

Confidential

The Board of EETI

VALUATION OF THE INVESTMENT PORTFOLIO AS AT 31/12/2017

February 2018

DRAFT

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1 SUMMARY

Introduction

- ▶ The EETI portfolio comprises first and second loss positions of RMBS (residential mortgage-backed securities) with underlying loan portfolios in Spain, Portugal, the UK and France.
- ▶ This document details the assumptions and model outputs of the quarterly valuation undertaken at 31/12/2017. It forms part of the ongoing monitoring and revaluation of the portfolio.
- ▶ The primary market for European securitisations has reverted to a healthy level of activity, albeit well below pre-crisis level, but it remains almost exclusively focused on issuance by non-bank actors – most notably the finance arms of car manufacturers and specialised managers refinancing LBO loans – with RMBS issued by commercial banks almost non-existent.
 - This trend reflects the prevailing regulatory capital rules for insurance companies, the traditional anchor investor of securitisations, which significantly penalize the investment in tranching securitisations.
- ▶ Pre-crisis senior and mezzanine positions of European securitisations are actively traded as they offer a yield pick-up compared to other debt instrument and benefit from a scarcity value because their inventory is declining. Deeply subordinated first and second loss positions, such as those held by EETI, remain however illiquid, with limited trading activity and a limited number of comparable transactions.
- ▶ EETI has nonetheless obtained conditional bids for two positions, Minotaure and Ludgate, shortly after year-end 2017.
 - The bids are conditional upon satisfactory documentary requirements and the disposals are expected to be completed in the course of Q1 2018;
 - In agreement with the auditors of EETI, the expected disposal value of the Minotaure and Ludgate positions has been used as the valuation basis at 31/12/2017.
- ▶ For the remaining positions held by EETI, the fair value of the portfolio is assessed through a mark-to-model approach.
 - This approach is predicated on preparing forecast cash flow until maturity for each investment using observable credit assumptions and deriving their net present values based on discount rates consistent with the current market environment;
 - The credit assumptions retained by Cartesia are based on the historical performance of individual transactions, benchmarked against a broad sample of comparable securitisations;
 - In order to provide observable inputs, the main credit variables have been set at their 24-month average values (default rates and prepayment or redemption rates);
 - The discount rates are set by the Board and derived from average credit spreads for traded debt securities providing comparable risk/reward profiles;
 - The exercise by the originator of optional termination clauses (time or clean-up calls) is assessed on a case-by-case basis.
- ▶ The forecast cash flows have been prepared by Cartesia using internally developed models.

Valuation summary

- ▶ The EETI portfolio is valued at 31/12/2017 at EUR 27,857k excluding accruals.
 - This valuation takes into account the bids received for the Minotaure and Ludgate positions after the balance sheet date;
 - Excluding these two positions, which are scheduled for disposal in Q1 2018, the remaining portfolio is valued at EUR 19,648k excluding accruals, corresponding to the net present value of a total forecast cash flow stream of EUR 27,267k, discounted at the rates set by the Board for each investment.
 - Accrued interest at year-end 2017 amount to EUR 380k.
- ▶ Revaluations net of write-downs amounted to EUR 2,008k over the year corresponding principally to the following movements:
 - A EUR 1,241k revaluation of the Ludgate residual position, reflecting the level of the bid received;
 - A EUR 1,089k revaluation of the Minotaure position, equally reflecting the level of the bid received;
 - A write-down on the Pastor 4 subordinated loan of EUR 273k.

Portfolio book value at 31/12/2017

(EUR 000s)

| Investments | Country | Book Value at 31/12/2017 | | | Q4 2017 (Markdown)/ Revaluation | 2017 (Markdown)/ Revaluation | % Book Value | % Total Cash Flow |
|--------------|----------|--------------------------|--------------------------------|------------------|---------------------------------------|------------------------------------|-----------------|----------------------|
| | | Net Present Values | Total Forecast Cash Flow | Discount Rate | | | | |
| Pastor 2 | Spain | 4,532 | 5,011 | 5.9% | (8) | (8) | 16.3% | 18.4% |
| Pastor 3 | Spain | 0 | 0 | | 0 | 0 | 0.0% | 0.0% |
| Pastor 4 | Spain | 1,487 | 2,918 | 10.9% | (203) | (273) | 5.3% | 10.7% |
| Pastor 5 | Spain | 0 | 0 | | 0 | 0 | 0.0% | 0.0% |
| Lusitano 3 | Portugal | 6,752 | 8,201 | 5.9% | (2) | (69) | 24.2% | 30.1% |
| Lusitano 5 | Portugal | 6,877 | 11,137 | 10.9% | 67 | 28 | 24.7% | 40.8% |
| Minotaure | France | 3,405 | nm | nm | 1,067 | 1,089 | 12.2% | nm |
| Ludgate | UK | 4,804 | nm | nm | 1,023 | 1,241 | 17.2% | nm |
| TOTAL | | 27,857 | 27,267 | 8.0% | 1,944 | 2,008 | 100.0% | 100.0% |

Note: Book values above are indicated without accrued interest; accrued interest at year amount to an aggregate EUR 380k. The valuation indicated for the Minotaure and Ludgate positions reflect the level of the bids received by EETI in the context of a sale expected to be completed in Q1 2018.

EETI also holds interests in Sestante 4D as well as in the most subordinated bonds issued by Citrine Finance Ltd referencing the residuals of the Sestante 2, Sestante 3 and Lusitano 4 securitisations. These bonds are fully written off and considered irremediably impaired; Citrine Finance has been put in liquidation.

Net present values at different discount rates

The tables below do not include the Minotaure and Ludgate positions scheduled for disposal in Q1 2018

(EUR 000s)

| Net present values at different discount rates (at 31/12/2017) | | | | | | | | | |
|--|--------------|----------|--------------|----------|--------------|--------------|-----------|----------|---------------|
| Discount Rate | Pastor 2 | Pastor 3 | Pastor 4 | Pastor 5 | Lusitano 3 | Lusitano 5 | Minotaure | Ludgate | Total |
| 4.00% | 4,680 | - | 2,261 | - | 7,173 | 9,232 | - | - | 23,346 |
| 5.92% | 4,532 | - | 2,008 | - | 6,753 | 8,478 | - | - | 21,771 |
| 10.92% | 4,182 | - | 1,487 | - | 5,833 | 6,879 | - | - | 18,381 |
| 7.50% | 4,417 | - | 1,823 | - | 6,437 | 7,921 | - | - | 20,598 |
| 10.00% | 4,243 | - | 1,570 | - | 5,986 | 7,140 | - | - | 18,938 |
| 12.50% | 4,080 | - | 1,357 | - | 5,586 | 6,462 | - | - | 17,484 |
| 15.00% | 3,926 | - | 1,176 | - | 5,229 | 5,870 | - | - | 16,202 |
| Valuation | 4,532 | - | 1,487 | - | 6,753 | 6,879 | - | - | 19,652 |

| Cash flow multiples at different discount rates (total cash flow / net present value) | | | | | | | | | |
|---|-------------|----------|-------------|----------|-------------|-------------|-----------|-----------|-------------|
| Discount Rate | Pastor 2 | Pastor 3 | Pastor 4 | Pastor 5 | Lusitano 3 | Lusitano 5 | Minotaure | Ludgate | Total |
| 4.00% | 1.1x | - | 1.3x | - | 1.1x | 1.2x | -- | -- | 1.2x |
| 5.92% | 1.1x | - | 1.5x | - | 1.2x | 1.3x | -- | -- | 1.3x |
| 10.92% | 1.2x | - | 2.0x | - | 1.4x | 1.6x | -- | -- | 1.5x |
| 7.50% | 1.1x | - | 1.6x | - | 1.3x | 1.4x | -- | -- | 1.3x |
| 10.00% | 1.2x | - | 1.9x | - | 1.4x | 1.6x | -- | -- | 1.4x |
| 12.50% | 1.2x | - | 2.2x | - | 1.5x | 1.7x | -- | -- | 1.6x |
| 15.00% | 1.3x | - | 2.5x | - | 1.6x | 1.9x | -- | -- | 1.7x |
| Valuation | 1.1x | - | 2.0x | - | 1.2x | 1.6x | -- | -- | 1.4x |

Note: Values above do not include accrued interest. Values in the table above differ marginally from the ones indicated on the previous page due to differences in daycount.

Historical cash flow

| (EUR 000s) | Spain | | | | Portugal | | France | UK | Quarterly CF | Annual CF | Cumulative CF |
|-------------------|----------|----------|----------|----------|------------|------------|-----------|---------|-----------------|--------------|------------------|
| | Pastor 2 | Pastor 3 | Pastor 4 | Pastor 5 | Lusitano 3 | Lusitano 5 | Minotaure | Ludgate | | | |
| HISTORICAL | | | | | | | | | | | |
| Q3 2009 | 86 | - | - | - | 59 | 77 | 213 | 13 | 891 | | |
| Q4 2009 | 430 | - | - | - | 34 | 75 | 210 | - | 1,166 | 2,057 | 2,057 |
| Q1 2010 | 337 | - | - | - | - | 0 | 190 | 26 | 960 | | |
| Q2 2010 | 235 | - | - | - | 75 | - | 233 | 6 | 952 | | |
| Q3 2010 | 59 | - | - | - | 205 | - | 264 | 6 | 940 | | |
| Q4 2010 | 160 | - | - | - | - | - | 216 | 8 | 802 | 3,655 | 5,712 |
| Q1 2011 | 316 | - | - | - | 85 | - | 132 | 10 | 968 | | |
| Q2 2011 | 385 | - | - | - | 529 | - | 214 | 13 | 1,595 | | |
| Q3 2011 | 222 | - | - | - | 350 | - | 249 | 11 | 1,307 | | |
| Q4 2011 | 169 | - | - | - | 273 | - | 177 | 11 | 8,746 | 12,616 | 18,328 |
| Q1 2012 | 235 | - | - | - | 487 | - | 189 | 2 | 1,215 | | |
| Q2 2012 | 170 | - | - | - | 388 | - | 134 | 2 | 4,961 | | |
| Q3 2012 | 91 | - | - | - | 282 | - | 99 | 5 | 655 | | |
| Q4 2012 | 7 | - | - | - | - | - | - | 5 | 175 | 7,006 | 25,334 |
| Q1 2013 | 7 | - | - | - | 5 | - | - | 7 | 178 | | |
| Q2 2013 | - | - | - | - | - | - | - | 14 | 6,131 | | |
| Q3 2013 | 14 | - | - | - | 203 | - | - | 14 | 255 | | |
| Q4 2013 | - | - | - | - | 110 | - | - | 1 | 134 | 6,698 | 32,032 |
| Q1 2014 | - | - | - | - | 183 | - | - | 4 | 209 | | |
| Q2 2014 | - | - | - | - | 78 | - | - | 291 | 394 | | |
| Q3 2014 | - | - | - | - | 247 | - | - | 577 | 850 | | |
| Q4 2014 | 29 | - | - | - | 237 | - | - | 575 | 864 | 2,317 | 34,349 |
| Q1 2015 | 4 | - | - | - | 114 | - | - | 456 | 595 | | |
| Q2 2015 | 4 | - | - | - | 110 | - | - | 479 | 614 | | |
| Q3 2015 | 3 | - | - | - | 71 | - | - | 541 | 637 | | |
| Q4 2015 | - | - | - | - | 102 | - | - | 331 | 455 | 2,301 | 36,650 |
| Q1 2016 | - | - | - | - | 179 | - | - | 416 | 5,617 | | |
| Q2 2016 | 8 | - | - | - | 219 | - | - | 432 | 672 | | |
| Q3 2016 | - | - | - | - | 98 | - | - | 366 | 477 | | |
| Q4 2016 | - | - | - | - | 393 | - | - | 358 | 761 | 7,527 | 44,177 |
| Q1 2017 | - | - | - | - | 158 | - | - | 273 | 432 | | |
| Q2 2017 | - | - | - | - | 200 | - | - | 368 | 581 | | |
| Q3 2017 | - | - | - | - | 189 | - | - | 480 | 669 | | |
| Q4 2017 | 3 | - | - | - | 395 | - | - | 280 | 677 | 2,359 | 46,536 |

Forecast cash flow

The tables below do not include the Minotaure and Ludgate positions scheduled for disposal in Q1 2018 for a total cash consideration of approx. EUR 8.2 million.

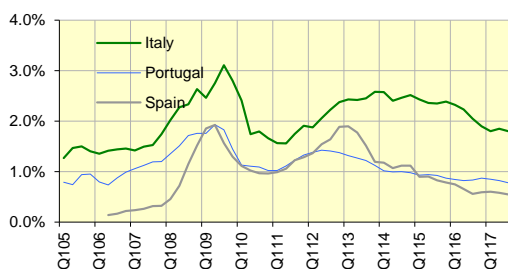
| | | Spain | | | | Portugal | | | | |
|----------------------|----|--------------|----------|--------------|----------|--------------|---------------|---------------------|------------------|----------------------|
| | | Pastor 2 | Pastor 3 | Pastor 4 | Pastor 5 | Lusitano 3 | Lusitano 5 | | | |
| (EUR 000s) | | | | | | | | | | |
| Cumulative CF | | 5,011 | - | 2,918 | - | 8,201 | 11,137 | 27,267 | | |
| % Total | | 18.4% | 0.0% | 10.7% | 0.0% | 30.1% | 40.8% | 100.0% | | |
| | | | | | | | | Quarterly CF | Annual CF | Cumulative CF |
| Q1 2018 | 1 | 1 | - | - | 238 | - | 239 | | | 239 |
| Q2 2018 | 2 | 1 | - | - | 266 | - | 266 | | | 505 |
| Q3 2018 | 3 | 1 | - | - | 257 | - | 258 | | | 763 |
| Q4 2018 | 4 | 2 | - | - | 267 | - | 269 | 1,032 | | 1,032 |
| Q1 2019 | 5 | 2 | - | - | 228 | - | 230 | | | 1,262 |
| Q2 2019 | 6 | 3 | - | - | 240 | - | 242 | | | 1,504 |
| Q3 2019 | 7 | 5,003 | - | - | 369 | - | 5,372 | | | 6,876 |
| Q4 2019 | 8 | | - | - | 366 | - | 366 | 6,210 | | 7,242 |
| Q1 2020 | 9 | | - | - | 351 | - | 351 | | | 7,594 |
| Q2 2020 | 10 | | - | - | 352 | - | 352 | | | 7,946 |
| Q3 2020 | 11 | | - | - | 474 | - | 474 | | | 8,420 |
| Q4 2020 | 12 | | - | - | 517 | 566 | 1,082 | 2,260 | | 9,503 |
| Q1 2021 | 13 | | - | - | 517 | 2,404 | 2,921 | | | 12,424 |
| Q2 2021 | 14 | | - | - | 515 | 918 | 1,432 | | | 13,856 |
| Q3 2021 | 15 | | - | - | 514 | 1,068 | 1,581 | | | 15,437 |
| Q4 2021 | 16 | | - | - | 652 | 1,018 | 1,670 | 7,604 | | 17,107 |
| Q1 2022 | 17 | | - | - | 74 | 1,017 | 1,091 | | | 18,198 |
| Q2 2022 | 18 | | - | - | 72 | 1,538 | 1,610 | | | 19,808 |
| Q3 2022 | 19 | | - | - | 71 | 66 | 138 | | | 19,945 |
| Q4 2022 | 20 | | - | - | 65 | 65 | 129 | 2,968 | | 20,075 |
| Q1 2023 | 21 | | - | - | 66 | 63 | 129 | | | 20,204 |
| Q2 2023 | 22 | | - | - | 64 | 61 | 125 | | | 20,328 |
| Q3 2023 | 23 | | - | - | 63 | 57 | 119 | | | 20,448 |
| Q4 2023 | 24 | | - | - | 56 | 55 | 112 | 485 | | 20,560 |
| Q1 2024 | 25 | | - | - | 57 | 54 | 111 | | | 20,671 |
| Q2 2024 | 26 | | 2,918 | - | 55 | 52 | 3,025 | | | 23,696 |
| Q3 2024 | 27 | | - | - | 54 | 49 | 103 | | | 23,798 |
| Q4 2024 | 28 | | - | - | 1,382 | 47 | 1,428 | 4,667 | | 25,227 |
| Q1 2025 | 29 | | - | - | | 45 | 45 | | | 25,272 |
| Q2 2025 | 30 | | - | - | | 43 | 43 | | | 25,315 |
| Q3 2025 | 31 | | - | - | | 40 | 40 | | | 25,355 |
| Q4 2025 | 32 | | - | - | | 39 | 39 | 167 | | 25,393 |
| Q1 2026 | 33 | | - | - | | 37 | 37 | | | 25,431 |
| Q2 2026 | 34 | | - | - | | 36 | 36 | | | 25,466 |
| Q3 2026 | 35 | | - | - | | 33 | 33 | | | 25,499 |
| Q4 2026 | 36 | | - | - | | 31 | 31 | 137 | | 25,530 |
| Q1 2027 | 37 | | - | - | | 30 | 30 | | | 25,561 |
| Q2 2027 | 38 | | - | - | | 1,707 | 1,707 | | | 27,267 |
| Q3 2027 | 39 | | - | - | | | - | | | 27,267 |
| Q4 2027 | 40 | | - | - | | | - | 1,737 | | 27,267 |

European RMBS performance update

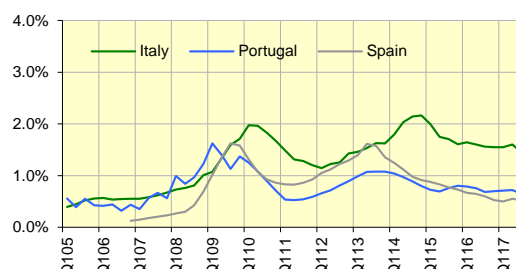
- ▶ The Spanish and the Portuguese economies have both grown close to or at 3.0% in 2017, leading to a further reduction in unemployment and a continued revival in real estate prices and transaction volume.
 - Portugal’s credit rating was upgraded to investment grade by Standard & Poor’s in 2017, supporting a significant tightening in sovereign yields and reduction of the credit spread vs. Germany;
 - Spanish government 10-year sovereign yields closed the year unchanged vs. German benchmark yields;
 - Macroeconomic forecast for 2018 points to continued expansion, at a somewhat slower pace than 2017 in both countries. These forecasts do not factor a major disruption stemming from the uncertainty in Catalonia, which could however hamper activity in Spain.
- ▶ Against this backdrop, the credit performance of mortgage securitisations in Spain and Portugal has remained stable or has marginally improved for most transactions.
 - Long arrears and default rates in the universe of seasoned transactions remain range-bound within 0.5-1.0% in both countries, with even weaker pre-crisis transactions well off their crisis peak;
 - Prepayment rates, as previously noted, continue to rise, while remaining at historically low levels, reflecting the seasoning of the transaction universe as well as increased real estate activity and availability of financing.

European RMBS performance

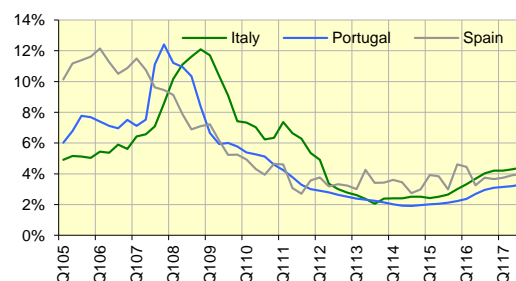
3-12 months arrears



Default Rates (CDR)



Prepayment Rates (CPR)



Sources : Cartesia, Trustee reports.

2 PASTOR INVESTMENTS (SPANISH SECOND LOSS)

Fact sheet

| | |
|------------------------------|--|
| EETI Investments: | <ul style="list-style-type: none"> ▶ <u>Pastor 2</u>: 100% of the EUR 5,000,000 subordinated loan at EUR 3M + 0.35% p.a. ▶ <u>Pastor 3</u>: 100% of the EUR 9,000,000 subordinated loan at EUR 3M + 2.50% p.a. ▶ <u>Pastor 4</u>: 100% of the EUR 5,500,000 subordinated loan at EUR 3M + 2.50% p.a. ▶ <u>Pastor 5</u>: 33.3% of the EUR 10,500,000 Class D Notes at EUR 3M + 4.50% p.a. |
| Position: | <ul style="list-style-type: none"> ▶ Second-loss position ▶ First loss (residual) held by Banco Pastor ▶ Unpaid interests accrue and remain a liability of the securitisation fund until termination |
| Spread: | <p>Swap with Banco Pastor guarantees a spread after notes margin and fees of:</p> <ul style="list-style-type: none"> ▶ <u>Pastor 2</u>: 0.40% p.a. ▶ <u>Pastor 3</u>: 0.40% p.a. ▶ <u>Pastor 4</u>: 0.40% p.a. ▶ <u>Pastor 5</u>: 0.60% p.a. |
| Principal CF drivers: | <ul style="list-style-type: none"> ▶ CDR (annualised default rate) ▶ Recovery lag ▶ Loss severity |
| Clean-up call: | Optional clean-up once the collateral has reached 10% of its initial amount assumed to be exercised. |

Collateral profile

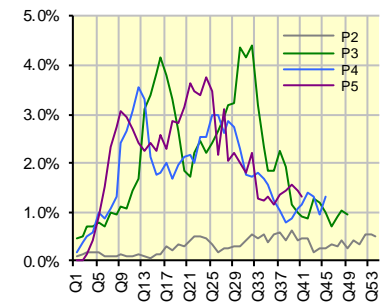
| | | P2 | P3 | P4 | P5 | |
|--|--------------------------------|--------------------------------------|---------|---------|---------|------|
| Key deal information | | | | | | |
| Issuer | | Banco Pastor (now part of Santander) | | | | |
| Issue date | | 06/2004 | 06/2005 | 06/2006 | 06/2007 | |
| Months since issue | | 152 | 139 | 127 | 115 | |
| Issue size (OB) | EURm | 1,000 | 1,000 | 920 | 711 | |
| Current size (CB) | EURm | 126 | 171 | 227 | 230 | |
| | % OB | 13% | 17% | 25% | 32% | |
| Count | | 2,958 | 2,685 | 2,965 | 2,516 | |
| Avg balance | EURk | 42 | 64 | 76 | 92 | |
| % Non-residential | | | | | 14% | |
| Guaranteed spread to securitisation through swap | % CB | 0.40% | 0.40% | 0.40% | 0.60% | |
| | | Plus: Notes interest & Fees | | | | |
| Initial spread on loans | % CB | 0.56% | 1.52% | 1.37% | 0.72% | |
| Current spread on loans | % CB | 0.94% | 1.34% | 1.30% | 1.25% | |
| Collateral composition | | | | | | |
| LTV: | At issue | 61% | 67% | 64% | 65% | |
| | Last Q | 31% | 40% | 42% | 44% | |
| Vintage: | <=2002 | 57% | | | | |
| | 2003 | 43% | 8% | | 0% | |
| | 2004 | | 92% | 9% | 1% | |
| | 2005 | | | 91% | 8% | |
| | 2006 | | | | 90% | |
| Region: | Madrid | 24% | 16% | 16% | 20% | |
| | Catalunya | 28% | 31% | 24% | 27% | |
| | Valencia | 5% | 7% | 11% | 7% | |
| | Andalusia | 2% | 7% | 9% | 10% | |
| | Galicia | 15% | 17% | 17% | 15% | |
| | Others | 26% | 22% | 24% | 21% | |
| | Transaction performance | | | | | |
| Average CPR: | Since issue | % CB | 7.6% | 7.3% | 5.9% | 4.5% |
| | Last 24M | % CB | 4.7% | 4.4% | 4.7% | 3.8% |
| | Last 12M | % CB | 5.3% | 4.7% | 4.5% | 3.7% |
| Arrears: | <=1M | % CB | 2.7% | 5.3% | 4.9% | 3.3% |
| |]1-3M] | % CB | 0.7% | 2.5% | 2.0% | 2.2% |
| | 3-12M | % CB | 0.5% | 0.9% | 1.0% | 1.5% |
| | Total | % CB | 3.9% | 8.8% | 8.0% | 7.1% |
| Cumulative defaults | EURm | 9.8 | 86.0 | 91.6 | 68.1 | |
| | % OB | 1.0% | 8.6% | 10.0% | 9.6% | |
| Default Rate (CDR): | Since issue | % CB | 0.3% | 2.2% | 2.0% | 2.1% |
| | Last 24M | % CB | 0.3% | 1.3% | 1.2% | 1.0% |
| | Last 12M | % CB | 0.3% | 1.5% | 1.5% | 0.8% |
| Cumulative recoveries | EURm | 4.6 | 13.8 | 10.9 | 18.6 | |
| As a % of cumulative defaults | | 47.4% | 16.0% | 11.8% | 27.3% | |
| Reserve amount | EURm | 5.00 | (51.1) | (39.6) | (31.9) | |
| Reserve % | % CB | 3.98% | -29.94% | -17.50% | -13.86% | |
| Reserve drawn? | | No | Yes | Yes | Yes | |

Sources: Cartesia, Trustee reports.

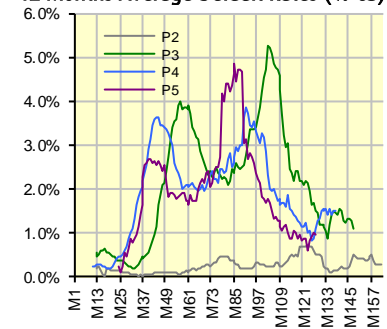
Collateral performance

Months or Quarters since issue

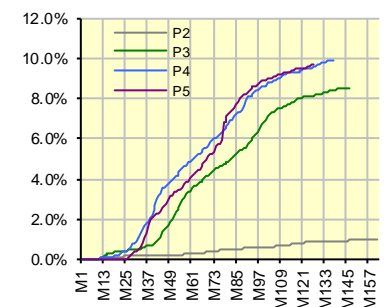
90-day + Arrears (%CB)



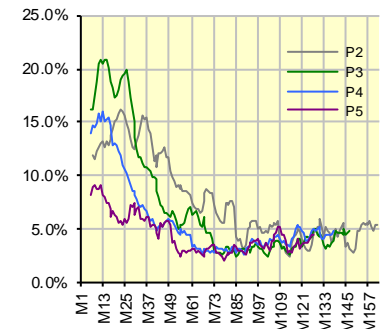
12 Months Average Default Rates (% CB)



Cumulative defaults (% OB)



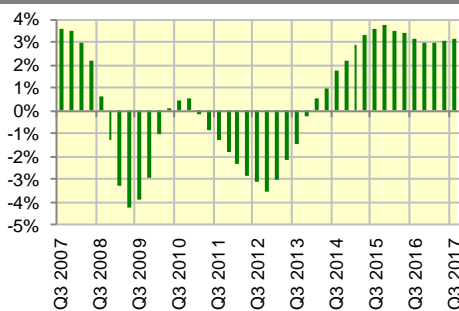
6M trailing average prepayments (CPR)



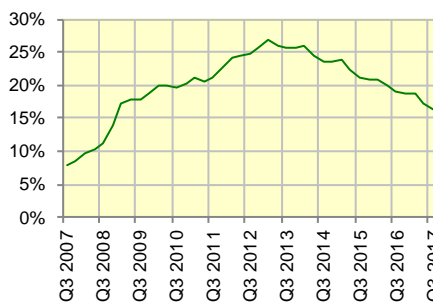
Macroeconomic update

- ▶ Spain should record real GDP growth above 3.0% in 2017, for the third year running bringing its current output back to the peak level reached in mid-2008.
 - GDP is forecast to grow by 2.7% in 2018 and 2.2% in 2019 assuming the continuing uncertainty surrounding Catalonia has no significant impact on growth.
- ▶ Continued growth is enabling a continued decrease in unemployment, which stood at 16.4% at the end of the third quarter vs. 18.9% a year ago and 20.9% at the end of 2015.
- ▶ Government finances have also modestly improved with the budget deficit forecast to drop to 3.2% of GDP (vs. 4.5% in 2016) and sovereign debt now slightly below 100% of GDP.
- ▶ Yields on the 10-year benchmark bond closed the year modestly wider at 1.55% after having traded within a 1.5-1.75% range for the most part of 2017. Credit spreads vs. Germany have remained practically unchanged at 1.1%.
 - The country’s credit ratings have remained unchanged at BBB+ / Baa2 / BBB+ with Standard & Poor’s, Moody’s and Fitch respectively. Two agencies have a “positive outlook” on the rating, hinting towards a potential upgrade to A- over the coming quarters, which would materially support sovereign yields;
 - As previously noted, the situation surrounding Catalonia and its potential knock-on effect on the central Spanish government could materially affect both sovereign yields and credit quality.
- ▶ Real estate transactions on private dwellings increased by 13% in 2017 almost equal to the growth rate of 2016. While still below pre-crisis level, the number of transactions has increased by close to 45% since the end of 2014.
- ▶ Real estate prices have also continued their ongoing appreciation, with an average national price increase of 6.6% in 2017 (vs. 4.0% in 2016 and 4.3% in 2015), raising average prices to 78% of their pre-crisis level.

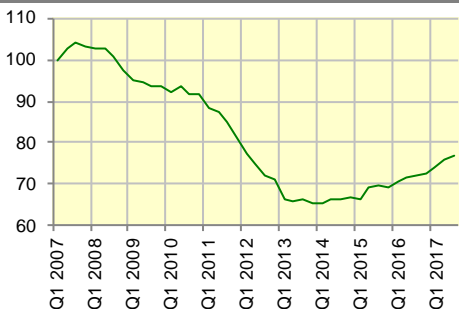
Yearly evolution in real GDP since 2007



Unemployment rate since 2007



Real estate prices (Base 100 = Q1 2007)



12M rolling transaction volume since 2009 (000s)



Sources : Cartesia, Eurostat, Spanish National Institute of Statistics.

Transaction performance

PASTOR 2

- ▶ The transaction has continued to perform in line with forecast and accrued but unpaid interest accumulated in 2017 have been cleared in the last quarter of the year.

PASTOR 3, 4 AND 5

- ▶ The credit performance of these transactions has remained broadly stable with, however, a slight deterioration in defaults in the case of Pastor 4.
 - 90-day+ arrears at the year-end were almost unchanged at 0.9%, 1.3% and 1.3% respectively for these transactions;
 - 2017 default rate for Pastor 4 increased to 1.5% (vs. 0.9% in 2016) but remained in a 0.9-1.0% range for Pastor 3 and 5.
- ▶ Recoveries upon foreclosure have remained low, despite the substantial amount of defaulted mortgage loans outstanding, totalling less than EUR 300k for Pastor 3 and 4 and nonetheless reaching EUR 1m for Pastor 5.
- ▶ As the current default rates exceed available excess spread and as recoveries are limited, the principal deficiency (negative reserve or PDLs) in all three transactions have either remained unchanged or worsened.
 - Principal deficiency at year-end reached EUR 51.1m in Pastor 3 (vs. EUR 51.4m a year ago), EUR 39.6m in Pastor 4 (vs. EUR 38.1m a year ago) and EUR 31.9m in Pastor 5 (vs. EUR 29.6m a year ago).
- ▶ Trustee data on the loss severity incurred upon resale of foreclosed properties also continues to suggest loss severities in excess of 50% of the loan amount;
 - Expenses incurred during the foreclosure and/or refurbishment of the properties still account for approx. half the total loss amount;
 - This dataset however only covers a third of total defaulted loans in the transactions. On the significantly larger inventory of repossessed homes that are not yet sold, expected loss severities based on servicer estimates average approx. 34%;
 - On that basis and taking into account improving real estate market conditions, the loss severity on all Pastor transactions has been increased from 38.5% to 40%.

Transaction performance (Cont'd)

Pastor Transactions – Actual and Expected Loss Severity on Current Defaults

| (EUR m) | Foreclosed & Sold Properties | | | | | | Foreclosed & Not Yet Sold Properties | | | | |
|--------------|------------------------------|-------------|------------|-------------|----------------------|-----------------------|--------------------------------------|-------------|-------------|-----------------|-------------------------|
| | Count | Debt Amount | Expenses | Sale Price | Actual Loss Severity | Time from NPL to Sale | Count | Debt Amount | Expenses | Appraisal Value | Estimated Loss Severity |
| Pastor 2 | 13 | 1.0 | 0.4 | 0.8 | -56.4% | 4.9 yrs | 18 | 1.4 | 0.3 | 1.8 | 0.0% |
| Pastor 3 | 76 | 10.3 | 2.9 | 6.4 | -66.3% | 5.2 yrs | 288 | 33.1 | 7.4 | 29.7 | -32.4% |
| Pastor 4 | 78 | 10.3 | 2.7 | 6.7 | -60.5% | 5.5 yrs | 289 | 37.7 | 7.9 | 31.9 | -36.5% |
| Pastor 5 | | 12.4 | | 5.8 | -53.2% | n/a | n/a | n/a | n/a | n/a | n/a |
| TOTAL | | 34.0 | 5.9 | 19.7 | -59.5% | 5.3 yrs | 595 | 72.2 | 15.6 | 63.4 | -33.8% |

| (EUR m) | Estimated Total Losses on Foreclosed Defaults | | | |
|--------------|---|-------------|-------------------------|-------------------------|
| | Debt Amount | Expenses | Appraisal or Sale Value | Estimated Loss Severity |
| Pastor 2 | 2.4 | 0.7 | 2.6 | -19.1% |
| Pastor 3 | 43.4 | 10.2 | 36.1 | -40.4% |
| Pastor 4 | 48.0 | 10.6 | 38.6 | -41.7% |
| Pastor 5 | 12.4 | | 5.8 | -53.2% |
| TOTAL | 106.2 | 21.5 | 83.1 | -42.0% |

Main valuation assumptions

DEFAULT RATE (CDR)

- ▶ Change to 0.35% p.a. for Pastor 2 and 1.18% p.a. for Pastor 4 in line with 24-month average default rates.

RECOVERY LAG

- ▶ Existing defaults: Recovery period increased from 5 to 7 years given the substantial backlog of outstanding defaults.
- ▶ New defaults: Recovery lag of 3.5 years (14 quarters).

LOSS SEVERITY

- ▶ 40% based on the average between actual and expected loss severity on defaulted mortgages for the Pastor 3, 4 and 5 transactions.

PREPAYMENT RATE (CPR)

- ▶ Starting CPR equal to the 24-month average for each transaction of 4.4 and 4.6% for Pastor 2 and 4 respectively.
- ▶ Upward sloping thereafter by 0.4% p.a.

EURIBOR FORWARD CURVE

- ▶ Euribor 3-month forward curve.

MATURITY

- ▶ Exercise of the 10% clean-up call.

Main valuation assumptions (Cont'd)

COMPARISON OF REVISED AND PREVIOUS KEY ASSUMPTIONS

| | | CDR | Lag | Severity | CPR |
|----------|----------|-------|---------|----------|--|
| Pastor 2 | New | 0.35% | 3.5 yrs | 40% | Starting point of 4.4%. Thereafter: + 0.4% p.a. |
| | Previous | 0.3% | 3.5 yrs | 38.5% | Starting point of 4.4%. Thereafter: + 0.4% p.a. capped at 5.0% p.a. |
| Pastor 4 | New | 1.2% | 3.5 yrs | 40% | Starting point of 4.6%. Thereafter: + 0.4% p.a. |
| | Previous | 1.3% | 3.5 yrs | 38.5% | Starting point of 4.4%. Thereafter: + 0.2% p.a. capped at 5.0% p.a. |

Note: Recovery lag stated in the table is for new defaults. Existing un-foreclosed defaults are assumed to be recovered over a 7-year period.

- ▶ Assumptions for the Pastor 3 and 5 positions are not depicted as the positions are written-off.

Pastor 2 – Valuation and CF summary

(EUR 000s)

| Period | Forecast Sub Loan CF | | |
|---------|----------------------|-------|----|
| | IPD | Q | CF |
| | | | |
| 03/2018 | 1 | | 1 |
| 06/2018 | 2 | | 1 |
| 09/2018 | 3 | | 1 |
| 12/2018 | 4 | | 2 |
| 03/2019 | 5 | | 2 |
| 06/2019 | 6 | | 3 |
| 09/2019 | 7 | 5,003 | |
| 12/2019 | 8 | | 0 |

(EUR 000s)

| Valuation at different discount rates | |
|---------------------------------------|---------------------|
| discount rate | Value at 31/12/2017 |
| 0.0% | 5,011 |
| 5.0% | 4,607 |
| 5.9% | 4,538 |
| 10.0% | 4,252 |
| 12.0% | 4,122 |

Net present value at 6.17% under different combinations

| | CDR / Severity combinations | | | | | |
|----------|-----------------------------|-------|-------|-------|-------|-------|
| | 0.00% | 0.25% | 0.29% | 0.50% | 0.75% | 1.00% |
| 10% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 15% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 20% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 30% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 40% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 45% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,482 |
| Severity | | | | | | |

CDR / Recovery lag combinations

| | CDR / Recovery lag combinations | | | | | |
|-----|---------------------------------|-------|-------|-------|-------|-------|
| | 0.00% | 0.25% | 0.29% | 0.50% | 0.75% | 1.00% |
| 4 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 8 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 12 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 14 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 18 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 22 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| Lag | | | | | | |

CDR / CPR combinations

| | CDR / CPR combinations | | | | | |
|-------|------------------------|-------|-------|-------|-------|-------|
| | 0.00% | 0.20% | 0.40% | 0.60% | 0.80% | 1.00% |
| 0.0% | 4,416 | 4,416 | 4,416 | 4,416 | 4,416 | 4,416 |
| 2.0% | 4,477 | 4,477 | 4,477 | 4,477 | 4,477 | 4,476 |
| 4.4% | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 | 4,538 |
| 6.4% | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 |
| 8.4% | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 |
| 10.4% | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 |
| CPR | | | | | | |

Note: Net present values above include accrued interest.

Pastor 4 – Valuation and CF summary

(EUR 000s)

Period CF

| | Forecast Sub Loan CF | | |
|---------|----------------------|---|-------|
| | IPD | Q | CF |
| 03/2018 | 1 | | 0 |
| 06/2018 | 2 | | 0 |
| 09/2018 | 3 | | 0 |
| 12/2018 | 4 | | 0 |
| 03/2019 | 5 | | 0 |
| 06/2019 | 6 | | 0 |
| 09/2019 | 7 | | 0 |
| 12/2019 | 8 | | 0 |
| 03/2020 | 9 | | 0 |
| 06/2020 | 10 | | 0 |
| 09/2020 | 11 | | 0 |
| 12/2020 | 12 | | 0 |
| 03/2021 | 13 | | 0 |
| 06/2021 | 14 | | 0 |
| 09/2021 | 15 | | 0 |
| 12/2021 | 16 | | 0 |
| 03/2022 | 17 | | 0 |
| 06/2022 | 18 | | 0 |
| 09/2022 | 19 | | 0 |
| 12/2022 | 20 | | 0 |
| 03/2023 | 21 | | 0 |
| 06/2023 | 22 | | 0 |
| 09/2023 | 23 | | 0 |
| 12/2023 | 24 | | 0 |
| 03/2024 | 25 | | 0 |
| 06/2024 | 26 | | 2,918 |
| 09/2024 | 27 | | 0 |
| 12/2024 | 28 | | 0 |

(EUR 000s)

Valuation at different discount rates

| discount rate | Value at 31/12/2017 |
|---------------|---------------------|
| 0.0% | 2,918 |
| 8.5% | 1,720 |
| 10.0% | 1,573 |
| 10.9% | 1,491 |
| 20.0% | 895 |

Net present value at 11.17% under different combinations

CDR / Severity combinations

| | CDR | | | | | |
|------------|-------|-------|-------|-------|-------|-------|
| | 0.75% | 1.00% | 1.18% | 1.50% | 2.00% | 3.00% |
| 20% | 3,601 | 3,591 | 3,591 | 3,647 | 3,629 | 0 |
| 30% | 3,572 | 3,572 | 3,572 | 3,629 | 3,629 | 0 |
| 40% | 2,781 | 2,026 | 1,491 | 553 | 0 | 0 |
| 40% | 2,781 | 2,026 | 1,491 | 553 | 0 | 0 |
| 50% | 0 | 0 | 0 | 0 | 0 | 0 |
| 60% | 0 | 0 | 0 | 0 | 0 | 0 |

Severity

CDR / Recovery lag combinations

| | CDR | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|
| | 0.75% | 1.00% | 1.18% | 1.50% | 2.00% | 3.00% |
| 8 | 3,149 | 2,507 | 2,054 | 1,307 | 82 | 0 |
| 12 | 2,912 | 2,199 | 1,694 | 825 | 0 | 0 |
| 14 | 2,781 | 2,026 | 1,491 | 553 | 0 | 0 |
| 16 | 2,642 | 1,843 | 1,276 | 265 | 0 | 0 |
| 20 | 2,336 | 1,437 | 798 | 0 | 0 | 0 |
| 24 | 1,990 | 976 | 255 | 0 | 0 | 0 |

Lag

CDR / CPR combinations

| | CDR | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|
| | 0.75% | 1.00% | 1.18% | 1.50% | 2.00% | 3.00% |
| 2.0% | 2,488 | 1,744 | 1,236 | 296 | 0 | 0 |
| 3.0% | 2,602 | 1,854 | 1,349 | 403 | 0 | 0 |
| 4.0% | 2,721 | 1,967 | 1,433 | 496 | 0 | 0 |
| 4.6% | 2,781 | 2,026 | 1,491 | 553 | 0 | 0 |
| 5.0% | 2,786 | 2,076 | 1,535 | 587 | 0 | 0 |
| 6.0% | 0 | 0 | 0 | 0 | 0 | 0 |

CPR

Note: Net present values above include accrued interest.

3 LUSITANO INVESTMENTS (PORTUGUESE FIRST LOSS)

Summary fact sheet

| | |
|----------------------------------|--|
| EETI Investments: | <ul style="list-style-type: none"> ▶ <u>Lusitano 3</u>: 24.1% of the Class E Notes (par value of EUR 1,682k) ▶ <u>Lusitano 5</u>: 27.7% of the Class E Notes (par value of EUR 3,300k) |
| Position: | ▶ First loss position entitled to all profit on the interest waterfall as well as the reserve amount at maturity. |
| Pool spread: | <ul style="list-style-type: none"> ▶ <u>Lusitano 3</u>: 1.13% p.a. (before notes interest and cost) ▶ <u>Lusitano 5</u>: 0.92% p.a. (before notes interest and cost) |
| Principal CF drivers: | <ul style="list-style-type: none"> ▶ CDR / defaults ▶ Recovery lag ▶ Loss severity ▶ CPR |
| Clean-up call / Maturity: | Current valuations assume exercise of the 10% clean-up call. |

Collateral profile

Key characteristics

| | | L3 | L5 | |
|----------------------------------|---------------------------------------|---------|--------|--------|
| Key deal information | | | | |
| Issuer | Banco Espirito Santo (now Novo Banco) | | | |
| Issue date | 09/2004 | 09/2006 | | |
| Years since issue | 13 | 11 | | |
| Issue size (OB) | EURm | 1,200 | 1,400 | |
| Current size (CB) | EURm | 309 | 527 | |
| % OB | | 26% | 38% | |
| Current loan count | | 9,716 | 12,323 | |
| Avg loan balance | EURk | 31,765 | 42,746 | |
| Issue spread | %CB | 1.24% | 1.04% | |
| Current spread ex-compensation | %CB | 0.95% | 0.81% | |
| Current spread with compensation | %CB | 1.02% | 0.87% | |
| Collateral composition | | | | |
| WA LTV at issue | | 73.1% | 72.4% | |
| WA Current LTV (est.) | | 48.0% | 52.0% | |
| Vintage (at issue) | <=2002 | 47% | 18% | |
| | 2003 | 42% | 4% | |
| | 2004 | 11% | 10% | |
| | 2005 | -- | 47% | |
| | 2006 | -- | 21% | |
| | 2007 | -- | -- | |
| Region (at issue) | Lisbon | 43% | 41% | |
| | Norte | 28% | 26% | |
| | Centro | 13% | 16% | |
| | Alentejo | 9% | 7% | |
| | Algarve | 3% | 4% | |
| | Islands & others | 4% | 6% | |
| Transaction performance | | | | |
| CPR | Since issue | %CB | 4.7% | 3.6% |
| | Last 24M | %CB | 3.3% | 2.8% |
| | Last 12M | %CB | 3.8% | 3.3% |
| Arrears | [1-3M] | %CB | 1.1% | 0.9% |
| | 3-12M | %CB | 1.2% | 1.0% |
| | Total | | 2.2% | 2.0% |
| CDR | Since issue | %CB | 1.05% | 1.28% |
| | Last 24M | %CB | 0.81% | 0.88% |
| | Last 12M | %CB | 0.78% | 0.80% |
| Cumulative gross defaults | | EURm | 76.7 | 119.3 |
| | | % OB | 6.4% | 8.5% |
| Cumulative recoveries | | EURm | 39.7 | 52.3 |
| As a % of cumulative defaults | | % | 51.8% | 43.8% |
| Reperforming defaulted loans | | EURm | 11.85 | 23.3 |
| As a % of cumulative defaults | | % | 15.5% | 19.5% |
| Reserve amount | | EURm | 5.6 | -3.6 |
| | | %CB | 1.81% | -0.68% |
| Reserve drawn | | | No | Yes |

Note :

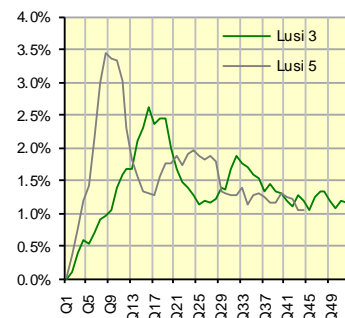
Reperforming defaulted loans are loans that had been defined as defaulted at some point since issue (i.e. due to arrears exceeding 12 monthly instalments) but who, at the report date, no longer present any arrear or whose remaining arrears do not exceed 3 monthly instalments. Note that these loans remain included in the cumulative defaults figure.

Sources: Cartesia, Trustee reports.

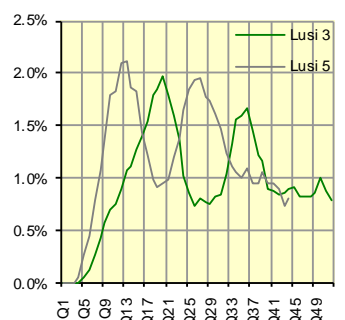
Collateral performance

Quarters since issue

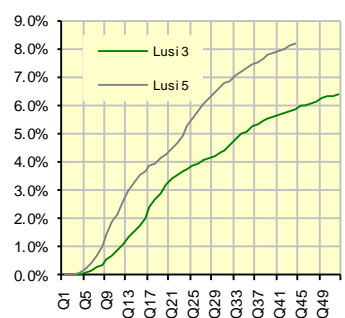
90-day + Arrears (%CB)



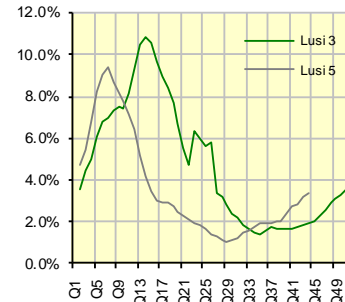
12 Months Average Default Rate (% CB)



Cumulative defaults (% OB)



12 Months Average CPR

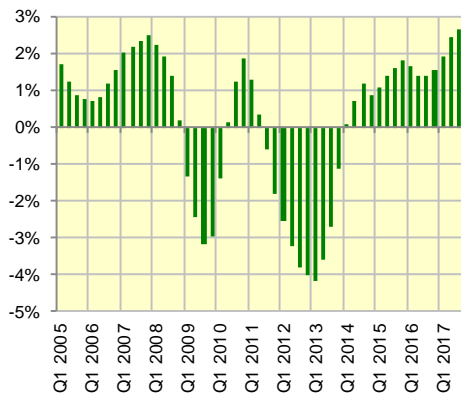


Macroeconomic update

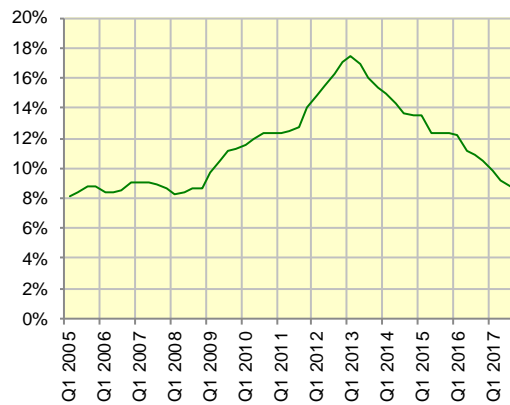
- ▶ The growth rate of the Portuguese economy has accelerated to an estimated 2.8% in 2017, close to twice the rate achieved in 2015 and 2016 and above expectations.
 - Growth forecast for 2018 and 2019 are somewhat lower at 2.3% and 1.8%.
- ▶ Against this backdrop, unemployment has continued to decrease at a sustained pace to 10.9% of the workforce at year-end 2016 vs. 12.3% at end 2015.
- ▶ The country has succeeded in materially reducing its budget deficit which is forecast to reach 1.5% in 2017 (vs. 2.0% in 2016 and 4.4% in 2015), leading to an anticipated reduction in the sovereign debt to GDP ratio to 126% by year-end 2017 vs. 130% a year ago.
- ▶ On the back of this positive macroeconomic evolution, Portugal has regained an investment grade rating with Standard & Poor's in September 2017 (upgrade from BB+ to BBB-); it is however still rated Ba1 / BB+ with Moody's and Fitch respectively, one notch below investment grade, but with a positive outlook at both agencies.
- ▶ Portuguese yields on the benchmark 10-year sovereign bonds have tightened very significantly over the year – by 1.9% – in a sharp reversal of the trend experienced in 2016 (+1.0% in yield in 2016).
 - 10-year sovereign bonds traded at yields of 1.9% at year-end 2017 vs. 3.88% at end 2016 (and 2.87% at end 2015);
 - The spread to the 10-year German sovereign has narrowed to 1.5% at year-end from 3.65% at the beginning of the year; Portugal's spread to Germany is closing in on the one of Spain (1.10%).
- ▶ Real estate prices have risen by an average 8% in 2017 further to a 7.0% increase in 2016 (+5.0% in 2015) and stand approx. 25% above their trough level of mid-2013.
 - The number of transactions has also increased by approx. 17% in 2017, further to a 18.5% and 27% rise in 2016 and 2015 respectively.

Macroeconomic update (Cont'd)

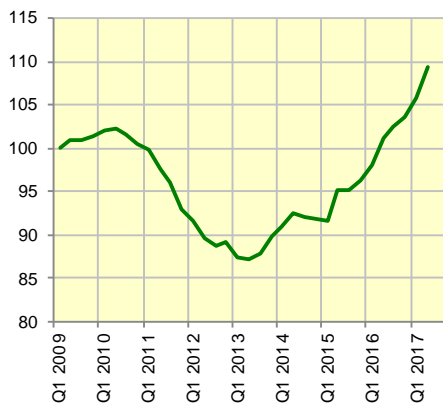
Yearly Evolution in Real GDP since 2005



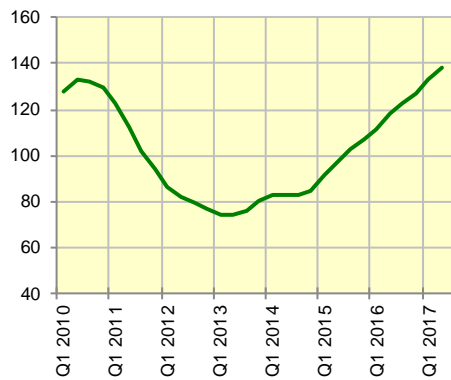
Unemployment rate since 2000



Real Estate Prices (Base 100 = 2009)



12M rolling transaction volume since 2009 (000s)



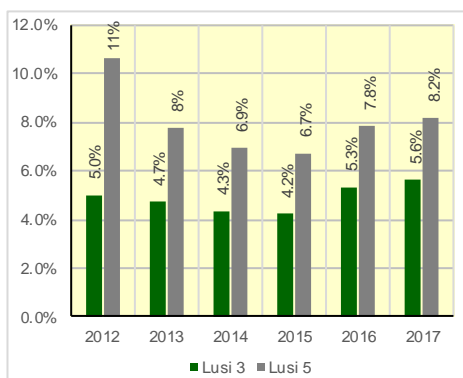
Sources : Cartesia, Eurostat, Portuguese National Institute of Statistics.

Transaction performance

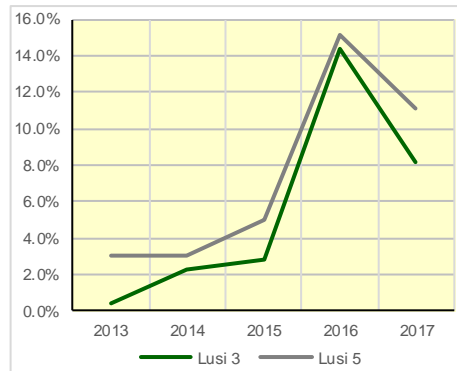
COLLATERAL PERFORMANCE

- ▶ 90-day+ arrears have declined to 1.16% for Lusitano 3 (vs. 1.21% at year-end 2016) and more markedly to 1.04% (vs. 1.24% at year-end 2016) for Lusitano 5.
- ▶ Average default rates have shown the same pattern, with the 12-month CDR of Lusitano 3 declining to 0.78% (vs. 0.83% end 2016) and that of Lusitano 5 dropping to 0.80% from 0.96% a year ago.
 - The 24-month average CDR used as valuation assumptions are almost equal to the default levels experienced in 2017 for both deals.
- ▶ Recoveries on foreclosed mortgages have remained stable for both transactions in 2017, amounting to EUR 4.5m on Lusitano 3 and approx. EUR 5.8m on Lusitano 5. Combined with default rates (CDR) falling below the available excess spread, these recoveries have supported residual payments in the case of Lusitano 3 and the absorption of the negative reserve in the case of Lusitano 5.
- ▶ Available data shows that the loss severity upon disposal of foreclosed properties in 2017 has fallen sharply from its peak level of 2016. As shown in the right-hand graph below, the loss severity incurred on 2017 disposals has fallen to 8% for Lusitano 3 (vs. 14% in 2016) and to 11% for Lusitano 5 (vs. 15% in 2016).
 - While this evolution ties with the appreciation of real estate over the past year, it is reassuring as it follows a rather rapid rise in loss severity on new disposals in 2016.
 - The loss level experienced in 2017 remains well within the 20% loss severity assumed in the valuation.
 - Note the weighted average loss severity incurred since issue is of 5.6% for Lusitano 3 and 8.2% for Lusitano 5.

Weighted average loss severity since issue



Loss severity of loans foreclosed during the year



Transaction performance (Cont'd)

SPECIFICS OF LUSITANO 3

- ▶ The Lusitano 3 first loss position has cash flowed in each of the 4 quarters of 2017, generating a total of EUR 942k during the year (vs. EUR 889k in 2016 and EUR 398k in 2015).
 - The increase in residual cash flow reflects the decrease in default rates alongside stable foreclosure proceeds on defaulted loans.
- ▶ The transaction is expected to continue to cash flow over the coming quarters with the quantum and timing of payments largely dependent on foreclosure proceeds.

SPECIFICS OF LUSITANO 5

- ▶ The principal deficiency (negative reserve) of the Lusitano 5 transaction has declined by EUR 1.7m to EUR 3.6m at year end 2017, following a decline of EUR 1m in 2016.
- ▶ This evolution stems from a combination of default levels remaining below the available excess spread and foreclosure proceeds.
- ▶ Given the still substantial amount of un-foreclosed loans (EUR 57m), we remain confident that the negative reserve will be absorbed over the coming years, causing the residual position held by EETI to resume cash flowing.
 - Under prevailing assumptions, the residual position is expected to cash flow again in late 2019 or early 2020.

Main valuation assumptions

DEFAULT RATE (CDR)

- ▶ Lusitano 3: 0.81% p.a., in line with 24-month average;
- ▶ Lusitano 5: 0.88% p.a. in line with 24-month average.

RECOVERY LAG

- ▶ Existing un-foreclosed defaults: Recovery lag of 16 quarters;
- ▶ New defaults: Recovery lag of 10 quarters. As defaults are defined as loans with arrears in excess of 12 months, the recovery lag equates to a 3.5-year time to foreclosure from the first arrear.

LOSS SEVERITY

- ▶ Unchanged at 20%.

PREPAYMENT RATE (CPR)

- ▶ Lusitano 3: CPR of 3.3%, in line with 24-month average, increasing by 0.4% p.a.
- ▶ Lusitano 5: CPR of 2.8%, in line with 24-month average, increasing by 0.4% p.a.

EURIBOR CURVE

- ▶ Euribor 3-month forward curve.

MATURITY

- ▶ Exercise of the 10% clean-up call at the first optional date.

Comparison of revised and previous key assumptions

| | | CDR | Lag | Severity | CPR |
|------------|----------|-------|---|----------|---|
| Lusitano 3 | New | 0.81% | Existing defaults: 4 yrs New defaults: 2.5 yrs | 20% | Starting point: 3.3% Thereafter: + 0.40% p.a. |
| | Previous | 0.87% | Existing defaults: 4 yrs New defaults: 2.5 yrs | 20% | Starting point: 2.4% Thereafter: + 0.20% p.a. capped at 5.0% p.a. |
| Lusitano 5 | New | 0.88% | Existing defaults: 4 yrs New defaults: 2.5 yrs | 20% | Starting point: 2.8% Thereafter: + 0.40% p.a. |
| | New | 1.02% | Existing defaults: 4 yrs New defaults: 2.5 yrs | 20% | Starting point: 2.1% Thereafter: + 0.20% p.a. capped at 5.0% p.a. |

Lusitano 3 – Valuation and CF summary

(EUR 000s)

| Period CF | | |
|-------------------------|----|--------|
| Class E CF (EETI share) | | |
| IPD | Q | Cum CF |
| 01/2018 | 1 | 238 |
| 04/2018 | 2 | 266 |
| 07/2018 | 3 | 257 |
| 10/2018 | 4 | 267 |
| 01/2019 | 5 | 228 |
| 04/2019 | 6 | 240 |
| 07/2019 | 7 | 369 |
| 10/2019 | 8 | 366 |
| 01/2020 | 9 | 351 |
| 04/2020 | 10 | 352 |
| 07/2020 | 11 | 474 |
| 10/2020 | 12 | 517 |
| 01/2021 | 13 | 517 |
| 04/2021 | 14 | 515 |
| 07/2021 | 15 | 514 |
| 10/2021 | 16 | 652 |
| 01/2022 | 17 | 74 |
| 04/2022 | 18 | 72 |
| 07/2022 | 19 | 71 |
| 10/2022 | 20 | 65 |
| 01/2023 | 21 | 66 |
| 04/2023 | 22 | 64 |
| 07/2023 | 23 | 63 |
| 10/2023 | 24 | 56 |
| 01/2024 | 25 | 57 |
| 04/2024 | 26 | 55 |
| 07/2024 | 27 | 54 |
| 10/2024 | 28 | 1,382 |

(EUR 000s)

Valuation at different discount rates

| discount rate | Value at 31/12/2017 |
|---------------|---------------------|
| 0.0% | 8,201 |
| 5.9% | 6,834 |
| 7.5% | 6,534 |
| 10.0% | 6,105 |
| 12.5% | 5,723 |

Net present value under different combinations

CDR / Severity combinations

| | CDR | | | | | |
|-----|-------|-------|-------|-------|-------|-------|
| | 0.75% | 0.81% | 1.00% | 1.25% | 1.50% | 2.00% |
| 5% | 8,118 | 8,074 | 7,904 | 7,721 | 7,541 | 7,146 |
| 10% | 7,711 | 7,660 | 7,475 | 7,268 | 7,065 | 6,630 |
| 15% | 7,303 | 7,247 | 7,046 | 6,815 | 6,588 | 6,114 |
| 20% | 6,896 | 6,834 | 6,617 | 6,362 | 6,111 | 5,597 |
| 25% | 6,489 | 6,420 | 6,188 | 5,909 | 5,635 | 5,081 |
| 30% | 6,081 | 6,007 | 5,759 | 5,457 | 5,158 | 4,565 |

Severity

CDR / Recovery lag combinations

| | CDR | | | | | |
|----|-------|-------|-------|-------|-------|-------|
| | 0.75% | 0.81% | 1.00% | 1.25% | 1.50% | 2.00% |
| 8 | 7,015 | 6,962 | 6,779 | 6,563 | 6,350 | 5,919 |
| 10 | 6,896 | 6,834 | 6,617 | 6,362 | 6,111 | 5,597 |
| 12 | 6,773 | 6,701 | 6,450 | 6,155 | 5,865 | 5,265 |
| 14 | 6,647 | 6,565 | 6,279 | 5,943 | 5,612 | 4,922 |
| 16 | 6,518 | 6,426 | 6,103 | 5,724 | 5,351 | 4,569 |
| 20 | 6,247 | 6,134 | 5,738 | 5,275 | 4,819 | 3,854 |

Lag

CDR / CPR combinations

| | CDR | | | | | |
|------|-------|-------|-------|-------|-------|-------|
| | 0.75% | 0.81% | 1.00% | 1.25% | 1.50% | 2.00% |
| 1.0% | 7,035 | 6,967 | 6,753 | 6,456 | 6,184 | 5,633 |
| 2.0% | 6,979 | 6,913 | 6,687 | 6,420 | 6,158 | 5,625 |
| 3.3% | 6,896 | 6,834 | 6,617 | 6,362 | 6,111 | 5,597 |
| 4.0% | 6,857 | 6,796 | 6,582 | 6,332 | 6,087 | 5,582 |
| 5.0% | 6,788 | 6,728 | 6,542 | 6,300 | 6,062 | 5,570 |
| 6.0% | 6,742 | 6,685 | 6,504 | 6,269 | 6,014 | 5,559 |

CPR

Note: Net present values above include accrued interest.

Lusitano 5 – Forecast CF and valuation

(EUR 000s)

| Period CF | | Class E CF |
|-----------|----|------------|
| IPD | Q | Cum CF |
| 01/2018 | 1 | 0 |
| 04/2018 | 2 | 0 |
| 07/2018 | 3 | 0 |
| 10/2018 | 4 | 0 |
| 01/2019 | 5 | 0 |
| 04/2019 | 6 | 0 |
| 07/2019 | 7 | 0 |
| 10/2019 | 8 | 0 |
| 01/2020 | 9 | 0 |
| 04/2020 | 10 | 0 |
| 07/2020 | 11 | 0 |
| 10/2020 | 12 | 566 |
| 01/2021 | 13 | 2,404 |
| 04/2021 | 14 | 918 |
| 07/2021 | 15 | 1,068 |
| 10/2021 | 16 | 1,018 |
| 01/2022 | 17 | 1,017 |
| 04/2022 | 18 | 1,538 |
| 07/2022 | 19 | 66 |
| 10/2022 | 20 | 65 |
| 01/2023 | 21 | 63 |
| 04/2023 | 22 | 61 |
| 07/2023 | 23 | 57 |
| 10/2023 | 24 | 55 |
| 01/2024 | 25 | 54 |
| 04/2024 | 26 | 52 |
| 07/2024 | 27 | 49 |
| 10/2024 | 28 | 47 |
| 01/2025 | 29 | 45 |
| 04/2025 | 30 | 43 |
| 07/2025 | 31 | 40 |
| 10/2025 | 32 | 39 |
| 01/2026 | 33 | 37 |
| 04/2026 | 34 | 36 |
| 07/2026 | 35 | 33 |
| 10/2026 | 36 | 31 |
| 01/2027 | 37 | 30 |
| 04/2027 | 38 | 1,707 |

(EUR 000s)

Valuation at different discount rates

| discount rate | Value at 31/12/2017 |
|---------------|---------------------|
| 0.0% | 11,137 |
| 10.0% | 7,283 |
| 10.9% | 7,029 |
| 12.5% | 6,622 |
| 15.0% | 6,043 |

Net present value under different combinations

CDR / Severity combinations

| | 0.75% | 0.88% | 1.00% | 1.25% | 1.50% | 2.00% |
|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 5% | 9,391 | 9,319 | 9,254 | 9,118 | 8,985 | 8,727 |
| 10% | 8,663 | 8,565 | 8,475 | 8,293 | 8,078 | 7,737 |
| 15% | 7,935 | 7,810 | 7,664 | 7,439 | 7,213 | 6,782 |
| 20% | 7,178 | 7,029 | 6,893 | 6,621 | 6,347 | 5,796 |
| 25% | 6,457 | 6,282 | 6,122 | 5,774 | 5,454 | 4,849 |
| 30% | 5,708 | 5,509 | 5,326 | 4,965 | 4,550 | 3,923 |
| Severity | | | | | | |

CDR / Recovery lag combinations

| | 0.75% | 0.88% | 1.00% | 1.25% | 1.50% | 2.00% |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|
| 8 | 7,388 | 7,268 | 7,157 | 6,944 | 6,716 | 6,284 |
| 10 | 7,178 | 7,029 | 6,893 | 6,621 | 6,347 | 5,796 |
| 12 | 6,991 | 6,811 | 6,615 | 6,286 | 5,959 | 5,303 |
| 14 | 6,804 | 6,592 | 6,368 | 5,974 | 5,560 | 4,800 |
| 16 | 6,619 | 6,377 | 6,124 | 5,665 | 5,193 | 4,284 |
| 20 | 6,252 | 5,949 | 5,643 | 5,063 | 4,482 | 3,345 |
| Lag | | | | | | |

CDR / CDR combinations

| | 0.75% | 0.88% | 1.00% | 1.25% | 1.50% | 2.00% |
|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1.0% | 7,293 | 7,132 | 6,984 | 6,688 | 6,390 | 5,796 |
| 2.0% | 7,231 | 7,077 | 6,936 | 6,645 | 6,370 | 5,786 |
| 2.8% | 7,178 | 7,029 | 6,893 | 6,621 | 6,347 | 5,796 |
| 3.0% | 7,167 | 7,019 | 6,884 | 6,614 | 6,341 | 5,793 |
| 4.0% | 7,112 | 6,971 | 6,842 | 6,576 | 6,326 | 5,785 |
| 5.0% | 7,056 | 6,921 | 6,797 | 6,551 | 6,301 | 5,796 |
| CPR | | | | | | |

Note: Net present values above include accrued interest.

4. LUDGATE (UK FIRST LOSS POSITION)

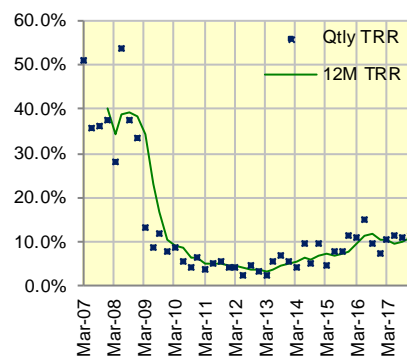
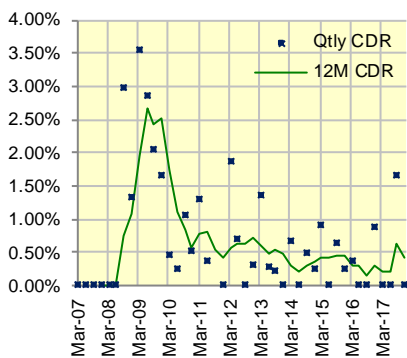
Fact sheet

| | |
|----------------------------------|---|
| EETI Investment: | <ul style="list-style-type: none"> ▶ 100% of the Residual Certificates of Ludgate 2006-FF1 ▶ 100% of the Mortgage Early Repayment Certificates of Ludgate 2006-FF1 ▶ GBP denominated with an unhedged GBP/EUR exposure |
| Collateral: | <ul style="list-style-type: none"> ▶ UK non-conforming (or near-prime) residential mortgage loans ▶ Dec. 2017 pool balance of GBP 101m ▶ Underlying loans are essentially floating rate interest-only loans |
| Securitisation structure: | <ul style="list-style-type: none"> ▶ First loss position entitled to all profit on the interest waterfall as well as the reserve amount at maturity ▶ Position also entitled to early repayment charges on mortgages |
| Principal CF drivers: | <ul style="list-style-type: none"> ▶ Pool excess spread, which is also impacted by the unhedged differential between the Bank of England Base Rate (the reference rate of the loans) and the GBP 3-month Libor (the reference rate of the notes) ▶ Total redemption rate of loans (pool principally comprising interest-only mortgages) ▶ New defaults (CDR) ▶ Loss severity (historically 30%) ▶ Recovery lag |
| Reserve Fund: | <ul style="list-style-type: none"> ▶ GBP 1.15m fully funded reserve fund ▶ The reserve fund will be paid out to the residual notes at maturity |
| Call: | <ul style="list-style-type: none"> ▶ 10% clean-up call is assumed given the sound credit performance of the pool ▶ No potential benefit from a resale of the pool at a profit is factored in |

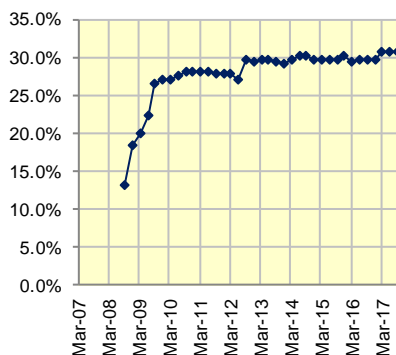
Transaction overview

RECENT PERFORMANCE

- ▶ EETI holds 100% of the residual of the Ludgate 2006-FF1 transaction, a 2006 securitization of UK non-conforming mortgage loans. The instrument is entitled to the net excess spread of the mortgage book after interest on the notes and credit losses.
 - The position is denominated in GBP and all receipts are converted at the prevailing GBP/EUR exchange rate at quarter-end;
 - The exchange rate exposure is not hedged.
- ▶ The position has generated a total cash flow of EUR 1.4m in 2017, close to expectations.
- ▶ The credit performance of the transaction has remained solid throughout the year:
 - Default rates averaged 0.4% in 2017 in line with assumptions;
 - Loss severity on the disposal of foreclosed loans remains stable at 30%;
 - The relationship between the Bank of England Base Rate (BBR) and 3-month GBP Libor, which is unhedged in the transaction, has also remained stable.
- ▶ Total redemption rate over the year was 10.1%, below assumptions as a gradual acceleration of redemptions has not materialised at this stage.



Average loss severity on foreclosed mortgages



Source: Cartesia, Trustee reports, Bloomberg.

Valuation

SCHEDULED DISPOSAL IN Q1 2018

- ▶ As previously indicated, EETI has received bids valuing the Ludgate position at EUR 4.8m, substantially above the level of approx. EUR 4.0m at which the position would have been valued on a mark-to-model basis.
 - The sale is expected to be completed in Q1 2018.
- ▶ The position is therefore valued at the expected disposal price of EUR 4.8m.

5. MINOTAURE (FRENCH FIRST LOSS)

Minotaure 2004-1 – Fact sheet

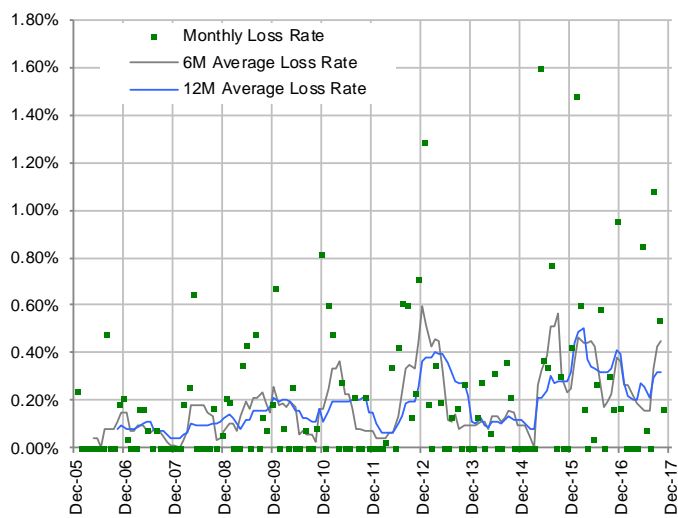
| | |
|----------------------------------|--|
| EETI Investment: | <ul style="list-style-type: none"> ▶ 50% of the Class R residual notes ▶ 1 unit (out of 2) of FCC Minotaure 2004-1, the securitization vehicle, opening right to all remaining cash flow at the vehicle's liquidation |
| Securitization structure: | <ul style="list-style-type: none"> ▶ Cash securitization of mortgage loans extended to their employees by EDF / GDF and their affiliates, the French State-run utilities. ▶ The mortgage loans have been extended at below market rate by EDF / GDF. To enable a refinancing of the portfolio, the loans have been sold below par (approx. 12% discount). |
| Position: | ▶ First loss position entitled to all profit on the interest and principal waterfall as well as the reserve amount. |
| Reserve | ▶ EUR 2.955m reserve at its required level; the residual is entitled to the full reserve amount at maturity. |
| Principal CF drivers: | <ul style="list-style-type: none"> ▶ Death of employees (in which case EDF / GDF forego the mortgage loan) ▶ Permanent incapacitation due to work-related accidents (in which case EDF / GDF forego the loan) ▶ Prepayments (as the portfolio has been purchased below par, principal repayments generate a profit in the securitization structure) |
| Clean-up call / Maturity: | <ul style="list-style-type: none"> ▶ Natural amortization of the pool between 2025 and 2026 ▶ Legal final maturity in 2026 |

Performance and outlook

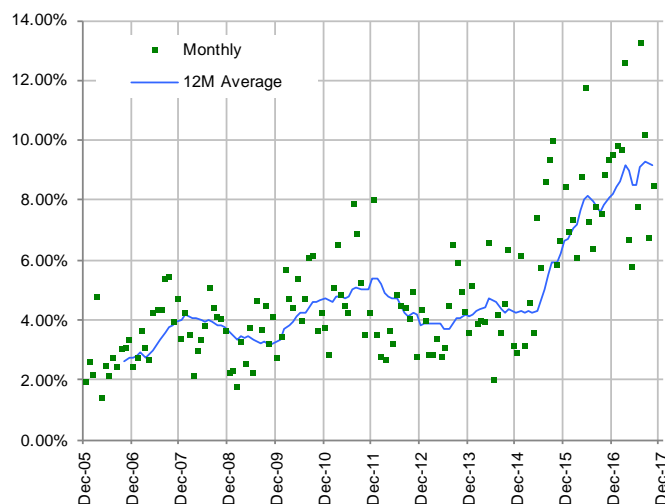
CREDIT PERFORMANCE

- ▶ The Minotaure transaction continues to perform according to forecast with loss and prepayment rates in line with assumptions.
 - The loss rate remained close to 0.30% in 2017, slightly below the 24-month average of 0.33%.
 - Loan redemptions, which are favourable to the position, increased by 1.0% to 9.2% in 2017.

Loss rates since issue (all figures annualised)



Prepayment rates since issue (all figures annualised)



Note: All rates expressed on an annualized basis.

Valuation

SCHEDULED DISPOSAL IN Q1 2018

- ▶ As previously indicated, EETI has received bids valuing the Minotaure position at EUR 3.4m, substantially above the level of approx. EUR 2.3m at which the position would have been valued on a mark-to-model basis.
 - The sale is expected to be completed in Q1 2018.
- ▶ The position is therefore valued at the expected disposal price of EUR 3.4m.

6 OTHER POSITIONS

Written-off positions

- ▶ EETI holds a 40% interest in the most junior notes issued by the leveraged Citrine Finance Ltd vehicle, holding the residuals of the Lusitano 4, Sestante 2 and Sestante 3 RMBS.
 - As these underlying positions have not cash flowed since 2008-09, the Citrine Finance vehicle has been unable to meet its basic financial obligations (auditors, fund administrator etc) and was placed in receivership (under Irish law);
 - Given the very substantial unpaid amount of principal and accrued interest on the more senior notes of the Citrine Finance vehicle and the expected low market value of the underlying securities, no amounts should be recouped by EETI;
 - These positions are consequently written off.

- ▶ EETI holds a 40% interest in the residual of the Sestante 4 RMBS, a securitisation of non-conforming Italian mortgage loans.
 - The residual position has not cash flowed since 2007 owing to the weak performance of the underlying collateral and substantial principal deficiency in the deal, which has continued to increase over the past quarters;
 - However, as the transaction holds a substantial amount of unsold foreclosed properties and is expected to run for another 10-15 years, the residual position held by EETI might eventually recoup some cash flow;
 - In the interim, the position is fully written-off.

Appendix

Summary of quarterly portfolio assumptions since Q4 2012

| Positions | | | | | | | | | | | | | | | | | | | | | CDR |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 |
| Lusitano 3 | 0.90% | 1.04% | 1.20% | 1.22% | 1.35% | 1.39% | 1.39% | 1.38% | 1.28% | 1.16% | 1.03% | 1.01% | 0.90% | 0.90% | 0.84% | 0.85% | 0.87% | 0.89% | 0.92% | 0.85% | 0.81% |
| Lusitano 5 | 1.30% | 1.41% | 1.57% | 1.67% | 1.71% | 1.79% | 1.77% | 1.72% | 1.50% | 1.43% | 1.33% | 1.24% | 1.16% | 1.03% | 1.01% | 1.03% | 1.02% | 0.95% | 0.92% | 0.90% | 0.88% |
| Pastor 2 | 0.20% | 0.22% | 0.29% | 0.30% | 0.35% | 0.39% | 0.47% | 0.53% | 0.53% | 0.51% | 0.45% | 0.41% | 0.38% | 0.36% | 0.22% | 0.29% | 0.29% | 0.30% | 0.33% | 0.40% | 0.35% |
| Pastor 3 | 2.40% | 2.73% | 2.91% | 3.37% | 3.93% | 4.11% | 4.02% | 3.75% | 3.61% | 3.64% | 3.40% | 2.69% | 2.07% | 1.80% | 1.65% | 1.67% | 1.67% | 1.34% | n/a | n/a | n/a |
| Pastor 4 | 2.20% | 2.33% | 2.46% | 2.58% | 3.06% | 3.10% | 2.97% | 3.10% | 2.98% | 2.75% | 2.54% | 2.46% | 2.32% | 1.95% | 1.43% | 1.43% | 1.31% | 1.34% | 1.34% | 1.27% | 1.18% |
| Pastor 5 | 2.00% | 2.14% | 1.90% | 2.12% | 3.07% | 3.31% | 3.50% | 3.63% | 3.41% | 3.50% | 3.54% | 3.27% | 2.42% | 2.05% | 1.69% | n/a | n/a | n/a | n/a | n/a | n/a |
| Minotaure | 0.20% | 0.22% | 0.18% | 0.22% | 0.22% | 0.23% | 0.26% | 0.20% | 0.23% | 0.24% | 0.24% | 0.25% | 0.24% | 0.28% | 0.28% | 0.26% | 0.30% | 0.35% | 0.35% | 0.35% | 0.33% |
| Ludgate | | | | | | | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 0.50% | 0.50% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% |

Note: For the Minotaure transaction, CDR data corresponds to the annualised loss rate. For the Ludgate transaction, CPR data corresponds to the total redemption rate.

Summary of quarterly portfolio assumptions since Q4 2012 (cont'd)

| Positions | | | | | | | | | | | | | | | | | | | | | CPR |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 |
| Lusitano 3 | 2.50% | 2.25% | 1.90% | 1.80% | 1.70% | 1.68% | 1.58% | 1.56% | 1.59% | 1.68% | 1.70% | 1.78% | 1.79% | 1.82% | 2.02% | 2.22% | 2.42% | 2.56% | 2.79% | 3.04% | 3.33% |
| Lusitano 5 | 2.20% | 2.00% | 1.80% | 1.60% | 1.50% | 1.36% | 1.27% | 1.24% | 1.23% | 1.32% | 1.44% | 1.59% | 1.67% | 1.76% | 1.88% | 1.98% | 2.12% | 2.34% | 2.40% | 2.59% | 2.84% |
| Pastor 2 | 5.10% | 4.90% | 4.60% | 4.60% | 4.60% | 4.40% | 4.31% | 3.97% | 4.05% | 3.94% | 3.94% | 4.31% | 4.40% | 4.40% | 4.47% | 4.43% | 4.40% | 4.50% | 4.50% | 4.60% | 4.70% |
| Pastor 3 | 3.10% | 2.90% | 3.10% | 3.00% | 3.00% | 3.00% | 3.21% | 3.09% | 3.15% | 3.26% | 3.24% | 3.53% | 3.69% | 3.80% | 3.75% | n/a | n/a | n/a | n/a | n/a | n/a |
| Pastor 4 | 3.20% | 3.00% | 3.00% | 2.90% | 3.00% | 3.10% | 3.25% | 3.17% | 3.39% | 3.54% | 3.67% | 3.67% | 3.79% | 4.09% | 4.06% | 4.12% | 4.43% | 4.44% | 4.30% | 4.56% | 4.63% |
| Pastor 5 | 3.30% | 2.90% | 2.90% | 2.80% | 2.80% | 2.80% | 2.86% | 2.83% | 3.06% | 2.97% | 3.18% | 3.11% | 3.34% | 3.50% | 3.74% | n/a | n/a | n/a | n/a | n/a | n/a |
| Minotaure | 4.58% | 4.56% | 4.27% | 4.07% | 4.16% | 4.20% | 4.30% | 4.15% | 4.22% | 4.29% | 4.64% | 5.50% | 5.24% | 5.66% | 6.16% | 6.66% | 7.20% | 7.85% | 8.24% | 8.52% | 8.54% |
| Ludgate | | | | | | | 5.00% | 5.20% | 6.00% | 7.00% | 7.00% | 7.00% | 7.00% | 8.00% | 10.0% | 10.0% | 10.0% | 10.8% | 10.8% | 10.8% | 10.8% |

Summary of quarterly portfolio assumptions since Q4 2012 (cont'd)

| Positions | Loss Severity | | | | | | | | | | | | | | | | | | | | | |
|------------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----|
| | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | |
| Lusitano 3 | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Lusitano 5 | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Pastor 2 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 39% | 39% | 39% | 39% | 39% | 39% | 40% |
| Pastor 3 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 39% | 39% | 39% | 39% | 39% | 39% | 40% |
| Pastor 4 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 39% | 39% | 39% | 39% | 39% | 39% | 40% |
| Pastor 5 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 39% | 39% | 39% | 39% | 39% | 39% | 40% |
| Minotaure | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm |
| Ludgate | | | | | | | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% |

Summary of quarterly portfolio assumptions since Q4 2012 (cont'd)

| Positions | | | | | | | | | | | | | | | | | | | | | Recovery Lag | |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|----|
| | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2107 | Q2 2017 | Q3 2017 | Q4 2017 | |
| Lusitano 3 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Lusitano 5 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Pastor 2 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Pastor 3 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Pastor 4 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Pastor 5 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Minotaure | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm |
| Ludgate | | | | | | | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Summary of quarterly portfolio assumptions since Q4 2012 (cont'd)

| Positions | Discount Rates | | | | | | | | | | | | | | | | | | | | |
|------------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2107 | Q2 2017 | Q3 2017 | Q4 2017 |
| Lusitano 3 | 10.00% | 9.90% | 9.78% | 9.48% | 9.00% | 8.77% | 8.49% | 8.11% | 7.87% | 7.64% | 7.42% | 7.26% | 7.26% | 6.44% | 6.35% | 6.26% | 6.17% | 6.16% | 6.11% | 6.02% | 5.92% |
| Lusitano 5 | 15.00% | 14.90% | 14.78% | 14.48% | 14.00% | 13.77% | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.01% | 10.92% |
| Pastor 2 | 10.00% | 9.90% | 9.78% | 9.48% | 9.00% | 8.77% | 8.49% | 8.11% | 7.87% | 7.64% | 7.42% | 7.26% | 7.26% | 6.44% | 6.35% | 6.26% | 6.17% | 6.16% | 6.11% | 6.02% | 5.92% |
| Pastor 3 | 15.00% | 14.90% | 14.78% | 14.48% | 14.00% | 13.77% | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.02% | 10.92% |
| Pastor 4 | 15.00% | 14.90% | 14.78% | 14.48% | 14.00% | 13.77% | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.02% | 10.92% |
| Pastor 5 | 15.00% | 14.90% | 14.78% | 14.48% | 14.00% | 13.77% | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.02% | 10.92% |
| Minotaure | 15.00% | 14.90% | 14.78% | 14.48% | 14.00% | 13.77% | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.02% | 10.92% |
| Ludgate | | | | | | | 13.49% | 13.11% | 12.87% | 12.64% | 12.42% | 12.26% | 12.26% | 11.44% | 11.35% | 11.26% | 11.17% | 11.16% | 11.11% | 11.02% | 10.92% |

Quarterly portfolio book values since Q4 2012

| (EUR 000s) | 31/12/2012 | | 31/03/2013 | | 30/06/2013 | | 30/09/2013 | | 31/12/2013 | |
|----------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|
| | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation |
| Lusitano 3 | 6,070 | 13 | 5,947 | (266) | 5,862 | (225) | 5,581 | (330) | 5,803 | 228 |
| Lusitano 5 | 2,762 | 627 | 2,430 | (431) | 2,631 | 116 | 3,009 | 206 | 2,841 | (279) |
| Pastor 2 | 2,826 | (520) | 2,863 | (24) | 2,946 | 14 | 3,123 | 115 | 3,257 | 63 |
| Pastor 3 | 502 | (531) | 184 | (336) | 287 | 97 | 68 | (230) | 68 | (1) |
| Pastor 4 | 2,357 | (459) | 2,267 | (172) | 2,376 | 28 | 2,528 | 60 | 2,272 | (344) |
| Pastor 5 | 855 | 23 | 903 | 18 | 1,165 | 229 | 1,199 | (11) | 448 | (793) |
| Minotaure | 920 | (1,321) | 1,010 | 58 | 1,070 | 23 | 1,131 | 22 | 1,190 | 20 |
| Sestante 4 A1 | 173 | (7) | 163 | (3) | 153 | 0 | 150 | 3 | 137 | (5) |
| Ludgate | | | | | | | | | | |
| TOTAL | 26,394 | (1,142) | 25,884 | (1,020) | 20,608 | 319 | 21,059 | (113) | 20,521 | (947) |

Quarterly portfolio book values since Q4 2012 (cont'd)

| (EUR 000s) | 31/03/2014 | | 30/06/2014 | | 30/09/2014 | | 31/12/2014 | |
|----------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|
| | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation |
| Lusitano 3 | 5,769 | 132 | 6,129 | 317 | 6,338 | 331 | 6,678 | 452 |
| Lusitano 5 | 2,926 | 81 | 3,244 | 224 | 3,796 | 448 | 4,198 | 282 |
| Pastor 2 | 3,278 | (42) | 3,393 | 45 | 3,526 | 62 | 3,600 | 34 |
| Pastor 3 | 0 | (70) | 0 | 0 | 0 | 0 | 0 | 0 |
| Pastor 4 | 2,324 | (13) | 333 | (2,067) | 389 | 45 | 665 | 264 |
| Pastor 5 | 427 | (31) | 0 | (441) | 0 | 0 | 0 | 0 |
| Minotaure | 1,245 | 18 | 1,308 | 22 | 1,338 | (13) | 1,506 | 127 |
| Sestante 4 A1 | 127 | 0 | 123 | 6 | 105 | (7) | 85 | (10) |
| Ludgate | | | 6,590 | 6,590 | 6,507 | 281 | 6,266 | 132 |
| TOTAL | 20,751 | 186 | 24,697 | 3,548 | 25,647 | 1,169 | 26,715 | 1,300 |

Quarterly portfolio book values since Q4 2012 (cont'd)

| (EUR 000s) | 31/03/2015 | | 30/06/2015 | | 30/09/2015 | | 31/12/2015 | |
|----------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|---------------|----------------------------|
| | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation |
| Lusitano 3 | 6,701 | 9 | 7,139 | 425 | 7,233 | 36 | 7,281 | 22 |
| Lusitano 5 | 4,164 | (164) | 4,402 | 114 | 4,609 | 77 | 5,348 | 603 |
| Pastor 2 | 3,698 | 35 | 3,719 | (45) | 3,853 | 70 | 3,916 | (5) |
| Pastor 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pastor 4 | 494 | (192) | 680 | 171 | 1,293 | 592 | 1,386 | 55 |
| Pastor 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minotaure | 1,570 | 19 | 1,637 | 18 | 1,700 | 14 | 1,770 | 21 |
| Sestante 4 A1 | 76 | 1 | 66 | 0 | 64 | 10 | 49 | (2) |
| Ludgate | 6,345 | 345 | 6,139 | 80 | 5,883 | 102 | 5,654 | (71) |
| TOTAL | 26,892 | 132 | 27,994 | 1,084 | 29,119 | 1,117 | 30,344 | 1,023 |

Quarterly portfolio book values since Q4 2012 (cont'd)

| (EUR 000s) | 31/03/2016 | | 30/06/2016 | | 30/09/2016 | | 31/12/2016 | |
|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|
| | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation |
| Lusitano 3 | 7,552 | 323 | 7,716 | 265 | 7,543 | (195) | 7,334 | 67 |
| Lusitano 5 | 5,638 | 134 | 6,131 | 338 | 6,099 | (199) | 6,162 | (105) |
| Pastor 2 | 4,070 | 87 | 4,137 | 10 | 4,209 | 8 | 4,282 | 8 |
| Pastor 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pastor 4 | 1,489 | 63 | 1,454 | (76) | 1,872 | 378 | 1,588 | (335) |
| Pastor 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minotaure | 1,890 | 69 | 2,027 | 84 | 2,168 | 86 | 2,083 | (144) |
| Sestante 4 A1 | 35 | 0 | 23 | 0 | 9 | 0 | | |
| Ludgate | 5,356 | (45) | 4,759 | (313) | 4,503 | (22) | 4,510 | 243 |
| TOTAL | 26,031 | 631 | 26,247 | 309 | 26,403 | 56 | 25,959 | (265) |

Quarterly portfolio book values since Q4 2012 (cont'd)

(EUR 000s)

| | 31/03/2017 | | 30/06/2017 | | 30/09/2017 | | 31/12/2017 | |
|-------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|
| | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation | Book Value | (Markdown)/ Revaluation |
| Lusitano 3 | 7,269 | (17) | 7,057 | (121) | 7,044 | 70 | 6,752 | (2) |
| Lusitano 5 | 6,350 | 23 | 6,658 | 140 | 6,633 | (202) | 6,877 | 67 |
| Pastor 2 | 4,343 | (2) | 4,414 | 5 | 4,477 | (3) | 4,532 | (8) |
| Pastor 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pastor 4 | 1,609 | (21) | 1,627 | (25) | 1,647 | (24) | 1,487 | (203) |
| Pastor 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minotaure | 2,130 | (9) | 2,203 | 15 | 2,278 | 16 | 3,405 | 1,067 |
| Ludgate | 4,401 | 46 | 4,165 | 14 | 3,956 | 159 | 4,804 | 1,023 |
| TOTAL | 26,102 | 21 | 26,124 | 27 | 26,035 | 16 | 27,857 | 1,944 |

Annual revaluations by position since Q4 2012

| (EUR 000s) | Total (Markdown) / Revaluation in FY | | | | |
|-------------------|---|--------------|--------------|------------|--------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Lusitano 3 | (593) | 1,232 | 492 | 460 | (69) |
| Lusitano 5 | (388) | 1,035 | 629 | 169 | 28 |
| Pastor 2 | 168 | 99 | 55 | 113 | (8) |
| Pastor 3 | (470) | (70) | 0 | 0 | 0 |
| Pastor 4 | (428) | (1,771) | 626 | 30 | (273) |
| Pastor 5 | (557) | (472) | 0 | 0 | 0 |
| Minotaure | 124 | 154 | 72 | 96 | 1,089 |
| Ludgate | | 7,003 | 456 | (137) | 1,241 |
| TOTAL | (1,762) | 6,203 | 3,356 | 731 | 2,008 |

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