

Confidential

EETI Quarterly Review

QUARTER ENDED 31/03/2017

April 2017

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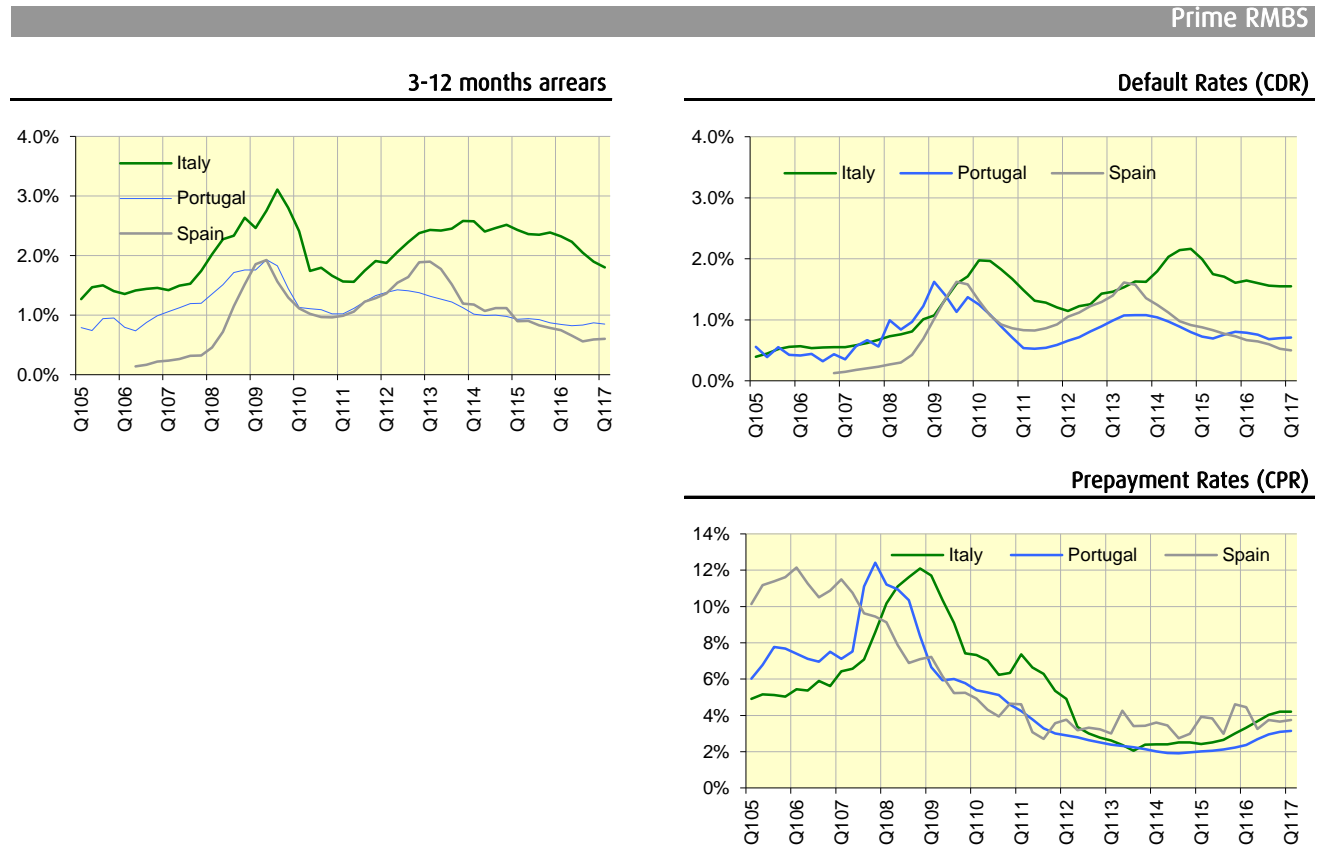
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1 EUROPEAN ABS / RMBS ACTIVITY AND PERFORMANCE

Prime European RMBS performance

- ▶ The average credit performance of peripheral European transactions has remained broadly stable during the quarter.
- ▶ Prepayment rates for seasoned transactions – regardless of their underlying credit performance – are continuing their slow uptick, as previously noted.

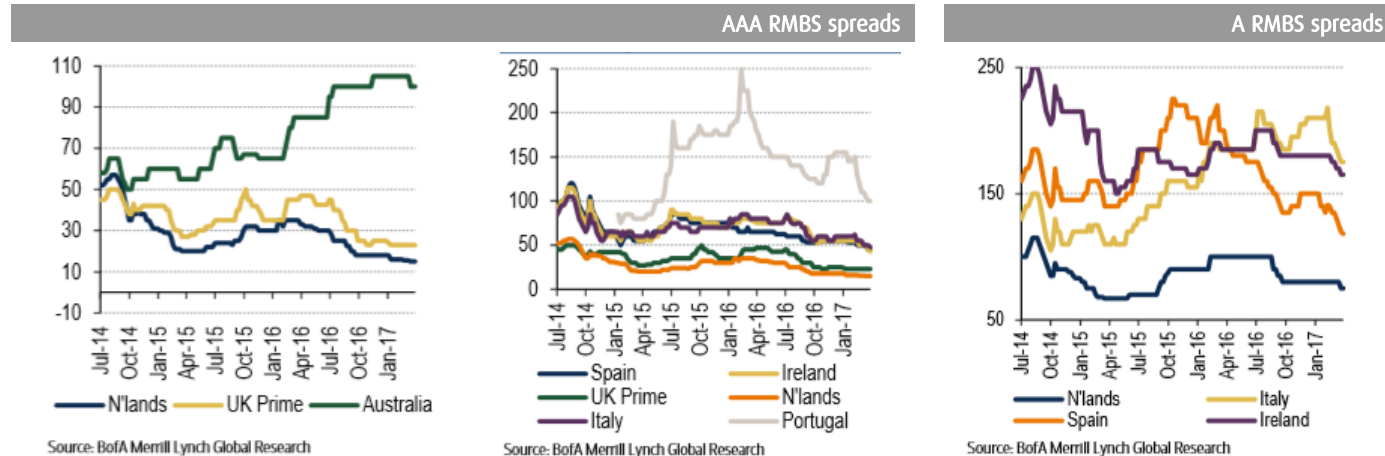


*Note: Indices based on own data collection of a broad sample of seasoned RMBS transactions.
 Source: Trustee reports and Cartesia.*

European ABS / RMBS market activity

- ▶ Spreads of European ABS have continued to tighten during the first quarter, driven by the same themes of low primary supply and a shrinking inventory of available paper as in 2016. This tightening has benefited all bonds, regardless of seniority and geography.
 - The best Dutch ECB-eligible first-pays now trade at spreads over 3-month Euribor of 15 bps, while eligible peripheral first-pays trade at spreads of 45 to 100 bps;
 - Non-eligible first-pays have also tightened to spreads of 75 to 200 bps;
 - Trading in mezzanine and subordinated bonds, principally through auctions (“BWICs”), has also remained active.

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 31/03/2017

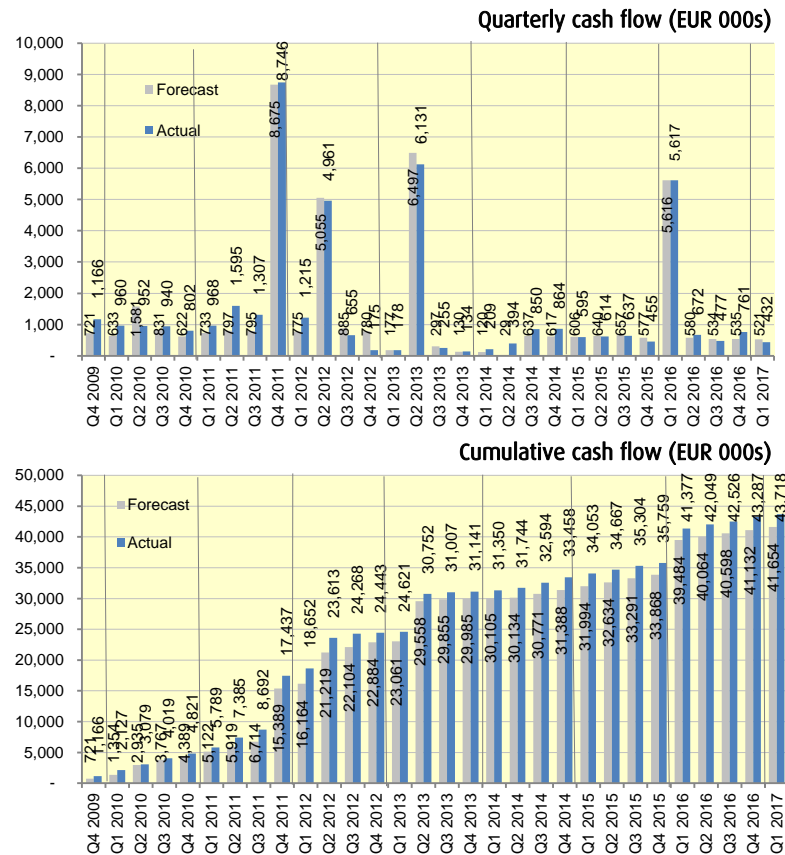
- ▶ Quarterly cash flow amounted to EUR 432k, EUR 90k below forecast (Q4 2016 cash flow exceeded forecast by EUR 226k). Cash flow was derived from the Ludgate and Lusitano 3 positions.

Cash flow receipt for the quarter

(EUR)

| Transactions | Actual | Forecast | Delta |
|--------------|----------------|----------------|-----------------|
| Lusitano 3 | 158,381 | 173,819 | (15,438) |
| Lusitano 5 | - | - | - |
| Pastor 2 | - | 4,940 | (4,940) |
| Pastor 3 | - | - | - |
| Pastor 4 | - | - | - |
| Pastor 5 | - | - | - |
| Minotaure 04 | - | - | - |
| Ludgate 06-1 | 273,242 | 342,717 | (69,476) |
| TOTAL | 431,622 | 521,477 | (89,854) |

Actual vs. forecast since Q4 2009



Forecast annual cash flow

Forecast cash flow

| (EUR 000s) | | | | |
|--------------|---------------|---------------|---------------|--------------------|
| Period | Period CF | Cumulative CF | % Total | Cumulative % Total |
| 2017 | 1,758 | 1,758 | 4.5% | 4.5% |
| 2018 | 2,781 | 4,539 | 7.2% | 11.7% |
| 2019 | 7,959 | 12,498 | 20.6% | 32.3% |
| 2020 | 7,636 | 20,135 | 19.8% | 52.1% |
| 2021 | 5,057 | 25,191 | 13.1% | 65.2% |
| 2022 | 610 | 25,802 | 1.6% | 66.8% |
| Beyond | 12,843 | 38,645 | 33.2% | 100.0% |
| TOTAL | 38,645 | | 100.0% | |

Total forecast cash flow of EUR 38.7m, of which two-thirds by 2022

Historical cash flow

| (EUR 000s) | Spain | | | | Portugal | | Italy | France | UK | Quarterly CF | Annual CF | Cumulative CF |
|-------------------|----------|----------|----------|----------|------------|------------|------------|-----------|---------|-----------------|--------------|------------------|
| | Pastor 2 | Pastor 3 | Pastor 4 | Pastor 5 | Lusitano 3 | Lusitano 5 | Sestante 4 | 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 | - | 25 | 214 | 13 | 1,595 | | |
| Q3 2011 | 222 | - | - | - | 350 | - | 25 | 249 | 11 | 1,307 | | |
| Q4 2011 | 169 | - | - | - | 273 | - | 19 | 177 | 11 | 8,746 | 12,616 | 18,328 |
| Q1 2012 | 235 | - | - | - | 487 | - | 20 | 189 | 2 | 1,215 | | |
| Q2 2012 | 170 | - | - | - | 388 | - | 15 | 134 | 2 | 4,961 | | |
| Q3 2012 | 91 | - | - | - | 282 | - | 14 | 99 | 5 | 655 | | |
| Q4 2012 | 7 | - | - | - | - | - | 11 | - | 5 | 175 | 7,006 | 25,334 |
| Q1 2013 | 7 | - | - | - | 5 | - | 11 | - | 7 | 178 | | |
| Q2 2013 | - | - | - | - | - | - | 13 | - | 14 | 6,131 | | |
| Q3 2013 | 14 | - | - | - | 203 | - | 12 | - | 14 | 255 | | |
| Q4 2013 | - | - | - | - | 110 | - | 11 | - | 1 | 134 | 6,698 | 32,032 |
| Q1 2014 | - | - | - | - | 183 | - | 10 | - | 4 | 209 | | |
| Q2 2014 | - | - | - | - | 78 | - | 12 | - | 291 | 394 | | |
| Q3 2014 | - | - | - | - | 247 | - | 13 | - | 577 | 850 | | |
| Q4 2014 | 29 | - | - | - | 237 | - | 12 | - | 575 | 864 | 2,317 | 34,349 |
| Q1 2015 | 4 | - | - | - | 114 | - | 11 | - | 456 | 595 | | |
| Q2 2015 | 4 | - | - | - | 110 | - | 11 | - | 479 | 614 | | |
| Q3 2015 | 3 | - | - | - | 71 | - | 13 | - | 541 | 637 | | |
| Q4 2015 | - | - | - | - | 102 | - | 13 | - | 331 | 455 | 2,301 | 36,650 |
| Q1 2016 | - | - | - | - | 179 | - | 15 | - | 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 | | 44,609 |

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 | - | 3,376 | - | 8,945 | 10,781 | 4,834 | 5,667 | 38,645 | | |
| % Total | | 13.0% | 0.0% | 8.7% | 0.0% | 23.1% | 27.9% | 12.5% | 14.7% | 100.0% | | |
| FORECAST | | | | | | | | | | | | |
| | | | | | | | | | | Quarterly | Annual | Cumulative |
| | | | | | | | | | | CF | CF | CF |
| Q2 2017 | 1 | - | - | - | - | 230 | - | - | 355 | 585 | | 585 |
| Q3 2017 | 2 | 9 | - | - | - | 176 | - | - | 343 | 527 | | 1,112 |
| Q4 2017 | 3 | 3 | - | - | - | 312 | - | - | 330 | 646 | 1,758 | 1,758 |
| Q1 2018 | 4 | 4 | - | - | - | 329 | - | - | 317 | 649 | | 2,408 |
| Q2 2018 | 5 | 4 | - | - | - | 439 | - | - | 305 | 748 | | 3,156 |
| Q3 2018 | 6 | 4 | - | - | - | 376 | - | - | 293 | 673 | | 3,828 |
| Q4 2018 | 7 | 4 | - | - | - | 426 | - | - | 281 | 711 | 2,781 | 4,539 |
| Q1 2019 | 8 | 4 | - | - | - | 411 | - | - | 269 | 685 | | 5,224 |
| Q2 2019 | 9 | 5 | - | - | - | 431 | - | - | 258 | 694 | | 5,917 |
| Q3 2019 | 10 | 5,005 | - | - | - | 481 | - | - | 244 | 5,730 | | 11,648 |
| Q4 2019 | 11 | - | - | - | - | 621 | - | - | 230 | 851 | 7,959 | 12,498 |
| Q1 2020 | 12 | - | - | - | - | 623 | - | - | 217 | 840 | | 13,339 |
| Q2 2020 | 13 | - | - | - | - | 621 | 825 | - | 205 | 1,651 | | 14,990 |
| Q3 2020 | 14 | - | - | - | - | 620 | 2,498 | - | 188 | 3,306 | | 18,296 |
| Q4 2020 | 15 | - | - | - | - | 306 | 1,360 | - | 173 | 1,839 | 7,636 | 20,135 |
| Q1 2021 | 16 | - | - | - | - | 85 | 2,675 | - | 159 | 2,919 | | 23,054 |
| Q2 2021 | 17 | - | - | - | - | 83 | 136 | - | 1,501 | 1,720 | | 24,774 |
| Q3 2021 | 18 | - | - | - | - | 82 | 131 | - | - | 213 | | 24,987 |
| Q4 2021 | 19 | - | - | - | - | 75 | 130 | - | - | 204 | 5,057 | 25,191 |
| Q1 2022 | 20 | - | - | - | - | 76 | 107 | - | - | 183 | | 25,375 |
| Q2 2022 | 21 | - | - | - | - | 74 | 74 | - | - | 149 | | 25,523 |
| Q3 2022 | 22 | - | - | - | - | 74 | 70 | - | - | 143 | | 25,667 |
| Q4 2022 | 23 | - | - | - | - | 67 | 68 | - | - | 135 | 610 | 25,802 |
| Q1 2023 | 24 | - | - | - | - | 68 | 67 | - | - | 136 | | 25,937 |
| Q2 2023 | 25 | - | - | - | - | 66 | 65 | - | - | 132 | | 26,069 |
| Q3 2023 | 26 | - | - | - | - | 66 | 61 | 51 | - | 177 | | 26,246 |
| Q4 2023 | 27 | - | - | - | - | 59 | 60 | 718 | - | 837 | 1,282 | 27,083 |
| Q1 2024 | 28 | - | - | 3,376 | - | 60 | 59 | 652 | - | 4,147 | | 31,231 |
| Q2 2024 | 29 | - | - | - | - | 58 | 57 | 556 | - | 672 | | 31,902 |
| Q3 2024 | 30 | - | - | - | - | 57 | 54 | 445 | - | 556 | | 32,458 |
| Q4 2024 | 31 | - | - | - | - | 53 | 52 | 328 | - | 433 | 5,807 | 32,891 |
| Q1 2025 | 32 | - | - | - | - | 53 | 51 | 254 | - | 357 | | 33,248 |
| Q2 2025 | 33 | - | - | - | - | 1,386 | 49 | 195 | - | 1,630 | | 34,878 |
| Q3 2025 | 34 | - | - | - | - | - | 46 | 115 | - | 161 | | 35,038 |
| Q4 2025 | 35 | - | - | - | - | - | 45 | 1,522 | - | 1,566 | 3,714 | 36,605 |
| Q1 2026 | 36 | - | - | - | - | - | 44 | - | - | 44 | | 36,648 |
| Q2 2026 | 37 | - | - | - | - | - | 42 | - | - | 42 | | 36,690 |
| Q3 2026 | 38 | - | - | - | - | - | 39 | - | - | 39 | | 36,729 |
| Q4 2026 | 39 | - | - | - | - | - | 38 | - | - | 38 | 162 | 36,766 |
| Q1 2027 | 40 | - | - | - | - | - | 37 | - | - | 37 | | 36,803 |
| Q2 2027 | 41 | - | - | - | - | - | 35 | - | - | 35 | | 36,838 |
| Q3 2027 | 42 | - | - | - | - | - | 32 | - | - | 32 | | 36,870 |
| Q4 2027 | 43 | - | - | - | - | - | 31 | - | - | 31 | 135 | 36,901 |
| Q1 2028 | 44 | - | - | - | - | - | 30 | - | - | 30 | | 36,932 |
| Q2 2028 | 45 | - | - | - | - | - | 1,713 | - | - | 1,713 | | 38,645 |
| Q3 2028 | 46 | - | - | - | - | - | - | - | - | - | | 38,645 |
| Q4 2028 | 47 | - | - | - | - | - | - | - | - | - | 1,743 | 38,645 |

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 | Minotaure | Ludgate | Total |
| 5.00% | 4,520 | - | 2,398 | - | 7,539 | 8,366 | 3,310 | 5,029 | 31,106 |
| 6.16% | 4,344 | - | 2,221 | - | 7,267 | 7,920 | 3,040 | 4,899 | 29,691 |
| 11.16% | 3,873 | - | 1,609 | - | 6,276 | 6,348 | 2,130 | 4,402 | 24,638 |
| 5.00% | 4,464 | - | 2,398 | - | 7,539 | 8,366 | 3,310 | 5,029 | 31,106 |
| 7.50% | 4,210 | - | 2,034 | - | 6,975 | 7,447 | 2,759 | 4,756 | 28,181 |
| 10.00% | 3,976 | - | 1,731 | - | 6,483 | 6,669 | 2,310 | 4,509 | 25,678 |
| 12.50% | 3,759 | - | 1,479 | - | 6,051 | 6,005 | 1,942 | 4,284 | 23,520 |
| Valuation | 4,344 | - | 1,609 | - | 7,267 | 6,348 | 2,130 | 4,402 | 26,100 |

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 | 1.5x | 1.1x | 1.2x |
| 6.16% | 1.2x | - | 1.5x | - | 1.2x | 1.4x | 1.6x | 1.2x | 1.3x |
| 11.16% | 1.3x | - | 2.1x | - | 1.4x | 1.7x | 2.3x | 1.3x | 1.6x |
| 5.00% | 1.1x | - | 1.4x | - | 1.2x | 1.3x | 1.5x | 1.1x | 1.2x |
| 7.50% | 1.2x | - | 1.7x | - | 1.3x | 1.4x | 1.8x | 1.2x | 1.4x |
| 10.00% | 1.3x | - | 1.9x | - | 1.4x | 1.6x | 2.1x | 1.3x | 1.5x |
| 12.50% | 1.3x | - | 2.3x | - | 1.5x | 1.8x | 2.5x | 1.3x | 1.6x |
| Valuation | 1.2x | - | 2.1x | - | 1.2x | 1.7x | 2.3x | 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 | Sestante 4 | Gems | Minotaure | Ludgate | Total | Delta |
|--|----------|----------|----------|----------|------------|------------|------------|------|-----------|---------|--------|--------|
| 170.0% | 7,385 | - | 2,735 | - | 12,355 | 10,792 | - | - | 3,621 | 7,483 | 44,369 | 70.0% |
| 165.0% | 7,167 | - | 2,654 | - | 11,991 | 10,475 | - | - | 3,514 | 7,263 | 43,064 | 65.0% |
| 160.0% | 6,950 | - | 2,574 | - | 11,628 | 10,157 | - | - | 3,408 | 7,043 | 41,759 | 60.0% |
| 155.0% | 6,733 | - | 2,493 | - | 11,264 | 9,840 | - | - | 3,301 | 6,822 | 40,455 | 55.0% |
| 150.0% | 6,516 | - | 2,413 | - | 10,901 | 9,522 | - | - | 3,195 | 6,602 | 39,150 | 50.0% |
| 145.0% | 6,299 | - | 2,333 | - | 10,538 | 9,205 | - | - | 3,088 | 6,382 | 37,845 | 45.0% |
| 140.0% | 6,081 | - | 2,252 | - | 10,174 | 8,888 | - | - | 2,982 | 6,162 | 36,540 | 40.0% |
| 135.0% | 5,864 | - | 2,172 | - | 9,811 | 8,570 | - | - | 2,875 | 5,942 | 35,235 | 35.0% |
| 130.0% | 5,647 | - | 2,091 | - | 9,448 | 8,253 | - | - | 2,769 | 5,722 | 33,930 | 30.0% |
| 125.0% | 5,430 | - | 2,011 | - | 9,084 | 7,935 | - | - | 2,662 | 5,502 | 32,625 | 25.0% |
| 120.0% | 5,213 | - | 1,930 | - | 8,721 | 7,618 | - | - | 2,556 | 5,282 | 31,320 | 20.0% |
| 115.0% | 4,995 | - | 1,850 | - | 8,358 | 7,301 | - | - | 2,449 | 5,062 | 30,015 | 15.0% |
| 110.0% | 4,778 | - | 1,769 | - | 7,994 | 6,983 | - | - | 2,343 | 4,842 | 28,710 | 10.0% |
| 105.0% | 4,561 | - | 1,689 | - | 7,631 | 6,666 | - | - | 2,236 | 4,622 | 27,405 | 5.0% |
| 100.0% | 4,344 | - | 1,609 | - | 7,267 | 6,348 | - | - | 2,130 | 4,402 | 26,100 | 0.0% |
| 95.0% | 4,127 | - | 1,528 | - | 6,904 | 6,031 | - | - | 2,023 | 4,181 | 24,795 | -5.0% |
| 90.0% | 3,909 | - | 1,448 | - | 6,541 | 5,713 | - | - | 1,917 | 3,961 | 23,490 | -10.0% |
| 85.0% | 3,692 | - | 1,367 | - | 6,177 | 5,396 | - | - | 1,810 | 3,741 | 22,185 | -15.0% |
| 80.0% | 3,475 | - | 1,287 | - | 5,814 | 5,079 | - | - | 1,704 | 3,521 | 20,880 | -20.0% |
| 75.0% | 3,258 | - | 1,206 | - | 5,451 | 4,761 | - | - | 1,597 | 3,301 | 19,575 | -25.0% |
| 70.0% | 3,041 | - | 1,126 | - | 5,087 | 4,444 | - | - | 1,491 | 3,081 | 18,270 | -30.0% |
| 65.0% | 2,823 | - | 1,046 | - | 4,724 | 4,126 | - | - | 1,384 | 2,861 | 16,965 | -35.0% |
| 60.0% | 2,606 | - | 965 | - | 4,360 | 3,809 | - | - | 1,278 | 2,641 | 15,660 | -40.0% |
| 55.0% | 2,389 | - | 885 | - | 3,997 | 3,492 | - | - | 1,171 | 2,421 | 14,355 | -45.0% |
| 50.0% | 2,172 | - | 804 | - | 3,634 | 3,174 | - | - | 1,065 | 2,201 | 13,050 | -50.0% |
| 45.0% | 1,955 | - | 724 | - | 3,270 | 2,857 | - | - | 958 | 1,981 | 11,745 | -55.0% |
| 40.0% | 1,738 | - | 643 | - | 2,907 | 2,539 | - | - | 852 | 1,761 | 10,440 | -60.0% |
| 35.0% | 1,520 | - | 563 | - | 2,544 | 2,222 | - | - | 745 | 1,541 | 9,135 | -65.0% |
| 30.0% | 1,303 | - | 483 | - | 2,180 | 1,904 | - | - | 639 | 1,320 | 7,830 | -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 | 1.2% | n/a | 1.2% | 0.9% | 3.1% | 2.4% | 909 | 800 | 6,116 | 6,116 | 6,116 |
| Lusitano 5 | 1.2% | n/a | 0.8% | 1.0% | 3.3% | 2.1% | 1,690 | 2,000 | (5,374) | (5,100) | 11,900 |
| Pastor 2 | 0.3% | n/a | 0.3% | 0.2% | 2.6% | 4.4% | 16 | 215 | 4,769 | 5,000 | 5,000 |
| Pastor 3 | 0.9% | n/a | 1.0% | 1.3% | 5.3% | 4.2% | 170 | n/a | (51,442) | n/a | 9,000 |
| Pastor 4 | 1.3% | n/a | 2.1% | 1.3% | 4.8% | 4.4% | (195) | 154 | (38,872) | (38,618) | 5,520 |
| Pastor 5 | n/a | n/a | 0.8% | 1.5% | 3.8% | 3.7% | 587 | n/a | (10,499) | n/a | 10,500 |
| Minotaure 04 | n/a | n/a | 0.1% | 0.3% | 9.7% | 7.2% | n/a | n/a | 2,955 | 2,955 | 2,955 |
| Ludgate 06-1 | n/a | n/a | 0.0% | 0.4% | 10.3% | 10.0% | 158 | 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 26,102k excluding accruals, after a combined revaluation of EUR 21k.

Quarter-end portfolio book value amounts to EUR 26,102k, further to a EUR 21k revaluation

QUARTERLY BOOK VALUES AND REVALUATIONS

| (EUR 000s) | 31/03/2016 | | 30/06/2016 | | 30/09/2016 | | 31/12/2016 | | 31/03/2017 | |
|---------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|
| | Book Value | (Markdown)/ Revaluation | 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) | 7,333 | 67 | 7,269 | (17) |
| Lusitano 5 | 5,638 | 134 | 6,131 | 338 | 6,099 | (199) | 6,161 | (105) | 6,350 | 23 |
| Pastor 2 | 4,070 | 87 | 4,137 | 10 | 4,209 | 8 | 4,281 | 8 | 4,343 | (2) |
| Pastor 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pastor 4 | 1,489 | 63 | 1,454 | (76) | 1,872 | 378 | 1,588 | (335) | 1,609 | (21) |
| Pastor 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semper | | 0 | 0 | 0 | | 0 | | | | |
| Gems | | | 0 | 0 | | | | | | |
| Minotaure | 1,890 | 69 | 2,027 | 84 | 2,168 | 86 | 2,083 | (144) | 2,130 | (9) |
| Sestante 4 A1 | 35 | 0 | 23 | 0 | 9 | 0 | | | | |
| Ludgate | 5,356 | (45) | 4,759 | (313) | 4,503 | (22) | 4,509 | 243 | 4,401 | 46 |
| TOTAL | 26,031 | 631 | 26,247 | 309 | 26,403 | 56 | 25,955 | (265) | 26,102 | 21 |

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 irretrievably impaired.

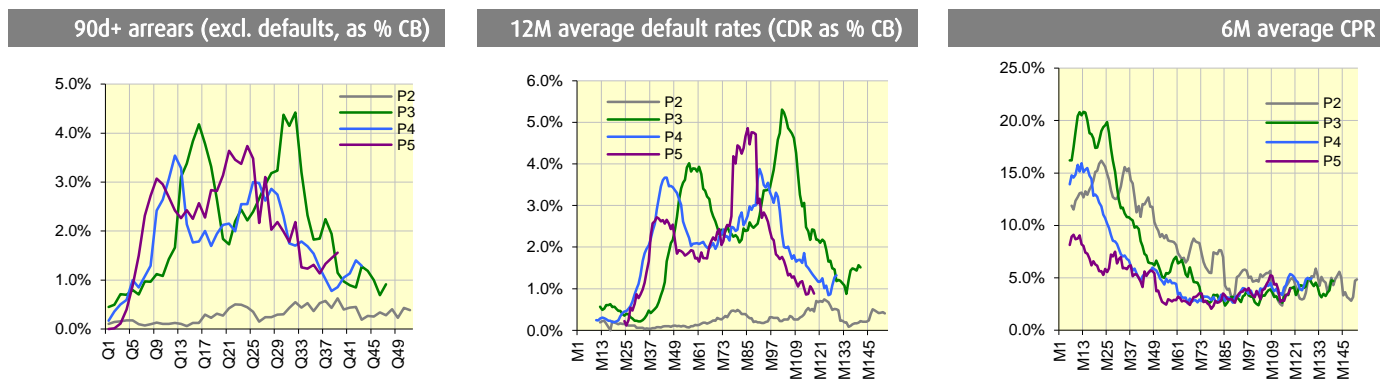
Pastor investments

PERFORMANCE

- ▶ 90-day+ arrears for the Pastor 3, 4 and 5 transactions rose modestly to 1-1.3% at quarter-end.
- ▶ Default rates of the Pastor 3 and 5 deals remained at approx. 1.0% but increased to 2.1% for Pastor 4; this latter increase is however expected to be a one-off surge.
- ▶ Recoveries on defaulted loans remain very low for Pastor 3 and 4 and somewhat more substantial for Pastor 5.
 - As previously indicated, the current slow pace of recoveries combined with default rates exceeding available excess spread concur to worsen the principal deficiency of the Pastor 3, 4 and 5 transactions.
- ▶ The reserve fund in the Pastor 2 transaction has been partly but not fully replenished, resulting in a continued deferral of interest due on the position held by EETI. That shortfall should be made up in the coming quarters.

VALUATION

- ▶ The slow pace of recoveries in Pastor 2 and 4 lead to a combined write-down of EUR 23k of the two positions.



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

Lusitano investments

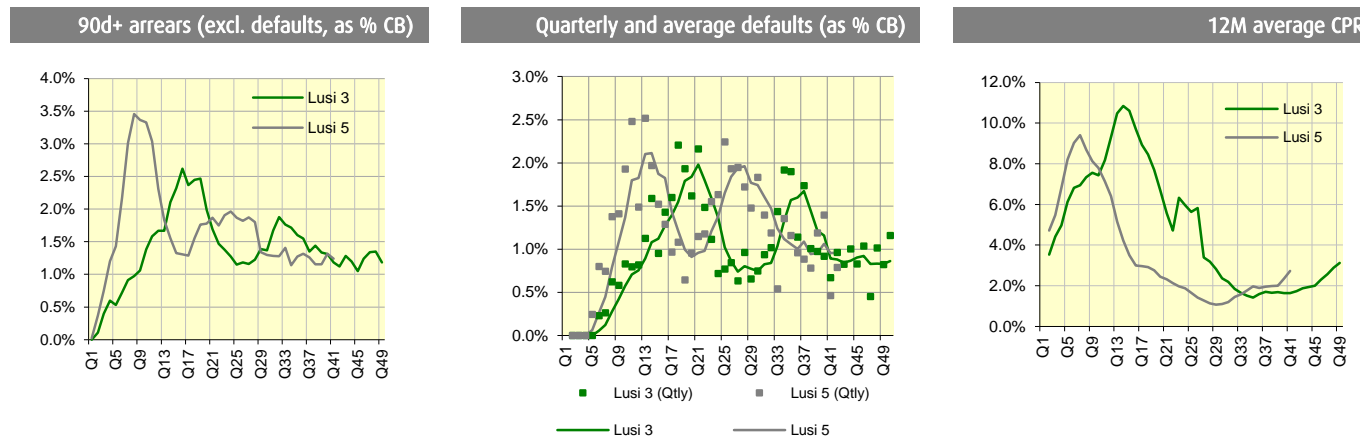
PERFORMANCE

- ▶ 90d+ arrears remained stable for both transactions at 1.2% and 1.0% respectively. Default rates were somewhat higher than assumed for Lusitano 3 (1.2% vs. 0.9%) and lower for Lusitano 5 (0.8% vs. 1.0%).
- ▶ While remaining low in absolute terms, prepayment rates have continued rising to 3.1% and 2.3% for Lusitano 3 and 5 respectively.
- ▶ Collections on defaulted mortgage loans remained encouraging this quarter, totaling over EUR 900k for Lusitano 3 and close to EUR 1.7m for Lusitano 5, broadly in line with expectations.
- ▶ The slightly higher than expected default rate in Lusitano 3 this quarter led to a somewhat lower cash receipt from the residual position held by EETI (EUR 158k vs. 174k).

Lusitano investments (cont'd)

VALUATION

- ▶ With credit performance this quarter in line with assumptions and almost no change in discount rate, the combined revaluation of the two positions this quarter is negligible at EUR 6k.



Note: Graphs expressed in quarters since issue.

Ludgate residual position

PERFORMANCE

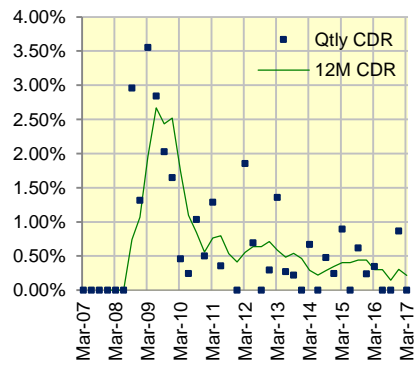
- ▶ The credit performance of the position remains satisfactory with no defaults recorded this quarter and a neutral interest rate exposure (BBR vs. Libor).
- ▶ The total redemption rate reverted to 10%, after two quarters of decline; the steepening of the redemption curve is however already largely factored into the valuation assumptions.
- ▶ The transaction recorded, in the quarter, an unusually high loss on the resale of a property, resulting in a lower than expected cash flow paid out to the residual position held by EETI.
 - That performance however appears to be a one-off event rather than the indication of a broader trend.
- ▶ As a result, the Ludgate residual generated a quarterly cash flow of GBP 234k vs. a forecast of GBP 293k, translating into a EUR cash flow of EUR 273k vs. an expected EUR 343k.

Ludgate residual position

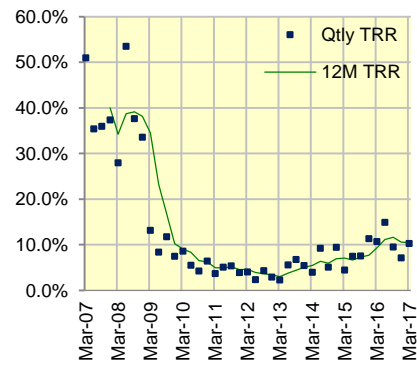
VALUATION

- Principally due to lower default rates incurred in the quarter, the position is revalued by EUR 46k at quarter-end.

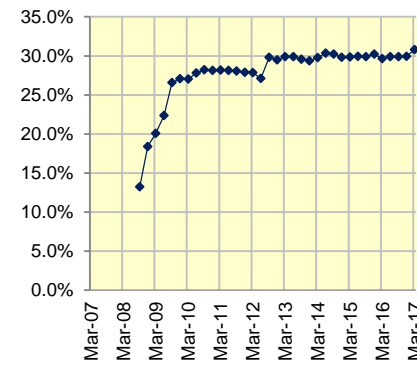
Quarterly and 12M default rate (CDR)



Quarterly total redemption rate (TRR)



Cumulative loss severity



Other EETI investments

Minotaure

- ▶ Credit performance remains in line with expectations while prepayments, which have a positive IRR impact on the position held by EETI, have risen to almost 10% vs. an assumed rate of 7.2%.
- ▶ Loss assumptions, which are based on the 24-month average, have however been adjusted upwards, offsetting the benefit of accelerating prepayments and leading to a EUR 9k write-down 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 31/03/2017

EETI QUARTERLY VALUATION REPORT AS AT 31/03/2017

| | |
|-------|------------|
| From: | 01/01/2017 |
| To: | 31/03/2017 |

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 | 16/01/2017 | 158 | 111 | 47 | 111 | 0 | 141 | (17) | 7,269 | (17) | 7,410 | 27.8% |
| Lusitano 5 | 15/01/2017 | - | - | - | 167 | 167 | 182 | 23 | 6,350 | 23 | 6,532 | 24.3% |
| Pastor 2 | 22/03/2017 | - | - | - | 64 | 64 | 10 | (2) | 4,343 | (2) | 4,353 | 16.6% |
| Pastor 3 | 22/03/2017 | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Pastor 4 | 22/03/2017 | - | - | - | 42 | 42 | 6 | (21) | 1,609 | (21) | 1,614 | 6.2% |
| Pastor 5 | 22/03/2017 | - | - | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0.0% |
| Minotaure | 22/03/2017 | - | - | - | 55 | 55 | 4 | (9) | 2,130 | (9) | 2,134 | 8.2% |
| Ludgate | 07/03/2017 | 273 | 119 | 154 | 119 | 0 | 27 | 46 | 4,401 | 46 | 4,428 | 16.9% |
| Total | | 432 | 231 | 201 | 558 | 327 | 370 | 21 | 26,102 | 21 | 26,472 | 100.0% |

| ACCOUNTING INCOME | |
|---------------------------------|------------|
| Actual cash flow received in Q | 432 |
| Plus: Capitalised interest | 327 |
| Less: Amortisation of principal | (201) |
| Income excl. accruals | 558 |
| <i>check</i> | <i>0.0</i> |
| Less: Previous Q accruals | (377) |
| Plus: Current Q accruals | 370 |
| Income incl. accruals | 551 |

| WRITE-DOWNS / REVALUATIONS | |
|--|------------|
| Sum of write-downs excl. accruals | (48) |
| Sum of revaluations excl. accruals | 69 |
| Total excl. accruals | 21 |
| <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 | 21 |
| <i>check</i> | <i>0.0</i> |

| VALUATION RECAP | |
|---|---------------|
| Valuation excl. accruals | 26,102 |
| Valuation incl. accruals | 26,472 |
| <i>check</i> | <i>(0.0)</i> |
| Last Q valuation excl. accruals | 25,955 |
| Plus: Capitalised interest | 327 |
| Less: Amortisation of principal | (201) |
| Sum write-downs / reval. excl. accruals | 21 |
| Plus: Purchased in Q | - |
| Current Q excl. accruals | 26,102 |
| <i>check</i> | <i>(0.0)</i> |

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 irretrievably 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 | 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% |
| 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% |
| 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% |
| 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% |
| 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% |
| 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 |
| 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% |
| 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% |

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 |
| 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% |
| 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% |
| 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% |
| 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 |
| 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% |
| 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 |
| 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% |
| 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% |

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 | |
| Lusitano 3 | 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% |
| Pastor 2 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 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% |
| Pastor 4 | 20% | 20% | 20% | 20% | 20% | 20% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 30% | 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% |
| Minotaure | 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% |

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 | |
| Lusitano 3 | 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 |
| Pastor 2 | 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 |
| Pastor 4 | 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 |
| Minotaure | 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 |

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 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% |
| 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% |
| 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% |
| 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% |
| 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% |
| 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% |
| 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% |
| 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% |

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.