fee income receivable on credit default swaps sold and is accounted for an accruals basis and recognised in the Statement of comprehensive income.

Effective Interest Rate

The effective interest rate is the rate that exactly discounts the estimate future cash flows through the expected life of the financial asset or liability, or shorter period where appropriate, to the carrying amount of the financial asset or liability on initial recognition. When calculating the effective interest rate, the company estimates future cash flows considering all contractual items of the financial instrument but not future credit losses.

(d) Other income and expenses

All other income and expenses are accounted for on an accruals basis.

(e) Income tax

The Company meets the criteria for a Section 110 vehicle under the Taxes Consolidation Act 1997. Income tax expense is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity consistent with the accounting for the item to which it is related. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantively enacted at the Statement of financial position date, and adjustment to tax payable in respect of previous financial years.

(f) Other receivables

Other receivables do not carry any interest and are short-term in nature and have been reviewed for any evidence of impairment.

3. Significant accounting policies (continued)

(g) Cash and cash equivalents and cash collateral

Cash and cash equivalents includes cash held at banks which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

There are no restrictions on cash and cash equivalents, with the exception of the Cash Collateral.

Cash and cash equivalents are carried at amortised cost in the Statement of financial position.

(h) Share capital

Share capital is issued in EUR, with €1,000 issued.

(i) Financial instruments

The financial instruments held by the Company include the following:

- Financial liabilities; and
- Derivative financial instruments.

Classification

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated at fair value through profit or loss.

Debt securities issued

The debt securities issued are initially measured at fair value (proceeds less issuance costs). Subsequently they are designated at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch that significantly modifies the cash flows that would otherwise be required under the contract.

Derivative financial instruments

Derivative financial instruments comprise the Credit Default Swap ("CDS") transaction entered into by the Company. These derivatives are not formally designated into a qualifying hedge relationship and therefore all changes in its fair value are recognised immediately in the Statement of comprehensive income. The Company will also be exposed to some risks by entering into the CDS transaction such as the risk of defaults in a Credit Default Swap.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in the Statement of comprehensive income immediately. A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with Standard Chartered Bank and other assets.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

Recognition

The Company initially recognises all financial assets and liabilities on the date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded in the Statement of comprehensive income.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

3. Significant accounting policies (continued)

(i) Financial instruments (continued)

Fair value measurement principles

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. The fair value of a financial instrument is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the Statement of financial position date without any deduction for estimated future selling costs.

Financial liabilities are priced at their current bid prices. If a quoted market price is not available on a recognised stock exchange or from reputable broker/counterparty, the fair value of the financial instruments may be estimated by the directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. Where discounted cash flow techniques are used, estimated future cash flows are based on the directors' best estimates and the discount rate used is a market rate at the Statement of financial position date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data available at the Statement of financial position date.

Fair value of derivatives is estimated as €19,319,596 (2015: €14,845,342). Management's estimates are based on values obtained from Abbey National Treasury Services Plc (the "calculation agent for the derivative valuation for Banco Santander S.A"). The valuation approach, adopted by the calculation agent, does take into account the possibility of future defaults in the loans, which could lead to potential adjustment to the value of the derivatives, and to this point the valuation may be different to those presented by the Company and those differences could be material. Therefore, the realisable value of the Company's derivatives may differ significantly from the fair value recorded.

(j) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).

The Company is a special purpose vehicle whose principal activities are the issuance of notes and investment in collaterals, which are the revenue generating segments of the Company. All administrative and operating functions are carried out and reviewed by the Administrator and Corporate Secretary, Deutsche International Corporate Services (Ireland) Limited. The activities of the Company are governed by its initial base prospectus and individual series information memorandum. In relation to ensuring that activities are in compliance with the memorandum, the Chief Operating Decision Maker (CODM) of the operating segment is the Board. The CODM is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Board's assessment of the Company's performance is evaluated on an overall basis.

(k) Changes in accounting policies and disclosures

New and amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016 and have a material impact on the Company:

Amendments to IAS 1, 'Presentation of financial statements'. The amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following set out in the following page.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in July 2014 and is effective for financial periods beginning on or after 1 January 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 replaces IAS 39 in its entirety. This final version of IFRS 9 includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the incurred loss impairment model used today. IFRS 9 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income and fair value through profit or loss. Classification under IFRS 9 for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flow represents solely payments of principal and interest. An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 when it becomes mandatorily applicable.

Notes to the financial statements (continued)
For the financial year ended 31 December 2016

3. Significant accounting policies (continued)

(l) Changes in accounting policies and disclosures
New standards and interpretations not yet adopted (continued)

Amendments to IAS 7, 'Statement of Cash Flows - Changes in liabilities arising from financing activities' (effective for financial periods beginning on or after 1 January 2017). The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Amendments to IAS 12, 'Income Taxes' (effective for financial periods beginning on or after 1 January 2017). The amendments clarify the accounting treatment in relation to recognition of deferred tax assets for unrealised losses.

IFRS 15 Revenue from contracts with customers :The standard establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cashflows from a contract with a customer. The Company is yet to assess IFRS 15's full impact and intends to adopt IFRS 15 when it becomes mandatorily applicable.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

The Company has not adopted any other new standards or interpretations that are not mandatory.

Other than as indicated above, the directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the financial period of initial application.

4. Interest and similar expense

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
	€	€
Interest on notes issued	8,598,527	8,869,924
Interest expense on cash collateral	372,489	206,712
	8,971,016	9,076,636

*Since the Euribor is less than the fixed rate of negative 0.25%, then the interest is payable on the cash collateral.

5. Net (loss)/gain on revaluation of financial liabilities designated at fair value through profit or loss

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
	€	€
Net unrealised fair value (loss)/gain on financial liabilities	(4,908,639)	4,460,519

6. Net gain/(loss) on revaluation of derivative financial instruments

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
	€	€
Net unrealised fair value gain/(loss) on derivative financial instruments	4,908,639	(4,460,519)

7. Net income from derivative financial instrument

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
	€	€
Swap income	9,074,841	9,188,117

8. Other expenses

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
	€	€
Professional fees	57,272	64,384
Administration fees	25,750	26,250
Audit fees	14,822	14,822
Tax fees	4,920	4,920
Bank charges	61	105
	102,825	110,481

8. Other expenses (continued)

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and accordingly has no employees (2015: nil).

No directors fees were paid during the financial year (2015: nil).

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
Auditors remuneration (excluding VAT) in respect of the financial year	€	€
Audit of individual company account (including expenses)*	12,050	12,050
Tax advisory services**	-	4,000
Other assurance services	-	-
Other non-audit services	-	-
	12,050	16,050

*Statutory audit fee of € 12.050 (2015: € 12.050) incurred during the financial year is due to PricewaterhouseCoopers (2015: Deloitte).

**Tax advisory services fee of €4.000 incurred for the financial year ended 31 December 2015 is due to Deloitte.

9. Tax on profit on ordinary activities

	Financial year ended 31-Dec-16	Financial year ended 31-Dec-15
Corporation tax has been calculated based on the profit for the financial year and the resulting taxation charge is as follows:	€	€
Profit on ordinary activities before taxation	1,000	1,000
Current tax at 25%	(250)	(250)
Current tax charge	(250)	(250)

The Company is charged on corporation tax at a rate of 25% (2015: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997.

10. Cash and cash equivalents

	31-Dec-16	31-Dec-15
	€	€
Cash and cash equivalents	1,926,175	2,114,590

11. Cash collateral

	31-Dec-16	31-Dec-15
	€	€
Cash on deposit held as collateral for credit default swap	74,024,567	79,498,565

The cash collateral account is held with Standard Chartered Bank.

12. Financial liabilities designated at fair value through profit or loss

	31-Dec-16	31-Dec-15
	€	€
At beginning of the financial year	64,653,223	80,715,177
Repayment during the financial year	(5,473,998)	(11,601,435)
Net changes in fair value during the financial year	4,908,639	(4,460,519)
At end of the financial year	64,087,864	64,653,223
Maturity analysis of financial liabilities	€	€
Within 1 year	-	-
1 to 2 years	-	-
2 to 5 years	-	-
Greater than 5 years	64,087,864	64,653,223
	64,087,864	64,653,223

Notes to the financial statements (continued)
For the financial year ended 31 December 2016

12. Financial liabilities designated at fair value through profit or loss (continued)

The nominal value and terms of the Notes in issue are as follows:

Series	CCY	Interest rate basis	Maturity date	31-Dec-16 Nominal €	31-Dec-15 Nominal €
A	Euro	3 month Euribor + 6%	31-Dec-2045	42,900,000	46,650,000
B	Euro	3 month Euribor + 16%	31-Dec-2045	31,124,567	32,848,565
				74,024,567	79,498,565

13. Derivative financial instruments

The Company has entered into a Credit Default Swap ("CDS") with Banco Santander S.A. (the "swap counterparty"), selling credit protection in respect of the reference portfolio of eligible reference CLO obligations held by the swap counterparty (refer to note 17). The fair value of the CDS is €19,319,596 (2015: €14,845,342).

The management of the Company has placed reliance on the value obtained from the calculation agent. Valuation techniques used are disclosed in note 19 (d) of the financial statements.

	31-Dec-16 € Fair value	31-Dec-15 € Fair value
At beginning of the financial year	(14,845,342)	(10,384,823)
Net changes in fair value during the financial year	4,908,639	(4,460,519)
At end of the financial year	(9,936,703)	(14,845,342)

	Maturity date	31-Dec-16 €	31-Dec-15 €
Credit default swap - notional	31-Dec-45	74,024,567	79,498,565

	31-Dec-16	31-Dec-15
Number of project finance loans	141	99

14. Other payables

	31-Dec-16 €	31-Dec-15 €
Swap income received in advance	302,420	1,648,235
Interest payable	1,497,452	375,965
Accrued expenses	33,287	33,732
Interest payable on cash collateral	86,516	50,842
Other payables	250	316
	1,919,925	2,109,090

15. Called up share capital presented as equity

	31-Dec-16 €	31-Dec-15 €
Authorised		
1,000 ordinary shares of €1 each	1,000	1,000
Issued and paid	€	€
1,000 ordinary shares of €1 each	1,000	1,000

16. Ownership of the Company

The principal shareholder of the Company is Deutsche International Finance (Ireland) Limited holding 100% share in the Company. All shares are held in trust for charity under the terms of declarations of trust.

A Board of directors has been appointed at the date of inception to manage the day-to-day affairs of the Company. The ultimate controlling party of the Company is Banco Santander, S.A.

17. Financial risk management

Boadilla Project Finance CLO (2009-1) Designated Activity Company (formerly, Boadilla Project Finance CLO (2009-1) Limited) (the "Company") was incorporated as a private limited liability company in Ireland. The Company has entered into a Credit Default swap with the swap counterparty in respect of the reference portfolio of eligible reference obligations.

Cash collateral, derivative financial instruments and financial liabilities form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

The Company is not engaged in any other activities.

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Market risk; and
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

(a) Credit risk

Credit risk is the risk of the financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets.

The Company's principal financial assets are cash collateral, cash and cash equivalents, and other receivables which represent the Company's maximum exposure to credit risk. The Company limits its exposure by investing it's cash collateral with counterparties that have a credit rating defined in the documentation of relevant series.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Company's maximum credit risk exposure to derivative instruments as at 31 December 2016 and 2015 is disclosed in note 13 as the swap notional.

The cash collateral is held by Standard Chartered Bank. In case of default of Standard Chartered Bank, the cash collateral is either borne by the swap counterparty or the Noteholders in accordance with their respective agreements.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	31-Dec-16	31-Dec-15
	€	€
Cash and cash equivalents	1,926,175	2,114,590
Cash collateral	74,024,567	79,498,565
	75,950,742	81,613,155

The classes of Notes issued are limited recourse to the cash collateral and therefore the Noteholders do not have any claim to any of the Company's other assets or its contributed capital.

Cash and cash equivalents

The Company held cash and cash equivalents of €1,926,175 as at 31 December 2016 (2015: €2,114,590), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks and financial institutions.

Cash balances are held with Bank of Ireland which has the following ratings:

	Long term 2016	Short term 2016	Long term 2015	Short term 2015
Standard & Poor's	BBB	A-2	BBB-	A-3
Moody's	Baa2	Prime-2	Baa2	Prime-2
Fitch	BBB-	F3	BBB-	F3

Notes to the financial statements (continued)
For the financial year ended 31 December 2016

17. Financial risk management (continued)

(a) Credit risk (continued)

Cash balances are held with Deutsche Bank AG London which has the following ratings:

	Long term 2016	Short term 2016	Long term 2015	Short term 2015
Standard & Poor's	BBB	A-2	BBB+	A-2
Moody's	Baa2	P-2	Baa1	P-1
Fitch	A	F1	A-	F1

Moody's long term credit rating of Deutsche Bank AG London changed from BBB+ in 2015 to BBB in 2016.

A cash deposit held with Standard Chartered Bank as at 31 December 2016 amounts to €74,024,567 (2015: €79,498,565). This risk is borne by the Noteholders who are subject to risk of defaults.

Standard Chartered Bank are currently rated by Standard & Poor's ("S&P") as follows:

	2016		2015	
	Long term	Short term	Long term	Short term
Standard Chartered Bank	A-	A-2	A-	A-2

The Company is exposed to the credit risk of the Swap Counterparty with respect to payments due under the Swaps. This risk is borne by the Noteholders who are subject to risk of defaults by the Swap Counterparty as well as to the risk of defaults by the reference obligations and the reference entities, in case of Credit Default Swaps.

Banco Santander is the counterparty to all swap transactions. Banco Santander is currently rated A- (2015: A) by S&P. Details of the exposures under the swap transactions are included in note 13.

(b) Market risk

Market risk is the risk that changes in market prices, interest rates and foreign exchange rates, will affect the Company's income or its value of its holdings of financial instruments. The Noteholders are exposed to the market risk of the assets portfolio.

Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The interest rate profile of financial assets and financial liabilities as at 31 December 2016 was as follows:

2016	Floating rate	Non interest bearing	Total
Assets	€	€	€
Cash and cash equivalents	1,926,175	-	1,926,175
Cash collateral	74,024,567	-	74,024,567
	75,950,742	-	75,950,742
Liabilities			
Derivative financial instruments	-	9,936,703	9,936,703
Other payables	-	1,919,925	1,919,925
Debt securities issued	64,087,864	-	64,087,864
	64,087,864	11,856,628	75,944,492
Net exposure	11,862,878	(11,856,628)	6,250

Notes to the financial statements (continued)
For the financial year ended 31 December 2016

17. Financial risk management (continued)
(b) Market risk (continued)

(i) Interest rate risk (continued)

The interest rate profile of financial assets and financial liabilities as at 31 December 2015 was as follows:

2015	Floating rate	Non interest bearing	Total
Assets	€	€	€
Cash and cash equivalents	2,114,590	-	2,114,590
Cash collateral	79,498,565	-	79,498,565
	81,613,155	-	81,613,155
Liabilities			
Derivative financial instruments	-	14,845,342	14,845,342
Other payables	-	2,109,090	2,109,090
Debt securities issued	64,653,223	-	64,653,223
	64,653,223	16,954,432	81,607,655
Net exposure	16,959,932	(16,954,432)	5,500

Sensitivity analysis

The Company does not consider the interest rate risk to be a significant risk as any increase or decrease in the interest rate associated with the floating rate on the notes in issue would result in an equal but opposite increase or decrease in the premium receivable on the CDS. As such, no sensitivity analysis has been presented.

(ii) Currency risk

The notes issued by the Company are denominated in euro and invested in euro-denominated assets, thereby matching the asset and liability in the relevant currency. All other transactions are euro based. Hence, no sensitivity analysis has been disclosed in the financials.

(iii) Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of financial assets at fair value through profit or loss held by the Company will be borne by the Noteholders to the extent not borne by the swap counterparty.

Sensitivity analysis

The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of financial assets at fair value through profit or loss held by the Company will be borne by the Noteholders. Any changes in the quoted prices of the financial assets at fair value through profit or loss held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the Noteholders.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company limits its exposure to liquidity risk through the structure of priority of payments schedule. This means that the Company will only pay interest to the extent that funds are available. All substantial risks and rewards associated with the investment securities are ultimately borne by the Noteholders.

The financial liabilities are carried at fair value. The ultimate amount repaid to the Noteholders will depend on the proceeds from the collaterals and any payments the swap counterparty is obliged to make under the terms of the swap agreement. All substantial risks and rewards associated with the financial assets and financial liabilities are ultimately borne by the Noteholders.

2016	Carrying amount	Gross contractual cash flows	Less than one financial year	1 to 5 financial years	More than 5 financial years
	€	€	€	€	€
Derivative financial instruments*	9,936,703	-	-	-	-
Other payables	1,919,925	1,919,925	1,919,925	-	-
Financial liabilities designated at fair value through profit or loss	64,087,864	276,239,051	6,968,305	27,873,220	241,397,526
Net amount	75,944,492	278,158,976	8,888,230	27,873,220	241,397,526

17. Financial risk management (continued)

(c) Liquidity risk (continued)

2015	Carrying amount	Gross contractual cash flows	Less than one financial year	1 to 5 financial years	More than 5 financial years
	€	€	€	€	€
Derivative financial instruments*	14,845,342	-	-	-	-
Other payables	2,109,090	2,109,090	2,109,090	-	-
Financial liabilities designated at fair value through profit or loss	64,653,223	317,518,520	7,928,206	31,712,825	277,877,489
Net amount	81,607,655	319,627,610	10,037,296	31,712,825	277,877,489

*Derivative financial instruments do not include outflows under credit default swaps as any payment obligation under the credit default swap is offset by a reduced payment obligation under the notes in issue.

(d) Fair values

The Company's derivative financial instruments and debt securities issued are carried at fair value on the Statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities carried at amortised cost at the Statement of financial position date approximated their fair values.

Their fair values together with carrying amounts shown in the Statement of financial position are disclosed below:

	Carrying value 31-Dec-16	Fair value 31-Dec-16	Carrying value 31-Dec-15	Fair value 31-Dec-15
	€	€	€	€
Derivative financial instruments	9,936,703	9,936,703	14,845,342	14,845,342
Financial liabilities designated at fair value through profit or loss	64,087,864	64,087,864	64,653,223	64,653,223
	74,024,567	74,024,567	79,498,565	79,498,565

The carrying amounts of the other receivable and other payables at the reporting date approximate their fair values.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values of financial assets and financial liabilities that are traded in active markets, Level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Level 2 prices uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data. Observable prices and model inputs are available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex Level 3 instruments proprietary valuation models are used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions.

Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

17. **Financial risk management (continued)**
(d) **Fair values (continued)**

The fair value of the derivative financial instruments was calculated by Banco Santander and have ben classified under level 3. Valuation techniques used by Banco Santander, the swap counterparty, are based on proprietary models with assumptions including namely discount rates, timing of cash flows, credit spreads, number of loans in the portfolio, actual and expected losses of the loans in the portfolio and volatility assumptions. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Due to the limited recourse nature of the structure, the fair value of the financial liabilities is based on the fair values of the derivative financial instruments and is sensitive to the changes to the underlying balances and as such it has been classified under level 3.

Any change in the pricing assumptions for those derivative financial instruments which use Level 3 valuation techniques would not have an impact on the overall financial position of the Company due to the limited recourse nature of the notes in issue. The variability in pricing of such assets would directly impact the Noteholders in each specific series but does not alter the underlying risk faced by each Noteholder or the ultimate return on the transaction.

At the reporting date, the industry type analysis of the of the reference notional CLO for the underlying swap was as follows:

	31-Dec-16		31-Dec-15	
	Number of loans	% based on notional	Number of loans	% based on notional
Renewables	94	54.15	52	57.18
Infrastructure	29	29.28	29	26.94
Public Private Partnership/Private Financial Initiative	13	8.93	13	8.67
Utility	5	7.64	5	7.21
	141	100.00	99	100.00

At the reporting date, the location type analysis of the reference notional was as follows:

	31-Dec-16		31-Dec-15	
	Number of loans	% based on notional	Number of loans	% based on notional
Spain	113	77.41	71	78.41
Portugal	19	17.30	19	16.58
France	1	1.50	1	1.37
Germany	3	1.82	3	1.69
Italy	3	1.51	3	1.44
United Kingdom	2	0.45	2	0.51
	141	100.00	99	100.00

The number of reference loans have increased during the period. This is due to restructuing of the reference loans and no new loans were placed into the reference portfolio in 2016.

At the reporting date, the carrying amounts of financial assets and financial liabilities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

2016	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities designated at fair value through profit or loss	-	-	64,087,864	64,087,864
Derivative financial instruments	-	-	9,936,703	9,936,703
	-	-	74,024,567	74,024,567

2015	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities designated at fair value through profit or loss	-	-	64,653,223	64,653,223
Derivative financial instruments	-	-	14,845,342	14,845,342
	-	-	79,498,565	79,498,565

17. Financial risk management (continued)

(d) Fair values (continued)

Financial liabilities measured at fair value based on Level 3	**31-Dec-16**	**31-Dec-15**
	€	€
Balance at beginning of the financial year	64,653,223	80,715,177
Repayment during the financial year	(5,473,998)	(11,601,435)
Net unrealised fair value gain on financial liabilities	4,908,639	(4,460,519)
	64,087,864	64,653,223

Derivative financial instruments measured at fair value based on Level 3	**31-Dec-16**	**31-Dec-15**
	€	€
Balance at beginning of the financial year	(14,845,342)	(10,384,823)
Net unrealised fair value loss on financial liabilities	4,908,639	(4,460,519)
	(9,936,703)	(14,845,342)

There were no transfers between levels during the financial year.

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cashflows etc and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions might impact on the value attributable to Noteholders, but would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the Noteholders due to the limited recourse nature of the debt issued by the Company.

Fair value measurement sensitivity analysis

Financial liabilities designated at fair value through profit or loss

The estimated fair value would increase/decrease if there are changes within the fair value of the derivatives.

18. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

	Fair value hierarchy as at 31-Dec-2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	€	€	€	€
Cash and cash equivalents	1,926,175	-	-	1,926,175
Cash collateral	74,024,567	-	-	74,024,567
	75,950,742	-	-	75,950,742

	Fair value hierarchy as at 31-Dec-2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	€	€	€	€
Cash and cash equivalents	2,114,590	-	-	2,114,590
Cash collateral	79,498,565	-	-	79,498,565
	81,613,155	-	-	81,613,155

Cash and cash equivalents and cash collateral include cash in hand, deposits held with banks and other short-term investments in an active market and classified under Level 1 of the fair value hierarchy.

In relation to other payables, the carrying amounts approximate fair value due to their immediate or short-term nature and have been classified under Level 3 of the fair value hierarchy.

Notes to the Financial Statements (Continued)
For the financial year ended 31 December 2016

19. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All management and administration functions are outsourced to Deutsche International Corporate Services (Ireland) Limited.

20. Capital risk management

The authorised and issued share capital of the Company is €1.000. The Company is not subject to any other capital requirements.

21. Related party transactions

Transactions with Administrator

During the financial year, a fee of €25.750 (2015: €26,250) relating to administration services rendered by Deutsche International Corporate Services (Ireland) Limited has been paid. As at 31 December 2016, Lynda Ellis and Margaret Kennedy during therir appointment as directors. John Paul Maguire and Niall Vaughan as current directors of the Company were employees of DICSIL and therefore they may deemed to have an interest in the Corporate Services Agreement.

No directors' fees were paid during the financial year (2015: nil).

Transactions with swap counterparty

During the financial year, the Company recognised swap income amounting to €9.074.841 (2015: €9,188,117) from the swap counterparty in relation to the CDS. The fair value of the CDS at financial year end was a liability of €9,936,703 (2015: liablity of €14.845,342).

22. Subsequent events

On 2 March 2017, the Company made further changes to the terms of the original transaction. The Cash Collateral Account Agreement was terminated and cash funds on deposit held by Standard Chartered Bank (the "Cash Collateral Bank") was transferred to the Bank Of New York Mellon (the "Custodian") to be invested in short term government bonds.

The Notes interest payment dates were also amended and interest on the Notes would be payable in arrear on 5 May 2017 and thereafter, quarterly in arrear on the third note business day of February, May, August and November in each financial year.

On 15 December 2017, the outstanding cash collateral of the Company has been repaid in full, the derivative financial instruments teminated and all the outstanding debt securities repaid.

On 21 December 2017, the Company changed its name from Boadilla Project Finance CLO (2009-1) Designated Activity Company to Renew Project Finance CLO 2017-1 Designated Activity Company.

On 21 December 2017, entered into new transaction and issued Class A, B, C, D, E and F notes amounting to EUR 1,513,639,000, EUR 131.870,000, EUR 212,139,000, EUR 143,337,000, EUR 172,004,000 and EUR 120,404,000 respectively. On the same date, the proceeds were used to advance a revolving facility to Banco Sanatander S.A and investment in bond.

There were no other significant events after the reporting date that would require disclosure in these financial statements.

23. Approval of financial statements

The board of directors approved these financial statements on 30 May 2018.