

Confidential

# **EETI Quarterly Review**

**QUARTER ENDED 31/12/2011**

January 2012

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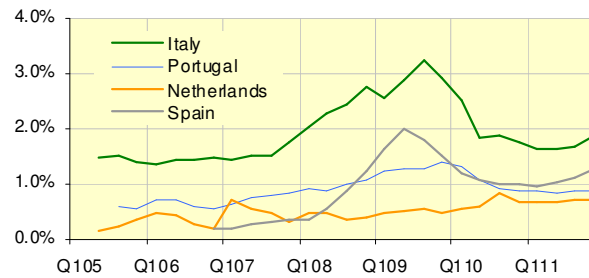
# **1 EUROPEAN ABS / RMBS ACTIVITY AND PERFORMANCE**

# Prime European RMBS performance overview

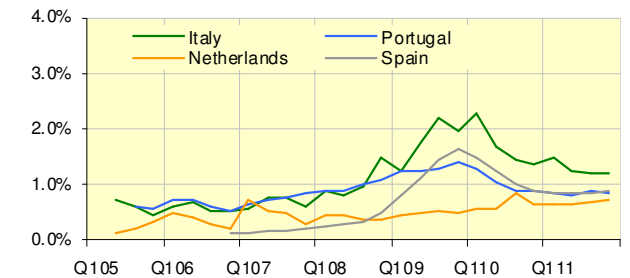
- ▶ The performance of European prime RMBS is broadly unchanged from last report, with slowly rising arrears in Southern Europe expected to lead to higher defaults in 2012
- ▶ Eurozone financial turmoil continues to provide a volatile macroeconomic backdrop for collateral performance

## Prime RMBS

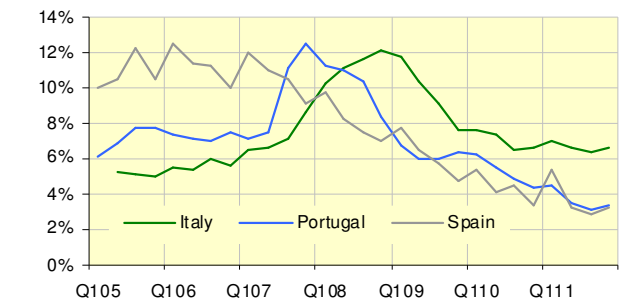
3-12 months arrears



Default Rates (CDR)



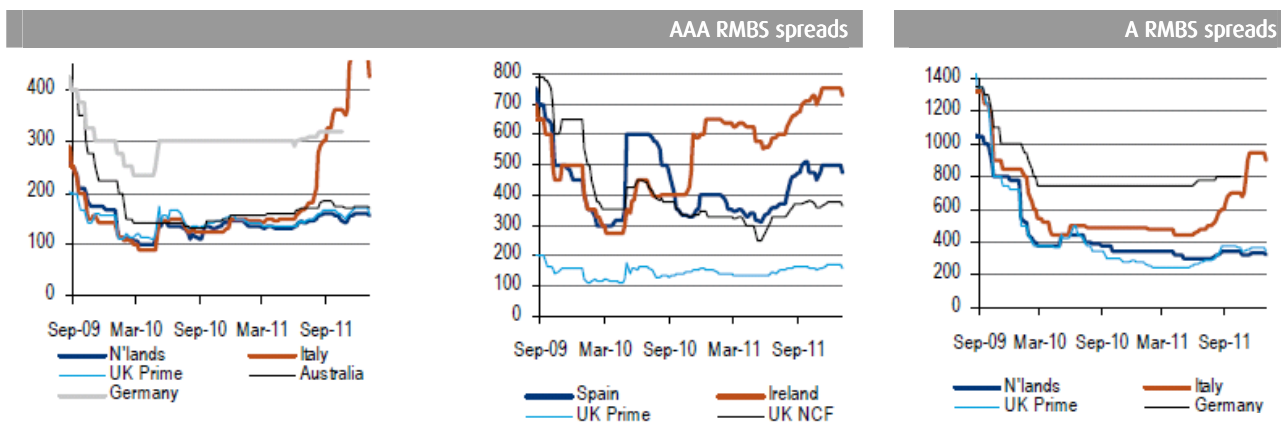
Prepayment Rates (CPR)



## European ABS / RMBS market activity

- ▶ The sovereign crisis in the Eurozone has dominated credit markets in the last quarter of 2011, weighing on prices and liquidity. The year-end rally observed in some market segments has only modestly benefited ABS.
- ▶ Dutch/UK benchmark AAAs are almost unchanged offering spreads of EUR3M + 155/160 bps but mezzanine and subordinated ABS fell by close to 10% in price for the second quarter in a row due to limited market participation and low volume.

### EVOLUTION OF RMBS SPREADS OVER EUR3M



Source: Merrill Lynch B0A for 3-5 year WAL bonds.

## 2 PORTFOLIO PERFORMANCE

## A. Cash flow

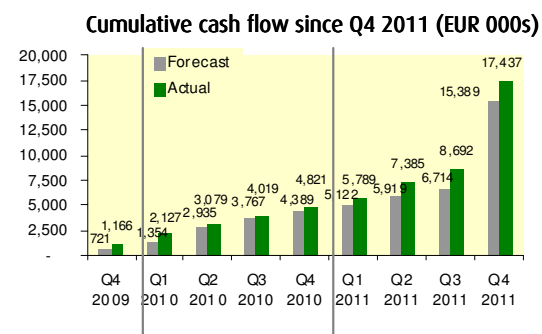
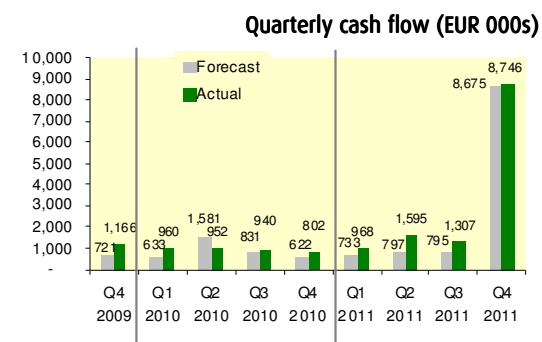
## Cash flow receipts for the quarter ended 31/12/2011

- ▶ Quarterly cash flow from investments amounted to EUR 936k vs. EUR 865 forecast; including the sale of Shield 1, total receipts amounted to EUR 8,746k.

Cash flow receipt for the quarter ended 31/12/2011

Transactions	Actual	Forecast	Delta
Lusitano 3E	273,418	221,617	51,801
Lusitano 4E	-	-	-
Lusitano 5E	-	-	-
Pastor 2	168,692	171,919	(3,227)
Pastor 3	-	-	-
Pastor 4	-	-	-
Pastor 5	-	-	-
Sestante 2	-	-	-
Sestante 3	-	-	-
Sestante 4	19,349	19,272	77
Shield 1	7,810,247	-	-
Memphis	95,432	91,994	3,438
Gems	28,336	26,215	2,121
Semper	161,638	157,115	4,523
Minoture	177,340	176,546	794
Ludgate	11,362	-	11,362
<b>TOTAL</b>	<b>8,745,814</b>	<b>864,677</b>	<b>70,890</b>
excl. Shield	935,567	864,677	70,890

Actual vs. forecast since Q4 2011



Note: Shield 1 disposal proceeds included in forecast cash flow in graphs above to facilitate comparisons.



## Forecast cash flow

- ▶ Cash flows for the whole of 2011 amounted to EUR 12,616k (EUR 4,806k excluding the disposal of Shield).
- ▶ Cash flow to maturity are forecast at EUR 58,094k.

2011 forecast cash flow		
(EUR 000s)		
Quarter ended	Quarterly	Cumulative
31/03/2011	968	968
30/06/2011	1,595	2,563
30/09/2011	1,307	3,870
31/12/2011	8,746	12,616
<b>Total 2011</b>	<b>12,616</b>	

Forecast cash flow until maturity					
(EUR 000s)					
Period	Yearly CF	Cumulative CF	% Total	Cumulative % Total	
2012	3,751	3,751	6.5%	6.5%	
2013	6,986	10,737	12.0%	18.5%	
2014	2,908	13,645	5.0%	23.5%	
2015	11,158	24,803	19.2%	42.7%	
2016	1,646	26,449	2.8%	45.5%	
2017	1,492	27,942	2.6%	48.1%	
2018	2,651	30,593	4.6%	52.7%	
2019	7,535	38,128	13.0%	65.6%	
2020	1,524	39,652	2.6%	68.3%	
2021	4,338	43,989	7.5%	75.7%	
2022	798	44,788	1.4%	77.1%	
<b>Beyond</b>	<b>13,306</b>	<b>58,094</b>	<b>22.9%</b>	<b>100.0%</b>	
<b>TOTAL</b>	<b>58,094</b>		<b>100.0%</b>		

# Forecast cash flow (cont'd)

(EUR 000s)	Spain				Portugal		Italy	NL		Germany		France	UK	TOTAL EETI		
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Shield	Gems	Semper	Minotaure	Ludgate	Qty	Annual	Cumulative
<b>HISTORICAL</b>																
Q3 2009	86	-	-	-	59	77	-	92	170	25	156	213	13	891		
Q4 2009	430	-	-	-	34	75	-	87	163	19	148	210	-	1,166		
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	
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	-	-	-	350	-	25	91	169	27	163	249	11	1,307		
Q4 2011	169	-	-	-	273	-	19	95	7,810	28	162	177	11	8,746	12,616	
<b>FORECAST</b>																
Sum CF	6,466	3,509	9,499	4,015	9,879	5,254	261	4,637	-	2,472	8,783	3,319	-	58,094		
% Total	11.1%	6.0%	16.4%	6.9%	17.0%	9.0%	0.4%	8.0%	0.0%	4.3%	15.1%	5.7%	0.0%	100.0%		
Q1 2012	1	118	-	-	196	-	19	91	-	26	156	170	-	775		775
Q2 2012	2	174	-	-	442	-	18	90	-	25	154	161	-	1,064		1,839
Q3 2012	3	160	-	-	447	-	18	89	-	23	153	154	-	1,044		2,883
Q4 2012	4	19	-	-	418	-	18	88	-	23	153	148	-	868	3,751	3,751
Q1 2013	5	20	-	-	435	-	17	89	-	23	155	142	-	881		4,632
Q2 2013	6	21	-	-	292	-	17	4,189	-	24	156	134	-	4,834		9,465
Q3 2013	7	23	-	-	305	-	17	-	-	25	158	129	-	657		10,122
Q4 2013	8	25	-	-	263	-	16	-	-	27	160	123	-	615	6,986	10,737
Q1 2014	9	26	-	-	251	-	16	-	-	28	163	118	-	602		11,339
Q2 2014	10	28	-	-	273	71	16	-	-	30	165	111	-	693		12,032
Q3 2014	11	30	-	-	286	171	15	-	-	32	168	105	-	807		12,839
Q4 2014	12	33	-	-	244	210	15	-	-	34	170	100	-	806	2,908	13,645
Q1 2015	13	34	-	-	264	185	15	-	-	36	6,873	96	-	7,503		21,148
Q2 2015	14	35	-	-	203	183	14	-	-	2,116	-	90	-	2,642		23,790
Q3 2015	15	35	-	-	220	174	14	-	-	-	-	85	-	528		24,318
Q4 2015	16	37	-	-	177	176	14	-	-	-	-	81	-	485	11,158	24,803
Q1 2016	17	38	-	-	196	111	2	-	-	-	-	77	-	425		25,228
Q2 2016	18	40	-	-	194	110	-	-	-	-	-	73	-	416		25,644
Q3 2016	19	41	-	-	199	107	-	-	-	-	-	69	-	417		26,061
Q4 2016	20	42	-	-	174	106	-	-	-	-	-	66	-	388	1,646	26,449
Q1 2017	21	43	-	-	181	107	-	-	-	-	-	62	-	394		26,843
Q2 2017	22	43	-	-	178	107	-	-	-	-	-	58	-	387		27,230
Q3 2017	23	45	-	-	186	102	-	-	-	-	-	55	-	388		27,618
Q4 2017	24	45	-	-	124	103	-	-	-	-	-	53	-	324	1,492	27,942
Q1 2018	25	44	-	183	128	104	-	-	-	-	-	50	-	509		28,451
Q2 2018	26	44	-	417	126	103	-	-	-	-	-	41	-	731		29,181
Q3 2018	27	45	-	409	134	98	-	-	-	-	-	32	-	718		29,899
Q4 2018	28	45	-	410	109	99	-	-	-	-	-	31	-	694	2,651	30,593
Q1 2019	29	44	-	404	120	100	-	-	-	-	-	24	-	692		31,285
Q2 2019	30	44	-	397	118	99	-	-	-	-	-	23	-	681		31,965
Q3 2019	31	5,045	-	399	125	94	-	-	-	-	-	22	-	5,684		37,649
Q4 2019	32	-	-	262	102	94	-	-	-	-	-	20	-	479	7,535	38,128
Q1 2020	33	-	78	-	112	72	-	-	-	-	-	20	-	282		38,410
Q2 2020	34	-	78	-	110	29	-	-	-	-	-	19	-	236		38,646
Q3 2020	35	-	79	-	112	28	-	-	-	-	-	18	-	237		38,884
Q4 2020	36	-	79	-	100	28	-	-	-	-	-	561	-	768	1,524	39,652
Q1 2021	37	-	78	-	103	30	-	-	-	-	-	-	-	211		39,863
Q2 2021	38	-	77	-	101	30	-	-	-	-	-	-	-	209		40,071
Q3 2021	39	3,509	79	-	105	28	-	-	-	-	-	-	-	3,722		43,793
Q4 2021	40	-	79	-	88	29	-	-	-	-	-	-	-	196	4,338	43,989
Q1 2022	41	-	78	-	94	31	-	-	-	-	-	-	-	203		44,193
Q2 2022	42	-	77	-	92	31	-	-	-	-	-	-	-	201		44,394
Q3 2022	43	-	79	-	95	30	-	-	-	-	-	-	-	204		44,598
Q4 2022	44	-	79	-	81	30	-	-	-	-	-	-	-	190	798	44,788
Q1 2023	45	-	78	-	86	32	-	-	-	-	-	-	-	195		44,983
Q2 2023	46	-	5,597	-	84	32	-	-	-	-	-	-	-	5,713		50,696
Q3 2023	47	-	-	-	1,404	31	-	-	-	-	-	-	-	1,434		52,130
Q4 2023	48	-	-	-	-	31	-	-	-	-	-	-	-	31	7,374	52,162
Q1 2024	49	-	-	4,015	-	33	-	-	-	-	-	-	-	4,048		56,209
Q2 2024	50	-	-	-	-	33	-	-	-	-	-	-	-	33		56,242
Q3 2024	51	-	-	-	-	32	-	-	-	-	-	-	-	32		56,275
Q4 2024	52	-	-	-	-	32	-	-	-	-	-	-	-	32	4,145	56,307
Q1 2025	53	-	-	-	-	33	-	-	-	-	-	-	-	33		56,340
Q2 2025	54	-	-	-	-	34	-	-	-	-	-	-	-	34		56,374
Q3 2025	55	-	-	-	-	32	-	-	-	-	-	-	-	32		56,406
Q4 2025	56	-	-	-	-	1,688	-	-	-	-	-	-	-	1,688	1,787	58,094

# 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 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Gems	Semper	Minotaure	Total
8.5%	3,782	1,583	4,261	1,477	6,699	2,749	222	4,128	1,898	6,946	2,453	36,198
10.0%	3,469	1,385	3,734	1,248	6,330	2,494	216	4,049	1,815	6,680	2,343	33,763
15.0%	2,647	897	2,448	724	5,349	1,857	199	3,801	1,575	5,892	2,040	27,429
20.0%	2,074	592	1,648	430	4,639	1,436	184	3,579	1,376	5,231	1,807	22,997
25.0%	1,667	398	1,137	261	4,106	1,144	171	3,378	1,210	4,674	1,625	19,772
30.0%	1,373	271	801	161	3,693	934	160	3,197	1,070	4,200	1,479	17,340
35.0%	1,156	188	576	101	3,364	776	150	3,032	953	3,795	1,360	15,451
<b>Valuation</b>	<b>3,469</b>	<b>897</b>	<b>2,448</b>	<b>724</b>	<b>6,330</b>	<b>1,857</b>	<b>222</b>	<b>4,128</b>	<b>1,898</b>	<b>6,946</b>	<b>2,453</b>	<b>31,372</b>

## 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	Sestante 4	Memphis	Gems	Semper	Minotaure	Total
8.5%	1.7x	2.2x	2.2x	2.7x	1.5x	1.9x	1.2x	1.1x	1.3x	1.3x	1.4x	1.6x
10.0%	1.9x	2.5x	2.5x	3.2x	1.6x	2.1x	1.2x	1.1x	1.4x	1.3x	1.4x	1.7x
15.0%	2.4x	3.9x	3.9x	5.5x	1.8x	2.8x	1.3x	1.2x	1.6x	1.5x	1.6x	2.1x
20.0%	3.1x	5.9x	5.8x	9.3x	2.1x	3.7x	1.4x	1.3x	1.8x	1.7x	1.8x	2.5x
25.0%	3.9x	8.8x	8.4x	15.4x	2.4x	4.6x	1.5x	1.4x	2.0x	1.9x	2.0x	2.9x
30.0%	4.7x	12.9x	11.9x	24.9x	2.7x	5.6x	1.6x	1.5x	2.3x	2.1x	2.2x	3.4x
35.0%	5.6x	18.7x	16.5x	39.6x	2.9x	6.8x	1.7x	1.5x	2.6x	2.3x	2.4x	3.8x
<b>Valuation</b>	<b>1.9x</b>	<b>3.9x</b>	<b>3.9x</b>	<b>5.5x</b>	<b>1.6x</b>	<b>2.8x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>1.4x</b>	<b>1.9x</b>

# Net present values at different cash flow vs. base case

(EUR 000s)

## Net present values at different forecast cash flow

													NPV at current discount rates	
% Actual Cash Flow vs. Base Case	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Gems	Semper	Minotaure	Total	Delta	
170.0%	5,897	1,526	4,162	1,231	10,761	3,156	378	7,018	3,226	11,808	4,170	53,333	70.0%	
165.0%	5,723	1,481	4,040	1,194	10,445	3,064	367	6,812	3,131	11,461	4,047	51,764	65.0%	
160.0%	5,550	1,436	3,917	1,158	10,128	2,971	356	6,605	3,036	11,113	3,924	50,195	60.0%	
155.0%	5,377	1,391	3,795	1,122	9,812	2,878	345	6,399	2,941	10,766	3,802	48,627	55.0%	
150.0%	5,203	1,346	3,673	1,086	9,495	2,785	333	6,193	2,846	10,419	3,679	47,058	50.0%	
145.0%	5,030	1,301	3,550	1,050	9,179	2,692	322	5,986	2,751	10,071	3,557	45,490	45.0%	
140.0%	4,856	1,256	3,428	1,013	8,862	2,599	311	5,780	2,657	9,724	3,434	43,921	40.0%	
135.0%	4,683	1,212	3,305	977	8,546	2,507	300	5,573	2,562	9,377	3,311	42,352	35.0%	
130.0%	4,509	1,167	3,183	941	8,229	2,414	289	5,367	2,467	9,030	3,189	40,784	30.0%	
125.0%	4,336	1,122	3,061	905	7,913	2,321	278	5,160	2,372	8,682	3,066	39,215	25.0%	
120.0%	4,162	1,077	2,938	869	7,596	2,228	267	4,954	2,277	8,335	2,943	37,646	20.0%	
115.0%	3,989	1,032	2,816	833	7,280	2,135	256	4,748	2,182	7,988	2,821	36,078	15.0%	
110.0%	3,816	987	2,693	796	6,963	2,042	244	4,541	2,087	7,640	2,698	34,509	10.0%	
105.0%	3,642	942	2,571	760	6,647	1,950	233	4,335	1,992	7,293	2,575	32,941	5.0%	
100.0%	3,469	897	2,448	724	6,330	1,857	222	4,128	1,898	6,946	2,453	31,372	0.0%	
95.0%	3,295	853	2,326	688	6,014	1,764	211	3,922	1,803	6,599	2,330	29,803	-5.0%	
90.0%	3,122	808	2,204	652	5,697	1,671	200	3,716	1,708	6,251	2,208	28,235	-10.0%	
85.0%	2,948	763	2,081	615	5,381	1,578	189	3,509	1,613	5,904	2,085	26,666	-15.0%	
80.0%	2,775	718	1,959	579	5,064	1,485	178	3,303	1,518	5,557	1,962	25,098	-20.0%	
75.0%	2,602	673	1,836	543	4,748	1,393	167	3,096	1,423	5,209	1,840	23,529	-25.0%	
70.0%	2,428	628	1,714	507	4,431	1,300	156	2,890	1,328	4,862	1,717	21,960	-30.0%	
65.0%	2,255	583	1,591	471	4,115	1,207	144	2,683	1,233	4,515	1,594	20,392	-35.0%	
60.0%	2,081	538	1,469	434	3,798	1,114	133	2,477	1,139	4,168	1,472	18,823	-40.0%	
55.0%	1,908	494	1,347	398	3,482	1,021	122	2,271	1,044	3,820	1,349	17,255	-45.0%	
50.0%	1,734	449	1,224	362	3,165	928	111	2,064	949	3,473	1,226	15,686	-50.0%	
45.0%	1,561	404	1,102	326	2,849	836	100	1,858	854	3,126	1,104	14,117	-55.0%	
40.0%	1,387	359	979	290	2,532	743	89	1,651	759	2,778	981	12,549	-60.0%	
35.0%	1,214	314	857	253	2,216	650	78	1,445	664	2,431	858	10,980	-65.0%	
30.0%	1,041	269	735	217	1,899	557	67	1,239	569	2,084	736	9,412	-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.

For instance, assuming future cash flow for Lusitano 3 were 20% below forecast at each period, the net present value of the investment would fall from EUR 6,330k to EUR 5,064k (-20%), if the same discount rate of 10% were applied.

## B. Quarterly Performance

## Quarterly performance indicators

(EUR 000s)

Transactions	Collateral performance													
	90d+ arr.		CDR		CPR		Recoveries		Reserve			Cum. loss rate		
	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Min.	Act.	Fcast	
Lusitano 3E	1.2%	n/a	0.7%	1.5%	2.7%	3.0%	1,531	1,200	9,820	9,820	9,820	n/a	n/a	
Lusitano 4E	1.4%	n/a	0.9%	n/a	2.9%	n/a	1,765	n/a	5,718	n/a	10,200	n/a	n/a	
Lusitano 5E	1.8%	n/a	1.1%	2.0%	2.5%	3.0%	2,034	-	6,410	6,410	11,900	n/a	n/a	
Pastor 2	0.3%	n/a	0.3%	0.4%	3.3%	3.5%	2	-	5,443	5,387	5,443	n/a	n/a	
Pastor 3	2.7%	n/a	1.5%	2.0%	2.8%	3.5%	275	300	(24,854)	(25,382)	9,000	n/a	n/a	
Pastor 4	2.0%	n/a	1.9%	2.0%	2.0%	3.5%	114	340	(17,488)	(17,698)	5,520	n/a	n/a	
Pastor 5	2.7%	n/a	0.7%	2.0%	1.9%	3.5%	339	-	(6,136)	(7,453)	10,500	n/a	n/a	
Sestante 2	5.8%	5.8%	2.9%	4.1%	5.5%	10.2%	1,218	2,219	(4,679)	(5,508)	6,253	n/a	n/a	
Sestante 3	6.0%	4.9%	1.7%	4.0%	5.5%	11.0%	432	4,298	(11,057)	(5,202)	8,610	n/a	n/a	
Sestante 4	7.4%	7.6%	2.1%	5.4%	2.7%	10.9%	723	876	(24,300)	(30,057)	6,200	n/a	n/a	
Memphis	n/a	n/a	nm	0.9%	n/a	n/a	n/a	n/a	22,633	22,633	n/a	0.20%	0.20%	
Gems	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	32,285	31,426	n/a	2.92%	3.47%	
Semper	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,014	5,014	n/a	-	-	
Minotaure	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	
Ludgate	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	

Notes: Negative reserve indicates unpaid amounts to the senior notes (unpaid PDLs).

Collateral performance of the EETI portfolio has shown little deviation from expectations this quarter

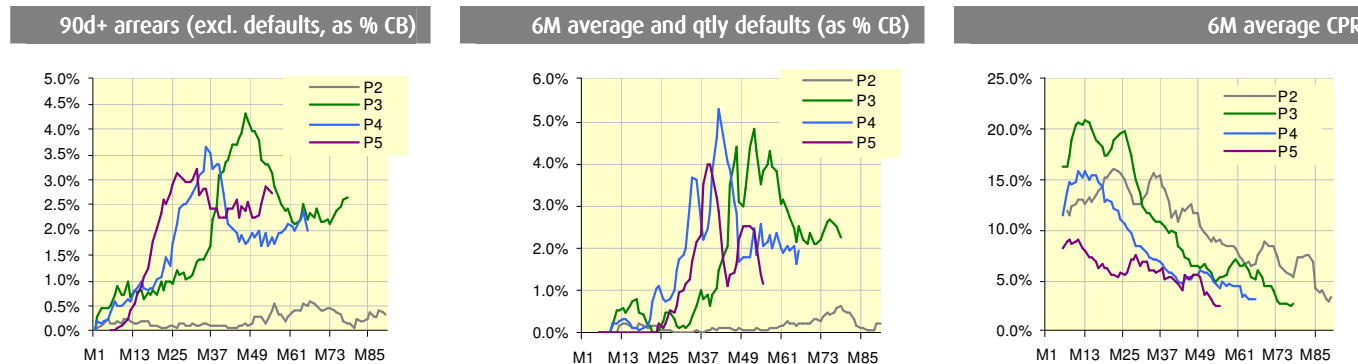
# Pastor investments

## PERFORMANCE

- ▶ 90-day+ arrears of Pastor 3, 4 and 5 have remained in a 2.0%-2.5% range with default rates at similar levels.
- ▶ Given the continued weak macroeconomic outlook, depressed real estate prices in Spain and slow recoveries on defaulted mortgage loans, little performance improvement is expected for the Pastor 3, 4 and 5 investments in 2012.

## VALUATION

- ▶ Recommendation of unchanged assumptions and valuation for the transactions given the current credit performance (90d+ arrears and defaults) is in line with forecast.



Note: Graphs expressed in months since issue.

# Lusitano investments

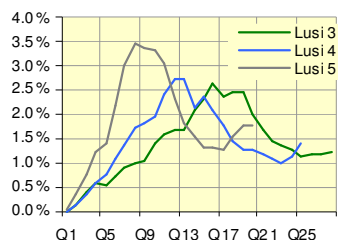
## PERFORMANCE

- ▶ Continued sound credit performance despite weak outlook for Portugal. Quarterly recoveries on defaulted loans for all 3 transactions continue to be satisfactory at EUR 1.5m to 2.0m per deal.
- ▶ Cash flow generation of the Lusitano 3 residual was above forecast due to higher recoveries and lower quarterly defaults than anticipated.

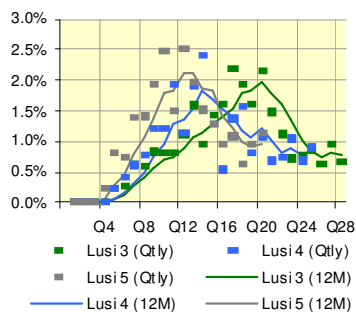
## VALUATION

- ▶ Recommendation of unchanged assumptions and valuation for the transactions as both defaults and recoveries were well ahead of expectations. However, given the negative macro-economic outlook for Portugal and the potential knock-on effect on performance, assumptions were left unchanged.

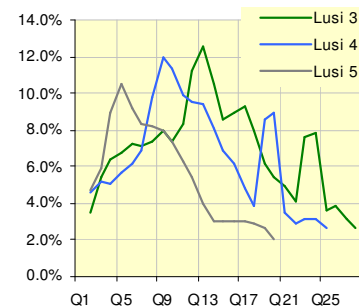
90d+ arrears (excl. defaults, as % CB)



Quarterly and average defaults (as % CB)



6M average CPR





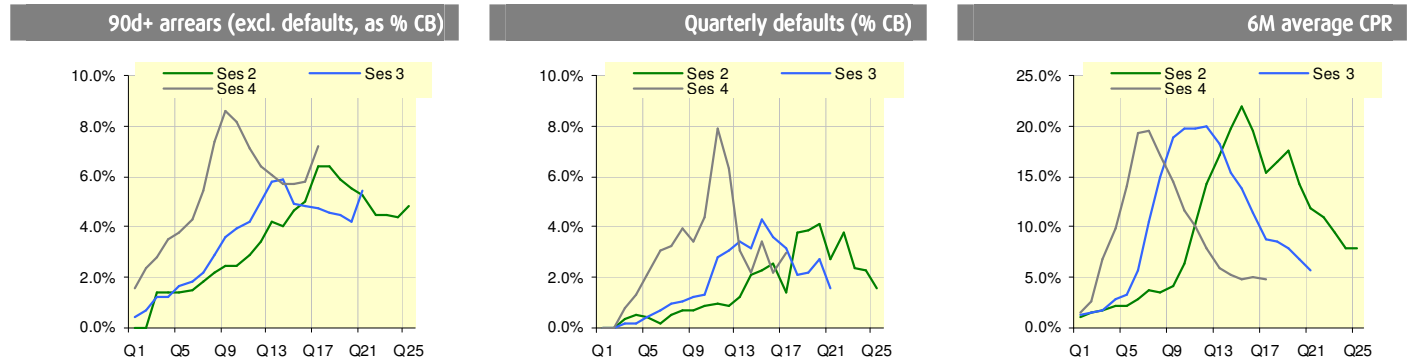
# Sestante investments

## PERFORMANCE

- ▶ 90-day+ arrears have edged up by a full percentage point this quarter to a 6.0%-7.5% range. While default rates remain below expectations, the current rise in arrears points to increased default in the coming quarters.
  - Recoveries seem to be accelerating but amounts remain low in relation to accumulated defaulted loans outstanding.

## VALUATION

- ▶ Performance trend does not warrant a revaluation of written-off investments, which are still highly unlikely to recover any cash flow.
- ▶ Unchanged assumptions for Class A1, which is essentially credit insensitive and whose main return driver is the redemption rate of the pool.



Note: Graphs expressed in months since issue.

## Other EETI investments

### Shield 1

- ▶ The position was sold in early October for a cash price of EUR 7,810k, approx. EUR 210k below book value.

### Memphis 2006-1

- ▶ Investment performs within expectations in terms of new credit events and cumulative losses.
- ▶ No assumption changes at this stage warranted as default and loss performance in line with forecast.

### Semper 2006-1

- ▶ The transaction continues to perform well, with no arrears or default to date.
- ▶ No assumption changes warranted in the bond in the continued absence of arrears and defaults.

### Provide Gems 2002-1

- ▶ Evolution in credit events and cumulated losses equal to forecast with no improvement expected.
- ▶ No assumption changes in the bond warranted as current default and loss performance is in line with forecast.

### Minotaure

- ▶ Residual cash flow above forecast.
- ▶ No assumption changes warranted as the current loss and prepayment performance is in line with forecast.

### Ludgate

- ▶ As in previous quarters, some small amount received from prepayment penalties, which was not anticipated.

### **3 CONSOLIDATED ACCOUNTING ITEMS (PROVISIONAL)**

## Provisional quarterly income

- ▶ Quarterly accounts are yet to be finalized and current figures are provisional. Final accounts may lead to some differences in income due to the restatement of Q3 accounts and the sale of Shield 1.
- ▶ Income for the quarter is expected at **EUR 694k**, of which EUR 214k in capitalised interest.
  - Accruals to quarter end amount to EUR 283k, well below the amount in the previous quarter (EUR 391k);
  - The difference in accruals reflects the impact of the changes in book value and discount rates made in Q3 2011.
- ▶ Run-rate income for the coming quarters is expected to be approx. EUR 800k.

### Summary of quarterly accounting income

EUR 000s	Current Q	Previous Q	Q before last
Accounting income	694	1,105	1,041

## Book value of investments at quarter end

- ▶ The aggregate book value of investments stands at EUR 31,311k (excl. accruals).
- ▶ Main movements in the quarter are as follows:
  - The disposal of Shield 1 for a cash price of EUR 7,810k (approx. EUR 210k loss);
  - The capitalisation of interest of EUR 214k (mainly Pastor 3, 4 & 5 and Lusitano 5); less
  - Principal repayments of EUR 368k (Lusitano 3, Pastor 2, Minotaure).

### Summary of book values

EUR 000s	Current Q	Previous Q	Q before last
<b>Portfolio Book Value excl. accruals</b>	<b>31,311</b>	<b>39,469</b>	43,443
Portfolio Book Value incl. accruals	<b>31,593</b>	<b>39,860</b>	43,810

# Accounting items for the quarter ended 31/12/2011

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 3	16/10/2011	273	155	118	155	0	125	0	6,277	0	6,402	20.0%
Lusitano 4	15/09/2011	-	0	0	0	0	0	0	0	0	0	0.0%
Lusitano 5	15/10/2011	-	0	0	64	64	55	0	1,856	0	1,911	5.9% 26.0%
Pastor 2	22/12/2011	169	85	83	85	0	8	0	3,471	0	3,479	11.1%
Pastor 3	22/12/2011	-	0	0	31	31	3	0	897	0	900	2.9%
Pastor 4	22/12/2011	-	0	0	84	84	8	0	2,448	0	2,456	7.8%
Pastor 5	22/12/2011	-	0	0	25	25	2	0	724	0	726	2.3% 24.1%
Shield	12/10/2011	7,810	21	7,789	21	0	0	(216)	0	(216)	0	0.0%
Memphis	25/10/2011	95	86	10	86	0	62	0	4,124	0	4,186	13.2%
Semper 2006	30/12/2011	162	143	19	143	0	2	0	6,941	0	6,943	22.2%
Gems	02/12/2011	28	28	0	39	10	12	0	1,895	0	1,907	6.1%
Minotaure	22/12/2011	177	53	124	53	0	5	0	2,452	0	2,457	7.8% 49.2%
Sestante 2	13/06/2011	-	0	0	0	0	0	0	0	0	0	0.0%
Sestante 3	13/04/2011	-	0	0	0	0	0	0	0	0	0	0.0%
Sestante 4	16/04/2011	-	0	0	0	0	0	0	0	0	0	0.0%
Ludgate	07/06/2011	11	11	0	11	0	0	0	0	0	0	0.0% 0.0%
Sestante 4 A1	16/04/2011	19	5	14	5	0	1	0	225	0	226	0.7% 0.7%
<b>Total</b>		<b>8,746</b>	<b>589</b>	<b>8,157</b>	<b>803</b>	<b>214</b>	<b>283</b>	<b>(216)</b>	<b>31,311</b>	<b>(216)</b>	<b>31,593</b>	<b>100.0% 100.0%</b>

*excl. Shield 1 disposal* 935

ACCOUNTING INCOME	
Actual cash flow received in Q	8,746
Plus: Capitalised interest	214
Less: Amortisation of principal	(8,157)
<b>Income excl. accruals</b>	<b>803</b>
<i>check</i>	<i>0.0</i>
Less: Previous Q accruals	(391)
Plus: Current Q accruals	283
<b>Income incl. accruals</b>	<b>694</b>

WRITE-DOWNS / REVALUATIONS	
Sum of write-downs excl. accruals	(216)
Sum of revaluations excl. accruals	0
<b>Total excl. accruals</b>	<b>(216)</b>
<i>check</i>	<i>0.0</i>
Sum of accruals included in write-downs	0
Sum of accruals included in revaluations	0
<b>Total incl. accruals</b>	<b>(216)</b>
<i>check</i>	<i>0.0</i>

VALUATION RECAP	
<b>Valuation excl. accruals</b>	<b>31,311</b>
<b>Valuation incl. accruals</b>	<b>31,593</b>
<i>check</i>	<i>0.0</i>
Last Q valuation excl. accruals	39,469
Plus: Capitalised interest	214
Less: Amortisation of principal	(8,157)
Sum write-downs / reval. excl. accruals	(216)
Plus: Purchased in Q	0
<b>Current Q excl. accruals</b>	<b>31,311</b>
<i>check</i>	<i>(0.0)</i>