

Confidential

EETI Quarterly Review

QUARTER ENDED 30/06/2020

July 2020

DRAFT

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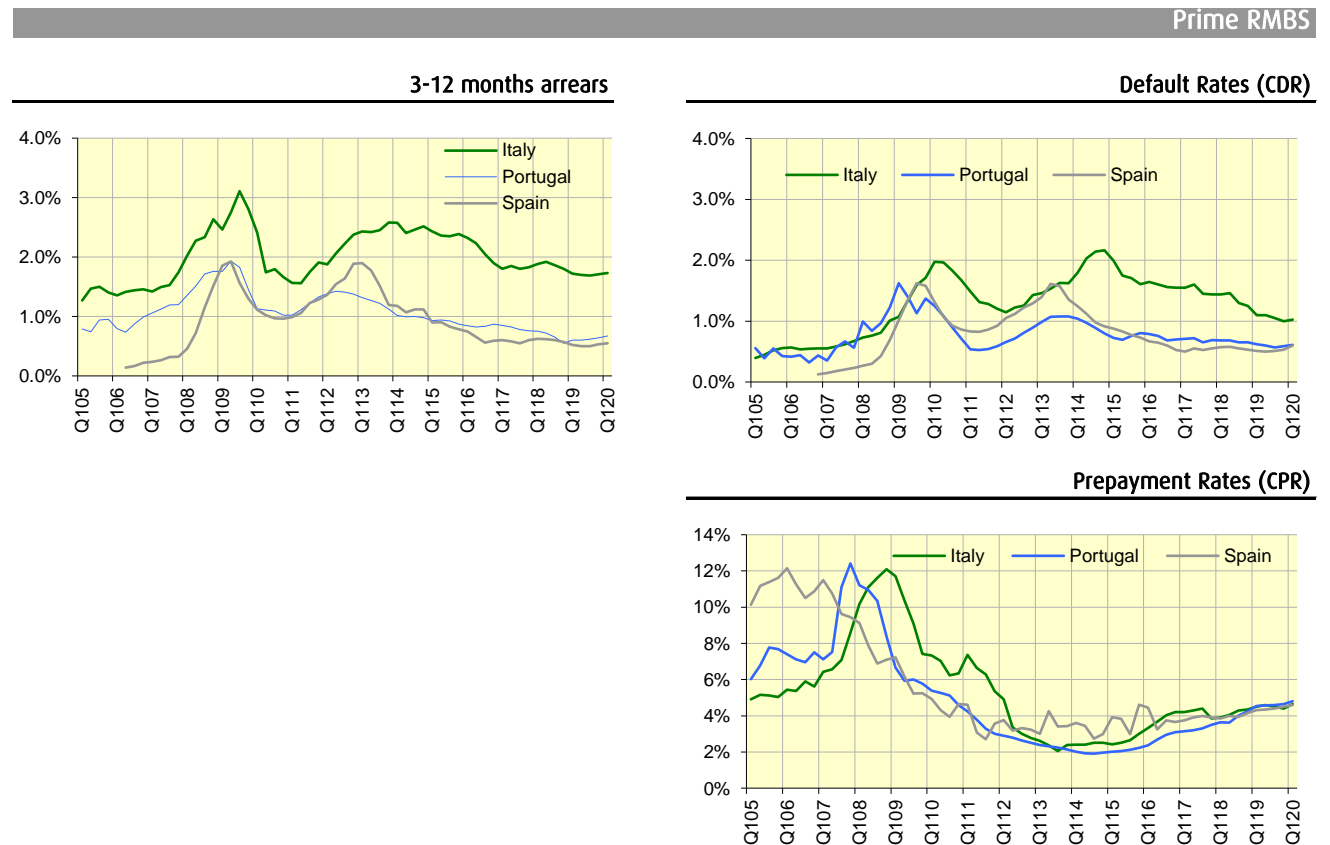
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1 EUROPEAN ABS / RMBS ACTIVITY AND PERFORMANCE

Prime European RMBS performance

- ▶ The credit performance of peripheral RMBS deteriorated slightly over the second quarter, with a more marked decline in prepayments.
- ▶ The impact of the pandemic was however primarily absorbed through government-mandated payment holidays which are not classified as arrears.
- ▶ Available data points to payment holidays well below 5% in Spain but reaching up to 15% in Portugal.



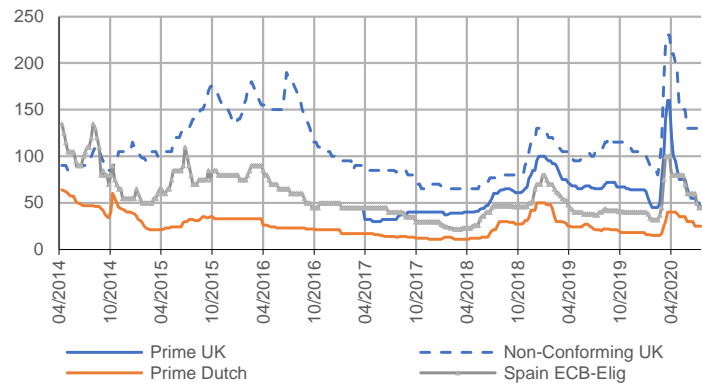
Note: Indices based on own data collection of a broad sample of seasoned RMBS transactions.
 Source: Trustee reports and Cartesia.

European ABS / RMBS market activity

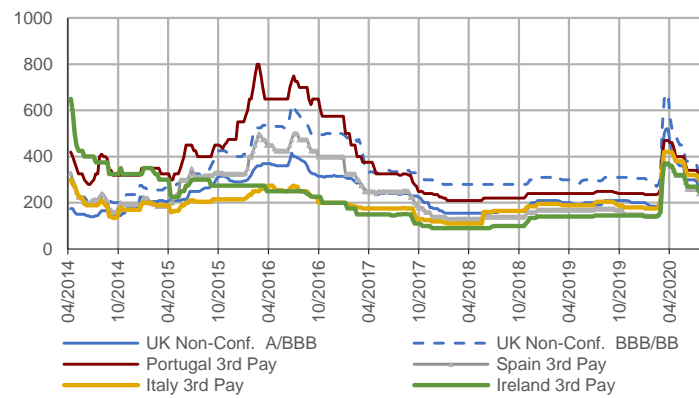
- ▶ The European ABS market has tightened considerably since the spread highs witnessed in late March, primarily due to the ECB's liquidity injection and its increased purchase of securitized and fixed income bonds.
- ▶ In general terms, spreads had more than doubled by late March compared to their levels of early 2020. Spreads for the highest quality first-pay (ECB eligible) bonds have almost reverted to their early 2020 range while weaker first-pay and mezzanine bonds trade in-between these levels.
 - Core Eurozone first-pay spreads are standing at +25 bps over Euribor vs. +40 bps in late March and +15-20 bps in early 2020;
 - Seasoned peripheral mezzanine bonds are currently trading at spreads over Euribor of +250 to +320 bps, compared to highs in late March of +400 to 520 bps and early 2020 levels of +150 to 230 bps.
- ▶ Primary activity in European ABS has very cautiously resumed but remains subdued while secondary trading has experienced bursts of activity amidst a certain degree of continuing dislocation.
 - Differentiation by collateral quality has considerably increased, with better bonds trading tighter but also being much harder to come by than weaker ones;
 - While downgrades have so far remained relatively limited given the context, split ratings (including on new issues) have resurfaced as the outlook for mortgages and consumer loans remains unclear.
- ▶ As the depth of the pandemic-induced contraction is now plainly visible (Q2 GDP: -12% in the Eurozone, -18.5% in Spain), the core unresolved question in the market is whether deficit financing and liquidity injections will be enough to weather a protracted macroeconomic impact or not, notwithstanding the distinct risk of a prolonged pandemic.

European ABS / RMBS market activity (Cont'd)

AAA and First-Pay RMBS spreads



Third and Last Pay RMBS spreads



Source: Citi for 3-5 year WAL bonds.

2 PORTFOLIO PERFORMANCE

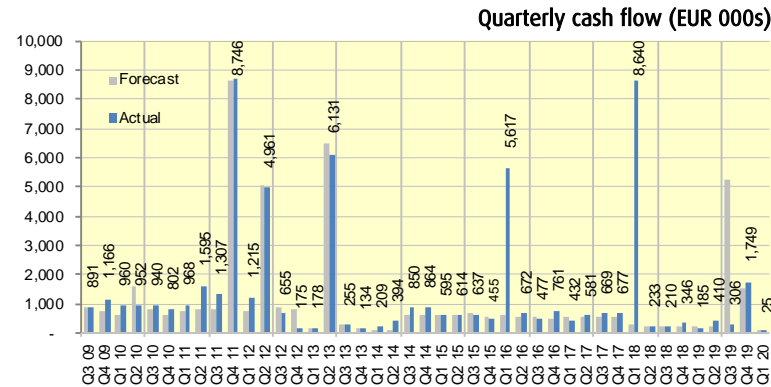
A. Cash Flow

Cash flow receipts for the quarter ended 30/06/2020

Cash flow receipt for the quarter

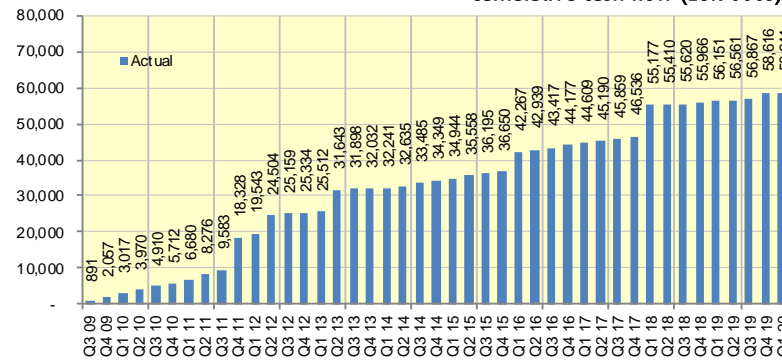
No cash flow received on the positions held in portfolio in Q2 2020.

Actual vs. forecast since Q4 2009



None of the positions held generated cash flows in Q2 2020.

Cumulative cash flow (EUR 000s)



Forecast annual cash flow

Forecast cash flow

(EUR 000s)				
Period	Period CF	Cumulative CF	% Total	Cumulative % Total
Q3 & Q4 2020	5,001	5,001	25.0%	25.0%
2021	86	5,087	0.4%	25.4%
2022	3,217	8,304	16.1%	41.5%
2023	2,068	10,372	10.3%	51.9%
2024	2,025	12,397	10.1%	62.0%
Beyond	7,606	20,003	38.0%	100.0%
TOTAL	20,003		100.0%	

Total forecast cash flow of EUR 20m, close to two thirds of which are expected to be received by the end of 2024.

The remaining cash flow expected this year would stem from the repayment of the Pastor 2 position, further to the exercise of the clean-up call.

Historical cash flow

(EUR 000s)

	Portugal		Italy		NL		Germany		France		UK		Quarterly	Annual	Cumulative	
	Pastor 2	Pastor 3	Pastor 4	Lusitano 3	Lusi 4	Lusitano 5	Sestante 4	Memphis	Shield	Gems	Semper	Minotaure	Ludgate	CF	CF	CF
HISTORICAL																
Q3 2009	86	-	-	59	-	77	-	92	170	25	156	213	13	891		
Q4 2009	430	-	-	34	-	75	-	87	163	19	148	210	-	1,166	2,057	2,057
Q1 2010	337	-	-	-	-	0	-	85	158	18	146	190	26	960		
Q2 2010	235	-	-	75	-	-	-	85	154	17	148	233	6	952		
Q3 2010	59	-	-	205	-	-	-	84	155	18	150	264	6	940		
Q4 2010	160	-	-	-	-	-	-	87	161	20	150	216	8	802	3,655	5,712
Q1 2011	316	-	-	85	-	-	-	89	164	22	151	132	10	968		
Q2 2011	385	-	-	529	-	-	25	88	160	23	158	214	13	1,595		
Q3 2011	222	-	-	250	-	-	25	91	169	27	163	249	11	1,307		
Q4 2011	169	-	-	373	-	-	19	95	7,810	28	162	177	11	8,746	12,616	18,328
Q1 2012	235	-	-	487	-	-	20	95		27	159	189	2	1,215		
Q2 2012	170	-	-	388	-	-	15	4,081		22	149	134	2	4,961		
Q3 2012	91	-	-	282	-	-	14			17	147	99	5	655		
Q4 2012	7	-	-	-	-	-	11			12	139	-	5	175	7,006	25,334
Q1 2013	7	-	-	5	-	-	11			11	137	-	7	178		
Q2 2013	-	-	-	-	-	-	13			12	6,093	-	14	6,131		
Q3 2013	14	-	-	203	-	-	12			11		-	14	255		
Q4 2013	-	-	-	110	-	-	11			12		-	1	134	6,698	32,032
Q1 2014	-	-	-	183	-	-	10			12		-	4	209		
Q2 2014	-	-	-	78	-	-	12			13		-	291	394		
Q3 2014	-	-	-	247	-	-	13			13		-	577	850		
Q4 2014	29	-	-	237	-	-	12			11		-	575	864	2,317	34,349
Q1 2015	4	-	-	114	-	-	11			10		-	456	595		
Q2 2015	4	-	-	110	-	-	11			9		-	479	614		
Q3 2015	3	-	-	71	-	-	13			9		-	541	637		
Q4 2015	-	-	-	102	-	-	13			8		-	331	455	2,301	36,650
Q1 2016	-	-	-	179	-	-	15			5,007		-	416	5,617		
Q2 2016	8	-	-	219	-	-	13					-	432	672		
Q3 2016	-	-	-	98	-	-	14					-	366	477		
Q4 2016	-	-	-	393	-	-	9					-	358	761	7,527	44,177
Q1 2017	-	-	-	158	-	-	-					-	273	432		
Q2 2017	-	-	-	200	-	-	13					-	368	581		
Q3 2017	-	-	-	189	-	-	-					-	480	669		
Q4 2017	3	-	-	395	-	-	-					-	280	677	2,359	46,536
Q1 2018	0	-	-	308	-	-	-					3,410	4,922	8,640		
Q2 2018	0	-	-	233	-	-	-							233		
Q3 2018	1	-	-	210	-	-	-							210		
Q4 2018				346										346	9,430	55,966
Q1 2019	1			184										185		
Q2 2019	1			409										410		
Q3 2019	1			305										306		
Q4 2019				1,749										1,749	2,650	58,616
Q1 2020	0			25										25		
Q2 2020	-													-		58,641

Forecast quarterly cash flow

(EUR 000s)

		Pastor 2	Pastor 4	Lusitano 3	Lusitano 5			
Cumulative CF		5,001	2,450	-	12,552	20,003		
% Total		25.0%	12.2%	0.0%	62.8%	100.0%		
						Quarterly CF	Annual CF	Cumulative CF
Q3 2020	1	5,001	-	-	-	5,001	-	5,001
Q4 2020	2	-	-	-	-	-	5,001	5,001
Q1 2021	3	-	-	-	-	-	-	5,001
Q2 2021	4	-	-	-	-	-	-	5,001
Q3 2021	5	-	-	-	-	-	-	5,001
Q4 2021	6	-	-	-	86	86	86	5,087
Q1 2022	7	-	-	-	2,019	2,019	-	7,106
Q2 2022	8	-	-	-	402	402	-	7,508
Q3 2022	9	-	-	-	384	384	-	7,891
Q4 2022	10	-	-	-	413	413	3,217	8,304
Q1 2023	11	-	-	-	521	521	-	8,825
Q2 2023	12	-	-	-	520	520	-	9,344
Q3 2023	13	-	-	-	515	515	-	9,859
Q4 2023	14	-	-	-	513	513	2,068	10,372
Q1 2024	15	-	-	-	511	511	-	10,883
Q2 2024	16	-	-	-	508	508	-	11,391
Q3 2024	17	-	-	-	505	505	-	11,895
Q4 2024	18	-	-	-	502	502	2,025	12,397
Q1 2025	19	-	-	-	500	500	-	12,897
Q2 2025	20	-	-	-	497	497	-	13,394
Q3 2025	21	-	-	-	493	493	-	13,888
Q4 2025	22	-	-	-	492	492	1,982	14,379
Q1 2026	23	-	-	-	490	490	-	14,869
Q2 2026	24	-	-	-	854	854	-	15,724
Q3 2026	25	-	-	-	40	40	-	15,764
Q4 2026	26	-	-	-	39	39	1,423	15,803
Q1 2027	27	-	-	-	37	37	-	15,840
Q2 2027	28	-	-	-	1,713	1,713	-	17,553
Q3 2027	29	-	-	-	-	-	-	17,553
Q4 2027	30	-	-	-	-	-	1,750	17,553
Q1 2028	31	-	-	-	-	-	-	17,553
Q2 2028	32	-	-	-	-	-	-	17,553
Q3 2028	33	-	2,450	-	-	2,450	-	20,003
Q4 2028	34	-	-	-	-	-	2,450	20,003

Net present values at different discount rates

(EUR 000s)

Net present values at different discount rates					
NPV at different discount rates					
Discount Rate	Pastor 2	Pastor 4	Lusitano 3	Lusitano 5	Total
4.00%	4,951	1,772	-	10,782	16,748
5.63%	4,932	1,559	-	10,165	15,658
7.50%	4,910	1,349	-	9,519	14,544
10.63%	4,875	1,064	-	8,568	12,951
12.50%	4,854	926	-	8,067	12,135
20.00%	4,776	544	-	6,445	9,603
30.00%	4,681	281	-	4,959	7,428
Valuation	4,932	1,064	-	4,959	10,955

Cash flow multiples at different discount rates (total cash flow / net present value)					
Discount Rate	Pastor 2	Pastor 4	Lusitano 3	Lusitano 5	Total
4.00%	1.0x	1.4x --		1.2x	1.19x
5.63%	1.01x	1.57x --		1.23x	1.28x
7.50%	1.02x	1.82x --		1.32x	1.38x
10.63%	1.03x	2.30x --		1.46x	1.54x
12.50%	1.03x	2.64x --		1.56x	1.65x
20.00%	1.05x	4.51x --		1.95x	2.08x
30.00%	1.07x	8.73x --		2.53x	2.69x
Valuation	1.01x	1.82x --		2.53x	1.83x

Note: Net present values presented in the above table marginally differ from accounting book values as their calculation is based on simplified assumptions of end of quarter cash flow receipts and quarterly compounding.

Net present values at different cash flow vs. base case

(EUR 000s)

Net present values at different forecast cash flow								
% Actual Cash Flow vs. Base Case	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Total	Delta
170.0%	8,385	-	1,809	-	-	8,430	18,623	70.0%
165.0%	8,138	-	1,756	-	-	8,182	18,076	65.0%
160.0%	7,891	-	1,702	-	-	7,934	17,528	60.0%
155.0%	7,645	-	1,649	-	-	7,686	16,980	55.0%
150.0%	7,398	-	1,596	-	-	7,438	16,432	50.0%
145.0%	7,152	-	1,543	-	-	7,190	15,885	45.0%
140.0%	6,905	-	1,490	-	-	6,942	15,337	40.0%
135.0%	6,658	-	1,436	-	-	6,694	14,789	35.0%
130.0%	6,412	-	1,383	-	-	6,447	14,241	30.0%
125.0%	6,165	-	1,330	-	-	6,199	13,694	25.0%
120.0%	5,918	-	1,277	-	-	5,951	13,146	20.0%
115.0%	5,672	-	1,224	-	-	5,703	12,598	15.0%
110.0%	5,425	-	1,170	-	-	5,455	12,050	10.0%
105.0%	5,179	-	1,117	-	-	5,207	11,503	5.0%
100.0%	4,932	-	1,064	-	-	4,959	10,955	0.0%
95.0%	4,685	-	1,011	-	-	4,711	10,407	-5.0%
90.0%	4,439	-	958	-	-	4,463	9,859	-10.0%
85.0%	4,192	-	904	-	-	4,215	9,312	-15.0%
80.0%	3,946	-	851	-	-	3,967	8,764	-20.0%
75.0%	3,699	-	798	-	-	3,719	8,216	-25.0%
70.0%	3,452	-	745	-	-	3,471	7,668	-30.0%
65.0%	3,206	-	692	-	-	3,223	7,121	-35.0%
60.0%	2,959	-	638	-	-	2,975	6,573	-40.0%
55.0%	2,713	-	585	-	-	2,727	6,025	-45.0%
50.0%	2,466	-	532	-	-	2,479	5,477	-50.0%
45.0%	2,219	-	479	-	-	2,231	4,930	-55.0%
40.0%	1,973	-	426	-	-	1,984	4,382	-60.0%
35.0%	1,726	-	372	-	-	1,736	3,834	-65.0%
30.0%	1,480	-	319	-	-	1,488	3,286	-70.0%

Note: The table presents the net present value of each investment at its base case discount rate, assuming an increase/decrease in actual cash flow received vs. base case.

B. Performance & Valuation

Quarterly performance indicators

(EUR 000s)

Transactions	90d+ arr.		CDR		CPR		Recoveries		Reserve		
	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Min.
Lusitano 5	0.6%	n/á	0.3%	0.5%	5.2%	4.5%	880	800	5,067	4,256	11,900
Pastor 2	0.6%	n/á	0.5%	0.3%	3.4%	5.4%	13	60	4,976	5,000	5,000
Pastor 3	1.5%	n/á	0.5%	n/á	2.2%	n/á	44	n/á	(46,920)	n/á	9,000
Pastor 4	1.6%	n/á	2.2%	0.7%	2.2%	4.7%	18	116	(38,380)	(37,995)	5,520
Pastor 5	5.0%	n/á	2.6%	n/á	3.8%	n/á	835	n/á	(30,532)	n/á	10,500

Notes: A negative reserve indicates a principal deficiency to the senior notes (unpaid PDLs). Reserve amounts are highlighted in red when negative or below their minimum required level, even if they are better than forecast.

Higher CPRs than forecast are a negative for the residual positions in Lusitano 5, all other things equal, and are therefore depicted in red; higher CPRs are a positive for the other positions and are therefore depicted in green.

EETI also holds the Class D residual position of the Sestante 4 transaction and the junior notes of the levered repackaging vehicles holding the residual positions of the Lusitano 4, Sestante 2 and Sestante 3 transactions. These positions are written off and considered to be irremediably impaired.

The credit metrics for Lusitano 5 and Pastor 2 have remained positive.

The other Pastor transactions have shown signs of weakening, with rising arrears and in some cases, defaults.

This data excludes however government-mandated payment holidays.

Quarterly valuation

- ▶ Quarter-end book value amounts to EUR 10,955k with accruals.
- ▶ Total markdown of EUR 252k, relating essentially to Pastor 4.

QUARTERLY BOOK VALUES AND REVALUATIONS

(EUR 000s)	30/09/2019		31/12/2019		31/03/2020		30/06/2020	
	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation
Lusitano 3	1,378	(4,581)		351				
Lusitano 5	5,317	(3,113)	5,267	(50)	4,971	(296)	4,959	(12)
Pastor 2	4,727	(273)	4,810	5	4,866	1	4,932	0
Pastor 3	0		0		0		0	
Pastor 4	1,403	(57)	1,408	(36)	1,271	(168)	1,064	(239)
Pastor 5	0	0	0	0	0	0	0	
TOTAL	12,825	(8,024)	11,485	270	11,107	(463)	10,955	(252)

Note: EETI also holds the Class D residual position of the Sestante 4 transaction and the junior notes of the levered repackaging vehicles holding the residual positions of the Lusitano 4, Sestante 2 and Sestante 3 transactions. These positions are written off and considered to be irremediably impaired

Quarter-end portfolio book value of EUR 10,955k further to credit markdowns on the Pastor 4 position.

C. Lusitano 5

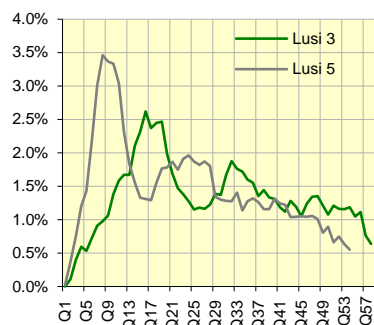
Lusitano 5 credit performance

- ▶ The credit performance of Lusitano 5 in Q2 remained very positive with low arrears, declining defaults and still healthy recoveries.
 - This performance contributed to the strong ongoing replenishment of the reserve fund to EUR 5.07m above our EUR 4.89m forecast.
- ▶ Q2 data is however based on a cut-off date in March and therefore does not reflect yet the full impact of the pandemic which is likely to be two-pronged: a short term impact, magnified by government-mandated payment holidays, and a medium-term impact stemming from the unavoidable macroeconomic contraction.
 - Data released on the transaction after the Q2 valuation date indicates a 13-16% rate of requests for payment holidays among borrowers in Lusitano 5.

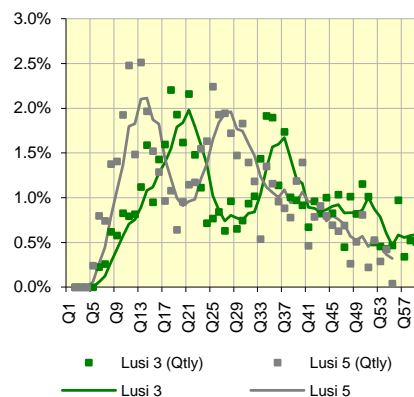
Performance data remains very positive but essentially reflects the Q1 rather than the Q2 situation.

Available indications point to a high rate of government-mandated payment holidays in the transaction, though the final acceptance rate has not yet been determined.

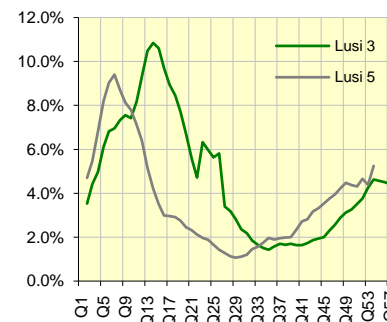
90d+ arrears (excl. defaults, as % CB)



Quarterly and average defaults (as % CB)



12M average CPR



Note: Graphs expressed in quarters since issue.

Valuation impact of Lusitano 5

- ▶ We maintain at this stage our earlier assessment that the pandemic is likely to delay but not derail the replenishment of the reserve fund on the Lusitano 5 transaction.
 - Although not yet perceptible, the slowdown in real estate activity and government-mandated payment holidays are likely to temporarily reduce cash inflows thus weighing on the pace of the replenishment of the reserve fund;
 - Revised forecasts incorporate that slowdown leading to a further anticipated delay in the resumption of cash flows on the residual position to Q4 2021. Forecast total cash flow remain however virtually unchanged.
- ▶ At the same time, the deterioration of the macroeconomic outlook in Portugal and across the Eurozone, and its unavoidable knock-on impact on banks' performance should reduce the already limited flexibility of Novo Banco to exercise the time call, even once the reserve fund is replenished.
 - Note that the trading levels of the Lusitano 5 senior and mezzanine bonds do not point to an exercise of the time call in the foreseeable future but rather to the continuation of the transaction for several years.
- ▶ **On that basis, the discount rate used to value the position remains unchanged at 30%.**
- ▶ **The position is valued on the basis of discounted forecast cash flow until clean-up call at a rate of 30%, resulting in a book value of EUR 4,959k at quarter-end.**
 - The quarterly adjustment on the position, reflecting changes in credit assumptions, is of EUR 12k.

The position is valued at EUR 4,959 with an unchanged discount rate at 30.0%.

D. Pastor Positions

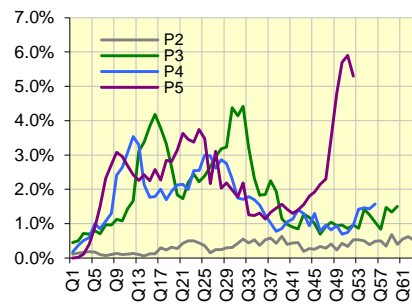
Pastor credit performance

- ▶ Available data running until the end of May paints a mixed picture for the Pastor transactions, with Pastor 2 continuing to perform solidly and Pastor 3, 4 and 5 showing clear signs of deterioration.
 - Reported government-mandated payment holidays remain however low, within a 1.5% to 2.0% range.
- ▶ Although the reserve fund of Pastor 2 is slightly overdrawn at quarter-end (by EUR 25k), the credit metrics in the deal remain robust.
 - The 10% clean-up call has however not yet been exercised despite the current loan balance falling to 7.8% of its original amount.
- ▶ Pastor 4 and the other Pastor transactions are recording generally increased arrears, an uptick in defaults as well as a decline in recoveries, amidst a slowdown in prepayments.
 - Pastor 4 has recorded a surge in defaults to an annualized rate of 2.2% combined with virtually no recoveries on defaults;
 - The negative reserve fund of these transactions, which had continuously improved over the past years, is now deteriorating every quarter, darkening the outlook for an eventual recovery on the positions held by EETI.

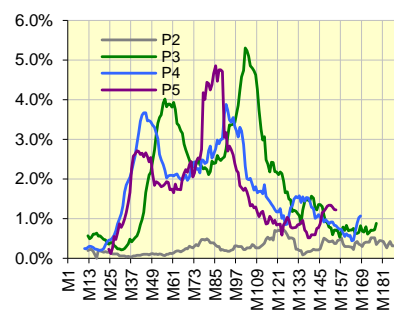
Q2 data confirms the gradual deterioration of Pastor 3, 4 and 5 while Pastor 2 maintains its strong performance.

Pastor credit performance (Cont'd)

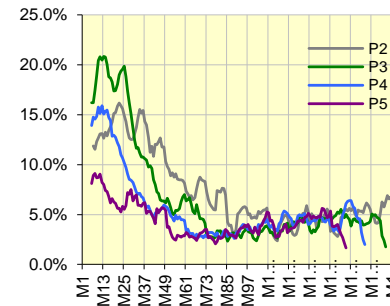
90d+ arrears (excl. defaults, as % CB)



12M average default rates (CDR as % CB)



6M average CPR



Note: Graphs expressed in months since issue except for 90d+ arrears, which are expressed in quarters since issue. Last quarter reading for Pastor 5 not depicted.

Q2 data confirms the gradual deterioration of Pastor 3, 4 and 5 while Pastor 2 maintains its strong performance.

Valuation of Pastor investments

Pastor 2

- ▶ The position is still valued assuming the exercise of the clean-up call in Q3 2020 and the repayment in full of the EUR 5m subordinated loan.
 - As pointed out in the previous quarter, the pandemic is unlikely to affect the ability of Banco Santander to exercise the call given the very small size of the Pastor 2 loan pool (EUR 78m). It may however alter its short-term priorities.
 - At the same time, some clean-up calls and time calls have continued to be exercised through the pandemic across Europe, making it difficult to define a general pattern in bank behaviour.
- ▶ **The Pastor 2 position is therefore valued at EUR 4,932k with total forecast cash flow amounting to EUR 5m; the discount rate is of 5.63%.**

Pastor 4

- ▶ The recent surge in defaults leads to a deterioration in credit assumptions based on the prevailing method of average 24 months performance. In addition, based on very low readings over the past two quarters, forecast recoveries on defaulted loans have been further reduced for the coming quarters and pushed out to later years.
- ▶ These changes lead to a reduction in total expected cash flows to EUR 2.45m vs. EUR 2.85m previously assumed and an expected payout delayed to Q3 2028 vs. Q1 2028.
- ▶ **On that basis, the Pastor 4 position is valued at EUR 1,064k with a markdown of EUR 239k. The discount rate is of 10.63%.**

Pastor 2 is valued at EUR 4.93m, still assuming an exercise of the clean-up call in Q3 2020.

Pastor 4 has been marked down by EUR 239k to EUR 1,064k due to the weakening in credit metrics.

E. Other Items

Other EETI Investments

- ▶ The Pastor 3 and 5 positions remain valued at 0.
- ▶ EETI also holds the Class D Notes of Sestante 4 as well as the junior notes of the Citrine refinancing vehicle referencing the residuals of the Sestante 2 and 3 and of the Lusitano 4 transactions. These positions are valued at 0 and considered permanently impaired.

3 PROVISIONAL ACCOUNTING ITEMS

Accounting items for the quarter ended 30/06/2020

EETI QUARTERLY VALUATION REPORT AS AT 30/06/2020

From:	01/04/2020
To:	30/06/2020

All figures in Euros thousands

Investments	Payment date	CF receipts and breakdown			Accounting items			Valuation excl. accruals		Valuation incl. accruals			
		Actual CF received	of which: Interest	of which: Principal	Income (ex-accruals)	Capitalised interest	Accruals to report date	(Write-down) / Revaluation	Valuation	(Write-down) / Revaluation	Valuation	% Total	
Lusitano 5	15/10/2019	0	0	0	0	0	0	(12)	4,959	(12)	4,959	45.3%	45.3%
Pastor 2	22/03/2020	1	1	0	67	67	0	(0)	4,932	(0)	4,932	45.0%	
Pastor 3	22/03/2020	0	0	0	0	0	0	0	0	0	0	0.0%	
Pastor 4	22/03/2020	0	0	0	33	33	0	(239)	1,064	(239)	1,064	9.7%	
Pastor 5	22/03/2020	0	0	0	0	0	0	0	0	0	0	0.0%	54.7%
Total		1	1	0	100	99	0.0	(252)	10,955	(252)	10,955	100.0%	100.0%

ACCOUNTING INCOME	
Actual cash flow received in Q	1
Plus: Capitalised interest	99
Less: Amortisation of principal	0
Income excl. accruals	100
<i>check</i>	<i>0.0</i>
Less: Previous Q accruals	(16.4)
Plus: Current Q accruals	0.0
Income incl. accruals	84

WRITE-DOWNS / REVALUATIONS	
Sum of write-downs excl. accruals	(252)
Sum of revaluations excl. accruals	0
Total excl. accruals	(252)
<i>check</i>	<i>0.0</i>
Sum of accruals included in write-downs	0
Sum of accruals included in revaluations	0
Total incl. accruals	(252)
<i>check</i>	<i>0.0</i>

VALUATION RECAP	
Valuation excl. accruals	10,955
Valuation incl. accruals	10,955
<i>check</i>	<i>0.0</i>
Last Q valuation excl. accruals	11,107
Plus: Capitalised interest	99
Less: Amortisation of principal	0
Sum write-downs / reval. excl. accruals	(252)
Plus: Purchased / (Sold) in Q	0
Current Q excl. accruals	10,955
<i>check</i>	<i>0.0</i>

Note: Unexpected EUR 25k received in Q1 2020 from Lusitano 3, which was called and repaid in 2019, not included in the table above.

EETI also holds the Class D residual position of the Sestante 4 transaction and the junior notes of the levered repackaging vehicles holding the residual positions of the Lusitano 4, Sestante 2 and Sestante 3 transactions. These positions are written off and considered to be irremediably impaired.

APPENDIX: HISTORICAL VALUATION ASSUMPTIONS

Revised valuation assumptions (24-month averages)

SUMMARY OF DEFAULT RATE ASSUMPTIONS

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	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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%	0.73%	0.73%	0.73%	0.67%	0.59%	0.53%	nm	nm	nm	nm
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%	0.86%	0.80%	0.75%	0.66%	0.66%	0.58%	0.54%	0.50%	0.50%	0.50%
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%	0.38%	0.40%	0.34%	0.38%	0.36%	0.36%	0.33%	0.33%	0.33%	0.36%
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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	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%	1.28%	1.30%	1.22%	1.19%	1.03%	1.03%	0.91%	0.70%	0.74%	0.90%
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	n/a	n/a	n/a	n/a	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%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
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%	0.40%	0.40%	0.40%	nm	nm	nm	nm	nm	nm	nm

Note: Changes in variables which are supportive to the valuation of a position are depicted in green; changes depicted in red are unsupportive to the valuation of a position.

Revised valuation assumptions (24-month averages, cont'd)

SUMMARY OF ASSUMED PREPAYMENT RATE ASSUMPTIONS

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	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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%	3.69%	3.95%	4.04%	4.14%	4.33%	4.37%	nm	nm	nm	nm
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%	3.13%	3.29%	3.57%	3.77%	4.00%	4.06%	4.10%	4.40%	4.47%	4.68%
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%	4.83%	4.88%	5.08%	5.37%	5.31%	5.50%	5.46%	5.50%	5.47%	5.32%
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	n/a	n/a	n/a	n/a	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%	4.38%	4.52%	4.24%	4.12%	4.36%	4.72%	4.66%	4.66%	4.71%	4.59%
Pastor 5	3.30%	2.90%	2.90%	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	n/a	n/a	n/a	n/a	n/a	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%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Ludgate						5.00%	5.20%	6.00%	7.00%	7.00%	7.00%	7.00%	8.00%	10.0%	10.0%	10.0%	10.0%	10.8%	10.8%	10.8%	10.8%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Note: Changes in variables which are supportive to the valuation of a position are depicted in green; changes depicted in red are unsupportive to the valuation of a position. In the case of prepayments / CPR, an increase is favourable for the Pastor positions but unfavourable to the residual positions in Lusitano 3 and 5.

Revised valuation assumptions (Cont'd)

SUMMARY OF LOSS SEVERITY ASSUMPTIONS

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	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020			
Lusitano 3	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	nm	nm	nm	nm
Lusitano 5	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	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%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	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%	40%	40%	40%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Pastor 4	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%	40%	40%	40%	40%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Pastor 5	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%	40%	40%	40%	40%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Minotaure	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	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%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%

Note: Changes in variables which are supportive to the valuation of a position are depicted in green; changes depicted in red are unsupportive to the valuation of a position.

Revised valuation assumptions (Cont'd)

SUMMARY OF RECOVERY LAG ASSUMPTIONS

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 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	
Lusitano 3	10	10	10	10	10	10	10	10	10	10	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	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	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Pastor 3	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Pastor 4	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Pastor 5	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Minotaure	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	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	4	4	nm	nm	nm	nm	nm	nm	nm	nm	nm

Note: Changes in variables which are supportive to the valuation of a position are depicted in green; changes depicted in red are unsupportive to the valuation of a position.

Revised valuation assumptions (24-month averages, cont'd)

SUMMARY OF DISCOUNT RATE ASSUMPTIONS

Positions	Discount Rate																															
	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	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2109	Q4 2019	Q1 2020	Q2 2020	
Lusitano 3	10.0%	9.9%	9.8%	9.5%	9.0%	8.8%	8.5%	8.1%	7.9%	7.6%	7.4%	7.3%	7.3%	6.4%	6.4%	6.3%	6.2%	6.2%	6.1%	6.0%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	5.8%	nm	nm	nm
Lusitano 5	15.0%	14.9%	14.8%	14.5%	14.0%	13.8%	13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	10.9%	10.9%	11.0%	11.0%	11.0%	11.0%	11.0%	25.0%	27.5%	30.0%	30.0%
Pastor 2	10.0%	9.9%	9.8%	9.5%	9.0%	8.8%	8.5%	8.1%	7.9%	7.6%	7.4%	7.3%	7.3%	6.4%	6.4%	6.3%	6.2%	6.2%	6.1%	6.0%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	5.8%	5.7%	5.6%	5.6%
Pastor 3	15.0%	14.9%	14.8%	14.5%	14.0%	13.8%	13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	10.9%	10.9%	11.0%	11.0%	11.0%	11.0%	11.0%	10.8%	10.7%	10.6%	10.6%
Pastor 4	15.0%	14.9%	14.8%	14.5%	14.0%	13.8%	13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	10.9%	10.9%	11.0%	11.0%	11.0%	11.0%	10.8%	10.7%	10.6%	10.6%	10.6%
Pastor 5	15.0%	14.9%	14.8%	14.5%	14.0%	13.8%	13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	10.9%	10.9%	11.0%	11.0%	11.0%	11.0%	11.0%	10.8%	10.7%	10.6%	10.6%
Minotaure	15.0%	14.9%	14.8%	14.5%	14.0%	13.8%	13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Ludgate							13.5%	13.1%	12.9%	12.6%	12.4%	12.3%	12.3%	11.4%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%	10.9%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Note: Changes in variables which are supportive to the valuation of a position are depicted in green; changes depicted in red are unsupportive to the valuation of a position.