

Confidential

EETI Quarterly Review

QUARTER ENDED 30/06/2017

July 2017

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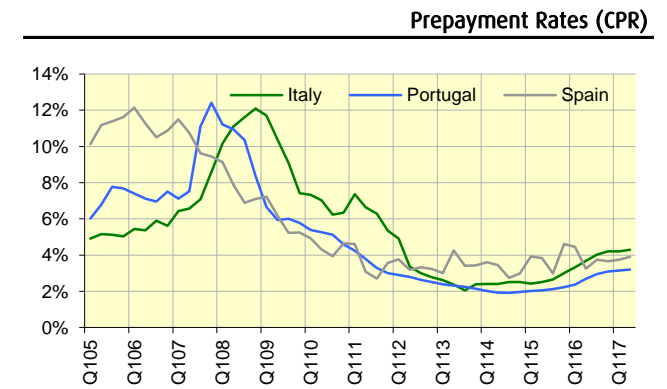
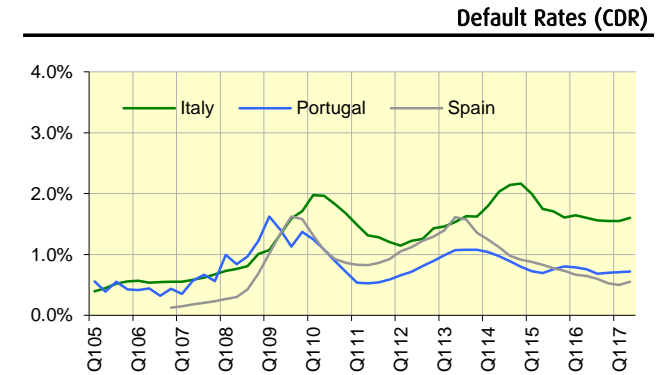
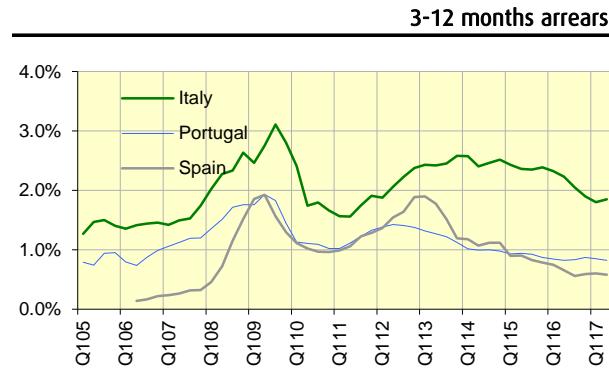
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1 EUROPEAN ABS / RMBS ACTIVITY AND PERFORMANCE

Prime European RMBS performance

- ▶ The credit performance of peripheral European transactions remained broadly positive, notably in Spain and Portugal.
- ▶ Prepayment rates for seasoned transactions continue to creep up at a slow pace.

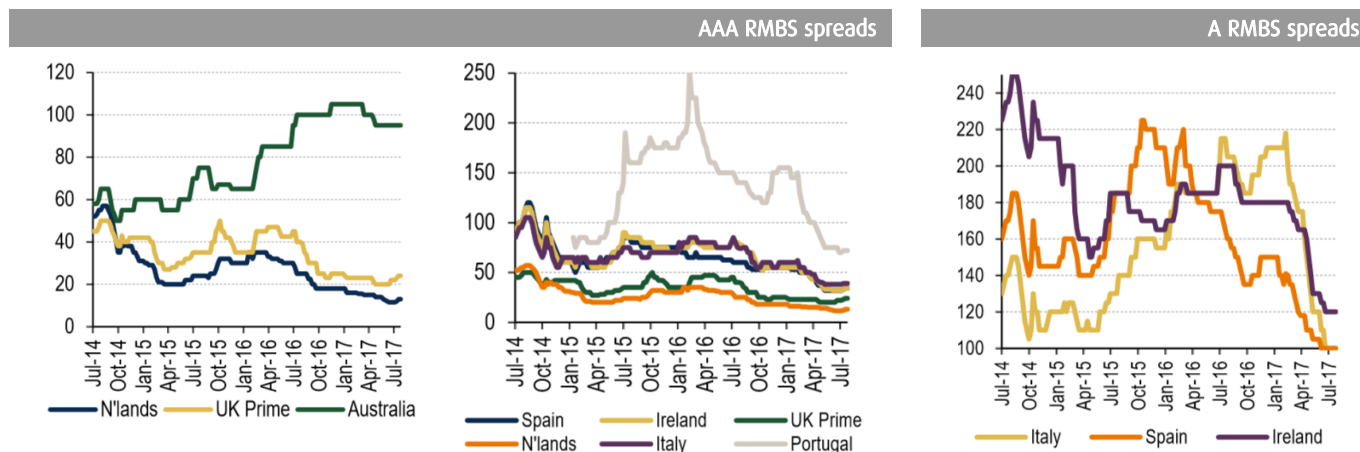


Note: Indices based on own data collection of a broad sample of seasoned RMBS transactions.
 Source: Trustee reports and Cartesia.

European ABS / RMBS market activity

- ▶ Spreads of European RMBS have continued to tighten during the second quarter of 2017, albeit more modestly than in the first quarter.
 - Portuguese RMBS, which had been trading wider than other peripheral issues over the past two years, has rallied quite significantly over the past months benefiting senior, mezzanine and subordinated tranches alike.
- ▶ The best Dutch ECB-eligible first-pays trade at spreads over 3-month Euribor of 10-15 bps, while all eligible peripheral first-pays now trade at spreads well below 100 bps.

EVOLUTION OF RMBS SPREADS OVER EUR3M



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

2 PORTFOLIO PERFORMANCE

A. Cash Flow

Cash flow receipts for the quarter ended 30/06/2017

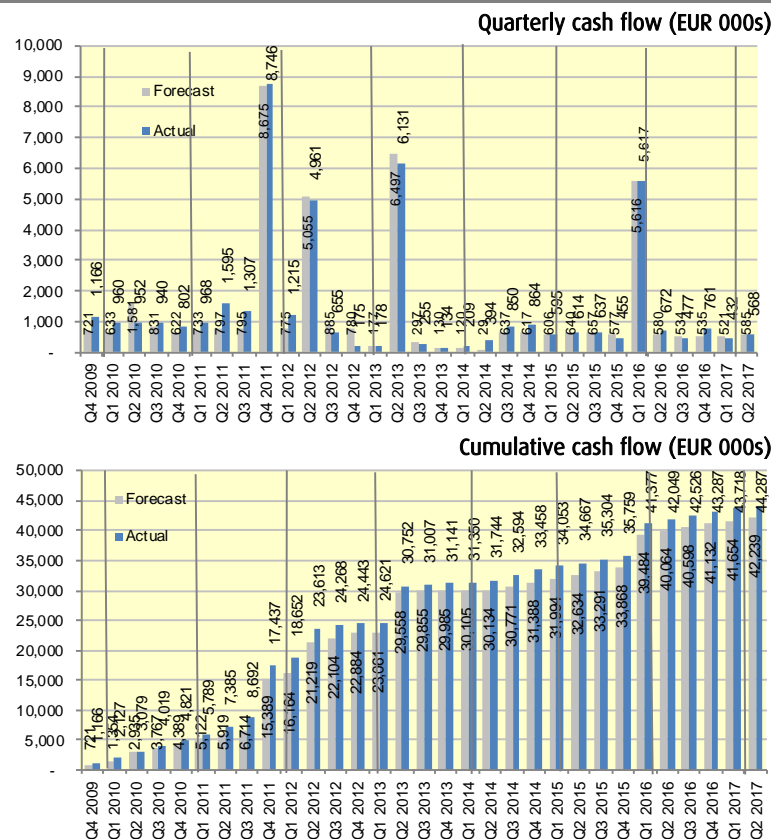
- ▶ Quarterly cash flow amounted to EUR 568k, close but slightly below forecast of EUR 585k. Cash flow was derived from the Ludgate and Lusitano 3 positions.

Cash flow receipt for the quarter

(EUR)

Transactions	Actual	Forecast	Delta
Lusitano 3	199,966	230,424	(30,458)
Lusitano 5	-	-	-
Pastor 2	-	-	-
Pastor 3	-	-	-
Pastor 4	-	-	-
Pastor 5	-	-	-
Minotaure 04	-	-	-
Ludgate 06-1	368,440	354,960	13,480
TOTAL	568,406	585,385	(16,979)

Actual vs. forecast since Q4 2009



Forecast annual cash flow

Forecast cash flow

(EUR 000s)				
Period	Period CF	Cumulative CF	% Total	Cumulative % Total
2017	1,074	1,074	2.8%	2.8%
2018	2,338	3,411	6.1%	8.9%
2019	7,778	11,190	20.3%	29.1%
2020	7,933	19,123	20.7%	49.8%
2021	5,762	24,884	15.0%	64.8%
2022	613	25,497	1.6%	66.4%
Beyond	12,893	38,390	33.6%	100.0%
TOTAL	38,390		100.0%	

Total forecast cash flow of EUR 38.4m, of which two-thirds by 2022

Historical cash flow

(EUR 000s)	Spain				Portugal		France	UK	Quarterly	Annual	Cumulative
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Minotaure	Ludgate	CF	CF	CF
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	568	1,000	45,177

Forecast quarterly cash flow

(EUR 000s)		Spain				Portugal		France	UK	Quarterly	Annual	Cumulative
		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Minotaure	Ludgate	CF	CF	CF
Sum CF		5,042	-	3,403	-	8,684	11,055	4,843	5,364	38,390		
% Total		13.1%	0.0%	8.9%	0.0%	22.6%	28.8%	12.6%	14.0%	100.0%		
FORECAST												
										Quarterly	Annual	Cumulative
										CF	CF	CF
Q3 2017	1	9	-	-	174	-	-	-	333	516		516
Q4 2017	2	3	-	-	233	-	-	-	321	558	1,074	1,074
Q1 2018	3	4	-	-	230	-	-	-	309	543		1,617
Q2 2018	4	4	-	-	278	-	-	-	297	579		2,196
Q3 2018	5	4	-	-	222	-	-	-	287	513		2,710
Q4 2018	6	4	-	-	422	-	-	-	275	702	2,338	3,411
Q1 2019	7	4	-	-	407	-	-	-	264	676		4,087
Q2 2019	8	5	-	-	419	-	-	-	253	677		4,764
Q3 2019	9	5,005	-	-	476	-	-	-	243	5,725		10,489
Q4 2019	10	-	-	-	471	-	-	-	229	701	7,778	11,190
Q1 2020	11	-	-	-	622	-	-	-	216	839		12,028
Q2 2020	12	-	-	-	620	465	-	-	204	1,289		13,318
Q3 2020	13	-	-	-	619	2,500	-	-	193	3,312		16,630
Q4 2020	14	-	-	-	954	1,362	-	-	177	2,493	7,933	19,123
Q1 2021	15	-	-	-	84	1,361	-	-	163	1,608		20,730
Q2 2021	16	-	-	-	82	2,056	-	-	150	2,288		23,018
Q3 2021	17	-	-	-	81	132	-	-	1,448	1,661		24,680
Q4 2021	18	-	-	-	74	131	-	-	-	205	5,762	24,884
Q1 2022	19	-	-	-	76	108	-	-	-	184		25,068
Q2 2022	20	-	-	-	74	76	-	-	-	149		25,217
Q3 2022	21	-	-	-	73	71	-	-	-	144		25,361
Q4 2022	22	-	-	-	66	70	-	-	-	136	613	25,497
Q1 2023	23	-	-	-	68	69	-	-	-	136		25,633
Q2 2023	24	-	-	-	66	67	-	-	-	132		25,765
Q3 2023	25	-	-	-	65	62	143	-	-	271		26,036
Q4 2023	26	-	-	-	59	61	701	-	-	821	1,360	26,857
Q1 2024	27	-	-	-	60	60	636	-	-	756		27,613
Q2 2024	28	-	-	3,403	58	58	540	-	-	4,059		31,672
Q3 2024	29	-	-	-	57	55	431	-	-	543		32,215
Q4 2024	30	-	-	-	53	53	318	-	-	423	5,782	32,639
Q1 2025	31	-	-	-	53	52	246	-	-	350		32,989
Q2 2025	32	-	-	-	1,386	50	189	-	-	1,625		34,615
Q3 2025	33	-	-	-	-	46	111	-	-	158		34,772
Q4 2025	34	-	-	-	-	45	1,527	-	-	1,572	3,706	36,344
Q1 2026	35	-	-	-	-	44	-	-	-	44		36,389
Q2 2026	36	-	-	-	-	42	-	-	-	42		36,431
Q3 2026	37	-	-	-	-	39	-	-	-	39		36,470
Q4 2026	38	-	-	-	-	38	-	-	-	38	164	36,509
Q1 2027	39	-	-	-	-	37	-	-	-	37		36,546
Q2 2027	40	-	-	-	-	35	-	-	-	35		36,581
Q3 2027	41	-	-	-	-	33	-	-	-	33		36,614
Q4 2027	42	-	-	-	-	32	-	-	-	32	137	36,646
Q1 2028	43	-	-	-	-	31	-	-	-	31		36,676
Q2 2028	44	-	-	-	-	1,714	-	-	-	1,714		38,390
Q3 2028	45	-	-	-	-	-	-	-	-	-		38,390
Q4 2028	46	-	-	-	-	-	-	-	-	-	1,744	38,390

Net present values at different discount rates

(EUR 000s)

Net present values at different discount rates									
Discount Rate	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Minotaure	Ludgate	Total
5.00%	4,520	-	2,418	-	7,312	8,663	3,359	4,757	30,652
6.11%	4,414	-	2,246	-	7,057	8,237	3,105	4,639	29,261
11.11%	3,982	-	1,627	-	6,081	6,658	2,203	4,165	24,071
4.11%	4,607	-	2,566	-	7,528	9,028	3,580	4,856	31,843
8.11%	4,234	-	1,971	-	6,636	7,545	2,701	4,438	26,992
9.11%	4,147	-	1,808	-	6,302	7,075	2,467	4,249	25,959
13.11%	3,826	-	1,436	-	5,755	6,150	1,929	3,999	22,392
Valuation	4,414	-	1,627	-	7,057	6,658	2,203	4,165	26,124

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
5.00%	1.1x	-	1.4x	-	1.2x	1.3x	1.4x	1.1x	1.3x
6.11%	1.1x	-	1.5x	-	1.2x	1.3x	1.6x	1.2x	1.3x
11.11%	1.3x	-	2.1x	-	1.4x	1.7x	2.2x	1.3x	1.6x
4.11%	1.1x	-	1.3x	-	1.2x	1.2x	1.4x	1.1x	1.2x
8.11%	1.2x	-	1.7x	-	1.3x	1.5x	1.8x	1.2x	1.4x
9.11%	1.2x	-	1.9x	-	1.4x	1.6x	2.0x	1.3x	1.5x
13.11%	1.3x	-	2.4x	-	1.5x	1.8x	2.5x	1.3x	1.7x
Valuation	1.1x	-	2.1x	-	1.2x	1.7x	2.2x	1.3x	1.5x

Note: Net present values presented in the above tables 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	Minotaure	Ludgate	Total	Delta
170.0%	7,505	-	2,766	-	11,997	11,319	3,745	7,080	44,411	70.0%
165.0%	7,284	-	2,684	-	11,644	10,986	3,634	6,872	43,104	65.0%
160.0%	7,063	-	2,603	-	11,292	10,653	3,524	6,663	41,798	60.0%
155.0%	6,842	-	2,522	-	10,939	10,320	3,414	6,455	40,492	55.0%
150.0%	6,622	-	2,440	-	10,586	9,987	3,304	6,247	39,186	50.0%
145.0%	6,401	-	2,359	-	10,233	9,654	3,194	6,039	37,880	45.0%
140.0%	6,180	-	2,278	-	9,880	9,321	3,084	5,830	36,573	40.0%
135.0%	5,959	-	2,196	-	9,527	8,988	2,974	5,622	35,267	35.0%
130.0%	5,739	-	2,115	-	9,174	8,656	2,863	5,414	33,961	30.0%
125.0%	5,518	-	2,034	-	8,822	8,323	2,753	5,206	32,655	25.0%
120.0%	5,297	-	1,952	-	8,469	7,990	2,643	4,998	31,349	20.0%
115.0%	5,077	-	1,871	-	8,116	7,657	2,533	4,789	30,042	15.0%
110.0%	4,856	-	1,790	-	7,763	7,324	2,423	4,581	28,736	10.0%
105.0%	4,635	-	1,708	-	7,410	6,991	2,313	4,373	27,430	5.0%
100.0%	4,414	-	1,627	-	7,057	6,658	2,203	4,165	26,124	0.0%
95.0%	4,194	-	1,545	-	6,704	6,325	2,093	3,956	24,818	-5.0%
90.0%	3,973	-	1,464	-	6,352	5,992	1,982	3,748	23,511	-10.0%
85.0%	3,752	-	1,383	-	5,999	5,659	1,872	3,540	22,205	-15.0%
80.0%	3,532	-	1,301	-	5,646	5,326	1,762	3,332	20,899	-20.0%
75.0%	3,311	-	1,220	-	5,293	4,994	1,652	3,123	19,593	-25.0%
70.0%	3,090	-	1,139	-	4,940	4,661	1,542	2,915	18,287	-30.0%
65.0%	2,869	-	1,057	-	4,587	4,328	1,432	2,707	16,981	-35.0%
60.0%	2,649	-	976	-	4,234	3,995	1,322	2,499	15,674	-40.0%
55.0%	2,428	-	895	-	3,881	3,662	1,211	2,291	14,368	-45.0%
50.0%	2,207	-	813	-	3,529	3,329	1,101	2,082	13,062	-50.0%
45.0%	1,986	-	732	-	3,176	2,996	991	1,874	11,756	-55.0%
40.0%	1,766	-	651	-	2,823	2,663	881	1,666	10,450	-60.0%
35.0%	1,545	-	569	-	2,470	2,330	771	1,458	9,143	-65.0%
30.0%	1,324	-	488	-	2,117	1,997	661	1,249	7,837	-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 and Valuation

Quarterly performance indicators

(EUR 000s, except for Ludgate, expressed in GBP 000s)

Transactions	90d+ arr.		CDR		CPR		Recoveries		Reserve		
	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Min.
Lusitano 3	1.1%	n/a	1.0%	0.9%	3.5%	2.6%	963	800	5,941	5,941	5,941
Lusitano 5	1.2%	n/a	0.9%	1.0%	2.6%	2.3%	1,196	2,000	(5,164)	(5,164)	11,900
Pastor 2	0.5%	n/a	0.4%	0.3%	4.2%	4.5%	129	215	4,904	4,904	5,000
Pastor 3	0.9%	n/a	1.0%	1.3%	5.3%	4.2%	169	n/a	(51,225)	n/a	9,000
Pastor 4	0.9%	n/a	1.5%	1.3%	3.2%	4.4%	42	154	(39,179)	(39,362)	5,520
Pastor 5	n/a	n/a	0.7%	nm	4.2%	nm	455	n/a	(31,154)	n/a	10,500
Minotaure 04	n/a	n/a	0.3%	0.4%	8.4%	7.9%	n/a	n/a	2,955	2,955	2,955
Ludgate 06-1	n/a	n/a	0.0%	0.4%	11.2%	10.8%	-	112	1,149	1,149	1,149

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

The prepayment rate (CPR) indicated for the Ludgate position is the total redemption rate. Higher CPRs than forecast are, all other things equal, a negative for the residual positions in Lusitano 3 and 5 as well as Ludgate and are therefore depicted in red; higher CPRs are a positive for the other positions and 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.

Transaction performance has overall been in line with forecast over the quarter

Quarterly valuation

- ▶ Quarter-end book value amounts to EUR 26,124k excluding accruals, after a combined revaluation of EUR 27k.

Quarter-end portfolio book value amounts to EUR 26,124k, further to a EUR 27k revaluation

QUARTERLY BOOK VALUES AND REVALUATIONS

(EUR 000s)	30/06/2016		30/09/2016		31/12/2016		31/03/2017		30/06/2017	
	Book Value	(Markdown)/Revaluation	Book Value	(Markdown)/Revaluation	Book Value	(Markdown)/Revaluation	Book Value	(Markdown)/Revaluation	Book Value	(Markdown)/Revaluation
Lusitano 3	7,716	265	7,543	(195)	7,333	67	7,269	(17)	7,057	(121)
Lusitano 5	6,131	338	6,099	(199)	6,161	(105)	6,350	23	6,658	140
Pastor 2	4,137	10	4,209	8	4,281	8	4,343	(2)	4,414	5
Pastor 3	0	0	0	0	0	0	0	0	0	0
Pastor 4	1,454	(76)	1,872	378	1,588	(335)	1,609	(21)	1,627	(25)
Pastor 5	0	0	0	0	0	0	0	0	0	0
Semper	0	0		0						
Gems	0	0								
Minotaure	2,027	84	2,168	86	2,083	(144)	2,130	(9)	2,203	15
Sestante 4 A1	23	0	9	0						
Ludgate	4,759	(313)	4,503	(22)	4,509	243	4,401	46	4,165	14
TOTAL	26,247	309	26,403	56	25,955	(265)	26,102	21	26,124	27

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.

Pastor investments

PERFORMANCE

- ▶ 90-day+ arrears for the Pastor 3, 4 and 5 transactions remained stable at 0.9-1.3% over the quarter.
- ▶ Default rates of the Pastor 3 and 5 deals remained at approx. 1.0% but Pastor 4 recorded for the second quarter in a row above average defaults of 1.5%.
- ▶ As in previous quarters, recoveries on defaulted loans remained disappointingly low for Pastor 3 and 4 and somewhat more substantial for Pastor 5.
- ▶ The reserve fund of the Pastor 2 transaction, which was drawn in the previous quarters is almost fully replenished. While interest due on the position held by EETI has been deferred again, the shortfall in the reserve fund should be made up before year-end and unpaid interest paid out.

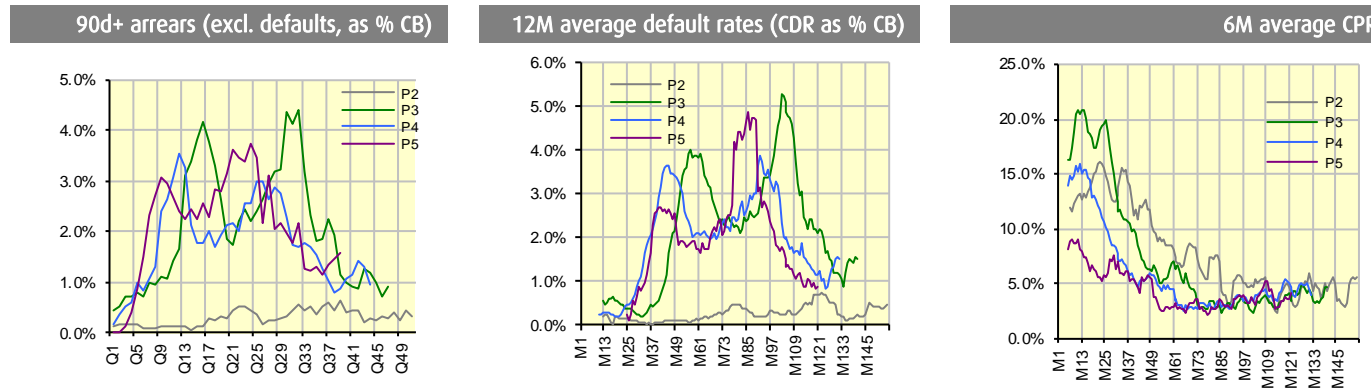
SERVICER SITUATION

- ▶ The originator and servicer of the transaction, Banco Pastor, had been taken over in the aftermath of the crisis by Banco Popular.
- ▶ Banco Popular has itself been taken over by Santander in June 2017, as its capital shortfall threatened its survival.
- ▶ No impact is expected on the servicing of the Pastor RMBS transactions.
- ▶ Santander has also been relatively consistent in exercising the 10% clean-up calls of its own RMBS (and more generally ABS) issues.

Pastor investments

VALUATION

- Higher defaults on Pastor 4, partly offset by the near-replenishment of the reserve fund in Pastor 2, led to a combined write-down of EUR 20k of the two positions.



Note: Graphs expressed in months since issue except for 90d+ arrears, which are expressed in quarters since issue.

Lusitano investments

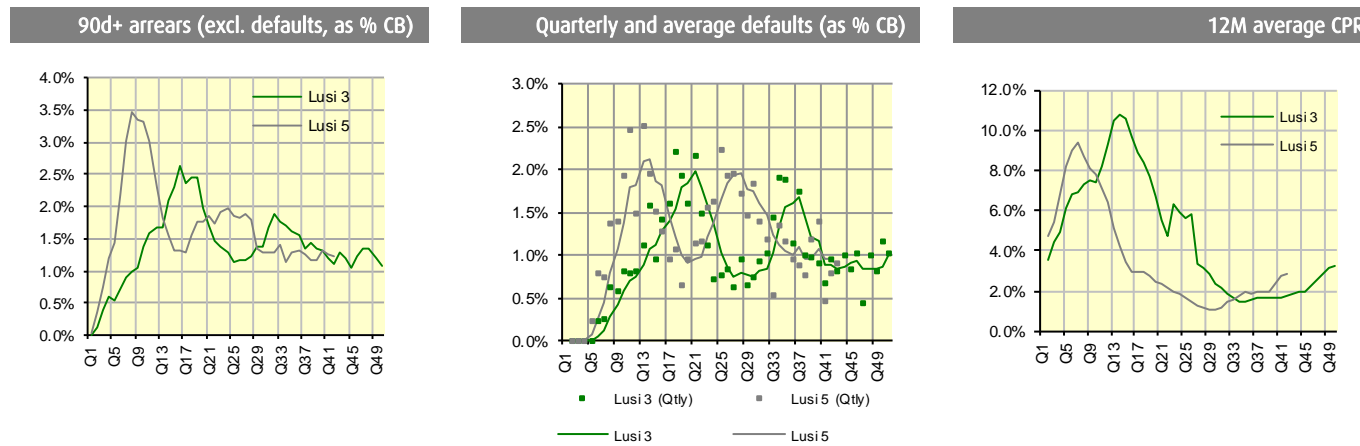
PERFORMANCE

- ▶ 90d+ arrears for both transactions remained almost unchanged in the 1.0% to 1.2% range, while default rates stood at 0.9-1.0% in line with expectations for Lusitano 5 but slightly above forecast for Lusitano 3.
- ▶ Collections on defaulted mortgage loans were close to EUR 1m for Lusitano 3, above expectations, and amounted to EUR 1.2m for Lusitano 5, below the anticipated level.
- ▶ The slightly higher than expected default rate in Lusitano 3 this quarter led again to a somewhat lower cash receipt than forecast from the residual position held by EETI (EUR 200k vs. 230k); that amount was nonetheless almost EUR 50k higher than the payout of the previous quarter.

Lusitano investments (cont'd)

VALUATION

- ▶ The combined revaluation of the two positions amounts to EUR 19k, driven by the slightly above average credit performance of Lusitano 5 and offset by the higher quarterly defaults in Lusitano 3.



Note: Graphs expressed in quarters since issue.

Ludgate residual position

PERFORMANCE

- ▶ The credit performance of the position remains satisfactory with no defaults recorded again this quarter, stable loss severity and a neutral interest rate exposure (BBR vs. Libor).
- ▶ The total redemption rate increased to slightly above 10% in line with the forecast steepening of the redemption curve.
- ▶ As a result, the Ludgate residual generated a quarterly cash flow of GBP 321k vs. a forecast of GBP 301k, translating into a EUR cash flow of EUR 368k vs. an expected EUR 355k.

EU SECURITIZATION FRAMEWORK

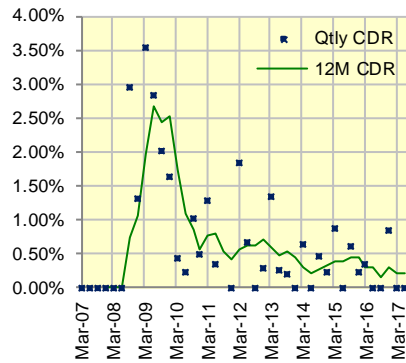
- ▶ The EU published in late June a provisional regulatory framework which seems to bar the securitization (and potentially the sale) of self-certified / non-performing mortgage loans. The provisional law should come up for vote in the European Parliament in late October 2017.
- ▶ While the regulations could affect future securitizations of UK non-conforming loan portfolios, including those stemming from the exercise of 10% clean-up calls, the market has largely shrugged off the news so far.
- ▶ It should however be monitored in order to apprehend its potential impact on clean-up calls.

Ludgate residual position

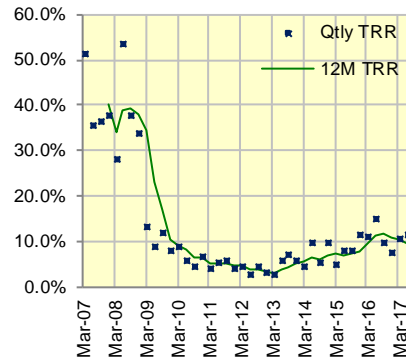
VALUATION

- Principally due to lower default rates incurred in the quarter, the position is revalued by EUR 14k at quarter-end.

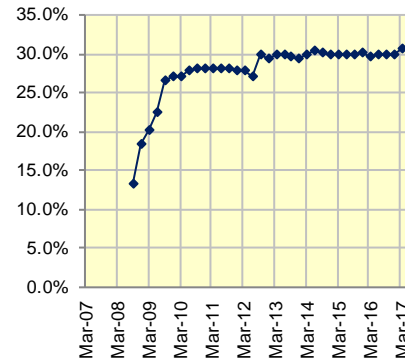
Quarterly and 12M default rate (CDR)



Quarterly total redemption rate (TRR)



Cumulative loss severity



Other EETI investments

Minotaure

- ▶ Credit performance as well as prepayments were better than forecast leading to a EUR 14k revaluation of the position.

Other

- ▶ 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 30/06/2017

EETI QUARTERLY VALUATION REPORT AS AT 30/06/2017

From:	01/04/2017
To:	30/06/2017

All figures in Euros thousands		CF receipts and breakdown			Accounting items			Valuation excl. accruals		Valuation incl. accruals		
Investments	Payment date	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	16/04/2017	199	108	91	108	0	140	(121)	7,057	(121)	7,198	27.0%
Lusitano 5	15/04/2017	-	-	-	168	168	190	140	6,658	140	6,848	25.5% 52.5%
Pastor 2	22/06/2017	-	-	-	66	66	10	5	4,414	5	4,424	16.9%
Pastor 3	22/06/2017	-	-	-	0	0	0	0	0	0	0	0.0%
Pastor 4	22/06/2017	-	-	-	43	43	6	(25)	1,627	(25)	1,632	6.2%
Pastor 5	22/06/2017	-	-	-	0	0	0	0	-	0	0	0.0% 23.1%
Minotaure	22/06/2017	-	-	-	58	58	4	15	2,203	15	2,207	8.4% 8.4%
Ludgate	07/06/2017	368	119	250	119	0	25	14	4,165	14	4,190	15.9% 15.9%
Total		567	227	341	562	335	375	27	26,124	27	26,498	100.0% 100.0%

ACCOUNTING INCOME		WRITE-DOWNS / REVALUATIONS		VALUATION RECAP	
Actual cash flow received in Q	567	Sum of write-downs excl. accruals	(146)	Valuation excl. accruals	26,124
Plus: Capitalised interest	335	Sum of revaluations excl. accruals	173	Valuation incl. accruals	26,498
Less: Amortisation of principal	(341)	Total excl. accruals	27	<i>check</i>	(0.0)
Income excl. accruals	562	<i>check</i>	<i>0.0</i>	Last Q valuation excl. accruals	26,102
<i>check</i>	<i>0.0</i>	Sum of accruals included in write-downs	0	Plus: Capitalised interest	335
Less: Previous Q accruals	(370)	Sum of accruals included in revaluations	0	Less: Amortisation of principal	(341)
Plus: Current Q accruals	375	Total incl. accruals	27	Sum write-downs / reval. excl. accruals	27
Income incl. accruals	567	<i>check</i>	<i>0.0</i>	Plus: Purchased in Q	-
				Current Q excl. accruals	26,124
				<i>check</i>	(0.0)

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.

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
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%
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%
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%
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
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%
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
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%
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%

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)

SUMMARY OF ASSUMED PREPAYMENT RATES

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
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%
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%
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%
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
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%
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
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%
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%

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 and the Minotaure positions but unfavourable to the residual positions in Lusitano 3 and 5 and in Ludgate.

Revised valuation assumptions (24-month averages) (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	
Lusitano 3	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%
Pastor 2	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%
Pastor 3	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%
Pastor 4	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%
Pastor 5	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%	30%	30%	30%	39%	39%	39%	39%	39%	39%
Minotaure	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%

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 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 2107	Q2 2017	
Lusitano 3	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
Pastor 2	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
Pastor 4	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
Minotaure	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

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

SUMMARY OF DISCOUNT RATE ASSUMPTIONS

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
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%
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%
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%
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%	nm
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%
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%	nm
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%
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%

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.