



TAGUS - STC, S.A.

Sociedade Titularização de Créditos

Annual Report 2019



Pursuant to the applicable provisions of the Commercial Companies Code, we now submit the Annual Report, Financial Statements and Annex of Tagus – Sociedade de Titularização de Créditos, SA (“Company” or “Tagus STC, S.A.”) for the year ended 31 December 2019, for your consideration.

In accordance with applicable legal provisions, the Company's financial statements for the year ending 31 December 2019 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) endorsed by the European Union (“EU”) in effect on this date.

The Company's activity is regulated by Decree-Law no. 453/99, which clearly defines the mandatory autonomous assets of each operation, the assets of each operation being solely responsible for the corresponding liabilities. The Company's assets cannot be allocated to any of the operations.

Taking into account the derecognition rules defined in the IFRS, and despite the nature and characteristics of the operations under management, they continue to be presented in the Company's Financial Position, given that, according to Portuguese law, the Company is the last responsible for any events related to said operations, which prevents their derecognition.

1º Establishment and Corporate Purpose

Tagus STC, S.A. began doing business on 11 November 2004. Its corporate purpose is the exercise of activities permitted by law to securitization companies through the acquisition, management and transfer of credit and the issuance of securitized bonds to pay for purchased receivables.

2º Business Activity

On 10th february 2019 the Company made the final redemption of the Operation “CMEC Volta Electricity Receivables Notes”.

On 12th february 2019 the Company made the final redemption of the Operation “Volta III Electricity Receivables Securitisation Notes”.

On 28th february 2019 the Company made the final redemption of the Operation “Castilho Mortgage No 1”.

On 21st june 2019 the Company made the final redemption of the Operation “Castilho Mortgage No 1”.

On 3rd june 2019 the Company carried out the operation “Volta VII Electricity Receivables Securitisation Notes”.

On 28th november 2019 the Company carried out the operation “Chaves Funding No. 8”.

3º Securitization transactions on 31 December 2019

On 31st December 2019 and 2018, the amounts of debt securities issued by each transaction managed by Tagus STC, S.A, were as follows:



(Expressed in EUR)

Underlying	Designation	Date of establishment	Amount 31-12-2019	%	Amount 31-12-2018	%
Mortgage Loans	Aqua Mortgage No.1	08-12-2008	90 176 732	1.4%	102 334 796	1.3%
	BBVA Portugal RMBS no.1	30-12-2015	0	0.0%	0	0.0%
	Castilho Mortgages No.1	25-09-2015	0	0.0%	976 034 384	12.1%
	Nostrum Mortgage No.2	05-11-2010	3 192 074 345	49.5%	3 484 681 785	43.3%
			3 282 251 077	50.9%	4 563 050 965	56.7%
Consumer Finance	Aqua Finance No.4	11-07-2017	126 117 710	2.0%	200 200 000	2.5%
	Chaves Funding No.7	10-07-2017	0	0.0%	199 362 576	2.5%
	Chaves Funding No.8	28-11-2019	329 540 088	5.1%	0	0.0%
	Lusitano Finance No.3	25-11-2011	0	0.0%	0	0.0%
	Pelican Finance No.1	30-04-2014	131 405 052	2.0%	201 703 191	2.5%
	Silk Finance No.4	30-04-2014	471 667 542	7.3%	614 600 001	7.6%
			1 058 730 392	16.4%	1 215 865 768	15.1%
Receivables	CMEC Volta Electricity Receivables	22-12-2014	0	0.0%	19 846 411	0.2%
	EnergyOn No.1	06-03-2009	485 580 401	7.5%	574 077 868	7.1%
	EnergyOn No.2	03-12-2009	168 981 727	2.6%	200 105 977	2.5%
	Volta III Electricity Receivables Securit	24-03-2014	0	0.0%	23 062 904	0.3%
	Volta IV Electricity Receivables Securit	03-08-2016	179 918 106	2.8%	329 822 799	4.1%
	Volta V Electricity Receivables Securit	06-12-2017	325 290 519	5.0%	473 247 249	5.9%
	Volta VI Electricity Receivables Securit	27-06-2018	517 912 115	8.0%	651 479 875	8.1%
	Volta VII Electricity Receivables Securit	03-07-2019	433 775 939	6.7%	0	0.0%
			2 111 458 806	32.7%	2 271 643 083	28.2%
	Total		6 452 440 274		8 050 559 816	

4º Equity

In view of the securitization transactions and bonds arising from legislation in force, on 31st December 2019 the Company's share capital of € 250,000 (two hundred and fifty thousand euros) was fully paid up. The shareholder Deutsche Bank Aktiengesellschaft made supplementary capital contributions to the Company totalling € 2,397,040 (two million, three hundred and ninety-seven and forty euros) and subordinated supplementary contributions totalling € 10,232,341 (ten million, two hundred and thirty two thousand, three hundred and forty-one euros).

The subordinated supplementary contributions have a 10-year term, are subject to early repayment with authorization from the Portuguese Securities Market Commission, and were made by the sole shareholder with annual remuneration based on results subject to shareholder distribution and generated in the reference year of the remuneration, at an interest rate corresponding to the 12-month Euribor plus 3%. Interest will be paid annually.

These amounts correspond to the Company's equity, which is sufficient to meet the prudential ratios related to equity pursuant the requirements of CMVM Regulation no. 12/2002 of 18 July.



5° Main indicators

EUR	2019	2018	Var
Total Balance	6 510 910 378	8 127 173 281	(1616 262 904)
Equity	3 070 230	3 469 455	(399 225)
Net interest income	(4 194 818)	(63 431 956)	59 237 138
Total Operating Income/Expense	4 236 720	82 045 852	(77 809 133)
Reversal / (losses)loan impairment	108 775	(17 947 810)	18 056 585
Income Tax	(33 902)	(149 870)	115 967
Net income for the year	116 775	516 217	(399 444)
Commissions charged by Tagus over the operation	804 087	1 321 603	(517 517)

Regarding the main indicators, the total Financial Position decreased by approximately € 1 billion. This decrease is related to the natural amortization of operations and the final redemption of the four operations in 2019.

There was a significant impact of € 1 billion due to the early final redemption of Castilho Mortgages No 1 and Chaves Funding no. 7 (€ 1 billion and € 198 million, respectively). With the start of the two new operations, Volta VII Electricity Receivables Securitisation Notes and Chaves Funding no. 8, we see a partial offset of this amount in a total of € 764 million (€ 433 million and € 330 million, respectively).

We saw a recovery of the financial margin compared to 2018, since it had the impact of the maturity of the BBVA operation (€ 92 million of class C, recognized as interest). We note that, even so, Tagus has a deficient financial margin, justified by the impact of the early final redemption of the Castilho Mortgage No 1 operation, whose value of the residual class is recognized as interest, according to the transaction's documentation (€ 29 million).

As for the decrease in operating income (€ 77 million), this essentially results from the same effect on net interest income, since it has the impact of the early final redemption of the Castilho Mortgage No 1 operation on the result.

The decrease in impairment in € 18 million is justified by the significant impact of the updating of the risk factors of the bank issuing the Nostrum Mortgage No. 2 operation (€ 5 million) and by the early final redemption of Castilho Mortgages No 1 and Chaves Funding No 7 operations (€ 3 million).

The result for the year decreased by € 399,444, mainly due to the decrease in the number of active operations and the amount under management by Tagus during 2019.



The impairment of each of the operations, presents the following evolution for 2019 and 2018:

Operation	2019	2018	Var
Aqua Finance No.4	3.1%	1.1%	2.0%
Aqua Mortgage No.1	1.6%	3.5%	-2.0%
Castilho Mortgages No.1	-	0.2%	-
Chaves Funding No.7	-	1.9%	-
Chaves Funding No.8	0.9%	-	-
Nostrum Mortgage No.2	0.1%	0.2%	-0.1%
Pelican Finance No.1	5.8%	5.2%	0.5%
Silk Finance No.4	1.2%	1.0%	0.2%

We observed a decrease in impairment, in relation to the debt securities issued, in operations whose underlying asset is mortgage credit. In the opposite, transactions whose underlying asset is consumer credit has a positive variation in this ratio.

6° Prospects for 2020

In 2020 the World Health Organization (WHO) declared a global pandemic called COVID19. Although it is too early to predict the financial impacts that this pandemic may have in the world economy as well as the impacts of the governmental responses to it (including the declaration of a state of emergency, as happened in Portugal as well as similar measures) the transactions may be negatively affected by a prolonged contraction of the local, regional and global economic conditions directly or indirectly connected to this pandemic, with the dimension of this impacts be uncertain still. From this situation it may result insolvencies and defaults from debtors whose credits are securitized in greater numbers than that it would be expected in the absence of this pandemic, with the amounts paid declining or / and in the moment that the payments are received.

Among the legislative measures already in force in Portugal, there is an exceptional moratorium regime established by DL n° 10-J/2020, of March 26, placed until September 30, 2020 at the disposal of mortgage credit borrowers in relation to their own permanent housing, and a temporary suspension of foreclosures on properties that constitute the defendant's own permanent housing is also in effect, under Law N° 1-A/2020, of 19 March. Despite this adverse situation, it is not expected that, in the short term, taking into account the liquidity reserve of the transactions (cash reserves), the fulfilment of its obligations is not at stake.

In the first quarter of 2020, a new way of calculating Own Funds requirements was established, and the same started to be carried out in accordance with article 71-M RGOIC (articles 19 and 43 of Legal System of Securitization of Credits as amended by DL 144/2019). The Company performed the calculation according to the new rules and requirements change from the current € 6,752,440 (as page 42 of this report) to € 2,548,872.

Regarding the new operations, the Company will seek to strengthen its business portfolio in Portuguese loan securitization market, despite the fact that the international and national economic situation does not see a significant recovery in the sector.



7º Risk Management

The integrated risk management – credit, market, liquidity, operational and other – is one of the primary support vectors for a strategy of sustained growth to maintain an appropriate relationship between the level of capital and the activities undertaken, ensuring a proper assessment of the risk/return ratio of the different business lines.

In the analysis of the different risks arising from the Company's business, the operational risk was pointed out as possible to be incurred. Operational risk is defined as potential losses resulting from failures or shortcomings in internal processes, people or systems, or from outside events.

The Deutsche Bank Group has always ensured that its subsidiaries employ principles and practices to efficiently manage operational risk, namely by defining and documenting these principles and implementing corresponding control mechanisms such as the segregation of job duties, lines of responsibility and respective authorizations, limits to exposure, codes of ethics and conduct, key indicators, information technology controls, contingency plans, physical and logical access, reconciliation activities, exception reports and company training on processes, products and systems.

8º Corporate Governance Practices and Structure

The Company is fully owned by Deutsche Bank Aktiengesellschaft.

The rules for amending the Company's Articles of Association and for appointing or replacing members of the Board of Directors are those provided for by law.

The Board of Directors has the powers granted by law and by the Company's articles of association, including the ability to decide on increasing the Company's share capital on one or more occasions, over a period of five years and up to a maximum of ten million euros; and, pursuant to applicable legal limitations, to employ low-risk, high-liquidity financial instruments.

As a subsidiary of Deutsche Bank Aktiengesellschaft, Tagus STC, S.A.'s accounts are consolidated with the accounts of this institution, meaning that monitoring the Company's developments follows the same parameters as those of Deutsche Bank Aktiengesellschaft. The reporting of financial information to supervisory authorities, namely information to the Portuguese Securities Market Commission (CMVM) and the preparation of Tagus STC, S.A.'s financial statements and reporting, follows the same criteria of security and reliability employed by the Group. The Company's accounts are also subject to compliance with International Financial Reporting Standards.

Statement on Remuneration Policy of the Management and Supervisory board members

1. Notwithstanding remuneration received through other Deutsche Bank Group entities, the members of the Board of Directors are not remunerated during the 2019-2021 mandate.
2. The Company's Audit Committee appointed for the 2019-2021 mandate receive annual compensation of € 13,000 for the time spent carrying out their assigned duties pursuant to the law and articles of association.



3. For the 2019-2021 mandate, Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., was appointed as Tagus' Statutory Auditor, with annual remuneration of € 2.800 under the terms of the service provision agreement signed with the Company.

The members of the Company's boards are as follows:

Board of Directors

Chairman	José Francisco Gonçalves de Arantes e Oliveira
Member	Rui Paulo Menezes Carvalho
Member	Rafe Nicholas Morton (subject to approval of CMVM)

General Meeting of Shareholders

Chairman of the Presiding Board	Hugo Moredo Santos
Secretary	Tiago Correia Moreira

Audit Committee

Chairman of the Audit Committee	Leonardo Bandeira de Melo Mathias
Member	Pedro António Barata Noronha de Paiva Couceiro
Member	João Alexandre Marques de Castro Moutinho Barbosa

Substitute Member	João Miguel Leitão Henriques
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Company Secretary	Helena Patrícia Pereira Lopes
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9º Information required by article 447, of the Commercial Companies Code

In 2019, there was no sale, acquisition and / or change in ownership of the shares in the share capital, with Deutsche Bank Aktiengesellschaft holding 50,000 shares, corresponding to 100% of the capital and the respective voting rights.

10º Proposal for the Allocation of Profits

In 2019, Tagus STC, S.A. had a profit before tax of € 150,777, subject to € 33,902 of income tax payable, pursuant to the applicable legislation.

The net profit was thus € 116,775, which, in accordance with the law and articles of association, will be allocated as follows:



Proposal for the appropriation of profits

Legal Reserve	Eur	
Dividends	Eur	116 775
Retained Results	Eur	
<hr/>		
Total		116 775
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Lisbon, 24th April 2020

The Board of Directors

Rui Carvalho
(Board Member)

José Francisco Oliveira
(Chairman)



Balance Sheet as at 31 December 2019 and 2018

(Expressed in EUR)

Notes	Total Operations		Tagus		Total		
	2019	2018	2019	2018	2019	2018	
<i>Assets</i>							
Deposits at other Credit Institutions	11	288 739 375	346 562 958	13 935 508	15 014 685	302 674 883	361 577 644
Balances due from other Credit Institutions	12	23 807 783	27 319 072	-	-	23 807 783	27 319 072
Loans to customers	13	6 167 176 228	7 709 823 400	-	-	6 167 176 228	7 709 823 400
Intangible assets		-	-	-	-	-	-
Other assets	14	17 077 299	28 316 353	174 184	136 812	17 251 483	28 453 165
Total Assets		6 496 800 686	8 112 021 784	14 109 692	15 151 497	6 510 910 378	8 127 173 281
<i>Liabilities</i>							
Financial liabilities held for trading	15	39 323 929	40 287 379	-	-	39 323 929	40 287 379
Debt securities issued	16	6 431 311 890	8 041 059 632	-	-	6 431 311 890	8 041 059 632
Other financial liabilities	17	-	-	10 336 850	11 012 586	10 336 850	11 012 586
Other liabilities	18	26 164 867	30 674 773	702 612	669 456	26 867 479	31 344 229
Total Liabilities		6 496 800 686	8 112 021 784	11 039 462	11 682 042	6 507 840 148	8 123 703 826
<i>Equity</i>							
Share Capital	19	-	-	250 000	250 000	250 000	250 000
Other equity instruments	19	-	-	2 397 040	2 397 040	2 397 040	2 397 040
Reserves and retained earnings	20	-	-	306 415	306 198	306 415	306 198
Net income for the period		-	-	116 775	516 217	116 775	516 217
Total Equity		-	-	3 070 230	3 469 455	3 070 230	3 469 455
Total Equity and Liabilities		6 496 800 686	8 112 021 784	14 109 692	15 151 497	6 510 910 378	8 127 173 281

The financial statement's notes are part of the above-mentioned financial statements.

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS



Income Statement
as at 31 December, 2019 and 2018

(Expressed in EUR)

	Notes	Total Operations		Tagus		Total	
		2019	2018	2019	2018	2019	2018
Interest and similar income	2	165 272 317	175 877 717	-	-	165 272 317	175 877 717
Interest expense and similar charges	2	(169 162 161)	(239 004 397)	(304 974)	(305 276)	(169 467 135)	(239 309 673)
Net interest income	2	(3 889 844)	(63 126 680)	(304 974)	(305 276)	(4 194 818)	(63 431 956)
Results from services and fees	3	-	-	804 087	1 321 603	804 087	1 321 603
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	4	13 694 687	94 262 248	-	-	13 694 687	94 262 248
Staff costs	5	-	-	(12 030)	(12 030)	(12 030)	(12 030)
General and administrative costs	6	(9 913 618)	(13 187 759)	(336 406)	(338 211)	(10 250 024)	(13 525 969)
Impairment losses on loans, net of reversals and recoveries	7	108 775	(17 947 810)	-	-	108 775	(17 947 810)
Income before income tax				150 677	666 087	150 677	666 087
Income tax	8	-	-	(33 902)	(149 870)	(33 902)	(149 870)
Net income for the period				116 775	516 217	116 774	516 217
Net income per share				2.34	10.32		



Income Statement
as at 31 December 2019 and 2018

(Expressed in EUR)

	Notes	Total Operations		Tagus		Total	
		2019	2018	2019	2018	2019	2018
Interest and similar income	4	165 272 317	175 877 717	-	-	165 272 317	175 877 717
Interest expense and similar charges	4	(169 162 161)	(239 004 397)	(304 974)	(305 276)	(169 467 135)	(239 309 673)
Net interest income	4	(3 889 844)	(63 126 680)	(304 974)	(305 276)	(4 194 818)	(63 431 956)
Results from services and fees	5	-	-	804 087	1 321 603	804 087	1 321 603
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	6	13 694 687	94 262 248	-	-	13 694 687	94 262 248
Staff costs	7	-	-	(12 030)	(12 030)	(12 030)	(12 030)
General and administrative costs	8	(9 913 618)	(13 187 759)	(336 406)	(338 211)	(10 250 024)	(13 525 969)
Impairment losses on loans, net of reversals and recoveries	9	108 775	(17 947 810)	-	-	108 775	(17 947 810)
Income before income tax				150 677	666 087	150 677	666 087
Income tax	10	-	-	(33 902)	(149 870)	(33 902)	(149 870)
Net income for the period				116 775	516 217	116 774	516 217
Net income per share				2.34	10.32		

The financial statement's notes are part of the above-mentioned financial statements.

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS



**Statement of Changes in Equity
for the year ended 31 December 2019 and 2018**

						<i>(Expressed in EUR)</i>	
	Notes	Total Equity	Share Capital	Other Equity instruments	Legal Reserve	Retained Earnings	Net income for the year
Balance on 31 December 2017	19 / 20	3 478 238	250 000	2 397 040	268 674	36 583	525 940
Legal Reserve		-	-	-	-	-	-
Retained earnings		-	-	-	-	940	(940)
Dividends		(525 000)	-	-	-	-	(525 000)
Net income for the year		516 217	-	-	-	-	516 217
Balance on 31 December 2018	19 / 20	3 469 455	250 000	2 397 040	268 674	37 523	516 217
Legal Reserve		-	-	-	-	-	-
Retained earnings		-	-	-	-	217	(217)
Dividends		(516 000)	-	-	-	-	(516 000)
Net income for the year		116 775	-	-	-	-	116 775
Balance on 31 December 2019	19 / 20	3 070 230	250 000	2 397 040	268 674	37 740	116 775

The financial statement's notes are part of the above-mentioned financial statements.

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS



**Statement of Comprehensive Income
for the year ended 31 December, 2019 and 2018**

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Other comprehensive income for the year	-	-
Net income for the year	116 775	516 217
Total comprehensive income for the year	<u>116 775</u>	<u>516 217</u>

The financial statement's notes are part of the above-mentioned financial statements.

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS



Index

1	Introductory Note.....	20
2	Basis of preparation of Financial Statements	20
3	Main valuation criteria used	21
3.1.	Financial instruments	21
3.1.1	Credit to customers.....	25
3.1.2.	Derecognition	26
3.1.3.	Reclassification between financial instrument categories	26
3.2.	Equity instruments	26
3.3.	Recognition of interest	27
3.4.	Recognition of income from services and fees	27
3.5.	Net gains/ (losses) arising from financial assets and liabilities at fair value	27
3.6.	Intangible Assets.....	27
3.7.	Cash and cash equivalents.....	28
3.8.	<i>Offsetting</i>	28
3.9.	Taxes on profits.....	28
3.10.	Reporting by segments	28
3.11.	Provisions.....	29
3.12.	Accounting estimates in the use of accounting policies	29
3.13.	New standards.....	30
4	Net interest income.....	32
5	Results from services and fees	33
6	Net gains/ (losses) arising from financial assets and liabilities at fair value through profit or loss	33
7	Staff cost	34
8	General and administrative expenses.....	34
9	Impairment losses on loans to customers.....	35
10	Income tax.....	35
11	Deposits at other Credit Institutions.....	35
12	Balances due from other Credit institutions.....	36
13	Loans to customers	36
14	Other assets	37
15	Financial liabilities held for trading.....	37
16	Debt securities issued	38
17	Other financial liabilities.....	39
18	Other liabilities.....	39
19	Share capital and other equity instruments	40
20	Reserves and retained earnings.....	43



21 Off-balance sheet elements.....	43
22 Fair Value	43
23 Related parties	44
24 Risk Management.....	45
25 Subsequent Events.....	50
26 Detailed analysis of operations	50
1 Aqua Finance No.4	66
1.1 Net interest income.....	70
1.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit or loss.....	70
1.3 General and administrative expenses.....	71
1.4 Impairment losses on loans	71
1.5 Deposits at other Credit Institutions	71
1.6 Loans to customers.....	71
1.7 Other assets.....	72
1.8 Debt securities issued.....	73
1.9 Other liabilities	73
2. Aqua Mortgage No. 1.....	74
2.1 Net interest income	78
2.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss	78
2.3 General and administrative expenses	79
2.4 Impairment losses on loans.....	79
2.5 Deposits at other Credit Institutions.....	79
2.6 Loans to customers	80
2.7 Other assets	81
2.8 Debt securities issued	81
2.9 Other liabilities.....	82
2.10 Off-balance sheet accounts	82
3 Aqua NPL No. 1.....	83
3.1 Net interest income	87
3.2 General and administrative expenses	87
4 BBVA Portugal RMBS no.1.....	88
4.1 Net interest income	92
4.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:.....	92
4.3 General and administrative expenses	93
4.4 Impairment losses on loans.....	93
5 Castilho Mortgages No.1.....	94



5.1 Net interest income	98
5.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:	98
5.3 General and Administrative expenses.....	99
5.4 Impairment losses on loans.....	99
5.5 Deposits at other Credit Institutions.....	99
5.6 Loans to customers	100
5.7 Outros ativos.....	101
5.8 Debt securities issued	101
5.9 Other liabilities.....	101
5.10 Off-balance sheet accounts	102
6 Chaves Funding No. 7.....	103
6.1 Net interest income	107
6.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:	107
6.3 General and administrative expenses	108
6.4 Impairment losses on loans.....	108
6.5 Deposits at other Credit Institutions.....	108
6.6 Loans to customers	109
6.7 Other assets	109
6.8 Financial Assets held for trade.....	109
6.9 Debt securities issued	110
6.10 Other liabilities.....	110
6.11 Off-balance sheet accounts.....	110
7 Chaves Funding No. 8.....	111
7.1 Net interest income.....	115
7.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:	115
7.3 General and administrative expenses	116
7.4 Impairment losses on loans.....	116
7.5 Deposits at other Credit Institutions.....	117
7.6 Loans to customers	117
7.7 Other assets.....	118
7.8 Debt securities issued.....	118
7.10 Other liabilities	118
8 Lusitano Finance No. 3.....	119
8.1 Net interest income	123
8.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:	123
8.3 General and administrative expenses	124



8.4 Impairment losses on loans.....	124
9 Pelican Finance No. 1.....	125
9.1 Net interest income	129
9.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:.....	129
9.3 General and administrative expenses	130
9.4 Impairment losses on loans.....	130
9.5 Deposits at other Credit Institutions.....	130
9.6 Loans to customers	130
9.7 Other assets	131
9.8 Debt securities issued	131
9.9 Other liabilities.....	132
10 Nostrum Mortgages No. 2	133
10.1 Net interest income.....	137
10.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:.....	137
10.3 General and administrative expenses	138
10.4 Impairment losses on loans.....	138
10.5 Deposits at other Credit Institutions.....	138
10.6 Investments at other credit institutions.....	138
10.7 Loans to customers.....	139
10.8 Financial Liabilities held for trading.....	140
10.9 Debt securities issued.....	140
10.10 Other liabilities	141
10.11 Off-balance sheet accounts.....	141
11 Silk Finance No. 4	142
11.1 Net interest income	146
11.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:.....	146
11.3 General and administrative expenses	147
11.4 Impairment losses on loans.....	147
11.5 Deposits at other Credit Institutions	147
11.6 Loans to customers	148
11.7 Other assets	148
11.8 Debt securities issued	149
11.9 Other liabilities.....	149
11.10 Off-balance sheet accounts.....	149
12 CMEC Volta Electricity Receivables Notes	150
12.1 Net interest income.....	154



12.2	General and administrative expenses	154
12.3	Deposits at other Credit Institutions	154
12.4	Loans to customers.....	155
12.5	Debt securities issued	155
12.6	Other liabilities	156
13	EnergyOn No. 1 Securitisation Notes	157
13.1	Net interest income.....	161
13.2	Net gains/ (losses) arising from financial assets and liabilities at fair value	161
13.3	General and administrative expenses.....	162
13.4	Deposits at other Credit Institutions.....	162
13.5	Deposits at other Credit Institutions	162
13.6	Loans to customers.....	163
13.7	Other assets.....	163
13.8	Financial assets held for trade	163
13.9	Debt securities issued.....	164
13.10	Other liabilities	165
13.11	Off-balance sheet accounts	165
14	EnergyOn No. 2 Securitisation Notes	166
14.1	Net interest income.....	170
14.2	Net gains/ (losses) arising from financial assets and liabilities at fair value	170
14.3	General and administrative expenses	171
14.4	Deposits at other Credit Institutions.....	171
14.6	Other assets.....	172
14.7	Financial assets held for trade	172
14.8	Debt securities issued.....	173
14.9	Other liabilities	173
14.10	Off-balance sheet accounts	173
15	Volta II Electricity Receivables Securitisation Notes	174
15.1	Net interest income.....	178
15.2	General and administrative expenses.....	178
16	Volta III Electricity Receivables Notes.....	179
16.1	Net interest income.....	182
16.2	General and administrative expenses	182
16.3	Deposits at other Credit Institutions.....	183
16.4	Loans to customers.....	183
16.5	Debt securities issued.....	183
16.6	Other liabilities	184
17	Volta IV Electricity Receivables Securitisation Notes	185



17.1 Net interest income	189
17.2 General and administrative expenses.....	189
17.3 Deposits at other Credit Institutions:.....	190
17.4 Loans to customers.....	190
17.5 Debt securities issued	190
17.6 Other liabilities	191
18 Volta V Electricity Receivables Securitisation Notes	192
18.1 Net interest income.....	196
18.2 General and administrative expenses:.....	196
18.3 Deposits at other Credit Institutions:.....	197
18.4 Loans to customers.....	197
18.5 Debt securities issued.....	197
18.6 Other liabilities	198
19 Volta VI Electricity Receivables Securitisation Notes	199
19.1 Net interest income.....	203
19.2 General and administrative expenses:.....	203
19.3 Deposits at other Credit Institutions:.....	203
19.4 Crédito a clientes	204
19.5 Debt securities issued.....	204
19.6 Other liabilities	205
20 Volta VII Electricity Receivables Securitisation Notes	206
20.1 Net interest income	210
20.2 General and administrative expenses:.....	210
20.3 Deposits at other Credit Institutions:.....	211
20.4 Loans to customers	211
20.5 Debt securities issued	211
20.6 Other liabilities	212

**Notes to the Financial Statements
31 December 2019 and 2018****1 Introductory Note**

Tagus – Sociedade de Titularização de Créditos, S.A. ("Company") was established on 11th November 2004 under Decree Law no. 453/99 of 05 November, as revised by Decree Law no. 82/2002 of 05 April and by Decree Law no. 303/2003 of 05 December and amended by Decree Law no. 52/2006 of 15 March, which regulate securitization companies.

The Company's registered office is located at Rua Castilho, n°20, 1250-069 Lisboa.

The purpose of the Company is the exercise of activities permitted by law to securitization companies, namely carrying out securitization transactions through the acquisition, management and transfer of credit and the issuance of securitized bonds to pay for purchased receivables.

The Company's share capital is € 250,000, fully subscribed and paid up in cash by its sole shareholder Deutsche Bank Aktiengesellschaft, and represented by 50,000 book entry shares with a nominal value of €5 each.

2 Basis of preparation of Financial Statements

Under the provisions of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, transcribed into Portuguese legislation through Decree Law no. 35/2005 of 17 February and CMVM Regulation no. 11/2005, the Company's financial statements must be prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU"). The IFRS include standards issued by the International Accounting Standards Board ("IASB"), as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and their respective predecessor boards. The financial statements presented here were approved by the Board of Directors on the 24th of April 2020. The financial statements are presented in euros.

In accordance with applicable legal provisions, the Company's financial statements for the years ending 31 December 2019 and 31 December 2018 have been prepared in accordance with the IFRS approved by the EU and in effect on these dates.

The financial statements have been prepared on a historical cost basis, modified by the use of fair value for financial derivatives, except those for which it is not available. Other financial and non-financial assets and liabilities are recorded at amortized or historical cost.

The preparation of the annual financial statements in accordance with IFRS requires that the Board of Directors formulate judgements, estimates and assumptions that affect the application of accounting policies and the value of assets, liabilities, income and costs. The estimates and associated assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for the judgements on the values of assets and liabilities whose valuation is not obvious from other sources. Actual results may differ from estimates. The issues that require a higher degree of judgement or complexity, or for which the assumptions and estimates are considered significant, are presented in Note 3.12.



The accounting policies were applied consistently with those used in the preparation of the financial statements for the previous period.

3 Main valuation criteria used

The most significant accounting policies used in the preparation of the financial statements were as follows:

3.1. Financial instruments

Financial assets and liabilities are recognized on the Company's balance sheet on the date of payment or receipt, unless an express contractual stipulation or applicable legal or regulatory scheme dictates that the rights and obligations associated with the transaction amounts must be transferred on a different date, in which case this date shall prevail.

Financial Assets

At the time of their initial recognition, financial assets are classified into one of the following categories:

- Financial assets at amortized cost;
- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through profit or loss.

The classification is carried out taking into account the following aspects:

- The Company's business model for the management of financial assets; and
- The characteristics of the contractual cash flows of the financial asset.

Business model assessment

The Company assesses the business model in which the financial instrument is held at portfolio level, which reflects the way in which groups of financial assets are managed in order to achieve a certain business objective.

The Company proceeded, with reference to 1st January 2018, to assess the business model of its financial asset portfolios with reference to 1st January 2018, which took into account the following aspects:

- the way in which the performance of the business model and the financial assets held under the respective business model are assessed and reported to management;
- the risks that affect the performance of the business model (and the financial assets held under the respective business model) and the way in which those risks are managed; and,
- the way in which business managers are compensated.



Within the scope of the analysis carried out, the Company concluded that all portfolios of financial instruments held by it were part of the concept of “Holding for obtaining contractual cash flows” provided for in IFRS 9.

Valuation of contractual cash flows

The evaluation of the contractual cash flows of a financial asset is carried out at the time of its initial recognition, in order to verify whether or not they correspond only to the receipt of capital and interest (SPPI - Solely Payments of Principal and Interest). For the purposes of this assessment, “capital” is defined as the fair value of the financial asset at its initial recognition. “Interest” corresponds to the consideration for the time value of the money, for the credit risk associated with the amount owed during a certain period of time and for other risks and costs associated with the activity (eg liquidity risk and administrative expenses), as well as a profit margin.

This assessment includes an analysis of the exposure of situations in which the contractual terms may modify the periodicity and the value of cash payments in such a way that they do not fulfil the conditions of use of only the capital payments and the interest calculated on the capital value in question (SPPI).

Financial assets at amortized cost

An asset is classified in this category if it cumulatively fulfils the following conditions:

- The financial asset is held in a business model whose main objective is to hold assets to collect its contractual cash flows; and
- Their contractual cash flows occur on specific dates and correspond only to payments of capital and interest on the amount owed (SPPI).

Financial assets at amortized cost are initially recognized at their fair value, plus transaction costs, and subsequently are measured at amortized cost. These assets are subject to the calculation of impairment losses for expected credit losses. Interest on financial assets at amortized cost is recognized in the "interest and similar income" account, based on the effective interest rate method.

Profit or losses generated at the time of derecognition are recorded in the caption “Income from financial assets and liabilities at amortized cost”.

Assets acquired within the scope of securitization operations are, by Originators, recorded at amortized cost taking into account contractual cash flows (SPPI) and the definition of the business model.

The Company has recorded financial assets (Investments in credit institutions and Credit to customers) at amortized cost in accordance with the classification rules of IFRS 9.

Financial assets at fair value through other comprehensive income

An asset is classified in this category if it cumulatively fulfils the following conditions:

- The asset is held in a business model where the objective is to collect your contractual cash flows and sell that financial asset;



- Their contractual cash flows occur on specific dates and correspond only to payments of capital and interest on the amount owed (SPPI).

Debt instruments at fair value through other comprehensive income are initially recognized at fair value, plus transaction costs, and are subsequently measured at fair value. Changes in fair value are recorded against other comprehensive income and, at the time of sale, accumulated gains or losses in other comprehensive income are reclassified to profit or loss. Debt instruments in this category are subject to impairment tests for expected credit losses. The estimated impairment losses are recognized in the income statement against other comprehensive income.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognized in the "interest and similar income" account, based on the effective interest rate method.

Impairment for equity instruments at fair value is not recognized through other comprehensive income, with the respective gains or losses recorded in other comprehensive income being transferred to retained earnings, at the time of their derecognition.

Financial assets at fair value through profit or loss

A financial asset is classified under this heading if the business model defined for its management or the characteristics of its contractual cash flows do not meet the conditions of the assets measured at amortized cost or at fair value through other comprehensive income.

These assets are initially recognized at their fair value, with the costs associated with the transactions recognized in the income statement at the initial moment. Subsequent changes in fair value are recognized in the income statement. The periodification of interest and the premium / discount is recognized under the heading "interest and similar income", based on the effective interest rate, as well as the periodization of interest on derivatives. Dividends are recognized in the income statement when the right to receive them is attributed.

Hedge accounting

Classification criteria:

Derivative financial instruments used for hedging purposes can be classified as hedge accounting if they cumulatively comply with the following conditions:

At the start date of the transaction, the hedging relationship is identified and formally documented, including the identification of the hedged item, the hedging instrument and the assessment of the hedge effectiveness:

- There is an expectation that the hedge relationship will be highly effective, at the start date of the transaction and throughout the life of the operation;
- The effectiveness of the hedge can be reliably measured at the start date of the transaction and throughout the life of the operation; and
- For cash flow hedging operations, they must be highly likely to occur.

The Company classifies hedging derivatives as risk management derivatives.

There are three types of hedging relationships:



Fair value hedge: In a fair value hedge operation for an asset or liability (fair value hedge), the balance sheet value of that asset or liability, determined based on the respective accounting policy, is adjusted in order to reflect the change in its fair value attributable to the hedged risk. Changes in the fair value of hedging derivatives are recognized in the income statement, together with changes in the fair value of the hedged assets or liabilities, attributable to the hedged risk.

If the hedge no longer meets the criteria required for hedge accounting, the derivative financial instrument is transferred to the trading portfolio and hedge accounting is discontinued prospectively. If the hedge no longer meets the criteria required for hedge accounting, the derivative financial instrument is transferred to the trading portfolio and hedge accounting is discontinued prospectively.

Cash flow hedge: In an operation to hedge the exposure to the variability of highly probable future cash flows (cash flow hedge), the effective part of the changes in the fair value of the hedge derivative is recognized in reserves, being transferred to results in the periods when the respective covered item affects results. being transferred to results in the periods when the respective covered item affects results.

Coverage of a liquid instrument in a foreign operation as defined in IAS 21.

Recognition and measurement

Derivative financial instruments are recognized on the trade date, at their fair value. Subsequently, the fair value of derivative financial instruments is revalued on a regular basis, with the gains or losses resulting from that revaluation being recorded directly in profit or loss for the year, except for hedging derivatives. The recognition of changes in the fair value of hedging derivatives depends on the nature of the hedged risk and the hedging model used.

The fair value of derivative financial instruments corresponds to their market value, when available, or is determined based on valuation techniques including discounted cash flow models and option valuation models, as appropriate.

When a hedging instrument expires or is sold, or when the hedge no longer meets the criteria required for hedge accounting, changes in the fair value of the derivative accumulated in reserves are recognized in the income statement when the hedged transaction also affects results. If it is anticipated that the hedged transaction will not take place, the amounts still recorded in equity are immediately recognized in the income statement and the hedging instrument is transferred to the trading portfolio.

Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to occur through the delivery of cash or another financial asset, regardless of its legal form.

These financial liabilities are recorded (i) initially at their fair value less transaction costs incurred and (ii) subsequently at amortized cost, based on the effective rate method, except for short sales and financial liabilities designated at fair value. through profit or loss, which are recorded at fair value.



The Company designates, in its initial recognition, certain financial liabilities as at fair value through profit or loss when:

- derivative operations are contracted in order to hedge these liabilities economically, thus ensuring consistency in the valuation of liabilities and derivatives (accounting mismatch); or,
- such financial liabilities contain embedded derivatives.

Other financial liabilities are all financial liabilities that are not recorded in the category of financial liabilities at fair value through profit or loss (financial liabilities held for trading). This category includes debt securities issued and loans.

Interest on debt securities is recognized based on the effective interest rate of the financial liability.

In situations where there is an associated premium or discount, the premium or discount is included in the calculation of the effective interest rate.

The debt securities allocated to the transactions also reflect the difference between the book value of the assets and liabilities allocated to the transaction, insofar as any excess of the values generated by the assets will be paid to the holder of the securities issued and any deficiency will be assumed by the same in the date of cancellation of operations.

3.1.1 Credit to customers

The item credit to customers includes assets acquired within the scope of securitization operations, for which there is no intention to sell in the short term, being recorded on the date on which the assets are acquired from originators / servicers.

Customer loans are initially recognized at their fair value, plus transaction costs, and are subsequently valued at amortized cost, based on the effective interest rate method, being presented in the Financial Position less impairment losses.

Impairment

The Company's policy is to regularly assess the existence of objective evidence of impairment of the assets of its operations. The impairment losses identified are recorded in the income statement under the caption "Credit impairment" and are subsequently reversed through profit or loss if there is a reduction in the estimated loss amount, in a later period.

After initial recognition, an asset or a set of assets, defined as a set of assets with similar risk characteristics, can be classified as an impaired portfolio when there is objective evidence of impairment resulting from one or more events, and when they have impact on the estimated value of future cash flows of the asset or set of assets, which can be estimated reliably.

The recorded impairment is reported by the originators / servicers of the operations, calculated in accordance with the requirements of IFRS 9. The calculation made follows the methodology and model parameters of each originator / servicer.

IFRS 9 determines that the concept of impairment based on expected losses is applied to all financial assets except financial assets measured at fair value through profit or loss and equity instruments measured at fair value through equity.



Except for financial assets acquired or originated with impairment (referred to as POCI), impairment losses should be estimated through a provision for losses in an amount equal to:

- expected loss due to 12-month credit risk, that is, estimated total loss resulting from events of default of the financial instrument that are possible within 12 months after the reporting date (called Stage 1);
- or expected loss due to credit risk until maturity, that is, total estimated loss resulting from all possible events of default over the life of the financial instrument (referred to as Stage 2 and Stage 3). A provision for expected loss due to credit risk credit to maturity is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition or if the financial instrument is impaired.

3.1.2. Derecognition

The Company derecognizes financial assets when all rights to future cash flows or assets that have been transferred expire. In the context of an asset transfer, derecognition can only occur when substantially all the risks and benefits of the assets have been transferred or the Company has no control over them. The Company derecognizes financial liabilities when they are cancelled or extinguished.

The Company's activity is regulated by Decree-Law no. 453/99, which clearly defines the mandatory autonomous assets of each operation, the assets of each operation being solely responsible for the corresponding liabilities. The Company's assets cannot be allocated to any of the operations.

3.1.3. Reclassification between financial instrument categories

Financial assets are reclassified between categories only if the business model used in their management is changed.

The reclassification is applied prospectively from the date of the reclassification. The reclassification of equity instruments measured at fair value through other comprehensive income and financial assets designated at fair value through profit or loss is not permitted.

The Company did not carry out any reclassifications during the year of 2019.

3.2. Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation to settle it through the delivery of cash or other financial asset to third parties, regardless of its legal form, demonstrating a residual interest in an entity's assets after subtracting all of its liabilities.

Transaction costs directly attributable to the issuance of equity instruments are recorded against equity as a reduction to the issuance amount. Amounts paid and received for the purchase and sale of equity instruments are recorded in equity, net of transaction costs.

Distributions made from equity instruments are subtracted from equity as dividends, when declared.

Supplementary capital contributions are classified as capital when the repayment occurs only by decision of the Company, and dividends are paid by the Company on a discretionary basis; otherwise, they are classified as financial liabilities.



3.3. Recognition of interest

Results related to interest from financial instruments measured at amortized cost and financial assets and liabilities recognized at fair value through profit or loss are recognized under the items "Interest and similar income" or "Interest and similar expenses" using the effective interest rate method.

The effective interest rate is the rate which discounts the estimated future payments or receipts over the financial instrument's expected lifetime (or for a shorter time period, when appropriate) from the present net balance sheet value of the financial asset or liability.

To determine the effective interest rate, future cash flows are estimated considering all of the financial instrument's contractual terms (e.g. early payment options), but not including potential impairment losses. The calculation includes fees paid or received comprising an integral part of the effective interest rate, transaction costs and all discounts or premiums directly related to the transaction.

In the case of financial assets or groups of similar financial assets for which impairment losses have been recognized, the interest recorded in the results is determined based on the interest rate used to subtract future cash flows in measuring the impairment loss.

For financial derivatives, except for those classified as interest rate risk hedging instruments from an accounting standpoint, the accrued interest component is not disassociated from changes in its fair value, and is classified under Net gains/ (losses) arising from financial assets and liabilities at fair value.

3.4. Recognition of income from services and fees

Income from services and fees is recognized according to the following criteria:

- when obtained as the services are being provided, they are recognized in the results in their corresponding period.
- when resulting from the provision of services, they are recognized when the service in question is complete.

Income from services and commissions when they are an integral part of the effective interest rate of a financial instrument are recorded using the effective interest rate method in the financial margin.

3.5. Net profit / losses arising from financial assets and liabilities at fair value

Net profit / losses arising from financial assets and liabilities at fair value record gains and losses, changes in fair value and accrued interest from derivatives.

3.6. Intangible Assets

Software

Costs incurred for the acquisition of software are capitalized, as well as additional expenses incurred by the Company for its deployment. These costs are amortized using the straight-line method over these assets' expected lifetime (3 years).

The costs of maintaining computer programs are recognized as expenses when they are incurred.

Research and development expenses



The Company did not incur any expenses from research and development.

3.7. Cash and cash equivalents

Financial assets and liabilities are offset, with their net value recorded in the balance sheet, when the Company is legally entitled to offset the amounts recognized and the transactions may be settled at their net value.

3.8. Offsetting

Financial assets and liabilities are offset, with their net value recorded in the balance sheet, when the Company is legally entitled to offset the amounts recognized and the transactions may be settled at their net value.

3.9. Taxes on profits

The Company is subject to the tax regime set out in the Corporate Income Tax Code (CIRC).

The total income tax recorded in the income statement includes current and deferred taxes.

Current tax is determined based on the taxable profit for the period, calculated in accordance with the tax rules in force, which corresponds to the accounting result adjusted for costs or income not relevant for tax purposes.

Deferred tax assets and liabilities correspond to the amount of tax recoverable and payable in future periods resulting from temporary differences between the value of an asset or liability on the balance sheet and its tax base. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized only to the extent that it is expected that there will be taxable profits in the future capable of absorbing the deductible temporary differences and the tax losses to be used in the future. Deferred taxes are calculated based on the tax rates that are expected to be in force in the period in which the respective asset is expected to be realized or the liability to be settled.

The Company proceeds, as established in IAS 12, paragraph 74, to offset deferred tax assets and liabilities whenever: (i) it has the legally enforceable right to offset current tax assets and current tax liabilities; and (ii) deferred tax assets and liabilities relate to income taxes posted by the same tax authority on the same taxable entity or different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously, in each future period in which the deferred tax liabilities or assets are expected to be settled or recovered.

3.10. Reporting by segments

A business segment is an identifiable component of the Company aimed at providing an individual product or service or group of related products or services, and which is subject to risks and benefits which differ from other business segments.

Each of the transactions, separated for accounting purposes with clearly differentiated risks and benefits, together with the component of the Company not directly affecting any of the transactions, are identified as distinct segments of the Company. On 31st December 2019 and 31 December 2018, these segments were as follows:

- Tagus – Sociedade de Titularização de Créditos, S.A.;
- Aqua Finance No. 4
- Aqua Mortgage No. 1;



- Aqua NPL No. 1;
- BBVA Portugal RMBS No. 1;
- Castilho Mortgages No 1;
- Chaves Funding No. 7;
- Chaves Funding No. 8;
- Lusitano Finance No. 3;
- Pelican Finance No. 1;
- Nostrum Mortgages No. 2;
- Silk Finance No. 4;
- CMEC Volta Electricity Receivables Notes;
- EnergyOn No. 1 Securitisation Notes;
- EnergyOn No. 2 Securitisation Notes;
- Volta Electricity Receivables Securitisation Notes;
- Volta II Electricity Receivables Securitisation Notes;
- Volta III Electricity Receivables Notes;
- Volta IV Electricity Receivables Securitisation Notes;
- Volta V Electricity Receivables Securitisation Notes;
- Volta VI Electricity Receivables Securitisation Notes;
- Volta VII Electricity Receivables Securitisation Notes;

The detail of each transaction is shown in note 26.

3.11. Provisions

Provisions are recognized when (i) the Company has a present obligation (legal or arising from past practices or published policies entailing the recognition of certain responsibilities), (ii) it is likely that their payment will be demanded, and (iii) when the value of the obligation can be reliably estimated.

Provisions are revised at the end of each reporting date and adjusted to reflect the best estimate, then reversed from results proportionally for payments which are not likely.

Provisions are derecognized through their use or reversal for the obligations for which they were initially established.

3.12. Accounting estimates in the use of accounting policies

The IFRS have established a collection of accounting procedures requiring that the Board of Directors make judgements and estimates as needed to decide on the most appropriate accounting method. The main accounting estimates and judgements employed in applying the Company's accounting principles are analysed as follows, in order to provide a better understanding of how they affect the results reported by the Company and their disclosure.

Whereas in some situations accounting standards allow for an alternative accounting procedure in relation to the one adopted by the Board of Directors, the results reported by the Company could differ if a different method was chosen. The Board of Directors believes that the criteria employed are appropriate, and that the financial statements provide a true and fair view of the Balance Sheet of the Company and its transactions in all materially relevant aspects.

The results of alternatives subsequently analysed are shown merely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates are more appropriate.

*Impairment losses on Loans to customers*

The Company determines impairment losses based on rates and information provided by Originators and / or Servicers of assets referring to securitized portfolios and portfolios with similar characteristics, as well as market information, as referred to in accounting policy 3.1.1.

Fair value of financial derivatives

Fair value is based on market prices, when available; otherwise, it is determined using prices from recent similar transactions performed under market conditions, or based on assessment methodologies which use future discounted cash flow techniques which consider market conditions, the effect of time, the yield curve and volatility factors. These methodologies may require the use of assumptions or judgements in estimating fair value.

Consequently, the use of different methodologies, assumptions, or judgements in applying a given model could produce financial results different from the reported ones.

Taxes on profits

Certain interpretations and estimates had to be made to determine the total amount of taxes on profits. There are various transactions and calculations for which determining taxes payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of taxes on profits recognized in the year, both current and deferred.

The tax authorities have the power to review the taxable amount calculated by the Company for four years, or six years in the case of reportable tax losses.

As such, there may be corrections to the taxable amount, primarily resulting from differences in interpreting tax legislation. However, the Company's Board of Directors is confident that there will be no major corrections to the taxes on profits recorded in the financial statements.

3.13. New standards

During the year of 2019, the Company adopted the following changes to the rules that became effective on 1st January 2019:

a) IFRS 9 - Prepayment elements with negative comparison: This amendment allows the classification / measurement of financial assets at amortized cost even if they include conditions that allow for the advance payment for a consideration amount lower than the nominal value (“negative offset”), this being an exemption from the requirements set out in IFRS 9 for the classification of financial assets at amortized cost.

In addition, it is also clarified that when there is a change in the conditions of a financial liability that does not give rise to derecognition, the measurement difference must be recorded immediately in the results of the year.

b) IAS 12 - *Income taxes*: This improvement clarifies that the tax impact of the distribution of dividends must be recognized on the date when the liability to pay is recorded, and must be recognized against the results of the year, other comprehensive income or equity depending on where the entity originally registered the transaction or event that gave rise to the dividends.



c) *IFRIC 23 - Uncertainties related to the treatment of income tax*: IFRIC 23 is an interpretation to IAS 12 - 'Income tax', referring to the measurement and recognition requirements to be applied when there are uncertainties regarding the acceptance of a certain tax treatment by the Tax Administration, in respect of income tax.

In case of uncertainty regarding the Tax Administration's position on a specific transaction, the entity should make its best estimate and record the income tax assets or liabilities, in accordance with IAS 12, and not IAS 37 - 'Provisions, contingent liabilities and assets', based on the estimated expected or most likely value.

Regarding the adoption regime, IFRIC 23 can be applied retrospectively or a simplified retrospective approach can be followed (cumulative effect recorded on January 1, 2019).

New standards published by the IASB, endorsed by the European Union and not yet effective (effective date: 1st January 2020):

IAS 1 and IAS 8 - Material definition: These changes introduce a modification to the material definition, as part of the broader project of the IASB's 'Disclosure Initiative'.

The amendments also clarify that the mention of unclear information refers to situations whose effect is similar to omitting or distorting such information, and the entity must assess the materiality considering the financial statements as a whole.

Clarifications are also made as to the meaning of "main users of financial statements", which are defined as 'current and future investors, financiers and creditors' who depend on the financial statements to obtain a significant part of the information they need.

Conceptual Structure - Changes in the reference to other IFRS: As a result of the publication of the new Conceptual Structure, the IASB introduced changes in the text of several standards and interpretations, such as: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32, in order to clarify the application of the new definitions of assets / liabilities and expense / income, in addition to some of the characteristics of the financial information. These changes are retrospectively applicable, unless impracticable.

IFRS 3 - Business definition: This amendment constitutes a revision of the business definition for the purpose of accounting for business combinations.

The new definition requires an acquisition to include an input and a substantial process that together generate outputs. Outputs are now defined as goods and services that are provided to customers, which generate income from financial investments and other income, excluding returns in the form of cost reductions and other economic benefits for shareholders.

'Concentration tests' are also allowed which, when positive, exempt the entity from further assessment, whether it is the acquisition of an asset or a business.

Under the concentration test, if a significant part of the fair value of the acquired assets corresponds to a single asset, the acquired assets do not constitute a business.

IFRS 9, IAS 39 and IFRS 7 Reform of reference interest rates: Following the financial crisis, the need arose to replace reference interest rates, such as EURIBOR and other interbank interest rates (IBOR).



Considering the uncertainty that such a process ends and in view of the numerous hedge structures based on reference interest rates in force, the IASB decided to create exemptions from the application of hedge accounting, so that the 'reform' of interest rates from do not imply the discontinuation of hedge accounting.

The main exemptions refer to: i) risk components; ii) “highly probable” requirement; iii) prospective assessment; iv) retrospective effectiveness test (if application of IAS 39); v) recycling of the fair value variation reserve in equity.

Coverage inefficiencies must continue to be recognized in the income statement.

These standards and interpretations were not adopted in advance by the Company. No significant impacts are expected from the adoption of the standards and interpretations mentioned above.

4 Net interest income

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>Interest and similar income</i>						
Interest from loans and advances	176 030 208	-	176 030 208	208 834 817	-	208 834 817
Interest from deposits	-	-	-	-	-	-
Portfolio Acquisition premium	(11 173 058)	-	(11 173 058)	(33 336 371)	-	(33 336 371)
Other interest	415 166	-	415 166	379 271	-	379 271
	<u>165 272 317</u>	<u>-</u>	<u>165 272 317</u>	<u>175 877 717</u>	<u>-</u>	<u>175 877 717</u>
<i>Interest expenses and similar charges</i>						
Interest from debt securities issued	(168 927 789)	-	(168 927 789)	(258 766 406)	-	(258 766 406)
Interest from deposits	(282 263)	-	(282 263)	(780 263)	-	(780 263)
Interest from other financial liabilities	-	(304 974)	(304 974)	-	(305 276)	(305 276)
Premium bond issue	47 891	-	47 891	20 542 272	-	20 542 272
	<u>(169 162 161)</u>	<u>(304 974)</u>	<u>(169 467 135)</u>	<u>(239 004 397)</u>	<u>(305 276)</u>	<u>(239 309 673)</u>
<i>Net interest income</i>	(3 889 844)	(304 974)	(4 194 818)	(63 126 680)	(305 276)	(63 431 956)

The detail of each transaction is shown in note 26.



5 Results from services and fees

On 31st December 2019 and 2018, this heading was made up as follows:

Description	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>(Expressed in EUR)</i>						
Fees and comission Income						
<i>Management fees:</i>						
Aqua Mortgage No. 1	-	14 650	14 650	-	17 403	17 403
Aqua NPL No. 1	-	-	-	-	37 500	37 500
Aqua Finance No.4	-	70 117	70 117	-	70 208	70 208
BBVA Portugal RMBS No. 1	-	-	-	-	159 866	159 866
Castilho Mortgages No 1	-	22 020	22 020	-	195 773	195 773
Chaves Funding No. 7	-	37 916	37 916	-	68 750	68 750
Chaves Funding No. 8	-	10 901	10 901	-	-	-
Lusitano Finance No. 3	-	-	-	-	11 585	11 585
Pelican Finance No. 1	-	33 191	33 191	-	54 610	54 610
Nostrum Mortgages No. 2	-	247 993	247 993	-	270 469	270 469
Silk Finance No. 4	-	51 945	51 945	-	67 239	67 239
CMEC Volta Electricity Receivables Notes	-	4 167	4 167	-	50 000	50 000
EnergyOn No. 1 Securitisation Notes	-	53 474	53 474	-	65 399	65 399
EnergyOn No. 2 Securitisation Notes	-	29 948	29 948	-	36 798	36 798
Volta Electricity Receivables Securitisation Notes	-	-	-	-	173	173
Volta II Electricity Receivables Securitisation Notes	-	-	-	-	620	620
Volta III Electricity Receivables Notes	-	189	189	-	18 243	18 243
Volta IV Electricity Receivables Securitisation Notes	-	37 339	37 339	-	59 577	59 577
Volta V Electricity Receivables Securitisation Notes	-	58 981	58 981	-	88 498	88 498
Volta VI Electricity Receivables Securitisation Notes	-	88 528	88 528	-	48 893	48 893
Volta VII Electricity Receivables Securitisation Notes	-	42 729	42 729	-	-	-
Others	-	-	-	-	-	-
	-	804 087	804 087	-	1 321 603	1 321 603

This item includes the fees charged by the Company in connection with the management of operations. The amounts are charged to each of the operations in accordance with the contract.

6 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit or loss

On 31st December 2019 and 2018, this heading was made up as follows:

Description	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>(Expressed in EUR)</i>						
Gains arising from financial assets and liabilities at fair value through profit and loss						
Financial assets held-for-trading - Swaps	39 519 451	-	39 519 451	44 913 316	-	44 913 316
Other gains arising financial operations	46 776 358	-	46 776 358	108 666 542	-	108 666 542
Losses arising from financial assets and liabilities at fair value through profit and loss						
Financial assets held-for-trading - Swaps	(56 327 741)	-	(56 327 741)	(45 340 968)	-	(45 340 968)
Other losses arising financial operations	(16 273 381)	-	(16 273 381)	(13 976 643)	-	(13 976 643)
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	13 694 687	-	13 694 687	94 262 248	-	94 262 248

The item "Gain/losses in transactions with financial assets and liabilities held for trading – swaps" includes changes in fair value and interest accrued from financial derivatives.

The items "Other gains and losses in financial operations" include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 16).

The detail of each transaction is shown in note 26.



7 Staff costs

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Wages and salaries	-	10 000	10 000	-	10 000	10 000
Mandatory social charges	-	2 030	2 030	-	2 030	2 030
	-	12 030	12 030	-	12 030	12 030

The item "Wages and salaries", amounting € 10.000 (2018: € 10.000), refers to remuneration for the members of the Audit Committee.

The cost of remuneration for employees and members of the Board of Directors, allocated to the Company, is reflected in the Service Level Agreement ("SLA") signed with Deutsche Bank AG Portugal branch (note 8).

8 General and administrative expenses

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Judicial Costs	-	(6 765)	(6 765)	-	(6 651)	(6 651)
Fees	-	(332)	(332)	-	(9 688)	(9 688)
Audit fee	(418 256)	(18 450)	(436 706)	(380 358)	(24 723)	(405 081)
Service fee	(7 143 061)	-	(7 143 061)	(9 594 317)	-	(9 594 317)
Issuer fee	(816 114)	-	(816 114)	(1 261 289)	-	(1 261 289)
Agent bank fee	(81 727)	-	(81 727)	(134 813)	-	(134 813)
Irish stock exchange fee	(3 690)	-	(3 690)	(4 059)	-	(4 059)
Legal fee	(133 249)	-	(133 249)	(159 376)	-	(159 376)
Rating Agency fee	(461 962)	-	(461 962)	(469 984)	-	(469 984)
Transaction Manager	(283 566)	-	(283 566)	(205 241)	-	(205 241)
Service Level Agreement	-	(289 918)	(289 918)	-	(206 827)	(206 827)
Euronext	(7 134)	-	(7 134)	(16 427)	-	(16 427)
Interbolsa	(166 909)	-	(166 909)	(215 322)	-	(215 322)
CMVM	(157 442)	(746)	(158 188)	(141 965)	(848)	(142 813)
Paying Agent fee	(22 360)	-	(22 360)	(51 220)	-	(51 220)
Others	(218 148)	(20 195)	(238 343)	(553 387)	(89 474)	(642 861)
	(9 913 618)	(336 406)	(10 250 024)	(13 187 759)	(338 211)	(13 525 969)

The expenses with the Service Fee refer to the amounts charged by Servicers (entity responsible for managing the credits) to the operations, namely their collection and recovery in case of non-compliance.

The expenses charged by the Transaction Manager to each of the operations are in the scope of account management and administration, collection management, etc., according to the documentation of each operation.

The Company entered into a Service Level Agreement ("SLA") with Deutsche Bank AG Sucursal in Portugal and Navegador SGFTC, S.A., which defines the terms under which these entities provide services to the Company. The expenses related to the Service Level Agreement ("SLA") correspond in 2019 to € 289,918 (2018: € 206,827).

The fees charged by the Statutory Auditor for the services provided with the Legal Review of the Company's Accounts for the period of 2019 was in the amount of € 252,000.

The detail of each transaction is shown in note 26.



9 Impairment losses on loans to customers

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	2019			2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Impairment losses	(8 588 909)	-	(8 588 909)	(24 714 688)	-	(24 714 688)
Reversals of impairment losses	8 697 684	-	8 697 684	6 766 878	-	6 766 878
	108 775	-	108 775	(17 947 811)	-	(17 947 811)

10 Income tax

In 2019 and 2018, the amount of income taxes paid, together with the tax burden, measured by the relationship between the allocation of taxes and annual profit prior to this allocation, is analysed as follows:

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Income taxes		
For the period	33 902	149 870
Previous years corrections	-	-
Total income taxes	33 902	149 870
Income before taxes	150 677	666 087
CIT Rate	22.5%	22.5%

The reconciliation between the nominal tax rate and the tax burden in the years 2019 and 2018, together with the reconciliation between the tax loss/gain and the accounting profit through the nominal tax rate, is analysed as follows:

Description	<i>(Expressed in EUR)</i>			
	2019		2018	
	Tax rate	Value	Tax rate	Value
Income before taxes		150 677		666 087
Tax calculated based on current tax rate	21.0%	31 642	21.0%	139 878
Pour	1.5%	2 260	1.5%	9 991
Correction from previous years	0.0%	0	0.0%	0
Other	0.0%	0	0.0%	0
Tax charge	22.5%	33 902	22.5%	149 870

11 Deposits at other Credit Institutions

On 31st December 2019 and 2018, this heading was made up as follows:

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
	Deposits	168 416 501	13 935 508	182 352 009	184 311 539	15 014 685
Cash reserve	116 376 638	-	116 376 638	157 226 929	-	157 226 929
Liquidity Account	3 946 235	-	3 946 235	5 024 491	-	5 024 491
	288 739 375	13 935 508	302 674 883	346 562 958	15 014 685	361 577 644

The item “Deposits” corresponds to a deposit at Deutsche Bank AG-Portugal branch in the amount of € 13.935.508 (2018: € 15.014.685).



The detail of each transaction is shown in note 26.

12 Balances due from other Credit institutions

On 31st December 2019 and 2018, this heading was made up as follows:

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
	Deposits at other Credit Institutions	23 807 783	-	23 807 783	27 319 072	-
	23 807 783	-	23 807 783	27 319 072	-	27 319 072

(Expressed in EUR)

The balance of this account as at 31st December 2019 corresponds to the margin account of Nostrum N° 2 transactions under the contractually agreed swap.

The detail of each transaction is shown in note 26.

13 Loans to customers

On 31st December 2019, this heading was made up as follows:

Description	31-12-2019								
	Loans	Overdue Loans	Accrued Interest	Overdue Interest	Impairment	Portfolio Acquisition premium	Total Operations	Tagus	Total
Aqua Finance No.4	113 587 621	3 667 851	256 903	108 970	(3 865 636)	-	113 755 709	-	113 755 709
Aqua Mortgage No.1	86 564 943	53 948	29 683	12 058	(1 414 640)	-	85 245 992	-	85 245 992
Aqua NPL No.1	-	-	-	-	-	-	-	-	-
BBVA Portugal RMBS no.1	-	-	-	-	-	-	-	-	-
Castiño Mortgages No.1	-	-	-	-	-	-	-	-	-
Chaves Funding No.7	-	-	-	-	-	-	-	-	-
Chaves Funding No.8	322 939 495	108 355	1 282 148	77 296	(2 866 761)	-	321 540 533	-	321 540 533
CMEC Vola Electricity Receivables	-	-	-	-	-	-	-	-	-
EnergyOn No.1	481 529 448	-	-	-	-	-	481 529 448	-	481 529 448
EnergyOn No.2	168 905 347	-	-	-	-	-	168 905 347	-	168 905 347
Lusitano Finance No.3	-	-	-	-	-	-	-	-	-
Nostrum Mortgage No.2	3 060 704 169	1 774 503	696 254	48 367	(2 415 235)	-	3 060 808 659	-	3 060 808 659
Pelican Finance No.1	113 268 200	4 394 596	316 072	530 719	(7 618 290)	-	110 882 107	-	110 882 107
S&B Finance No.4	419 574 447	5 254 309	923 169	159 450	(5 694 256)	-	420 217 119	-	420 217 119
Vola Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Vola II Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Vola III Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Vola IV Electricity Receivables Securitisation Notes	164 668 943	-	-	-	-	1 269 680	165 938 623	-	165 938 623
Vola V Electricity Receivables Securitisation Notes	306 512 271	-	-	-	-	5 250 893	311 763 165	-	311 763 165
Vola VI Electricity Receivables Securitisation Notes	497 404 308	-	-	-	-	5 261 375	502 665 683	-	502 665 683
Vola VII Electricity Receivables Securitisation Notes	419 990 278	-	-	-	-	3 934 165	423 924 443	-	423 924 443
	6 155 649 470	15 253 471	3 505 130	926 861	(23 874 817)	15 716 114	6 167 176 228	-	6 167 176 228

(Expressed in EUR)

On 31st December 2018, this heading was made up as follows:

Description	31-12-2018								
	Loans	Overdue Loans	Accrued Interest	Overdue Interest	Impairment	Portfolio Acquisition premium	Total Operations	Tagus	Total
Aqua Finance No.4	170 274 234	1 392 779	372 628	95 685	(2 207 259)	-	169 928 067	-	169 928 067
Aqua Mortgage No.1	99 695 858	289 884	38 106	60 766	(3 632 349)	-	96 452 265	-	96 452 265
Aqua NPL No.1	-	-	-	-	-	-	-	-	-
BBVA Portugal RMBS no.1	-	-	-	-	-	-	-	-	-
Castiño Mortgages No.1	903 907 555	68 808	392 435	7 831	(1 821 659)	397 267	902 952 238	-	902 952 238
Chaves Funding No.7	194 746 225	266 509	743 698	150 672	(3 701 831)	-	192 205 272	-	192 205 272
Chaves Funding No.8	-	-	-	-	-	-	-	-	-
CMEC Vola Electricity Receivables	9 534 414	-	-	-	-	193 005	9 727 419	-	9 727 419
EnergyOn No.1	571 702 896	-	-	-	-	-	571 702 896	-	571 702 896
EnergyOn No.2	200 535 348	-	-	-	-	-	200 535 348	-	200 535 348
Lusitano Finance No.3	-	-	-	-	-	-	-	-	-
Nostrum Mortgage No.2	3 348 736 224	4 000 869	877 457	117 287	(7 391 731)	-	3 346 340 105	-	3 346 340 105
Pelican Finance No.1	182 741 549	5 464 107	517 017	900 980	(10 586 500)	-	179 037 153	-	179 037 153
S&B Finance No.4	605 189 775	4 858 963	1 273 753	193 623	(6 185 940)	-	605 330 174	-	605 330 174
Vola Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Vola II Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Vola III Electricity Receivables Securitisation Notes	10 811 006	-	-	-	-	500 633	11 311 639	-	11 311 639
Vola IV Electricity Receivables Securitisation Notes	313 320 020	-	-	-	-	2 141 552	315 461 572	-	315 461 572
Vola V Electricity Receivables Securitisation Notes	449 519 694	-	-	-	-	10 269 111	459 788 806	-	459 788 806
Vola VI Electricity Receivables Securitisation Notes	641 068 818	-	-	-	-	7 981 628	649 050 446	-	649 050 446
Vola VII Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
	7 701 783 615	16 341 918	4 215 095	1 526 845	(35 527 270)	21 483 197	7 709 823 400	-	7 709 823 400

(Expressed in EUR)

The characteristics of the portfolios of the various transactions are analysed in note 26.



The breakdown of the loan's impairment is as follows:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans Impairment</i>		
Balance on 1 January	(35 527 271)	(34 025 965)
Impairment losses	(8 588 909)	(24 714 689)
Reversals of impairment losses	8 697 684	6 766 878
Loans Written-off	11 543 676	16 446 506
Balance on 31 December	(23 874 818)	(35 527 271)

14 Other assets

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Public Sector	-	99 003	99 003	-	-	-
Receivables	17 059 642	-	17 059 642	28 293 469	-	28 293 469
Up front fee	17 658	-	17 658	22 884	-	22 884
Issuer fee	-	75 181	75 181	-	136 812	136 812
	17 077 299	174 184	17 251 483	28 316 353	136 812	28 453 165

The item "Receivables", corresponds, largely, to the amounts of principal and interest to be received from the servicers of Silk Finance N. °4 (€ 17.053.352).

The items "Public Sector" corresponds to net amount between the prepayments made during 2019 and the estimated IRC of 2019, with the result being the amount of € 99.003, which will be reimbursed by state upon delivery/submission of "Model 22".

The detail of each transaction is shown in note 26.

15 Financial liabilities held for trading

On 31st December 2019 and 2018, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Swaps	39 323 929	-	39 323 929	40 287 379	-	40 287 379
	39 323 929	-	39 323 929	40 287 379	-	40 287 379

In "Financial liabilities held for trading" records the fair value of derivatives, including accrued interest, as described in the accounting policy in note 3.1 and detailed by transaction in note 26.

As at 31st December 2019, the operations that contain derivatives are EnergyOn No.1, EnergyOn No.2 and Nostrum Mortgage No.2. EnergyOn 1's counterparty is Deutsche Bank AG and for the rest of the operations the counterparty is Banco Santander, S.A.

In accordance with the requirements of IFRS 7, the fair value of derivatives is included in level 2.

The breakdown of "Financial liabilities held for trading" on 31 December 2019, is as follows:



(Expressed in EUR)

Description	Nocional with remaining term			Fair Value		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Swaps	4 012 254 235	-	4 012 254 235	37 993 051	-	37 993 051
	4 012 254 235	-	4 012 254 235	37 993 051	-	37 993 051

The breakdown of "Financial liabilities held for trading" on 31st December 2018, is as follows:

(Expressed in EUR)

Description	Nocional with remaining term			Fair Value		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Swaps	4 347 692 527	-	4 347 692 527	39 516 126	-	39 516 126
	4 347 692 527	-	4 347 692 527	39 516 126	-	39 516 126

The detail of each transaction is shown in note 26.

16 Debt securities issued

On 31st December 2019 and 2018, this heading was made up as follows:

(Expressed in EUR)

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>Debt securities issued</i>						
Securitisation notes	6 452 440 274	-	6 452 440 274	8 050 559 816	-	8 050 559 816
Accrued interest	21 344 409	-	21 344 409	62 704 477	-	62 704 477
Issued notes premium	884 893	-	884 893	932 784	-	932 784
Issued notes discount	-	-	-	(2 480)	-	(2 480)
Others	(43 357 686)	-	(43 357 686)	(73 134 964)	-	(73 134 964)
	6 431 311 890	-	6 431 311 890	8 041 059 632	-	8 041 059 632

The item "Other" corresponds to the estimated (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2019.

The detail of issued debt securities, by transaction, and the respective maturity has the following breakdown:



(Expressed in EUR)

Description	Maturity	31-12-2019	31-12-2018
		Total Operations	Total Operations
Aqua Finance No.4	June 2035	125 207 068	199 821 219
Aqua Mortgage No.1	December 2063	88 764 016	100 971 287
Aqua NPL No.1	March 2025	-	-
BBVA Portugal RMBS no.1	December 2057	-	-
Castilho Mortgages No.1	October 2058	-	967 603 450
Chaves Funding No.7	March 2035	-	197 985 696
Chaves Funding No.8	November 2034	329 941 872	-
Lusitano Finance No.3	October 2029	-	-
Pelican Finance No.1	December 2028	130 679 562	200 983 063
Nostrum Mortgage No.2	May 2065	3 172 970 564	3 482 956 728
Silk Finance No.4	January 2031	473 694 287	618 602 358
CMEC Volta Electricity Receivables	February 2019	-	19 856 039
EnergyOn No.1	May 2025	482 375 917	571 523 798
EnergyOn No.2	May 2025	170 069 602	201 496 350
Volta Electricity Receivables Securitisation Notes	February 2017	-	-
Volta II Electricity Receivables Securitisation Notes	February 2018	-	-
Volta III Electricity Receivables Securitisation Notes	February 2019	-	23 025 029
Volta IV Electricity Receivables Securitisation Notes	February 2021	180 263 941	330 724 057
Volta V Electricity Receivables Securitisation Notes	February 2022	325 319 332	473 705 355
Volta VI Electricity Receivables Securitisation Notes	February 2023	518 090 217	651 805 202
Volta VII Electricity Receivables Securitisation Notes	February 2024	433 935 513	-
		6 431 311 890	8 041 059 632

In 2019, Chaves Funding No. 7 and Castilho Mortgage No. 1, CMEC Volta Electricity Receivables and Volta III Electricity Receivables Securitisation Notes made the final redemption. All transactions repaid all notes.

The detail of each transaction is shown in note 26.

17 Other financial liabilities

On 31st December 2019 and 2018, this heading was made up as follows:

(Expressed in EUR)

Subordinated supplementary capital				31-12-2019			31-12-2018		
Minutes	Issue date	Maturity date	Interest rate	Amount	Interest	Total	Amount	Interest	Total
16/2009	Jun-2009	Jun-2019	E12M+3%	0	0	0	150 000	6 486	156 486
17/2009	Nov-2009	Nov-2019	E12M+3%	0	0	0	307 211	9 515	316 726
19/2010	Jul-2010	Jul-2020	E12M+3%	1 911 958	21 940	1 933 898	1 911 958	78 167	1 990 125
21/2010	Nov-2010	Nov-2020	E12M+3%	200 000	470	200 470	200 000	6 194	206 194
22/2010	Dez-2010	Dec-2020	E12M+3%	4 000 000	0	4 000 000	4 000 000	114 123	4 114 123
23/2011	Fev-2011	Feb-2021	E12M+3%	1 200 000	29 498	1 229 498	1 200 000	28 652	1 228 652
24/2011	Mar-2011	Mar-2021	E12M+3%	1 950 000	42 430	1 992 430	1 950 000	41 284	1 991 284
26/2011	Jun-2011	Jun-2021	E12M+3%	863 627	9 910	873 537	863 627	35 308	898 935
28/2011	Nov-2011	Nov-2021	E12M+3%	106 757	260	107 017	106 757	3 303	110 060
				10 232 342	104 508	10 336 850	10 689 553	323 032	11 012 586

The amounts recognized under this item correspond to subordinated supplementary contributions which were considered other financial liabilities from an accounting standpoint, as described in accounting policy 3.2.

18 Other liabilities

On 31st December 2019 and 2018, this heading was made up as follows:



(Expressed in EUR)

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Public Sector	-	13 630	13 630	-	22 750	22 750
<i>Accrued Expenses:</i>						
Judicial costs	-	6 765	6 765	-	6 765	6 765
Service Level Agreement	-	410 006	410 006	-	326 914	326 914
Audit fee	261 079	18 450	279 529	191 551	18 450	210 001
Service fee	1 027 928	-	1 027 928	1 461 918	-	1 461 918
Issuer fee	76 798	-	76 798	121 805	-	121 805
Agent bank fee	10 487	-	10 487	14 733	-	14 733
Transaction Manager	33 933	-	33 933	18 849	-	18 849
Paying agent fee	-	-	-	-	-	-
Amounts to pay	-	-	-	-	-	-
CMVM	-	-	-	-	2 500	2 500
Others	24 754 644	232 632	24 987 276	28 865 917	199 613	29 065 531
<i>Deffered income:</i>						
Up front fee	-	21 129	21 129	-	92 462	92 462
	26 164 867	702 612	26 867 479	30 674 773	669 456	31 344 229

On 31st December 2019, the item "Public Sector" was € 958 for stamp duty and € 12.672 for VAT.

The Company signed a Service Level Agreement ("SLA") with Deutsche Bank AG Portugal branch and with Navigator SGFTC, S.A. establishing the terms under which these entities provide services to the Company

The item " Other" corresponds to the margin account for the Nostrum Operation. The item "Up front fee – Tagus" is for the amounts to be recognized, in the results, for the fee paid at the start of each transaction by originators for the services performed by the Company for the various transactions.

The detail of each transaction is shown in note 26.

19 Share capital and other equity instruments

As described in note 1, the Company's share capital of € 250,000 is represented by 50,000 shares with a nominal value of € 5 each.

The detail of supplementary contributions from the Company's sole shareholder is as follows:

	<i>(Expressed in EUR)</i>
General Assembly deliberation date	Amount
12 December, 2005	200 000
29 December, 2005	20 000
28 December, 2006	226 000
10 December, 2007	440 000
09 December, 2008	233 000
18 December, 2008	20 000
26 February, 2009	1 258 040
	2 397 040

The shareholder's supplementary contributions are classified as equity instruments or as other financial liabilities according to their characteristics and the framework laid out in IAS 32 – Financial Instruments: Presentation, and in accordance with the accounting policy described in note 3.2.



In view of the securitization transactions and bonds arising from legislation in force, on 31st December 2019 the Company's share capital of € 250,000 (two hundred and fifty thousand euros) was fully paid up. The shareholder Deutsche Bank Aktiengesellschaft made supplementary capital contributions to the Company totalling € 2,397,040 (two million, three hundred and ninety-seven and forty euros) and subordinated supplementary contributions totalling € 10,232,342

The subordinated supplementary contributions have a 10-year term, are subject to early repayment with authorization from the Portuguese Securities Market Commission, and were made by the sole shareholder with annual remuneration based on results subject to shareholder distribution and generated in the reference year of the remuneration, at an interest rate corresponding to the 12-month Euribor plus 3%. Interest will be paid annually.

These amounts correspond to the Company's equity, which is sufficient to meet the prudential ratios related to equity pursuant to article forty-three of the Securitization Act and the requirements of CMVM Regulation no. 12/2002 of 18 July.

Subordinate supplementary contributions are part of the Company's equity.

Capital Management

The Company proactively manages capital to hedge against the inherent risks of its business, maintaining legally required levels under legislation applicable to securitization companies. Capital adequacy is monitored periodically and whenever securitized bonds are issued.

In 2019 and 2018, the Company complied with legally required capital levels.

In accordance with Decree Law no. 453/99 of 05 November, the equity of credit securitization companies may not be lower than the following percentages of the net value of the securitized bonds in circulation which it has issued:

- a) up to € 75.000.000 – 5 (per mille);
- b) above this amount – 1 (per mille).

On 31st December 2019, the fulfilment of these ratios can be demonstrated as follows:



<i>(Expressed in EUR)</i>	
Operation	Outstanding bonds 2019
Aqua Finance No.4	126 117 710
Aqua Mortgage No.1	90 176 732
Aqua NPL No.1	-
BBVA Portugal RMBS no.1	-
Castilho Mortgages No.1	-
Chaves Funding No.7	-
Chaves Funding No.8	329 540 088
Lusitano Finance No.3	-
Pelican Finance No.1	131 405 052
Nostrum Mortgage No.2	3 192 074 345
Silk Finance No.4	471 667 542
CMEC Volta Electricity Receivables	-
EnergyOn No.1	485 580 401
EnergyOn No.2	168 981 727
Volta Electricity Receivables Securitisation Notes	-
Volta II Electricity Receivables Securitisation Notes	-
Volta III Electricity Receivables Securitisation Notes	-
Volta IV Electricity Receivables Securitisation Notes	179 918 106
Volta V Electricity Receivables Securitisation Notes	325 290 519
Volta VI Electricity Receivables Securitisation Notes	517 912 115
Volta VII Electricity Receivables Securitisation Notes	433 775 939
	6 452 440 274

<i>(Expressed in EUR)</i>			
Calculation own funds			
Steps			
	%	Value	Minimum Requirement
	0.50%	75 000 000	375 000
	0.10%	6 377 440 274	6 377 440
Capital Requirement			6 752 440

<i>(Expressed in EUR)</i>	
Own Funds	Values
Share Capital	250 000
Other equity instruments	2 397 040
Legal Reserve	268 675
Retained income	37 523
Net income for the period	116 775
Additional Capital Surplus	10 232 342
	13 302 355
Own Funds	13 302 355
Surplus/(inadequacy)	6 549 914



20 Reserves and retained earnings

On 31st December 2019 and 2018, this heading was made up as follows:

(Expressed in EUR)

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Legal Reserve	-	268 674	268 674	-	268 674	268 674
Retained earning	-	37 741	37 741	-	37 523	37 523
	-	306 415	306 415	-	306 198	306 198

Under Portuguese legislation, the Company must reinforce its legal reserve annually by at least 5% of annual net profits, until reaching 20% of share capital, normally not subject to distribution.

21 Off-balance sheet elements

On 31st December, de 2019 and 2018, off-balance sheet elements were as follows:

(Expressed in EUR)

Description	31-12-2019			31-12-2018		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Credits Written off	83 996 625	-	83 996 625	118 194 457	-	118 194 457
Assets received as collateral	4 568 768 828	-	4 568 768 828	8 871 459 287	-	8 871 459 287
Swap interest rate	4 012 254 235	-	4 012 254 235	4 347 692 527	-	4 347 692 527
	8 665 019 688	-	8 665 019 688	13 337 346 270	-	13 337 346 270

22 Fair Value

Fair value is based on market prices, whenever they are available. If not, fair value is estimated using internal models based on cash flow discounting techniques.

Cash flows are generated based on the respective financial characteristics, and the discount rates employed incorporate the market's yield curve and other market factors, if applicable.

Therefore, the fair value obtained is influenced by the parameters employed in the valuation model (which must include a certain degree of subjectivity), and exclusively reflects the amount attributed to the various financial instruments. However, it does not include forward-looking factors such as future business developments.

As such, the amounts shown cannot be construed as an estimate of the Company's economic value.

The main methods and assumptions for estimating the fair value of financial assets and liabilities are shown as follows:

Deposits at other Credit Institutions

In view of the extremely short term associated with these financial instruments, the balance sheet value is a reasonable estimate of their fair value.

Financial assets and liabilities held for trading

These financial instruments are recorded at fair value. Fair value is based on market prices, whenever they are available. If not, the fair value is calculated using numeric models based on cash flow discounting techniques which, to estimate fair value, use market yield curves adjusted by associated factors (predominately credit and liquidity risk) determined in accordance with market conditions and the respective terms.

*Loans to customers*

The fair value of these financial instruments is calculated based on updating the expected future cash flows of principal and interest for the instruments in question. Payments are considered to have occurred on their contractually determined dates. The discount rate used reflects the current market rates for each homogeneous class of this type of instrument with a similar residual maturity.

One of the main factors causing the fair value of a loan to differ from its amortized cost net of impairment losses will be the assessment of the change in interest rate risk and credit spread.

Since these assets are directly related to the financial liabilities of each transaction, any impact of the change in interest rate risk and credit spread on financial assets is reflected in the change in the implicit interest rate risk of the financial liabilities, plus the fair value of derivatives, if applicable.

Debt securities issued

The fair value of the debt securities of securitization transactions reflects the value of the financial assets and debt securities issued, insofar as any surplus generated by the assets will be paid to the holders, and any shortcoming will be assumed by the holders on their cancellation date.

23 Related parties

On 31st December 2019, the Company's related parties were as follows:

Shareholders:

Deutsche Bank AG

Members of the Board of Directors

- José Francisco Gonçalves de Arantes e Oliveira (Chairman)
- Rui Paulo Menezes Carvalho (Member)
- Rafe Nicholas Morton (Member, subject to approval of CMVM)

Companies that, directly or indirectly, are under common control with the company:

- Navigator SGFTC, S.A
- Deutsche Bank (Sucursal em Portugal) S.A.

Balances and transactions with related parties are as follows:

- The Company signed a Service Level Agreement (“SLA”) with Deutsche Bank (Portugal branch) S.A. and with Navigator SGFTC, S.A., as described in notes 8 and 18;
- The items “Deposits at other Credit Institutions” of the Company and of some transactions corresponds to demand deposits with Deutsche Bank (Portugal Branch) S.A. and Deutsche Bank London, as described in note 11 and in the detail of the respective transactions in note 26; and
- In addition, the item "Remuneration" includes an amount for remuneration of members of the Audit Committee, as described in note 7.



24 Risk Management

The main types of risk are detailed below:

Credit Risk

Credit risk is tied to the degree of uncertainty of expected returns, due to the inability of the borrower (and guarantor, if applicable), the issuer of a security or counterparty to an agreement to fulfil their obligations.

Within the scope of its business, the Company acquires credit portfolios which are later subject to securitization transactions, resulting in the effective and total transfer of these portfolios' credit risk to the holders of the bonds issued within the scope of these transactions

On 31st December 2019, there were 12 active securitization transactions under the Company's management, corresponding to € 6.167.176.228 in credits (compared 14 transactions in 2018 corresponding to € 7.709.823.400), broken down as shown in the following table.

Description	<i>(Expressed in EUR)</i>			
	Loans to customers			
	2019	weight	2018	weight
Aqua Finance No.4	113 755 709	1.8%	169 928 067	2.2%
Aqua Mortgage No.1	85 245 992	1.4%	96 452 265	1.3%
Aqua NPL No.1	-	0.0%	-	0.0%
BBVA Portugal RMBS no.1	-	0.0%	-	0.0%
Castilho Mortgages No.1	-	0.0%	902 952 238	11.7%
Chaves Funding No.7	-	0.0%	192 205 272	2.5%
Chaves Funding No.8	321 540 533	5.2%	-	0.0%
Lusitano Finance No.3	-	0.0%	-	0.0%
Pelican Finance No.1	110 882 107	1.8%	179 037 153	2.3%
Nostrum Mortgage No.2	3 060 808 059	49.6%	3 346 340 105	43.4%
Silk Finance No.4	420 217 119	6.8%	605 330 174	7.9%
CMEC Volta Electricity Receivables	-	0.0%	9 727 419	0.1%
EnergyOn No.1	481 529 448	7.8%	571 702 896	7.4%
EnergyOn No.2	168 905 347	2.7%	200 535 348	2.6%
Volta Electricity Receivables Securitisation Notes	-	0.0%	-	0.0%
Volta II Electricity Receivables Securitisation Notes	-	0.0%	-	0.0%
Volta III Electricity Receivables Securitisation Notes	-	0.0%	11 311 639	0.1%
Volta IV Electricity Receivables Securitisation Notes	165 938 623	2.7%	315 461 572	4.1%
Volta V Electricity Receivables Securitisation Notes	311 763 165	5.1%	459 788 806	6.0%
Volta VI Electricity Receivables Securitisation Notes	502 665 683	8.2%	649 050 446	8.4%
Volta VII Electricity Receivables Securitisation Notes	423 924 443	6.9%	-	0.0%
	6 167 176 228	100%	7 709 823 400	100%

The following table shows the amount of total credit (excluding the credit acquisition premium) and overdue credit, together with the rate of impairment coverage in relation to these items as of 31st December 2019 and 2018:



(Expressed in EUR)

Description	2019			
	Loans to customers	Overdue Credit	Impairment	Impairment on credit to customers
Aqua Finance No.4	117 621 346	3 667 851	3 865 636	3.29%
Aqua Mortgage No.1	86 660 632	53 948	1 414 640	1.63%
Aqua NPL No.1	-	-	-	-
BBVA Portugal RMBS no.1	-	-	-	-
Castilho Mortgages No.1	-	-	-	-
Chaves Funding No.7	-	-	-	-
Chaves Funding No.8	324 407 293	108 355	2 866 761	0.88%
Lusitano Finance No.3	-	-	-	-
Pelican Finance No.1	118 500 398	4 394 506	7 618 290	6.43%
Nostrum Mortgage No.2	3 063 223 294	1 774 503	2 415 235	0.08%
Silk Finance No.4	425 911 375	5 254 309	5 694 256	1.34%
CMEC Volta Electricity Receivables	-	-	-	-
EnergyOn No.1	481 529 448	-	-	0.00%
EnergyOn No.2	168 905 347	-	-	0.00%
Volta Electricity Receivables Securitisation Notes	-	-	-	-
Volta II Electricity Receivables Securitisation Notes	-	-	-	-
Volta III Electricity Receivables Securitisation Notes	-	-	-	-
Volta IV Electricity Receivables Securitisation Notes	164 668 943	-	-	0.00%
Volta V Electricity Receivables Securitisation Notes	306 512 271	-	-	0.00%
Volta VI Electricity Receivables Securitisation Notes	497 404 308	-	-	0.00%
Volta VII Electricity Receivables Securitisation Notes	419 990 278	-	-	0.00%
	6 175 334 932	15 253 471	23 874 817	0.39%

(Expressed in EUR)

Description	2018			
	Loans to customers	Overdue Credit	Impairment	Impairment on credit to customers
Aqua Finance No.4	172 135 326	1 392 779	2 207 259	1.28%
Aqua Mortgage No.1	100 084 614	289 884	3 632 349	3.63%
Aqua NPL No.1	-	-	-	-
BBVA Portugal RMBS no.1	-	-	-	-
Castilho Mortgages No.1	904 376 630	68 808	1 821 659	0.20%
Chaves Funding No.7	195 907 103	266 509	3 701 831	1.89%
Chaves Funding No.8	-	-	-	-
Lusitano Finance No.3	-	-	-	-
Pelican Finance No.1	189 623 654	5 464 107	10 586 500	5.58%
Nostrum Mortgage No.2	3 353 731 836	4 000 869	7 391 731	0.22%
Silk Finance No.4	611 516 114	4 858 963	6 185 940	1.01%
CMEC Volta Electricity Receivables	9 534 414	-	-	0.00%
EnergyOn No.1	571 702 896	-	-	0.00%
EnergyOn No.2	200 535 348	-	-	0.00%
Volta Electricity Receivables Securitisation Notes	-	-	-	-
Volta II Electricity Receivables Securitisation Notes	-	-	-	-
Volta III Electricity Receivables Securitisation Notes	10 811 006	-	-	0.00%
Volta IV Electricity Receivables Securitisation Notes	313 320 020	-	-	0.00%
Volta V Electricity Receivables Securitisation Notes	449 519 694	-	-	0.00%
Volta VI Electricity Receivables Securitisation Notes	641 068 818	-	-	0.00%
Volta VII Electricity Receivables Securitisation Notes	-	-	-	-
	7 723 867 473	16 341 918	35 527 270	0.46%

Market Risk

The concept of market risk reflects the potential loss that may occur in a given portfolio due to changes in interest and exchange rates and/or the prices of the different financial instruments comprising it, in view of the existing correlations between them or their respective volatilities.



Interest rate risk

Interest rate risk is the likelihood of losses due to adverse changes in interest rates, bearing in mind the institution's balance sheet structure.

At the Company, securitization transactions account for around 95% of total assets and 100% of earning assets; in terms of liabilities, the corresponding securitization notes correspond to 99% of liabilities and 99,8% of earning liabilities. The interest rate risk arising from these balance sheet exposures is mitigated, bearing in mind that the risk of mismatched terms for adjusting interest rates between assets and liabilities is hedged through the contracting of IRS (Interest Rate Swaps).

Earning assets and liabilities and implicit rates of return in 2019 and 2018 are detailed in the following table:

(Expressed in EUR)

Description	2019			2018		
	Loans to customers	Interest and similar income	Implicit Interest Rate	Loans to customers	Interest and similar income	Implicit Interest Rate
Aqua Finance No.4	113 755 709	7 032 750	5.0%	169 928 067	8 511 471	5.0%
Aqua Mortgage No.1	85 245 992	8 625 384	9.5%	96 452 265	3 919 678	8.1%
Aqua NPL No.1	-	-	-	-	1 392 052	-
BBVA Portugal RMBS no.1	-	-	-	-	(12 827 669)	-
Castilho Mortgages No.1	-	(263 249)	-0.1%	902 952 238	5 750 415	1.3%
Chaves Funding No.7	-	6 907 527	7.2%	192 205 272	10 819 430	5.6%
Chaves Funding No.8	321 540 533	5 315 420	3.3%	-	-	-
Lusitano Finance No.3	-	-	-	-	(1 822 201)	-
Pelican Finance No.1	110 882 107	14 988 363	10.3%	179 037 153	17 365 688	19.4%
Nostrum Mortgage No.2	3 060 808 059	57 793 471	1.8%	3 346 340 105	64 406 999	3.8%
Silk Finance No.4	420 217 119	34 708 658	6.8%	605 330 174	41 674 864	13.8%
CMEC Volta Electricity Receivables	-	-	0.0%	9 727 419	2 221 505	45.7%
EnergyOn No.1	481 529 448	9 307 597	1.8%	571 702 896	10 720 405	3.8%
EnergyOn No.2	168 905 347	2 605 152	1.4%	200 535 348	2 991 263	3.0%
Volta Electricity Receivables Securitisation Notes	-	-	-	-	-	-
Volta II Electricity Receivables Securitisation Notes	-	-	-	-	46 406	-
Volta III Electricity Receivables Securitisation Notes	-	20 953	0.4%	11 311 639	1 829 574	32.3%
Volta IV Electricity Receivables Securitisation Notes	165 938 623	6 146 187	2.6%	315 461 572	10 129 333	6.4%
Volta V Electricity Receivables Securitisation Notes	311 763 165	3 425 555	0.9%	459 788 806	4 735 135	1.0%
Volta VI Electricity Receivables Securitisation Notes	502 665 683	6 843 855	1.2%	649 050 446	4 013 368	0.6%
Volta VII Electricity Receivables Securitisation Notes	423 924 443	1 814 695	0.9%	-	-	-
	6 167 176 228	165 272 317	2.4%	7 709 823 400	175 877 717	4.6%

(Expressed in EUR)

Description	2019			2018		
	Debt securities issued	Interest expense and similar charges	Implicit Interest Rate	Debt securities issued	Interest expense and similar charges	Implicit Interest Rate
Aqua Finance No.4	125 207 068	6 704 932	4.1%	199 821 219	8 120 242	4.1%
Aqua Mortgage No.1	88 764 016	8 490 603	8.9%	100 971 287	3 758 874	7.4%
Aqua NPL No.1	-	-	-	-	1 293 955	-
BBVA Portugal RMBS no.1	-	-	-	-	68 999 562	-
Castilho Mortgages No.1	-	29 469 490	6.1%	967 603 450	4 538 417	0.9%
Chaves Funding No.7	-	6 227 961	6.3%	197 985 696	9 745 152	4.9%
Chaves Funding No.8	329 941 872	5 057 626	3.1%	-	-	-
Lusitano Finance No.3	-	-	-	-	(1 944 054)	-
Pelican Finance No.1	130 679 562	14 686 617	8.9%	200 983 063	16 961 383	16.9%
Nostrum Mortgage No.2	3 172 970 564	41 935 319	1.3%	3 482 956 728	57 924 857	3.3%
Silk Finance No.4	473 694 287	29 022 981	5.3%	618 602 358	35 363 663	11.4%
CMEC Volta Electricity Receivables	-	-	0.0%	19 856 039	2 039 959	20.5%
EnergyOn No.1	482 375 917	8 186 638	1.6%	571 523 798	9 821 837	3.4%
EnergyOn No.2	170 069 602	2 229 074	1.2%	201 496 350	2 688 298	2.7%
Volta Electricity Receivables Securitisation Notes	-	-	-	-	-	-
Volta II Electricity Receivables Securitisation Notes	-	-	-	-	(33 093)	-
Volta III Electricity Receivables Securitisation Notes	-	(45 611)	-0.4%	23 025 029	1 609 626	14.0%
Volta IV Electricity Receivables Securitisation Notes	180 263 941	5 875 107	2.3%	330 724 057	9 806 322	5.9%
Volta V Electricity Receivables Securitisation Notes	325 319 332	3 138 238	0.8%	473 705 355	4 434 655	0.9%
Volta VI Electricity Receivables Securitisation Notes	518 090 217	6 541 446	1.1%	651 805 202	3 874 741	0.6%
Volta VII Electricity Receivables Securitisation Notes	433 935 513	1 641 740	0.8%	-	-	-
	6 431 311 890	169 162 161	2.3%	8 041 059 632	239 004 397	5.9%



Liquidity Risk

Liquidity risk reflects the Company's inability to meet its obligations at the time of maturity, without incurring significant losses due to a deterioration in financing conditions (financing risk) and / or the sale of its assets by lower values market values (market liquidity risk).

With regard to the Company, one might say that liquidity risk - much like other financial risks, is non-existent, since the resulting damages have no impact on the Company, insofar as they are completely assumed by the holders of the bonds. In fact, the means of securitization are entities who are legally autonomous from the Company and between themselves, where the respective assets solely and exclusively satisfy the responsibilities assumed in the transactions.

<i>(Expressed in EUR)</i>			
Description	2019	Remunerated assets and liabilities	Implicit Interest Rate
<i>Assets</i>			
Deposits at other Credit Institutions	302 674 883	-	-
Balances due from other Credit Institutions	23 807 783	-	-
Loans to customers	6 167 176 228	6 167 176 228	2.4%
Intangible assets	-	-	-
Other assets	17 152 481	-	-
Total Assets	6 510 811 375	6 167 176 228	
<i>Liabilities</i>			
Financial liabilities held for trading	39 323 929	-	-
Debt securities issued	6 431 311 890	6 431 311 890	2.3%
Other financial liabilities	10 336 850	10 232 342	3.0%
Other liabilities	26 768 476	-	-
Total Liabilities	6 507 741 145	6 441 544 232	
<i>Equity</i>			
Share Capital	250 000	-	-
Other equity instruments	2 397 040	-	-
Reserves and retained earnings	306 415	-	-
Net income for the period	116 775	-	-
Total Equity	3 070 230	-	
Total Equity and Liabilities	6 510 811 375	6 441 544 232	

Regarding liquidity risk, all flows received from credit acquired are transferred to the notes' holders for the fulfilment of responsibilities. Furthermore, each means of securitization has a cash reserve or liquidity account at a credit institution to deal with any sporadic liquidity problems in terms of debt servicing the notes. A detail of these with the amount and respective counterparty is shown in the table below.



(Expressed in EUR)

Description	2019			2018		
	Cash Reserve Account	Liquidity Account	Total	Cash Reserve Account	Liquidity Account	Total
Aqua Finance No.4	7 000 000	-	7 000 000	7 000 000	-	7 000 000
Aqua Mortgage No.1	2 621 562	-	2 621 562	3 036 729	-	3 036 729
Aqua NPL No.1	-	-	-	-	-	-
BBVA Portugal RMBS no.1	-	-	-	-	-	-
Castilho Mortgages No.1	-	-	-	39 981 000	1	39 981 001
Chaves Funding No.7	-	-	-	700 890	-	700 890
Chaves Funding No.8	500 000	-	500 000	-	-	-
Lusitano Finance No.3	-	-	-	-	-	-
Pelican Finance No.1	14 700 449	-	14 700 449	14 700 449	-	14 700 449
Nostrum Mortgage No.2	80 143 466	-	80 143 466	80 175 750	-	80 175 750
Silk Finance No.4	3 695 366	-	3 695 366	3 700 001	-	3 700 001
CMEC Volta Electricity Receivables	-	-	-	270 875	140 414	411 289
EnergyOn No.1	4 809 912	-	4 809 912	4 842 959	-	4 842 959
EnergyOn No.2	1 677 525	-	1 677 525	1 693 163	-	1 693 163
Volta Electricity Receivables Securitisation Notes	-	-	-	-	-	-
Volta II Electricity Receivables Securitisation Notes	-	-	-	-	-	-
Volta III Electricity Receivables Securitisation Notes	-	-	-	293 446	112 140	405 586
Volta IV Electricity Receivables Securitisation Notes	305 764	1 080 998	1 386 762	332 828	1 983 578	2 316 406
Volta V Electricity Receivables Securitisation Notes	267 652	688 988	956 640	306 003	1 002 729	1 308 732
Volta VI Electricity Receivables Securitisation Notes	171 111	1 419 324	1 590 435	192 837	1 785 628	1 978 465
Volta VII Electricity Receivables Securitisation Notes	483 830	756 926	1 240 756	-	-	-
	116 376 638	3 946 235	120 322 874	157 226 929	5 024 491	162 251 420

Operational Risk

Operational risk is defined as a potential loss resulting from failures or shortcomings in internal processes, people or systems, or from outside events.

Tagus

The Company carries out an instrumental activity within the scope of Deutsche Bank A.G. – Portugal Branch, with business risks managed in a centralized manner. The main types of financial risks (credit, market, liquidity and operational) are monitored and controlled in accordance with the Group's general risk management and control principles.

Operations

As stated in the Offering Circular for transactions, credit acquired must meet a set of requirements both on the acquisition date and over the transaction's lifetime, under penalty of replacement or compensatory payments for the transactions by the originators. The Servicing Agreements for all of the transactions ensure that specialized third parties (usually the originators) carry out procedures to manage and control credit risk, namely by guaranteeing receipts, identifying situations of default and managing credit recovery.

For interest rate risk, swaps are contracted to eliminate the difference between the loan interest rates and bond interest rates (basis risk).

In relation to liquidity risk, the operations have liquidity agreements with credit institutions in order to supply any occasional liquidity problems.

It should be noted that, in the case of operations, any losses resulting from the risks exposed above have no impact on the Company's results, being assumed by the bondholders. All risk management / minimization instruments are stipulated in the Offering Circular for each of the operations.



25 Subsequent Events

Up to the date of conclusion of this report, there were no significant events, with an impact on the accounts with reference date as of 31st December 2019, which are not reflected in the Financial Statements.

Even without having an impact on the Financial Statements with reference date as of 31st December 2019, we consider it relevant to mention the following subsequent events:

In 2020 the World Health Organization (WHO) declared a global pandemic called COVID19. Although it is too early to predict the financial impacts that this pandemic may have in the world economy as well as the impacts of the governmental responses to it (including the declaration of a state of emergency, as happened in Portugal as well as similar measures). The transactions may be negatively affected by a prolonged contraction of the local, regional and global economic conditions directly or indirectly connected to this pandemic, with the dimension of this impacts be uncertain still. From this situation it may still result insolvencies and defaults from debtors whose credits are securitized in greater numbers than that one would expected in the absence of this pandemic, with the amounts paid diminishing in the moment that the payments are received.

Among the legislative measures already in force in Portugal includes an exceptional moratorium regime established by DL n° 10-J/2020, on 26th March 2020, placed until 30th September 2020 at the disposal of mortgage credit borrowers in relation to their own permanent housing, and a temporary suspension of foreclosures on properties that constitute the defendant's own permanent housing is also in effect, under Law N° 1-A/2020, on 19th March 2020. Despite this adverse situation, it is not expected that, in the short term, taking into account the liquidity reserve of the transactions (cash reserves), the fulfilment of its obligations is not at stake.

In the first quarter of 2020, a new way of calculating Own Funds requirements was established, and the same started to be carried out in accordance with article 71-M RGOIC (articles 19 and 43 of Legal System of Securitization of Credits, as amended by DL 144/2019).

26 Detailed analysis of operations

Each of the transactions is shown in detail below.

The Profit and Loss Statement, Balance Sheet and Cash Flow Statement for each of the transactions are shown in the following pages:



**Income Statement
as at 31 December 2019 and 2018**

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Aqua NPL No.1		BBVA Portugal RMBS no.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest and similar income	7 032 750	8 511 471	8 625 384	3 919 678	-	1 392 052	-	(12 827 669)	15 658 133	995 533
Interest expense and similar charges	(6 704 932)	(8 120 242)	(8 490 603)	(3 758 874)	-	(1 293 955)	-	(68 999 562)	(15 195 535)	(82 172 633)
Net interest income	327 818	391 229	134 780	160 804	-	98 097	-	(81 827 231)	462 598	(81 177 101)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	1 678 512	933 494	(107 538)	4 441 417	-	-	-	80 663 285	1 570 974	86 038 196
General and administrative costs	(327 818)	(391 229)	(134 780)	(160 804)	-	(98 097)	-	(996 037)	(462 598)	(1 646 168)
Total operating income/(expense)	1 350 695	542 265	(242 318)	4 280 613	-	(98 097)	-	79 667 247	1 108 376	84 392 029
Impairment losses on loans, net of reversals and recoveries	(1 678 512)	(933 494)	107 538	(4 441 417)	-	-	-	2 159 984	(1 570 974)	(3 214 927)
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 December 2019 and 2018**

(Expressed in EUR)

	Castilho Mortgages No.1		Chaves Funding No.7		Lusitano Finance No.3		Pelican Finance No.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest and similar income	(263 249)	5 750 415	6 907 527	10 819 430	-	(1 822 201)	14 988 363	17 365 688	37 290 775	33 108 865
Interest expense and similar charges	(29 469 490)	(4 538 417)	(6 227 961)	(9 745 152)	-	1 944 054	(14 686 617)	(16 961 383)	(65 579 603)	(111 473 532)
Net interest income	(29 732 739)	1 211 998	679 566	1 074 278	-	121 853	301 746	404 305	(28 288 828)	(78 364 668)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	29 492 689	2 269 693	(2 889 236)	2 489 710	-	2 487	(2 867 237)	2 792 369	25 307 190	93 592 456
General and administrative costs	(260 481)	(1 211 998)	(679 566)	(1 034 791)	-	(121 853)	(301 746)	(404 305)	(1 704 392)	(4 419 115)
Total operating income/(expense)	29 232 208	1 057 695	(3 568 803)	1 454 919	-	(119 365)	(3 168 983)	2 388 065	23 602 798	89 173 341
Impairment losses on loans, net of reversals and recoveries	500 531	(2 269 693)	2 889 236	(2 529 197)	-	(2 487)	2 867 237	(2 792 369)	4 686 030	(10 808 674)
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 December 2019 and 2018**

(Expressed in EUR)

	Nostrum Mortgage No.2		Silk Finance No.4		CMEC Volta Electricity Receivables		EnergyOn No.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest and similar income	57 793 471	64 406 999	34 708 658	41 674 864	-	2 221 505	9 307 597	10 720 405	139 100 500	152 132 638
Interest expense and similar charges	(41 935 319)	(57 924 857)	(29 022 981)	(35 363 663)	-	(2 039 959)	(8 186 638)	(9 821 837)	(144 724 541)	(216 623 848)
Net interest income	15 858 152	6 482 142	5 685 676	6 311 201	-	181 546	1 120 959	898 567	(5 624 040)	(64 491 211)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(14 273 650)	623 619	982 166	922 971	-	-	(943 669)	(711 440)	11 072 036	94 427 605
General and administrative costs	(856 175)	(889 597)	(5 685 675)	(6 311 201)	-	(181 546)	(177 290)	(187 127)	(8 423 532)	(11 988 585)
Total operating income/(expense)	(15 129 825)	(265 978)	(4 703 510)	(5 388 230)	-	(181 546)	(1 120 959)	(898 567)	2 648 504	82 439 020
Impairment losses on loans, net of reversals and recoveries	(728 327)	(6 216 165)	(982 167)	(922 971)	-	-	-	-	2 975 536	(17 947 810)
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 December 2019 and 2018**

(Expressed in EUR)

	EnergyOn No.2		Volta II Electricity Receivables Securitisation Notes		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest and similar income	2 605 152	2 991 263	-	46 406	20 953	1 829 574	6 146 187	10 129 333	147 872 792	167 129 214
Interest expense and similar charges	(2 229 074)	(2 688 298)	-	33 093	45 611	(1 609 626)	(5 875 107)	(9 806 322)	(152 783 111)	(230 695 001)
Net interest income	376 078	302 966	-	79 500	66 563	219 948	271 080	323 011	(4 910 319)	(63 565 788)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(244 110)	(165 357)	-	-	-	-	-	-	10 827 926	94 262 248
General and administrative costs	(131 968)	(137 608)	-	(79 500)	(66 563)	(219 948)	(271 080)	(323 011)	(8 893 143)	(12 748 651)
Total operating income/(expense)	(376 078)	(302 966)	-	(79 500)	(66 563)	(219 948)	(271 080)	(323 011)	1 934 783	81 513 596
Impairment losses on loans, net of reversals and recoveries	-	-	-	-	-	-	-	-	2 975 536	(17 947 810)
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 December 2019 and 2018**

(Expressed in EUR)

	Volta V Electricity Receivables		Volta VI Electricity Receivables		Volta VII Electricity Receivables		Chaves Funding No.8		Total	
	Securitisation Notes		Securitisation Notes		Securitisation Notes					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest and similar income	3 425 555	4 735 135	6 843 855	4 013 368	1 814 695	-	5 315 420	-	165 272 317	175 877 717
Interest expense and similar charges	(3 138 238)	(4 434 655)	(6 541 446)	(3 874 741)	(1 641 740)	-	(5 057 626)	-	(169 162 161)	(239 004 397)
Net interest income	287 317	300 480	302 408	138 627	172 955	-	257 794	-	(3 889 844)	(63 126 681)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-	-	-	-	-	2 866 761	-	13 694 687	94 262 248
General and administrative costs	(287 317)	(300 480)	(302 408)	(138 627)	(172 955)	-	(257 794)	-	(9 913 618)	(13 187 759)
Total operating income/(expense)	(287 317)	(300 480)	(302 408)	(138 627)	(172 955)	-	2 608 967	-	3 781 069	81 074 489
Impairment losses on loans, net of reversals and recoveries	-	-	-	-	-	-	(2 866 761)	-	108 775	(17 947 810)
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Balance Sheet
for the years ended 31 December 2019 and 2018**

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Aqua NPL No.1		BBVA Portugal RMBS no.1		Sub-total	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Assets										
Deposits at other Credit Institutions	11 593 421	30 006 806	3 547 033	4 587 497	-	-	-	-	15 140 454	34 594 304
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	-	-
Loans to customers	113 755 709	169 928 067	85 245 992	96 452 265	-	-	-	-	199 001 701	266 380 332
Intangible assets	-	-	-	-	-	-	-	-	-	-
Other assets	2 156	2 295	10 270	10 362	-	-	-	-	12 425	12 657
Total Assets	125 351 286	199 937 168	88 803 294	101 050 125	-	-	-	-	214 154 581	300 987 292
Liabilities										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	125 207 068	199 821 219	88 764 016	100 971 287	-	-	-	-	213 971 084	300 792 506
Other liabilities	144 218	115 949	39 279	78 837	-	-	-	-	183 497	194 787
Total Liabilities	125 351 286	199 937 168	88 803 295	101 050 125	-	-	-	-	214 154 581	300 987 292
Equity										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	125 351 286	199 937 168	88 803 295	101 050 125	-	-	-	-	214 154 581	300 987 292



**Balance Sheet
for the years ended 31 December 2019 and 2018**

(Expressed in EUR)

	Castilho Mortgages No.1		Chaves Funding No.7		Lusitano Finance No.3		Pelican Finance No.1		Sub-total	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Assets										
Deposits at other Credit Institutions	-	39 988 686	-	6 011 950	-	-	20 349 087	22 874 341	35 489 541	103 469 281
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	-	-
Loans to customers	-	902 952 238	-	192 205 272	-	-	110 882 107	179 037 153	309 883 809	1 540 574 996
Intangible assets	-	-	-	-	-	-	-	-	-	-
Other assets	-	24 886 675	-	4 583	-	-	3 070	3 411	15 495	24 907 326
Total Assets	-	967 827 600	-	198 221 805	-	-	131 234 264	201 914 906	345 388 845	1 668 951 602
Liabilities										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	23 517	-	-	-	-	-	23 517
Other financial liabilities	-	967 603 450	-	197 985 696	-	-	130 679 562	200 983 063	344 650 646	1 667 364 714
Other liabilities	-	224 150	-	212 592	-	-	554 702	931 843	738 199	1 563 371
Total Liabilities	-	967 827 600	-	198 221 805	-	-	131 234 264	201 914 906	345 388 845	1 668 951 602
Equity										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	-	967 827 600	-	198 221 805	-	-	131 234 264	201 914 906	345 388 845	1 668 951 602



Balance Sheet
for the years ended 31 December 2019 and 2018

(Expressed in EUR)

	Nostrum Mortgage No.2		Silk Finance No.4		CMEC Volta Electricity Receivables		EnergyOn No.1		Sub-total	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Assets										
Deposits at other Credit Institutions	136 039 819	160 193 924	37 489 664	11 231 541	-	10 164 221	13 100 276	13 130 506	222 119 300	298 189 473
Balances due from other Credit Institutions	21 307 783	24 819 072	-	-	-	-	2 500 000	2 500 000	23 807 783	27 319 072
Loans to customers	3 060 808 059	3 346 340 105	420 217 119	605 330 174	-	9 727 419	481 529 448	571 702 896	4 272 438 435	6 073 675 590
Intangible assets	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	17 053 352	3 404 921	-	-	1 701	2 006	17 070 548	28 314 253
Total Assets	3 218 155 661	3 531 353 102	474 760 136	619 966 637	-	19 891 640	497 131 424	587 335 407	4 535 436 066	6 427 498 388
Liabilities										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	23 713 393	23 352 856	-	-	-	-	12 217 317	13 287 848	35 930 710	36 664 221
Other financial liabilities	3 172 970 564	3 482 956 728	473 694 287	618 602 358	-	19 856 039	482 375 917	571 523 798	4 473 691 414	6 360 303 638
Other liabilities	21 471 705	25 043 518	1 065 848	1 364 279	-	35 600	2 538 190	2 523 761	25 813 942	30 530 529
Total Liabilities	3 218 155 661	3 531 353 102	474 760 136	619 966 637	-	19 891 640	497 131 424	587 335 407	4 535 436 066	6 427 498 388
Equity										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	3 218 155 661	3 531 353 102	474 760 136	619 966 637	-	19 891 640	497 131 424	587 335 407	4 535 436 066	6 427 498 388



**Balance Sheet
for the years ended 31 December 2019 and 2018**

	EnergyOn No.2		Volta II Electricity Receivables Securitisation Notes		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		<i>(Expressed in EUR)</i> Sub-total	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018
	<i>Assets</i>									
Deposits at other Credit Institutions	4 585 645	4 600 244	-	-	-	11 751 823	14 359 190	15 288 834	241 064 135	329 830 374
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	23 807 783	27 319 072
Loans to customers	168 905 347	200 535 348	-	-	-	11 311 639	165 938 623	315 461 572	4 607 282 405	6 600 984 149
Intangible assets	-	-	-	-	-	-	-	-	-	-
Other assets	1 781	2 101	-	-	-	-	-	-	17 072 329	28 316 353
Total Assets	173 492 774	205 137 693	-	-	-	23 063 462	180 297 813	330 750 406	4 889 226 653	6 986 449 948
<i>Liabilities</i>										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	3 393 219	3 623 158	-	-	-	-	-	-	39 323 929	40 287 379
Other financial liabilities	170 069 602	201 496 350	-	-	-	23 025 029	180 263 941	330 724 057	4 824 024 957	6 915 549 075
Other liabilities	29 953	18 185	-	-	-	38 433	33 872	26 348	25 877 767	30 613 495
Total Liabilities	173 492 774	205 137 693	-	-	-	23 063 462	180 297 813	330 750 406	4 889 226 653	6 986 449 948
<i>Equity</i>										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	173 492 774	205 137 693	-	-	-	23 063 462	180 297 813	330 750 406	4 889 226 653	6 986 449 948



Balance Sheet
for the years ended 31 December 2019 and 2018

(Expressed in EUR)

	Volta V Electricity Receivables Securitisation Notes		Volta VI Electricity Receivables Securitisation Notes		Volta VII Electricity Receivables Securitisation Notes		Chaves Funding No.8		Total	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018	31-12-2019	31-12-2018
<i>Assets</i>										
Deposits at other Credit Institutions	13 590 988	13 943 080	15 461 885	2 789 505	10 055 542	-	8 566 825	-	303 098 565	361 851 792
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	23 807 783	27 319 072
Loans to customers	311 763 165	459 788 806	502 665 683	649 050 446	423 924 443	-	321 540 533	-	6 333 114 851	8 025 284 972
Intangible assets	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	4 970	-	17 077 299	28 316 353
Total Assets	325 354 152	473 731 885	518 127 568	651 839 951	433 979 986	-	330 112 327	-	5 913 006 185	8 442 772 190
<i>Liabilities</i>										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	39 323 929	40 287 379
Other financial liabilities	325 319 332	473 705 355	518 090 217	651 805 202	433 935 513	-	329 941 872	-	6 611 575 831	8 371 783 690
Other liabilities	34 820	26 530	37 351	34 748	44 473	-	170 456	-	26 198 739	30 701 122
Total Liabilities	325 354 152	473 731 885	518 127 568	651 839 951	433 979 986	-	330 112 327	-	6 677 098 498	8 442 772 190
<i>Equity</i>										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	325 354 152	473 731 885	518 127 568	651 839 951	433 979 986	-	330 112 327	-	6 496 800 686	8 112 021 784



**Cash Flow Statement
for the year ended 31 December 2019 and 2018**

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Aqua NPL No.1		BBVA Portugal RMBS no.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities										
Other receivables/(payments) associated with the operating activities	(312 695)	(412 243)	(125 538)	(171 570)	-	(120 555)	-	(1 288 182)	(438 234)	(1 992 550)
<i>Cash flows arising from operating activities</i>	<u>(312 695)</u>	<u>(412 243)</u>	<u>(125 538)</u>	<u>(171 570)</u>	<u>-</u>	<u>(120 555)</u>	<u>-</u>	<u>(1 288 182)</u>	<u>(438 234)</u>	<u>(1 992 550)</u>
Investing activities										
Receivables:										
Customer loans	54 113 447	15 980 865	17 997 060	14 241 657	-	4 411 136	-	919 319 965	72 110 507	953 953 623
Interest income	7 148 475	8 558 661	1 478 261	1 188 785	-	-	-	3 345 067	8 626 735	13 092 513
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flow arising from investing activities</i>	<u>61 261 922</u>	<u>24 539 526</u>	<u>19 475 321</u>	<u>15 430 442</u>	<u>-</u>	<u>4 411 136</u>	<u>-</u>	<u>922 665 032</u>	<u>80 737 243</u>	<u>967 046 136</u>
Financing activities										
Receivables:										
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Payments:										
Debt securities issued	(74 082 290)	-	(12 158 064)	(13 231 595)	-	(4 889 280)	-	(915 628 760)	(86 240 355)	(933 749 634)
Interest expenses	(5 280 322)	(7 333 481)	(8 232 182)	(2 215 576)	-	(149 763)	-	(93 319 578)	(13 512 503)	(103 018 399)
<i>Cash flow arising from financing activities</i>	<u>(79 362 612)</u>	<u>(7 333 481)</u>	<u>(20 390 246)</u>	<u>(15 447 172)</u>	<u>-</u>	<u>(5 039 043)</u>	<u>-</u>	<u>(1 008 948 338)</u>	<u>(99 752 858)</u>	<u>(1 036 768 033)</u>
Net changes in cash and cash equivalents	(18 413 385)	16 793 803	(1 040 464)	(188 300)	-	(748 462)	-	(87 571 488)	(19 453 849)	(71 714 447)
Cash and cash equivalents balance at the beginning of the year	30 006 807	13 213 004	4 587 497	4 775 797	-	748 462	-	87 571 488	34 594 304	106 308 751
Cash and cash equivalents balance at the end of the year	11 593 421	30 006 807	3 547 034	4 587 497	-	-	-	-	15 140 456	34 594 303
Deposits at other Credit Institutions	11 593 421	30 006 806	3 547 033	4 587 497	-	-	-	-	15 140 454	34 594 304



**Cash Flow Statement
for the year ended 31 December 2019 and 2018**

(Expressed in EUR)

	Castilho Mortgages No.1		Chaves Funding No. 7		Lusitano Finance No.3		Pelican Finance No.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities										
Other receivables/(payments) associated with the operating activities	(472 383)	(1 271 760)	(714 403)	(1 011 813)	-	(123 624)	(298 284)	(422 533)	(1 923 304)	(4 822 280)
<i>Cash flows arising from operating activities</i>	<u>(472 383)</u>	<u>(1 271 760)</u>	<u>(714 403)</u>	<u>(1 011 813)</u>	<u>-</u>	<u>(123 624)</u>	<u>(298 284)</u>	<u>(422 533)</u>	<u>(1 923 304)</u>	<u>(4 822 280)</u>
Investing activities										
Receivables:										
Customer loans	926 127 393	67 068 926	194 200 138	(118 626 949)	-	43 624 362	66 458 676	92 777 570	1 258 896 715	1 038 797 532
Interest income	1 939 060	4 358 076	7 651 225	10 336 275	-	882 396	15 188 408	17 636 890	33 405 428	46 306 150
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flow arising from investing activities</i>	<u>928 066 453</u>	<u>71 427 002</u>	<u>201 851 363</u>	<u>(108 290 674)</u>	<u>-</u>	<u>44 506 758</u>	<u>81 647 084</u>	<u>110 414 460</u>	<u>1 292 302 143</u>	<u>1 085 103 683</u>
Financing activities										
Receivables:										
Debt securities issued	-	-	50 828 747	120 727 142	-	-	-	-	50 828 747	120 727 142
Payments:										
Debt securities issued	(936 053 383)	(92 315 370)	(249 912 586)	(1 258 995)	-	(58 912 668)	(70 298 139)	(97 638 644)	(1 342 504 462)	(1 183 875 312)
Interest expenses	(31 529 374)	(4 533 196)	(8 042 571)	(6 908 182)	-	(1 509 401)	(13 575 915)	(14 978 399)	(66 660 363)	(130 947 576)
	-	-	(22 500)	-	-	-	-	-	(22 500)	-
<i>Cash flow arising from financing activities</i>	<u>(967 582 756)</u>	<u>(96 848 566)</u>	<u>(207 148 910)</u>	<u>112 559 965</u>	<u>-</u>	<u>(60 422 069)</u>	<u>(83 874 054)</u>	<u>(112 617 043)</u>	<u>(1 358 358 579)</u>	<u>(1 194 095 746)</u>
Net changes in cash and cash equivalents	(39 988 686)	(26 693 324)	(6 011 950)	3 257 478	-	(16 038 935)	(2 525 254)	(2 625 116)	(67 979 739)	(113 814 344)
Cash and cash equivalents balance at the beginning of the year	39 988 687	66 682 011	6 011 950	2 754 472	(0)	16 038 935	22 874 341	25 499 457	103 469 281	217 283 625
Cash and cash equivalents balance at the end of the year	<u>39 988 687</u>	<u>66 682 011</u>	<u>0</u>	<u>6 011 950</u>	<u>0</u>	<u>0</u>	<u>20 349 087</u>	<u>22 874 341</u>	<u>35 489 543</u>	<u>103 469 279</u>
Deposits at other Credit Institutions	-	39 988 686	-	6 011 950	-	-	20 349 087	22 874 341	35 489 541	103 469 281



**Cash Flow Statement
for the year ended 31 December 2019 and 2018**

(Expressed in EUR)

	Nostrum Mortgage No.2		Silk Finance No.4		CMEC Volta Electricity Receivables		EnergyOn No.1		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities										
Other receivables/(payments) associated with the operating activities	(847 779)	(909 618)	(5 949 933)	(6 335 462)	(58 776)	(172 537)	(162 556)	2 297 371	(8 942 349)	(9 942 526)
<i>Cash flows arising from operating activities</i>	<u>(847 779)</u>	<u>(909 618)</u>	<u>(5 949 933)</u>	<u>(6 335 462)</u>	<u>(58 776)</u>	<u>(172 537)</u>	<u>(162 556)</u>	<u>2 297 371</u>	<u>(8 942 349)</u>	<u>(9 942 526)</u>
Investing activities										
Receivables:										
Customer loans	284 553 596	291 425 695	169 152 455	14 038	9 534 414	114 412 968	90 173 448	86 244 106	1 812 310 628	1 530 894 340
Interest income	74 692 116	83 100 478	36 004 487	42 032 983	218 497	3 098 685	17 807 357	20 916 320	162 127 884	195 454 616
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flow arising from investing activities</i>	<u>359 245 712</u>	<u>374 526 173</u>	<u>205 156 942</u>	<u>42 047 021</u>	<u>9 752 911</u>	<u>117 511 653</u>	<u>107 980 805</u>	<u>107 160 426</u>	<u>1 974 438 513</u>	<u>1 726 348 956</u>
Financing activities										
Receivables:										
Debt securities issued	-	-	-	-	-	-	-	-	50 828 747	120 727 142
Payments:										
Debt securities issued	(292 607 440)	(299 427 729)	(142 932 459)	-	(19 781 441)	(116 176 426)	(88 497 468)	(87 080 000)	(1 886 323 270)	(1 686 559 467)
Interest expenses	(89 944 598)	(52 199 866)	(30 016 427)	(35 143 715)	(76 915)	(2 479 316)	(19 351 011)	(22 433 839)	(206 049 314)	(243 204 311)
<i>Cash flow arising from financing activities</i>	<u>(382 552 038)</u>	<u>(351 627 594)</u>	<u>(172 948 885)</u>	<u>(35 143 715)</u>	<u>(19 858 356)</u>	<u>(118 655 742)</u>	<u>(107 848 479)</u>	<u>(109 513 839)</u>	<u>(2 041 543 837)</u>	<u>(1 809 036 637)</u>
Net changes in cash and cash equivalents	(24 154 105)	21 988 960	26 258 123	567 844	(10 164 221)	(1 316 626)	(30 230)	(56 042)	(76 070 173)	(92 630 207)
Cash and cash equivalents balance at the beginning of the year	160 193 924	138 204 964	11 231 541	10 663 697	10 164 221	11 480 847	13 130 506	13 186 548	298 189 475	390 819 681
Cash and cash equivalents balance at the end of the year	136 039 819	160 193 924	37 489 665	11 231 541	-	10 164 221	13 100 276	13 130 506	222 119 303	298 189 473
Deposits at other Credit Institutions	136 039 819	160 193 924	37 489 664	11 231 541	-	10 164 221	13 100 276	13 130 506	222 119 300	298 189 473



**Cash Flow Statement
for the year ended 31 December 2019 and 2018**

(Expressed in EUR)

	EnergyOn No.2		Volta II Electricity Receivables Securitisation Notes		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		Sub-total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities										
Other receivables/(payments) associated with the operating activities	(119 880)	(149 833)	-	(105 566)	(104 996)	(210 706)	(263 556)	(328 637)	(9 430 782)	(10 737 269)
<i>Cash flows arising from operating activities</i>	<u>(119 880)</u>	<u>(149 833)</u>	<u>-</u>	<u>(105 566)</u>	<u>(104 996)</u>	<u>(210 706)</u>	<u>(263 556)</u>	<u>(328 637)</u>	<u>(9 430 782)</u>	<u>(10 737 269)</u>
Investing activities										
Receivables:										
Customer loans	31 630 001	31 128 634	-	16 356 744	10 811 006	129 234 608	146 475 981	145 394 390	2 001 227 616	1 853 008 716
Interest income	6 310 765	7 354 600	-	956 170	521 586	6 756 496	9 193 155	10 274 746	178 153 391	220 796 628
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flow arising from investing activities</i>	<u>37 940 766</u>	<u>38 483 234</u>	<u>-</u>	<u>17 312 914</u>	<u>11 332 592</u>	<u>135 991 104</u>	<u>155 669 136</u>	<u>155 669 136</u>	<u>2 179 381 006</u>	<u>2 073 805 344</u>
Financing activities										
Receivables:										
Debt securities issued	-	-	-	-	-	-	-	-	50 828 747	120 727 142
Payments:										
Debt securities issued	(31 124 250)	(30 625 728)	-	(34 922 895)	(22 890 643)	(134 352 217)	(149 904 693)	(146 319 727)	(2 090 242 856)	(2 032 780 035)
Interest expenses	(6 711 235)	(7 744 965)	-	(157 367)	(88 775)	(2 126 641)	(6 430 530)	(9 928 183)	(219 279 854)	(263 161 467)
<i>Cash flow arising from financing activities</i>	<u>(37 835 484)</u>	<u>(38 370 693)</u>	<u>-</u>	<u>(35 080 262)</u>	<u>(22 979 418)</u>	<u>(136 478 858)</u>	<u>(156 335 224)</u>	<u>(156 247 910)</u>	<u>(2 258 693 963)</u>	<u>(2 175 214 360)</u>
Net changes in cash and cash equivalents	(14 599)	(37 292)	-	(17 872 915)	(11 751 823)	(698 460)	(929 644)	(907 412)	(88 766 239)	(112 146 285)
Cash and cash equivalents balance at the beginning of the year	4 600 244	4 637 536	-	17 872 915	11 751 823	12 450 282	15 288 834	16 196 246	329 830 375	441 976 660
Cash and cash equivalents balance at the end of the year	4 585 645	4 600 244	-	-	-	11 751 823	14 359 190	15 288 834	241 064 135	329 830 374
Deposits at other Credit Institutions	4 585 645	4 600 244	-	-	-	11 751 823	14 359 190	15 288 834	241 064 135	329 830 374



Cash Flow Statement for the year ended 31 December 2019 and 2018

(Expressed in EUR)

	Volta V Electricity Receivables Securitisation Notes		Volta VI Electricity Receivables Securitisation Notes		Volta VII Electricity Receivables Securitisation Notes		Chaves Funding no 8		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities										
Other receivables/(payments) associated with the operating activities	(279 027)	(301 186)	(299 805)	(103 879)	(128 482)	-	(169 604)	-	(10 330 200)	(11 142 333)
<i>Cash flows arising from operating activities</i>	(279 027)	(301 186)	(299 805)	(103 879)	(128 482)	-	(169 604)	-	(10 330 200)	(11 142 333)
Investing activities										
Receivables:										
Customer loans	141 246 903	131 445 103	143 664 510	-	(424 929 599)	-	(323 047 849)	-	1 538 161 580	1 984 453 819
Interest income	10 204 293	10 912 838	9 564 108	4 782 053	2 819 851	-	4 033 271	-	204 774 913	236 491 519
Payments:										
Loan Portfolio acquisition	-	-	-	(649 819 131)	-	-	-	-	-	(649 819 131)
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flow arising from investing activities</i>	151 451 196	142 357 941	153 228 618	(645 037 078)	(422 109 749)	-	(319 014 578)	-	1 742 936 493	1 571 126 206
Financing activities										
Receivables:										
Debt securities issued	-	-	-	652 163 000	-	-	-	-	50 828 747	772 890 142
Payments:										
Debt securities issued	(147 956 730)	(128 399 751)	(133 567 760)	(683 125)	(42 802 341)	-	-	-	(2 414 569 687)	(2 161 862 911)
Interest expenses	(3 567 531)	(4 903 036)	(6 688 672)	(3 549 413)	(1 224 886)	-	(1 789 081)	-	(232 550 024)	(271 617 433)
<i>Cash flow arising from financing activities</i>	(151 524 261)	(133 302 787)	(140 256 432)	647 930 462	(44 027 227)	-	(1 789 081)	-	(2 596 290 965)	(1 660 590 202)
Net changes in cash and cash equivalents	(352 092)	8 753 968	12 672 380	2 789 505	(466 265 458)	-	(320 973 263)	-	(863 684 672)	(100 606 329)
Cash and cash equivalents balance at the beginning of the year	13 943 080	5 189 112	2 789 505	-	476 321 000	-	329 540 088	-	1 152 424 047	447 169 288
Cash and cash equivalents balance at the end of the year	13 590 987	13 943 080	15 461 885	2 789 505	10 055 542	-	8 566 825	-	288 739 375	346 562 958
Deposits at other Credit Institutions	13 590 988	13 943 080	15 461 885	2 789 505	10 055 542	-	8 566 825	-	288 739 375	346 562 958



1 Aqua Finance No.4

On 11th July 2017, the Company carried out the transaction “Aqua Finance No. 4”. This transaction was for the acquisition of consumer credit portfolio of Montepio Crédito - IFC, S.A. issuing securitized bonds divided into 3 tranches: € 140.000.000 Class A, € 15.000.000 Class B, € 45,200,000 Class C. The first two were issued at par, while tranche C was issued with a premium (100.0599595). These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31st December 2019 were as follows:

	Moddy's	DBRS
Class A	A1	A (low)
Class B	Baa3	BBB (low)
Class C	-	-

The remuneration of the first two tranches is indexed to the three-month Euribor plus a 1.05% spread for Class A and a 2.65% spread for Class B (cap rate of 5%). The Class C bonds have no set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in February 2019, ending on 23rd June 2035, the legal maturity date for all the tranches.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under consumer and auto loans.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.



Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Aqua Finance No.4					
Class A-Notes	June 2035	65 917 710	EUR 3 M + 1.05%	0.67%	0.73%
Class B-Notes	June 2035	15 000 000	EUR 3 M + 2.65%	2.27%	2.33%
Class C-Notes	June 2035	45 200 000	-	-	0.00%
		126 117 710			

The line “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. This issuance includes two tranches of bonds (“Class A Notes” and “Class B Notes”) with variable remuneration at the 3-month Euribor plus a 1.05% and 2.65% spread, respectively, and a third tranche of bonds (“Class C Notes”) whose remuneration will be the difference between the amounts received and the remuneration paid to “Class A” and “Class B”. Each month, all amounts received from securitized credit interest and transferred to the Company are calculated. This amount is paid in full to the holder of the bonds.

The transaction’s financial statements are shown in reference to 31 December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	7 032 750	8 511 471
Interest expense and similar charges	(6 704 932)	(8 120 242)
Net interest income	327 818	391 229
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	1 678 512	933 494
General and administrative costs	(327 818)	(391 229)
Total operating income/(expense)	1 350 695	542 265
Impairment losses on loans, net of reversals and recoveries	(1 678 512)	(933 494)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	11 593 421	30 006 806
Balances due from other Credit Institutions	-	-
Loans to customers	113 755 709	169 928 067
Intangible assets	-	-
Other assets	2 156	2 295
Total Assets	<u>125 351 286</u>	<u>199 937 168</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	125 207 068	199 821 219
Other liabilities	144 218	115 949
Total Liabilities	<u>125 351 286</u>	<u>199 937 168</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>125 351 286</u>	<u>199 937 168</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(312 695)	(412 243)
<i>Cash flows arising from operating activities</i>	<u>(312 695)</u>	<u>(412 243)</u>
Investing activities		
Receivables:		
Customer loans	54 113 447	15 980 865
Interest income	7 148 475	8 558 661
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>61 261 922</u>	<u>24 539 526</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(74 082 290)	-
Interest expenses	(5 280 322)	(7 333 481)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(79 362 612)</u>	<u>(7 333 481)</u>
Net changes in cash and cash equivalents	(18 413 385)	16 793 803
Cash and cash equivalents balance at the beginning of the year	30 006 807	13 213 004
Cash and cash equivalents balance at the end of the year	<u>11 593 421</u>	<u>30 006 807</u>
Deposits at other Credit Institutions	11 593 421	30 006 806



1.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	7 032 750	8 511 471
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	7 032 750	8 511 471
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(6 664 030)	(8 121 751)
Interest from deposits	(42 411)	-
Interest from other financial liabilities	-	-
Premium bond issue	1509	1509
	(6 704 932)	(8 120 242)
<i>Net interest income</i>	327 818	391 229

1.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit or loss

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	1 678 512	933 494
	1 678 512	933 494
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	-	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	1 678 512	933 494

In “Other gains/ (other losses) arising from financial operations” is included the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 1.8).



1.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	-	-
Audit fee	(27 491)	(9 684)
CMVM	(3 310)	(2 820)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	(5 000)	(5 000)
Euronext	(43)	-
Interbolsa	(6 032)	(5 752)
Irish stock exchange fee	-	-
Issuer fee	(70 139)	(70 139)
Legal Fee	-	(338)
Other	-	-
Paying Agent fee	(4 160)	(4 160)
Rating Agency fee	(22 171)	(21 525)
Service fee	(175 952)	(258 291)
Transcation Manager	(13 520)	(13 520)
	(327 818)	(391 229)

1.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(1 678 512)	(1 145 314)
Reversal of impairment losses	-	211 819
	(1 678 512)	(933 494)

1.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	4 593 421	23 006 806
Cash Reserve	7 000 000	7 000 000
Liquidity Account	-	-
	11 593 421	30 006 806

In "Deposits" are registered the demand deposits at Deutsche Bank, AG – London.

1.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	113 587 621	170 274 234
Overdue loans	3 667 851	1 392 779
Portfolio acquisition premium/(discount)	-	-
Overdue interest	108 970	95 685
Accrued interest	256 903	372 628
Impairment	(3 865 636)	(2 207 259)
	113 755 709	169 928 067



In "Loans and advances to customers" it is recorded the nominal value of the credit acquired under the securitization transaction totalling € 193,227,102 minus amounts for interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest. Amounts for capital receipts, buybacks of new credit and write-offs have the following breakdown:

<i>(Expressed in EUR)</i>					
Year	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2017	193 227 102	(48 109 199)	42 636 708	-	187 754 611
2018	187 754 611	(71 881 929)	55 794 331	-	171 667 013
2019	171 667 013	(60 661 169)	6 547 722	(298 094)	117 255 472

Changes in impairment for credit risks have the following breakdown:

<i>(Expressed in EUR)</i>		
Description	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(2 207 260)	(1 273 765)
Impairment losses	(1 678 512)	(1 145 314)
Reversals of impairment losses	-	211 819
Loans Written-off	20 135	-
Balance on 31 December	(3 865 637)	(2 207 260)

In "Loan impairment" it is recorded the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.

The impairment for recorded credit is affected by the Deemed Principal Loss (DPL) policy defined in the operation's prospectus.

1.7 Other assets

<i>(Expressed in EUR)</i>		
Description	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	2 156	2 295
	2 156	2 295

In "Up- front fee" it is recorded the amount not yet recognized in the results for the initial fee paid for the transaction, which is deferred until maturity, representing the services performed by the Company for the transaction.



1.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	126 117 710	200 200 000
Accrued interest	603 293	1 076 790
Issued notes premium	23 369	24 878
Issued notes discount	-	-
Others	(1 537 304)	(1 480 449)
	125 207 068	199 821 219

In the line "Other" it is being registered the estimation (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2019.

According to the established, the bonds' repayment date began in February 2019, ending in June 2035, legal maturity data for all tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2017	200 200 000	-	200 200 000
2018	200 200 000	-	200 200 000
2019	200 200 000	(74 082 290)	126 117 710

1.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	-	-
Audit fee	17 835	-
Issuer fee	5 833	5 833
Others	108 970	95 685
Paying agent fee	-	-
Service fee	10 452	13 304
Transaction Manager	1 127	1 127
Other Payable	-	-
	144 218	115 949

In the line "others", it is recorded the consideration for overdue interest recognized in "Loans to customers" (nota 1.6). This interest will not be recognized in the results for the year until it is received.



2. Aqua Mortgage No. 1

On 9th December 2008, the Company carried out the transaction “Aqua Mortgage No. 1”. This transaction was for the acquisition of a mortgage portfolio of Finibanco, S.A. in the amount of € 233,000,000 and the respective issuance of securitized bonds divided into 3 tranches: € 203,176,000 Class A, € 29,824,000 Class B, € 3,500,000 Class C. The first two were issued at par, while tranche C was issued with a premium of € 925,000. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31 December 2019 were as follows:

	S&P	DBRS
Class A	A+	AA (high)
Class B	-	-
Class C	-	-

The remuneration of the first two tranches is indexed to the six-month Euribor plus a 0.15% spread for Class A and a 0.40% spread for Class B. The Class C bonds have no set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in January 2011, ending on December 2063, the legal maturity date for all of the tranches.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under mortgage agreements (including housing loans granted under Decree Law no. 348/98 of 11 November).

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Aqua Mortgage No. 1					
Class A-Notes	December 2063	65 596 503	EUR 6 M + 0,15%	0.00%	0.00%
Class B-Notes	December 2063	21 080 228	EUR 6 M + 0,40%	0.64%	0.14%
Class C-Notes	December 2063	3 500 000	-	-	-
		90 176 732			



In “Debt securities issued” is recorded the carrying value of securitization bonds within the scope of the securitization transaction. This issuance includes two tranches of bonds (“Class A Notes” and “Class B Notes”) with variable remuneration at the six-month Euribor plus a 0.15% and 0.40% spread, respectively, and a third tranche of bonds (“Class C Notes”) whose remuneration will be the difference between the amounts received and the remuneration paid to “Class A” and “Class B”. Each month, all amounts received from securitized credit interest and transferred to the Company are calculated. This amount is paid in full to the holder of the bonds.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	8 625 384	3 919 678
Interest expense and similar charges	(8 490 603)	(3 758 874)
Net interest income	134 780	160 804
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(107 538)	4 441 417
General and administrative costs	(134 780)	(160 804)
Total operating income/(expense)	(242 318)	4 280 613
Impairment losses on loans, net of reversals and recoveries	107 538	(4 441 417)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	3 547 033	4 587 497
Balances due from other Credit Institutions	-	-
Loans to customers	85 245 992	96 452 265
Intangible assets	-	-
Other assets	10 270	10 362
Total Assets	<u>88 803 295</u>	<u>101 050 125</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	88 764 016	100 971 287
Other liabilities	39 279	78 837
Total Liabilities	<u>88 803 295</u>	<u>101 050 125</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>88 803 295</u>	<u>101 050 125</u>

Off – balance sheet accounts (note 2.10)

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(125 538)	(171 570)
<i>Cash flows arising from operating activities</i>	<u>(125 538)</u>	<u>(171 570)</u>
Investing activities		
Receivables:		
Customer loans	17 997 060	14 241 657
Interest income	1 478 261	1 188 785
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>19 475 321</u>	<u>15 430 442</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(12 158 064)	(13 231 595)
Interest expenses	(8 232 182)	(2 215 576)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(20 390 246)</u>	<u>(15 447 172)</u>
Net changes in cash and cash equivalents	(1 040 464)	(188 300)
Cash and cash equivalents balance at the beginning of the year	<u>4 587 497</u>	<u>4 775 797</u>
Cash and cash equivalents balance at the end of the year	<u>3 547 034</u>	<u>4 587 497</u>
Deposits at other Credit Institutions	3 547 033	4 587 497



2.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	8 210 217	3 540 407
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	415 166	379 271
	<u>8 625 384</u>	<u>3 919 678</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(8 507 410)	(3 775 681)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	16 807	16 807
	<u>(8 490 603)</u>	<u>(3 758 874)</u>
<i>Net interest income</i>	<u>134 780</u>	<u>160 804</u>

As defined in the transaction's prospectus, the excess of the Cash Reserve is distributed in the form of interest to Class C holders and is recorded under the heading Interest on securities issued. Because the Cash Reserve was issued with the issuance of Class C permits, an impairment on them is permitted (see Note 2.8) against other interest.

2.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	(107 538)	4 441 417
	<u>(107 538)</u>	<u>4 441 417</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	<u>-</u>	<u>-</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(107 538)</u>	<u>4 441 417</u>

In “Other gains/ (other losses) arising from financial operations” is it being included the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 2.8).



2.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(12 480)	(12 480)
Audit fee	(21 033)	(22 841)
CMVM	(1 748)	(1 462)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	-
Irish stock exchange fee	(3 690)	(2 214)
Issuer fee	(14 700)	(16 536)
Legal Fee	-	(15 993)
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	(30 944)	(30 944)
Service fee	(50 186)	(58 334)
Transaction Manager	-	-
	(134 780)	(160 804)

2.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(7 743)	(4 441 417)
Reversal of impairment losses	115 280	
	107 538	(4 441 417)

2.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	925 471	1 550 769
Cash Reserve	2 621 562	3 036 729
Liquidity Account	-	-
	3 547 033	4 587 497

The line “Deposits” corresponds to demand deposits at Deutsche Bank, AG – London.



2.6 Loans to customers

Description	(Expressed in EUR)	
	31-12-2019	31-12-2018
Loans	86 564 943	99 695 858
Overdue loans	53 948	289 884
Portfolio acquisition premium/(discount)	-	-
Overdue interest	12 058	60 766
Accrued interest	29 683	38 106
Impairment	(1 414 640)	(3 632 349)
	85 245 992	96 452 265

In "Loans to customers" is being recorded the nominal value of the credit acquired under the securitization transaction totalling € 233,000,000 minus amounts for interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest. Amounts for capital receipts, buybacks of new credit and write-offs have the following breakdown:

Year	(Expressed in EUR)				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2008	233 000 000	(3 081 699)			229 918 301
2009	229 918 301	(23 056 808)	23 610 716		230 472 209
2010	230 472 209	(20 100 692)	21 741 901		232 113 418
2011	232 113 418	(18 494 067)			213 619 351
2012	213 619 351	(19 088 748)			194 530 603
2013	194 530 603	(19 714 316)		(2 720 366)	172 095 921
2014	172 095 921	(14 179 188)		(2 456 659)	155 460 074
2015	155 460 074	(11 919 788)		(2 016 811)	141 523 475
2016	141 523 475	(13 517 940)	-	(1 374 292)	126 631 243
2017	126 631 243	(11 857 283)	-	(1 801 729)	112 972 231
2018	112 972 231	(12 692 589)	-	(293 901)	99 985 742
2019	99 985 742	(17 997 060)	-	4 630 208	86 618 890

Changes in impairment for credit risks have the following breakdown:

Description	(Expressed in EUR)	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(3 632 349)	(1 840 788)
Impairment losses	(7 743)	(4 441 417)
Reversals of impairment losses	115 280	
Loans Written-off	2 110 171	2 649 856
Balance on 31 December	(1 414 640)	(3 632 349)

In the item "Loan impairment" is being recorded the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.



2.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	6 290	6 290
Up Front Fee	3 980	4 072
	10 270	10 362

In " Up- front fee" is being recorded the amount not yet recognized in the results for the initial fee paid for the transaction, which is deferred until maturity, representing the services performed by the Company for the transaction.

2.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	90 176 732	102 334 796
Accrued interest	189 665	702 037
Issued notes premium	739 015	755 822
Issued notes discount	-	-
Others	(2 341 395)	(2 821 368)
	88 764 016	100 971 287

In the line "Other" it is being registered the estimation (shortcoming)/surplus that would be assumed by the holders of the issued securities which results from (i) the impairment of the loan portfolio; and (ii) the fact that the prospectus of the transaction defines that the excess of Cash Reserve, which was constituted with the issuance of said class C bonds, is distributed in the form of interest to the holders of those bonds.

According to the established, the bonds' repayment date began in January 2011, ending in December 2063, legal maturity data for all tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	Initial amount	<i>(Expressed in EUR)</i>	
		Amortization	Ending balance
2011	236 500 000	(19 873 473)	216 626 527
2012	216 626 527	(21 304 892)	195 321 635
2013	195 321 635	(21 034 469)	174 287 166
2014	174 287 166	(15 559 839)	158 727 327
2015	158 727 327	(14 273 704)	144 453 623
2016	144 453 623	(15 488 474)	128 965 149
2017	128 965 149	(13 398 757)	115 566 391
2018	115 566 391	(13 231 595)	102 334 796
2019	102 334 796	(12 158 064)	90 176 732



2.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	1 040	1 040
Audit fee	21 076	11 421
Issuer fee	1 216	1 237
Others	12 058	60 766
Paying agent fee	-	-
Service fee	3 889	4 375
Transaction Manager	-	-
Other Payable	-	-
	39 279	78 837

The “Other Payable” records the corresponding entry to the overdue interest recognized in the item Loans to Customers (note 2.6). This interest will only be recognized in the income statement when received.

2.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	2 545 570	7 175 778
Assets received as collateral	317 546 116	351 886 772
Swap interest rate	-	-
	320 091 685	359 062 550

**3 Aqua NPL No. 1**

On 5th March 2015, the Company carried out the transaction “Aqua Mortgage No. 1”. This transaction was for the acquisition, for the price of € 12,727,000, of a “non-performing loan” consumer credit portfolio with a nominal value of € 160,000,072, from Montepio Crédito - IFC, S.A. along with the issuance of securitized bonds divided into two tranches issued with a premium: € 14,300,000 Class A Notes due 2025 and € 1,200,000 Class B Notes due 2025. These were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM). The difference between the nominal value of the loans and their acquisition cost was written off from the portfolio prior to its acquisition. In this way, the transaction may receive amounts up to the nominal value of the acquired loans.

The remuneration of Class A is fixed, with an annual rate of 8%. Class B does not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in April 2015, ending in March 2025, the legal maturity date for all of the tranches.

However, in 15th October 2018, the transaction had early final redemption.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Interest and similar income	-	1 392 052
Interest expense and similar charges	-	(1 293 955)
Net interest income	-	98 097
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	-	(98 097)
Total operating income/(expense)	-	(98 097)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>-</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	-
Other liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>-</u>



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	-	(120 555)
<i>Cash flows arising from operating activities</i>	-	(120 555)
Investing activities		
Receivables:		
Customer loans	-	4 411 136
Interest income	-	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	-	4 411 136
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	-	(4 889 280)
Interest expenses	-	(149 763)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	-	(5 039 043)
Net changes in cash and cash equivalents	-	(748 462)
Cash and cash equivalents balance at the beginning of the year		748 462
Cash and cash equivalents balance at the end of the year		748 462
Deposits at other Credit Institutions	-	-



3.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	-	1 392 052
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	-	1 392 052
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	-	(124 348)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	(1 169 607)
	-	(1 293 955)
<i>Net interest income</i>	-	98 097

3.2 General and administrative expenses

Description	(Expressed in EUR)	
	2019	2018
Agent bank fee	-	(7 020)
Audit fee	-	(13 576)
CMVM	-	(51)
Bank commissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	(1 478)
Irish stock exchange fee	-	-
Issuer fee	-	(37 500)
Legal Fee	-	(16 605)
Others	-	-
Paying Agent fee	-	(7 800)
Rating Agency fee	-	-
Service fee	-	(14 068)
Transaction Manager	-	-
	-	(98 097)

It was an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

**4 BBVA Portugal RMBS no.1**

On 30th December 2015, the Company carried out the transaction “BBVA Portugal RMBS No. 1”. This transaction entailed the acquisition of a mortgage portfolio from Banco Bilbao Vizcaya Argentaria (Portugal), S.A. for the price of € 1,119,470,000, including an acquisition premium of € 16,610,145 and the issuance of securitized bonds divided into 3 tranches: € 1,012,000.000 Class A, € 88,000,000 Class B and € 92,200,000 Class C. The 3 tranches were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The remuneration of the first two tranches is indexed to the three-month Euribor plus a 0.20% spread for Class A and a 0.40% spread for Class B. The Class C bonds have no set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in March 2016, ending in December 2057, the legal maturity date for all of the tranches.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under mortgage agreements.

On 15th October 2018 there was an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Interest and similar income	-	(12 827 669)
Interest expense and similar charges	-	(68 999 562)
Net interest income	-	(81 827 231)
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	80 663 285
General and administrative costs	-	(996 037)
Total operating income/(expense)	-	79 667 247
Impairment losses on loans, net of reversals and recoveries	-	2 159 984
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>-</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	-
Other liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	-	(1 288 182)
<i>Cash flows arising from operating activities</i>	-	(1 288 182)
Investing activities		
Receivables:		
Customer loans	-	919 319 965
Interest income	-	3 345 067
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	-	922 665 032
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	-	(915 628 760)
Interest expenses	-	(93 319 578)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	-	(1 008 948 338)
Net changes in cash and cash equivalents	-	(87 571 488)
Cash and cash equivalents balance at the beginning of the year	-	87 571 488
Cash and cash equivalents balance at the end of the year	-	-
Deposits at other Credit Institutions	-	-



4.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	-	2 988 835
Interest from deposits	-	-
Portfolio Acquisition premium	-	(15 816 504)
Other interest	-	-
	-	(12 827 669)
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	-	(86 903 466)
Interest from deposits	-	(635 811)
Interest from other financial liabilities	-	-
Premium bond issue	-	18 539 714
	-	(68 999 562)
<i>Net interest income</i>	-	(81 827 231)

4.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	(Expressed in EUR)	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	-	80 663 285
	-	80 663 285
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	-	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	-	80 663 285

In the items "Other gains/losses in financial operations" it is being included the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities



4.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	-	(5 073)
Audit fee	-	(21 721)
CMVM	-	(14 014)
Bank Comissions	-	(34 614)
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	(18 260)
Irish stock exchange fee	-	-
Issuer fee	-	(154 866)
Legal Fee	-	(1 845)
Others	-	-
Paying Agent fee	-	(3 120)
Rating Agency fee	-	(32 843)
Service fee	-	(709 682)
Transcation Manager	-	-
	-	(996 037)

4.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses		
Reversal of impairment losses		2 159 984
	-	2 159 984

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	0	(2 978 596)
Impairment losses	-	-
Reversals of impairment losses	-	2 159 984
Loans Written-off	-	818 612
Balance on 31 December	-	0

The item “loans impairment” records the estimated losses incurred at the end of the year determined according to the assessment of the objective evidence of impairment, as referred to in the accounting policy described in note 3.1.1.

**5 Castilho Mortgages No.1**

On 25th September 2013, the Company carried out the transaction “Castilho Mortgages No. 1”. This transaction was for the acquisition of a mortgage portfolio of Deutsche Bank AG (Portugal Branch) in the amount of € 1,332,764,298 and the respective issuance of securitized bonds divided into 4 tranches: € 1,132,800,000 Class A, € 199,900,000 Class B, € 40,500,000 Class C and €1 Variable Funding Note. The 4 tranches were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The remuneration of the first two tranches is indexed to the three-month Euribor plus a 0.3% spread for Class A and a 0.50% spread for Class B. The Class C bonds have no set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met, as stipulated in its terms and conditions. The Variable Funding Note only provides entitlement to receive borrowed capital.

On 28th February 2019, there was an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. This issuance corresponds to 4 tranches of bonds. The remuneration of the first two tranches is indexed to the three-month Euribor plus a 0.3% spread for Class A and a 0.50% spread for Class B. The Class C bonds have no set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met, as stipulated in its terms and conditions. The Variable Funding Note only provides entitlement to receive borrowed capital.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	(263 249)	5 750 415
Interest expense and similar charges	(29 469 490)	(4 538 417)
Net interest income	(29 732 739)	1 211 998
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	29 492 689	2 269 693
General and administrative costs	(260 481)	(1 211 998)
Total operating income/(expense)	29 232 208	1 057 695
Impairment losses on loans, net of reversals and recoveries	500 531	(2 269 693)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements.



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	39 988 686
Balances due from other Credit Institutions	-	-
Loans to customers	-	902 952 238
Intangible assets	-	-
Other assets	-	24 886 675
Total Assets	<u>-</u>	<u>967 827 600</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	967 603 450
Other liabilities	-	224 150
Total Liabilities	<u>-</u>	<u>967 827 600</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>967 827 600</u>

Off-balance sheet accounts (nota 5.10)

To be read with the notes attached to the financial statements.



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(472 383)	(1 271 760)
<i>Cash flows arising from operating activities</i>	<u>(472 383)</u>	<u>(1 271 760)</u>
Investing activities		
Receivables:		
Customer loans	926 127 393	67 068 926
Interest income	1 939 060	4 358 076
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>928 066 453</u>	<u>71 427 002</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(936 053 383)	(92 315 370)
Interest expenses	(31 529 374)	(4 533 196)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(967 582 756)</u>	<u>(96 848 566)</u>
Net changes in cash and cash equivalents	(39 988 686)	(26 693 324)
Cash and cash equivalents balance at the beginning of the year	39 988 687	66 682 011
Cash and cash equivalents balance at the end of the year	<u>39 988 687</u>	<u>39 988 687</u>
Deposits at other Credit Institutions	-	39 988 686



5.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	134 018	5 760 388
Interest from deposits	-	-
Portfolio Acquisition premium	(397 267)	(9 973)
Other interest	-	-
	(263 249)	5 750 415
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(29 469 490)	(4 538 417)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(29 469 490)	(4 538 417)
<i>Net interest income</i>	(29 732 739)	1 211 998

5.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	29 492 689	2 269 693
	29 492 689	2 269 693
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	-	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	29 492 689	2 269 693

The items “Other gains/ (other losses) arising from financial operations “include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 5.8).



5.3 General and Administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(1 213)	(7 280)
Audit fee	(51 241)	(1 057)
CMVM	(7 871)	(22 012)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(66)
Interbolsa	(9 133)	(19 984)
Irish stock exchange fee	-	-
Issuer fee	(32 757)	(168 044)
Legal Fee	(6 150)	(8 381)
Others	-	-
Paying Agent fee	(2 600)	(5 200)
Rating Agency fee	-	-
Service fee	(149 517)	(979 974)
Transcation Manager	-	-
	(260 481)	(1 211 998)

5.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(2 506)	(2 269 693)
Reversal of impairment losses	503 037	
	500 531	(2 269 693)

5.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	-	7 685
Cash Reserve	-	39 981 000
Liquidity Account	-	1
	-	39 988 686

The item “Deposits” corresponds to demand deposits at Deutsche Bank, AG – Portugal branch.



5.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	-	903 907 555
Overdue loans	-	68 808
Portfolio acquisition premium/(discount)	-	397 267
Overdue interest	-	7 831
Accrued interest	-	392 435
Impairment	-	(1 821 659)
	-	902 952 238

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 1,332,764,298, minus interim capital receipts and impairment losses, plus the amount of buybacks of new credit, accrued interest and financing costs for the portfolio's acquisition.

Amounts for interim capital receipts, buybacks of new credit and write-offs have the following breakdown:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2013	1 332 764 298	(26 405 170)	104		1 306 463 565
2014	1 306 463 565	(70 952 559)	46 618 446	(1 015 763)	1 281 113 689
2015	1 281 113 689	(83 692 476)		(3 187 523)	1 194 233 690
2016	1 194 233 690	(97 958 797)	-	(2 138 668)	1 094 136 226
2017	1 094 136 226	(97 294 079)	-	(1 422 812)	995 419 335
2018	995 419 335	(90 538 579)	-	(904 394)	903 976 363
2019	903 976 363	(903 976 363)	-	-	-

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(1 821 658)	(456 359)
Impairment losses	(2 506)	(2 269 693)
Reversals of impairment losses	503 037	
Loans Written-off	1 321 127	904 394
Balance on 31 December	(0)	(1 821 658)

The item "Loan impairment" records the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.



5.7 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	-	24 882 259
Up Front Fee	-	4 417
	-	24 886 675

The entire item "Receivable", in 2018, is for principal and interest already charged by the originator, but whose financial transfer to the transaction did not occur in 2019.

5.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	-	976 034 384
Accrued interest	-	2 059 884
Issued notes premium	-	-
Issued notes discount	-	-
Others	-	(10 490 818)
	-	967 603 450

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2013	1 373 200 001	-	1 373 200 001
2014	1 373 200 001	(519)	1 372 681 001
2015	1 372 681 001	-	1 372 681 001
2016	1 372 681 001	(74 802 230)	1 297 878 771
2017	1 297 878 771	(229 529 017)	1 068 349 754
2018	1 068 349 754	(92 315 370)	976 034 384
2019	976 034 384	(976 034 384)	-

5.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Audit fee	-	-
Service fee	-	180 337
Issuer fee	-	34 161
Agent bank fee	-	1 820
Transaction Manager	-	-
Paying agent fee	-	-
Others	-	7 831
Other Payable	-	-
	-	224 150



5.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	-	4 397 091
Assets received as collateral	-	2 988 235 102
Swap interest rate	-	-
	-	2 992 632 193

**6 Chaves Funding No. 7**

On 10th July 2017, the Company carried out the transaction “Chaves Funding No.7”. This transaction was for the acquisition of a portfolio of consumer credit lines and savings plans of 321 Crédito – IFC, S.A in the amount of € 28,800,000 and the respective issuance of securitized bonds divided into 2 tranches: € 25,800,000 Class A, € 17,000,000 Class B, Tranche A was issued at par and B was issued with a premium of € 22,575. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

Class A remunerations is indexed to 1-month Euribor plus a spread of 1.25%. Class B does not have a defined interest rate, with entitlement to amounts available after the transactions of the other responsibilities have been met, as stipulated in its terms and conditions.

On 21st June 2019, there was an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. This issuance corresponds to 2 tranches of bonds. The remuneration of the first tranche is indexed to the 1-month Euribor plus a 1.25% spread. The Class B bonds have no set interest rate, with entitlement to amounts available after the transactions of the other responsibilities have been met, as stipulated in its terms and conditions. The Variable Funding Note only provides entitlement to receive borrowed capital.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	6 907 527	10 819 430
Interest expense and similar charges	(6 227 961)	(9 745 152)
Net interest income	679 566	1 074 278
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(2 889 236)	2 489 710
General and administrative costs	(679 566)	(1 034 791)
Total operating income/(expense)	(3 568 803)	1 454 919
Impairment losses on loans, net of reversals and recoveries	2 889 236	(2 529 197)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	6 011 950
Balances due from other Credit Institutions	-	-
Loans to customers	-	192 205 272
Intangible assets	-	-
Other assets	-	4 583
Total Assets	<u>-</u>	<u>198 221 805</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	23 517
Other financial liabilities	-	197 985 696
Other liabilities	-	212 592
Total Liabilities	<u>-</u>	<u>198 221 805</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>198 221 805</u>

Off-balance sheet accounts (note 6.11)

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(714 403)	(1 011 813)
<i>Cash flows arising from operating activities</i>	<u>(714 403)</u>	<u>(1 011 813)</u>
Investing activities		
Receivables:		
Customer loans	194 200 138	(118 626 949)
Interest income	7 651 225	10 336 275
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>201 851 363</u>	<u>(108 290 674)</u>
Financing activities		
Receivables:		
Debt securities issued	50 828 747	120 727 142
Payments:		-
Debt securities issued	(249 912 586)	(1 258 995)
Interest expenses	(8 042 571)	(6 908 182)
Other equity instruments	(22 500)	-
<i>Cash flow arising from financing activities</i>	<u>(207 126 410)</u>	<u>112 559 965</u>
Net changes in cash and cash equivalents	(6 011 950)	3 257 478
Cash and cash equivalents balance at the beginning of the year	6 011 950	2 754 472
Cash and cash equivalents balance at the end of the year	<u>(0)</u>	<u>6 011 950</u>
Deposits at other Credit Institutions	-	6 011 950



6.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	6 907 527	10 819 430
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	6 907 527	10 819 430
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(6 248 653)	(9 746 900)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	20 692	1 748
	(6 227 961)	(9 745 152)
Net interest income	679 566	1 074 278

6.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	(Expressed in EUR)	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	23 517	34 068
Other gains arising financial operations		2 529 197
	23 517	2 563 265
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(23 517)	(39 387)
Other losses arising financial operations	(2 889 236)	(34 168)
	(2 912 753)	(73 555)
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(2 889 236)	2 489 710

The item profits/ (losses) in Operations with financial instruments –swaps includes fair value variations and the accrued interest on financial derivatives.

The items “Other gains/ (other losses) arising from financial operations “include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 6.9).



6.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	-	-
Audit fee	(89 816)	(17 716)
CMVM	(1 555)	(1 340)
Bank commissions	(300)	-
Commitment Fee	(111 712)	(427 380)
Common Representative	-	-
Euronext	-	-
Interbolsa	(6 837)	(5 996)
Irish stock exchange fee	-	-
Issuer fee	(37 916)	(68 616)
Legal Fee	(88 071)	(24 513)
Others	(24 105)	(84 140)
Paying Agent fee	-	-
Rating Agency fee	-	-
Service fee	(297 924)	(366 997)
Transaction Manager	(21 330)	(38 094)
	(679 566)	(1 034 791)

6.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(1 297 234)	(2 529 197)
Reversal of impairment losses	4 186 471	-
	2 889 236	(2 529 197)

6.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	-	5 311 060
Cash Reserve	-	700 890
Liquidity Account	-	-
	-	6 011 950

The item “Deposits” corresponds to demand deposits at Citibank.



6.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	-	194 746 225
Overdue loans	-	266 509
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	150 672
Accrued interest	-	743 698
Impairment	-	(3 701 831)
	-	192 205 272

The item "Loans and advances to customers" records the nominal value of the credit acquired under the securitization transaction, minus interim capital receipts and impairment losses, plus accrued interest.

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(3 701 832)	(2 430 545)
Impairment losses	(1 297 234)	(2 529 197)
Reversals of impairment losses	4 186 471	-
Loans Written-off	812 596	1 257 910
Balance on 31 December	(0)	(3 701 832)

The item "Loan impairment" records the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.

6.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	-	4 583
	-	4 583

6.8 Financial Assets held for trade

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Swap 1	-	0
Swap 2	-	0
Swap 3	-	126
Swap 4	-	636
Swap 5	-	22 746
Swap 6	-	9
	-	23 517

The items Swaps refers to the fair value of the interest rating swap operation, made in scope of Chaves Funding N°.7.



6.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	-	199 362 576
Accrued interest	-	3 408 188
Issued notes premium	-	20 692
Issued notes discount	-	-
Others	-	(4 805 760)
	-	197 985 696

6.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Audit fee	-	9 368
Service fee	-	43 007
Issuer fee	-	5 833
Agent bank fee	-	-
Transaction Manager	-	3 712
Paying agent fee	-	-
Others	-	150 672
Other Payable	-	-
	-	212 592

6.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	-	1 683 024
Assets received as collateral	-	-
Swap interest rate	-	175 000 000
	-	176 683 024



7 Chaves Funding No. 8

On 28th November 2019, the Company carried out the transaction “Chaves Funding No.8”. This transaction was for the acquisition of a portfolio of consumer credit portfolio of 321 Crédito – IFC.S.A and the respective issuance of securitized bonds divided into 2 tranches: € 294,975,000 Class A, issued at par due 2034 and € 16,025,000 Class B, issued at par due 2034. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

Class A remunerations is indexed to 1-Month Euribor plus a spread of 1.25%. Class B does not have a defined interest rate. Pursuant to the provisions of the contractual agreement, the bonds' remuneration is dependent on the assets' performance; in the event of these assets' delinquency, this is fully reflected in the remuneration of the bonds.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began 24 months after the closing date, on 28th November 2021, ending in November 2034, the legal maturity date for all of the tranches.

The credits assigned correspond to capital repayment benefits and the payment of interest and other amounts due to the assignor under consumer loan agreements.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Chaves Funding Nº. 8					
Class A-Notes	November 2034	312 588 083	Fixed	1.25%	n/a
Class B-Notes	November 2034	16 952 004			
		329 540 088			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. This issuance corresponds to 2 tranches of bonds. The remuneration of the first tranche is indexed to the one-month Euribor plus a 1.25% spread. The Class B bonds have no set interest rate, with entitlement to amounts available after the transactions of the other responsibilities have been met, as stipulated in its terms and conditions.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	5 315 420	-
Interest expense and similar charges	(5 057 626)	-
Net interest income	257 794	-
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	2 866 761	-
General and administrative costs	(257 794)	-
Total operating income/(expense)	2 608 967	-
Impairment losses on loans, net of reversals and recoveries	(2 866 761)	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	8 566 825	-
Balances due from other Credit Institutions	-	-
Loans to customers	321 540 533	-
Intangible assets	-	-
Other assets	4 970	-
Total Assets	<u>330 112 327</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	329 941 872	-
Other liabilities	170 456	-
Total Liabilities	<u>330 112 327</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>330 112 327</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(169 604)	-
<i>Cash flows arising from operating activities</i>	<u>(169 604)</u>	<u>-</u>
Investing activities		
Receivables:		
Customer loans	(323 047 849)	-
Interest income	4 033 271	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>(319 014 578)</u>	<u>-</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	-	-
Interest expenses	(1 789 081)	-
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(1 789 081)</u>	<u>-</u>
Net changes in cash and cash equivalents	(320 973 263)	-
Cash and cash equivalents balance at the beginning of the year	329 540 088	-
Cash and cash equivalents balance at the end of the year	<u>8 566 825</u>	<u>-</u>
Deposits at other Credit Institutions	8 566 825	-



7.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	5 315 420	-
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	5 315 420	-
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(5 057 626)	-
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(5 057 626)	-
<i>Net interest income</i>	257 794	-

7.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	(Expressed in EUR)	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	2 866 761	-
	2 866 761	-
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	-	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	2 866 761	-

The items “Other gains/ (other losses) arising from financial operations “include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 7.9).



7.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	-	-
Audit fee	(15 375)	-
CMVM	(10 000)	-
Bank commissions	-	-
Commitment Fee	(75 359)	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	-
Irish stock exchange fee	-	-
Issuer fee	(10 830)	-
Legal Fee	(1 867)	-
Others	-	-
Paying Agent fee	(1 040)	-
Rating Agency fee	-	-
Service fee	(135 523)	-
Transaction Manager	(7 800)	-
	(257 794)	-

7.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(2 866 761)	-
Reversal of impairment losses	-	-
	(2 866 761)	-



7.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	8 066 825	-
Cash Reserve	500 000	-
Liquidity Account	-	-
	8 566 825	-

The item “Deposits” corresponds to demand deposits at Citibank.

7.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	322 939 495	-
Overdue loans	108 355	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	77 296	-
Accrued interest	1 282 148	-
Impairment	(2 866 761)	-
	321 540 533	-

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 310,500,000, minus interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest.

Amounts for interim capital receipts, buybacks of new credit and write-offs have the following breakdown:

Year	<i>(Expressed in EUR)</i>				
	Beginning Balance	Reimbursement	Purchases	Write-off	Ending balance
2019	310 500 000	(12 013 728)	24 561 578	-	323 047 849

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	-	-
Impairment losses	(2 866 761)	-
Reversals of impairment losses	-	-
Loans Written-off	-	-
Balance on 31 December	(2 866 761)	-

The item “Loan impairment” records the estimated losses incurred on the year’s closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.



7.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	4 970	-
	4 970	-

7.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	329 540 088	-
Accrued interest	3 268 545	-
Issued notes premium	-	-
Issued notes discount	-	-
Others	(2 866 761)	-
	329 941 872	-

7.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Audit fee	15 375	-
Service fee	70 835	-
Issuer fee	5 400	-
Agent bank fee	-	-
Transaction Manager	1 550	-
Paying agent fee	-	-
Others	77 296	-
Other Payable	-	-
	170 456	-

The item “Other payables” includes the counterparty of the accrued interest already detailed on the item “Loans and advances to customers” (note 7.6). This interest will only be recognized when received.

**8 Lusitano Finance No. 3**

On 25th November 2011, the Company carried out the transaction “Lusitano Finance No. 3”. This transaction was for the acquisition of a portfolio of consumer credit lines and savings plans of Banco Espírito Santo, S.A. in the amount of €657,980,973 and the respective issuance of securitized bonds divided into 3 tranches: €450,700,000 Class A, €207,200,000 Class B, €20,000,000 Class C. Class C was issued at a premium. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The bonds' remuneration is indexed to the three-month Euribor, plus a spread of 1% and 2% for Class A and Class B, respectively. The Class C Bonds do not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 21st January 2012, ending on 21st October 2029, the legal maturity date for all of the tranches. Pursuant to the provisions of the contractual agreement, the bonds' remuneration (including the repayment of capital) is dependent on the assets' performance; in the event of these assets' delinquency, this is fully reflected in the remuneration of the bonds.

On 17th October 2018, there were an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

The item “Debt securities issued” records the carrying value of securitization bonds issued within the scope of the securitization transaction. This issuance includes three tranches of bonds (“Class A Notes” and “Class B Notes”) with variable remuneration indexed to the three-month Euribor plus a 1% and 2% spread, respectively, and a third tranche of bonds (“Class C Notes”) whose remuneration will be the difference between the amounts received and the remuneration paid to “Class A” and “Class B”. Each quarter, all amounts received from securitized credit interest and transferred to the transaction are calculated. This amount minus costs will be paid to the holders of the bonds.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Interest and similar income	-	(1 822 201)
Interest expense and similar charges	-	1 944 054
Net interest income	-	121 853
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	2 487
General and administrative costs	-	(121 853)
Total operating income/(expense)	-	(119 365)
Impairment losses on loans, net of reversals and recoveries	-	(2 487)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements.



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>-</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	-
Other liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	-	(123 624)
<i>Cash flows arising from operating activities</i>	-	(123 624)
Investing activities		
Receivables:		
Customer loans	-	43 624 362
Interest income	-	882 396
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	-	44 506 758
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	-	(58 912 668)
Interest expenses	-	(1 509 401)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	-	(60 422 069)
Net changes in cash and cash equivalents	-	(16 038 935)
Cash and cash equivalents balance at the beginning of the year	()	16 038 935
Cash and cash equivalents balance at the end of the year	()	()
Deposits at other Credit Institutions	-	-



8.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	-	1 112 915
Interest from deposits	-	-
Portfolio Acquisition premium	-	(2 935 116)
Other interest	-	-
	-	(1 822 201)
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	-	(1 220 717)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	3 164 771
	-	1 944 054
<i>Net interest income</i>	-	121 853

8.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	(Expressed in EUR)	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	-	2 487
	-	2 487
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	-	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	-	2 487



8.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	-	(3 900)
Audit fee	-	(27 151)
CMVM	-	(1 165)
Bank commissions	-	(4)
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	(2 336)
Irish stock exchange fee	-	-
Issuer fee	-	(10 979)
Legal Fee	-	(23 665)
Others	-	-
Paying Agent fee	-	(3 900)
Rating Agency fee	-	-
Service fee	-	(48 752)
Transcation Manager	-	-
	-	(121 853)

8.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	-	(26 445)
Reversal of impairment losses	-	23 958
	-	(2 487)

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	-	(730 377)
Impairment losses	-	(26 445)
Reversals of impairment losses	-	23 958
Loans Written-off	-	732 865
Balance on 31 December	-	-

The item "Loan impairment" records the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.



9 Pelican Finance No. 1

On 7th May 2014, the Company carried out the transaction “Pelican Finance No. 1”. This transaction entailed the acquisition of a portfolio of consumer credit lines and auto loans of Caixa Económica Montepio Geral totalling € 293,994,013.71, with € 176,535,071.95 from Montepio and € 117,458,941.71 from Montepio Crédito. In addition, the transaction resulted in the issuance of securitized bonds divided into 3 tranches: € 202,900,000 Class A, € 91,100,000 Class B, € 14,700,000 Class C. The 3 tranches were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31st December 2019 were as follows:

	Fitch	DBRS
Class A Notes	A+	A
Class B Notes	-	-
Class C Notes	-	-

The remuneration of the first 2 tranches is fixed at 3% for Class A and at 4% for Class B. The Class C Bonds do not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

The Class A Notes are registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date will begin in November 2017, ending in December 2028, the legal maturity date for all the tranches.

Pursuant to the provisions of the contractual agreement, the bonds' remuneration (including the repayment of capital) is dependent on the assets' performance; in the event of these assets' delinquency, this is fully reflected in the remuneration of the bonds.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under agreements for the granting of consumer credit lines and auto loans.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Pelican Finance No.1					
Class A Notes	December 2028	72 419 692	Fixa	3.00%	3.00%
Class B Notes	December 2028	44 285 361	Fixa	4.00%	4.00%
Class C Notes	December 2028	14 700 000	-	-	-
		131 405 052			



The item “Debt securities issued” records the carrying value of securitization bonds issued within the scope of the securitization transaction. This issuance includes three tranches of bonds (“Class A Notes” and “Class B Notes”) with fixed remuneration of 3% and 4%, respectively, and a third tranche of bonds (“Class C Notes”) whose remuneration will be the difference between the amounts received and the remuneration paid to “Class A” and “Class B”. “

The transaction’s financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	14 988 363	17 365 688
Interest expense and similar charges	(14 686 617)	(16 961 383)
Net interest income	301 746	404 305
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(2 867 237)	2 792 369
General and administrative costs	(301 746)	(404 305)
Total operating income/(expense)	(3 168 983)	2 388 065
Impairment losses on loans, net of reversals and recoveries	2 867 237	(2 792 369)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	20 349 087	22 874 341
Balances due from other Credit Institutions	-	-
Loans to customers	110 882 107	179 037 153
Intangible assets	-	-
Other assets	3 070	3 411
Total Assets	<u>131 234 264</u>	<u>201 914 906</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	130 679 562	200 983 063
Other liabilities	554 702	931 843
Total Liabilities	<u>131 234 264</u>	<u>201 914 906</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>131 234 264</u>	<u>201 914 906</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(298 284)	(422 533)
<i>Cash flows arising from operating activities</i>	<u>(298 284)</u>	<u>(422 533)</u>
Investing activities		
Receivables:		
Customer loans	66 458 676	92 777 570
Interest income	15 188 408	17 636 890
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>81 647 084</u>	<u>110 414 460</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(70 298 139)	(97 638 644)
Interest expenses	(13 575 915)	(14 978 399)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(83 874 054)</u>	<u>(112 617 043)</u>
Net changes in cash and cash equivalents	(2 525 254)	(2 625 116)
Cash and cash equivalents balance at the beginning of the year	22 874 341	25 499 457
Cash and cash equivalents balance at the end of the year	<u>20 349 087</u>	<u>22 874 341</u>
Deposits at other Credit Institutions	20 349 087	22 874 341



9.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	14 988 363	17 365 688
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>14 988 363</u>	<u>17 365 688</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(14 588 875)	(16 865 218)
Interest from deposits	(97 742)	(96 165)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(14 686 617)</u>	<u>(16 961 383)</u>
<i>Net interest income</i>	<u>301 746</u>	<u>404 305</u>

9.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	-	2 792 369
	<u>-</u>	<u>2 792 369</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	(2 867 237)	-
	<u>(2 867 237)</u>	<u>-</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(2 867 237)</u>	<u>2 792 369</u>

The items "Other gains/losses in financial operations" include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 9.8).



9.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(10 400)	(10 400)
Audit fee	(20 192)	(22 039)
CMVM	(3 367)	(3 785)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(43)	(136)
Interbolsa	(7 356)	(8 271)
Irish stock exchange fee	-	-
Issuer fee	(33 191)	(49 764)
Legal Fee	(6 406)	(6 251)
Others	-	-
Paying Agent fee	(5 200)	(5 200)
Rating Agency fee	(33 825)	(33 825)
Service fee	(181 766)	(264 633)
Transcation Manager	-	-
	(301 746)	(404 305)

9.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	2 762 423	(3 213 727)
Reversal of impairment losses	104 814	421 357
	2 867 237	(2 792 369)

9.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	5 648 638	8 173 892
Cash Reserve	14 700 449	14 700 449
Liquidity Account	-	-
	20 349 087	22 874 341

The item "Deposits" corresponds to demand deposits at Deutsche Bank, AG – London.

9.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	113 268 200	182 741 549
Overdue loans	4 394 506	5 464 107
Portfolio acquisition premium/(discount)	-	-
Overdue interest	520 719	900 980
Accrued interest	316 972	517 017
Impairment	(7 618 290)	(10 586 500)
	110 882 107	179 037 153

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 293,994,014, minus interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest.



Amounts for interim capital receipts, buybacks of new credit and write-offs have the following breakdown:

<i>(Expressed in EUR)</i>					
Year	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2014	293 994 014	(91 411 564)	82 569 467	(5)	285 146 419
2015	285 146 419	(117 683 453)	119 853 708	(6)	287 310 671
2016	287 310 671	(114 340 019)	116 078 840	(16 980)	289 032 512
2017	289 032 512	(109 400 082)	102 247 316	117 936	281 997 681
2018	281 997 681	(93 792 026)	-	-	188 205 655
2019	188 205 655	(70 542 950)	-	-	117 662 705

Changes in impairment for credit risks have the following breakdown:

<i>(Expressed in EUR)</i>		
Description	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(10 586 500)	(7 794 131)
Impairment losses	2 762 423	(3 213 727)
Reversals of impairment losses	104 814	421 357
Loans Written-off	100 972	-
Balance on 31 December	(7 618 290)	(10 586 500)

The item "Loan impairment" records the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.

The impairment for recorded credit is affected by the Deemed Principal Loss (DPL) policy defined in the operation's prospectus.

9.7 Other assets

<i>(Expressed in EUR)</i>		
Description	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	3 070	3 411
	3 070	3 411

The item "Up-front fee" records the amount not yet recognized in the results for the initial fee paid for the transaction, which is deferred until maturity, representing the services performed by the Company for the transaction.

9.8 Debt securities issued

<i>(Expressed in EUR)</i>		
Description	31-12-2019	31-12-2018
Securitisatin notes	131 405 052	201 703 191
Accrued interest	1 050 083	1 790 348
Issued notes premium	-	-
Issued notes discount	-	-
Others	(1 775 573)	(2 510 476)
	130 679 562	200 983 063

The item "Other" corresponds to the estimated (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2019.



The amounts of interim repayments had the following breakdown:

<i>(Expressed in EUR)</i>			
Year	Initial amount	Amortization	Ending balance
2016	308 700 000	-	308 700 000
2017	308 700 000	(9 358 165)	299 341 835
2018	299 341 835	(97 638 644)	201 703 191
2019	201 703 191	(70 298 139)	131 405 052

9.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	867	867
Audit fee	20 295	11 020
Issuer fee	2 263	3 250
Others	520 719	900 980
Paying agent fee	-	-
Service fee	10 558	15 727
Transaction Manager	-	-
Other Payable	-	-
	554 702	931 843

The item "Other" records the consideration for overdue interest recognized in the item "Loans and advances to customers" (note 9.6). This interest will not be recognized in the results for the year until it is received.



10 Nostrum Mortgages No. 2

On 5th November 2010, the Company carried out the transaction “Nostrum Mortgages No. 2”. This transaction was for the acquisition of a mortgage portfolio of Caixa Geral de Depósitos in the amount of € 5,345,050,000 and the respective issuance of securitized bonds divided into 3 tranches: € 4,008,800,000 Class A, € 1,336,250,000 Class B, € 84,900,000 Class C. The 3 tranches were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31st December 2019 were as follows:

	Fitch	Moody's	S&P
Class A	AA	A1	A
Class B	-	-	-
Class C	-	-	-

The bonds' remuneration is indexed to the three-month Euribor, plus a spread of 0.2% and 0.3% for Class A and Class B, respectively. The Class C Bonds do not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 20th February 2011, ending on 20th May 2065, the legal maturity date for all the tranches. Pursuant to the provisions of the contractual agreement, the bonds' remuneration (including the repayment of capital) is dependent on the assets' performance; in the event of these assets' delinquency, this is fully reflected in the remuneration of the bonds.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under mortgage agreements.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Nostrum Mortgage No.2					
Class A-Notes	May 2065	1 775 648 595	EUR 3 M + 0,2%	0.000%	0.000%
Class B-Notes	May 2065	1 336 250 000	EUR 3 M + 0,3%	0.000%	0.000%
Class C-Notes	May 2065	80 175 750	-	-	-
		3 192 074 345			

The item “Debt securities issued” records the carrying value of securitization bonds issued within the scope of the securitization transaction. This issuance includes two tranches of bonds (“Class A Notes” and “Class B Notes”) with variable remuneration indexed to the three-month Euribor plus a 0.2% and 0.3% spread, respectively, and a third tranche of bonds (“Class C Notes”) whose remuneration will be the difference between the amounts received and the



remuneration paid to “Class A” and “Class B”. Each quarter, all amounts received from securitized credit interest and transferred to the transaction are calculated. This amount minus costs will be paid to the holders of the bonds.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	57 793 471	64 406 999
Interest expense and similar charges	(41 935 319)	(57 924 857)
Net interest income	15 858 152	6 482 142
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(14 273 650)	623 619
General and administrative costs	(856 175)	(889 597)
Total operating income/(expense)	(15 129 825)	(265 978)
Impairment losses on loans, net of reversals and recoveries	(728 327)	(6 216 165)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

In 2019, a change was made to the presentation of the amounts included in the Impairments loss on loans and Results of assets at fair value through profit or loss. This change does not present any impact on the amounts paid or payable to bondholders in 2019 or in 2018, only resulting in a different way of presenting the information, which was considered more appropriate.

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
<i>Assets</i>		
Deposits at other Credit Institutions	136 039 819	160 193 924
Balances due from other Credit Institutions	21 307 783	24 819 072
Loans to customers	3 060 808 059	3 346 340 105
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>3 218 155 661</u>	<u>3 531 353 102</u>
<i>Liabilities</i>		
Financial liabilities held for trading	-	-
Debt securities issued	23 713 393	23 352 856
Other financial liabilities	3 172 970 564	3 482 956 728
Other liabilities	21 471 705	25 043 518
Total Liabilities	<u>3 218 155 661</u>	<u>3 531 353 102</u>
<i>Equity</i>		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>3 218 155 661</u>	<u>3 531 353 102</u>

Off-balance sheet accounts (note 10.11)

To be read with the notes attached to the financial statements.



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(847 779)	(909 618)
<i>Cash flows arising from operating activities</i>	<u>(847 779)</u>	<u>(909 618)</u>
Investing activities		
Receivables:		
Customer loans	284 553 596	291 425 695
Interest income	74 692 116	83 100 478
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>359 245 712</u>	<u>374 526 173</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(292 607 440)	(299 427 729)
Interest expenses	(89 944 598)	(52 199 866)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(382 552 038)</u>	<u>(351 627 594)</u>
Net changes in cash and cash equivalents	(24 154 105)	21 988 960
Cash and cash equivalents balance at the beginning of the year	160 193 924	138 204 964
Cash and cash equivalents balance at the end of the year	<u>136 039 819</u>	<u>160 193 924</u>
Deposits at other Credit Institutions	136 039 819	160 193 924



10.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	57 793 471	64 406 999
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>57 793 471</u>	<u>64 406 999</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(41 868 431)	(57 924 857)
Interest from deposits	(66 888)	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(41 935 319)</u>	<u>(57 924 857)</u>
<i>Net interest income</i>	<u>15 858 152</u>	<u>6 482 142</u>

10.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	24 215 262	27 999 166
Other gains arising financial operations	8 122 404	11 152 277
	<u>32 337 666</u>	<u>39 151 443</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(39 119 401)	(26 719 230)
Other losses arising financial operations	(7 491 915)	(11 808 594)
	<u>(46 611 316)</u>	<u>(38 527 824)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(14 273 650)</u>	<u>623 619</u>

The item "Profits/ (losses) in transactions with financial trading instruments – swaps" includes changes in fair value and interest accrued from financial derivatives.

The items “Other gains/ (other losses) arising from financial operations“ include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 10.9).



10.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(15 773)	(15 600)
Audit fee	(30 659)	(33 392)
CMVM	(64 271)	(51 705)
Bank Comissions	(650)	(650)
Commitment Fee	(297)	(467)
Common Representative	-	-
Euronext	-	(50)
Interbolsa	(66 913)	(79 078)
Irish stock exchange fee	-	-
Issuer fee	(247 993)	(270 469)
Legal Fee	-	(738)
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	(98 962)	(76 822)
Service fee	(330 657)	(360 625)
Transcation Manager	-	-
	(856 175)	(889 597)

10.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(3 803 950)	(6 807 672)
Reversal of impairment losses	3 075 623	591 507
	(728 327)	(6 216 165)

10.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	55 896 353	80 018 174
Cash Reserve	80 143 466	80 175 750
Liquidity Account	-	-
	136 039 819	160 193 924

The item “Deposits” corresponds to demand deposits at Banco Santander SA (Madrid).

10.6 Investments at other credit institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits at other Credit Institutions	21 307 783	24 819 072
	21 307 783	24 819 072



The balance of this account corresponds to the margin account under the contracted swap.

10.7 Loans to customers

Description	(Expressed in EUR)	
	31-12-2019	31-12-2018
Loans	3 060 704 169	3 348 736 224
Overdue loans	1 774 503	4 000 869
Portfolio acquisition premium/(discount)	-	-
Overdue interest	48 367	117 287
Accrued interest	696 254	877 457
Impairment	(2 415 235)	(7 391 731)
	3 060 808 059	3 346 340 105

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling €5,345,050,000, minus interim capital receipts and impairment losses, and plus accrued interest. Amounts for capital receipts and write-offs have the following breakdown:

Year	(Expressed in EUR)				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2010	5 345 050 000	(64 014 228)	-	-	5 281 035 772
2011	5 281 035 772	(219 759 792)	-	(1 688 477)	5 059 587 503
2012	5 059 587 503	(144 048 444)	-	(54 362 910)	4 861 176 149
2013	4 861 176 149	(158 505 681)	-	(57 347 593)	4 645 322 875
2014	4 645 322 875	(173 084 405)	-	(27 033 951)	4 445 204 519
2015	4 445 204 519	(201 652 366)	-	(31 796 125)	4 211 756 028
2016	4 211 756 028	(241 503 460)	139 859	(26 889 806)	3 943 502 622
2017	3 943 502 622	(272 317 426)	86 307	(18 140 950)	3 653 130 552
2018	3 653 130 552	(289 179 633)	-	(11 213 827)	3 352 737 092
2019	3 352 737 092	(284 553 596)	-	(5 704 824)	3 062 478 672

Changes in impairment for credit risks have the following breakdown:

Description	(Expressed in EUR)	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(7 391 731)	(10 146 160)
Impairment losses	(3 803 950)	(6 807 672)
Reversals of impairment losses	3 075 623	591 507
Loans Written-off	5 704 824	8 970 593
Balance on 31 December	(2 415 235)	(7 391 731)

The item "Loan impairment" records the estimated losses incurred on the year's closing date, determined in accordance with an assessment of objective evidence for impairment, per the accounting policy described in note 3.1.1.



10.8 Financial Liabilities held for trading

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Swaps	23 713 393	23 352 856
	23 713 393	23 352 856

The item "Swaps" corresponds to the fair value of the interest rate swap under the Nostrum Mortgages No. 2 transaction and accrued interest.

The detail of the fair value of the swap in reference to 31st December 2019 and 2018 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2019	Fair Value 2018
Nostrum Mortgage No.2	3 104 177 571	May 2065	22 609 906	22 707 745

The counterparty of the Derivative is Banco Santander, S.A.

10.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	3 192 074 345	3 484 681 785
Accrued interest	6 464 082	39 855 281
Issued notes premium	-	-
Issued notes discount	-	-
Others	(25 567 863)	(41 580 338)
	3 172 970 564	3 482 956 728

The item "Other" recognizes the shortcoming/surplus that would be assumed by the holders of the issued securities if the transactions were closed out on 31st December 2019.

The amounts of interim repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2011	5 429 950 000	(267 213 955)	5 162 736 045
2012	5 162 736 045	(183 537 385)	4 979 198 660
2013	4 979 198 660	(220 287 043)	4 758 911 617
2014	4 758 911 617	(198 112 853)	4 560 798 764
2015	4 560 798 764	(226 709 509)	4 334 089 255
2016	4 334 089 255	(265 769 087)	4 068 320 168
2017	4 068 320 168	(284 210 654)	3 784 109 514
2018	3 784 109 514	(299 427 729)	3 484 681 785
2019	3 484 681 785	(292 607 440)	3 192 074 345



10.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	2 773	2 600
Audit fee	30 750	16 696
Issuer fee	26 585	29 084
Others	21 376 150	24 956 359
Paying agent fee	-	-
Service fee	35 446	38 779
Transaction Manager	-	-
Other Payable	-	-
	21 471 705	25 043 518

The item "Other" includes the consideration for overdue interest recognized in the item "Loans to customers" (note 10.7). This interest will not be recognized in the results for the year until it is received. This item also includes the amount of € 24,819,072 for the margin account under the contracted swap.

10.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	77 325 665	103 970 049
Assets received as collateral	4 251 222 712	5 531 337 413
Swap interest rate	3 104 177 571	3 393 436 181
	7 432 725 949	9 028 743 643



11 Silk Finance No. 4

On 16th November 2015, the Company carried out the transaction “Silk Finance No. 4”. This transaction was for the acquisition of a consumer credit portfolio of Banco Santander Consumer Portugal, S.A. in the amount of € 611,022,649 and the respective issuance of securitized bonds divided into 4 tranches: € 509,400,000 Class A, € 101,500,000 Class B, € 3,700,000 Class C and €1 Variable Funding Note. The 4 tranches were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings for the different classes on 31st December 2019 were as follows:

	S&P	DBRS
Class A Notes	A	A
Class B Notes	-	-
Class C Notes	-	-
VFN	-	-

The remuneration of the first two tranches is fixed at 1.2% for Class A and at 2.4% for Class B. The remaining classes do not have a set interest rate, with entitlement to the available amounts after the transactions of the other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 25th January 2019, ending on 25th January 2031, the legal maturity date for all the tranches.

The credit granted corresponds to repayments of principal and compensatory interest and other amounts due to the grantor under consumer credit agreements.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, taking into account the type of credit granted, any existing counter-guarantees, the ageing and performance of assets in arrears and the average impairment of the originator's credit portfolio for similar assets. The impairment losses of securitized assets or any other factors within the transaction's scope may result in a shortage of funds to settle the bonds' principal and interest. These losses will be assumed exclusively by the holders of the bonds.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Silk Finance No.4					
Class A Notes	January 2031	366 467 541	Fixed	1.20%	1.20%
Class B Notes	January 2031	101 500 000	Fixed	2.40%	2.40%
Class C Notes	January 2031	3 700 000	-	-	-
Variable Funding Note	January 2031	1	-	-	-
		471 667 542			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. This issuance includes four tranches of bonds (“Class A Notes” and “Class B Notes”) with fixed remuneration of 1.2% and 2.4%, respectively, and two tranches of bonds (“Class C Notes” and Variable Funding Note) whose remuneration will be



the difference between the amounts received and the remuneration paid to “Class A” and “Class B”.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	34 708 658	41 674 864
Interest expense and similar charges	(29 022 981)	(35 363 663)
Net interest income	5 685 676	6 311 201
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	982 166	922 971
General and administrative costs	(5 685 675)	(6 311 201)
Total operating income/(expense)	(4 703 510)	(5 388 230)
Impairment losses on loans, net of reversals and recoveries	(982 167)	(922 971)
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	37 489 664	11 231 541
Balances due from other Credit Institutions	-	-
Loans to customers	420 217 119	605 330 174
Intangible assets	-	-
Other assets	17 053 352	3 404 921
Total Assets	<u>474 760 136</u>	<u>619 966 637</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	473 694 287	618 602 358
Other liabilities	1 065 848	1 364 279
Total Liabilities	<u>474 760 136</u>	<u>619 966 637</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>474 760 136</u>	<u>619 966 637</u>

To be read with the notes attached to the financial statements.



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(5 949 933)	(6 335 462)
<i>Cash flows arising from operating activities</i>	<u>(5 949 933)</u>	<u>(6 335 462)</u>
Investing activities		
Receivables:		
Customer loans	169 152 455	14 038
Interest income	36 004 487	42 032 983
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>205 156 942</u>	<u>42 047 021</u>
Financing activities		
Receivables:		
Debt securities issued		-
Payments:		-
Debt securities issued	(142 932 459)	-
Interest expenses	(30 016 427)	(35 143 715)
Other equity instruments		-
<i>Cash flow arising from financing activities</i>	<u>(172 948 885)</u>	<u>(35 143 715)</u>
Net changes in cash and cash equivalents	26 258 123	567 844
Cash and cash equivalents balance at the beginning of the year	11 231 541	10 663 697
Cash and cash equivalents balance at the end of the year	<u>37 489 664</u>	<u>11 231 541</u>
Deposits at other Credit Institutions	37 489 664	11 231 541



11.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	34 708 658	41 674 864
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>34 708 658</u>	<u>41 674 864</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(29 015 610)	(35 372 546)
Interest from deposits	(16 254)	-
Interest from other financial liabilities	-	-
Premium bond issue	8 883	8 883
	<u>(29 022 981)</u>	<u>(35 363 663)</u>
<i>Net interest income</i>	<u>5 685 676</u>	<u>6 311 201</u>

11.2 Net gains/ (losses) arising from financial assets and liabilities at fair value through profit and loss:

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other gains arising financial operations	982 166	922 971
	<u>982 166</u>	<u>922 971</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	-
Other losses arising financial operations	-	-
	<u>-</u>	<u>-</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>982 166</u>	<u>922 971</u>

The items “Other gains/ (other losses) arising from financial operations” include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 11.8).



11.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(17 680)	(17 680)
Audit fee	(25 797)	-
CMVM	(11 475)	(12 864)
Bank commissions	(94)	(111)
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(54)
Interbolsa	(12 892)	(14 406)
Irish stock exchange fee	-	-
Issuer fee	(55 884)	(62 314)
Legal Fee	(7 657)	(7 401)
Others	-	-
Paying Agent fee	(4 160)	(4 160)
Rating Agency fee	-	-
Service fee	(5 550 037)	(6 192 211)
Transcation Manager	-	-
	(5 685 675)	(6 311 201)

11.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Loans to customers</i>		
Impairment losses	(1 694 626)	(4 281 224)
Reversal of impairment losses	712 459	3 358 253
	(982 167)	(922 971)

11.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	33 794 299	7 531 540
Cash Reserve	3 695 366	3 700 001
Liquidity Account	-	-
	37 489 664	11 231 541

The item “Deposits” in the Silk Finance No. 4 transaction corresponds to demand deposits at BNP Paribas – London Branch.



11.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	419 574 447	605 189 775
Overdue loans	5 254 309	4 858 963
Portfolio acquisition premium/(discount)	-	-
Overdue interest	159 450	193 623
Accrued interest	923 169	1 273 753
Impairment	(5 694 256)	(6 185 940)
	420 217 119	605 330 174

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 611,022,649, minus interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest. Amounts for capital receipts, buybacks of new credit and write-offs have the following breakdown:

Year	<i>(Expressed in EUR)</i>				
	Beginning Balance	Reimbursement	Purchases	Write-off	Ending balance
2015	611 022 649	(31 922 338)	31 907 418		611 007 729
2016	611 007 729	(201 702 574)	201 634 438	(11 263)	610 928 330
2017	610 928 330	(203 054 168)	203 130 327	(66 688)	610 937 800
2018	610 937 800	(223 419 299)	223 642 513	(1 112 276)	610 048 738
2019	610 048 738	(200 828 245)	17 092 972	(1 473 851)	424 839 614

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
<i>Loans impairment</i>		
Balance on 1 January	(6 185 940)	(6 375 245)
Impairment losses	(1 694 626)	(4 281 224)
Reversals of impairment losses	712 459	3 358 253
Loans Written-off	1 473 851	1 112 276
Balance on 31 December	(5 694 256)	(6 185 940)

11.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	17 053 352	3 404 921
Up Front Fee	-	-
	17 053 352	3 404 921

The entire item "Receivable" is for interest already charged by the originator, but whose financial transfer to the transaction did not occur until 2020.



11.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	471 667 542	614 600 001
Accrued interest	7 603 226	11 025 419
Issued notes premium	122 510	131 392
Issued notes discount	-	-
Others	(5 698 991)	(7 154 455)
	473 694 287	618 602 358

The item "Other" corresponds to the estimated (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2019.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 25th January 2019, ending on 25th January 2031, the legal maturity date for all the tranches.

11.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	3 900	3 900
Audit fee	22 140	19 344
Issuer fee	8 778	11 438
Others	159 450	193 623
Paying agent fee	-	-
Service fee	871 580	1 135 973
Transaction Manager	-	-
Other Payable	-	-
	1 065 848	1 364 279

The item "Other" records the consideration for overdue interest recognized in the item "Loans and advances to customers" (note 11.6). This interest will not be recognized in the results for the year until it is received.

11.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	2 442 366	968 515
Assets received as collateral	-	-
Swap interest rate	-	-
	2 442 366	968 515

**12 CMEC Volta Electricity Receivables Notes**

On 22nd December 2014, the Company carried out the transaction “CMEC Volta Electricity Receivables Notes”. This transaction entailed the acquisition, from EDP – Serviço Universal, S.A. (“Transferor”), of loans for a portion of the 2012 annual tariff deficit adjustment, resulting from the deferral of compensation for the early termination of power acquisition agreements to 2017 and 2018. Securitised bonds totalling €243,507,000 were issued. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

These issuances correspond to 3 tranches of bonds: “Fixed Rate Pass-Through Notes due 2019” issued at a discount in the amount of €240,500,000 with remuneration of 2.89678%; “Expense Reserve Notes due 2019” issued at par for the amount of €317,000 without a set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met; and “Liquidity Notes due 2019” issued at par in the amount of €2,690,000, without remuneration, only giving entitlement to receive the borrowed capital.

On 11th February 2019, there were an anticipated final redemption of the operation having been reimbursed the total amount of de Notes.

Debt securities issued

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Interest and similar income	-	2 221 505
Interest expense and similar charges	-	(2 039 959)
Net interest income	-	181 546
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	-	(181 546)
Total operating income/(expense)	-	(181 546)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
<i>Assets</i>		
Deposits at other Credit Institutions	-	10 164 221
Balances due from other Credit Institutions	-	-
Loans to customers	-	9 727 419
Intangible assets	-	-
Other assets	-	-
Total Assets	-	19 891 640
<i>Liabilities</i>		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	19 856 039
Other liabilities	-	35 600
Total Liabilities	-	19 891 640
<i>Equity</i>		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	-	-
Total Equity and Liabilities	-	19 891 640

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(58 776)	(172 537)
<i>Cash flows arising from operating activities</i>	<u>(58 776)</u>	<u>(172 537)</u>
Investing activities		
Receivables:		
Customer loans	9 534 414	114 412 968
Interest income	218 497	3 098 685
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>9 752 911</u>	<u>117 511 653</u>
Financing activities		
Receivables:		
Debt securities issued		
Payments:		-
Debt securities issued	(19 781 441)	(116 176 426)
Interest expenses	(76 915)	(2 479 316)
Other equity instruments		
<i>Cash flow arising from financing activities</i>	<u>(19 858 356)</u>	<u>(118 655 742)</u>
Net changes in cash and cash equivalents	(10 164 221)	(1 316 626)
Cash and cash equivalents balance at the beginning of the year	<u>10 164 221</u>	<u>11 480 847</u>
Cash and cash equivalents balance at the end of the year		<u>10 164 221</u>
Deposits at other Credit Institutions	-	10 164 221



12.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	-	3 098 685
Interest from deposits	-	-
Portfolio Acquisition premium	-	(877 180)
Other interest	-	-
	-	2 221 505
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	-	(2 008 251)
Interest from deposits	-	(10 154)
Interest from other financial liabilities	-	-
Premium bond issue	-	(21 553)
	-	(2 039 959)
Net interest income	-	181 546

12.2 General and administrative expenses

Description	(Expressed in EUR)	
	2019	2018
Audit fee	-	(32 732)
Service fee	-	(69 000)
Issuer fee	-	(50 000)
Agent bank fee	-	(15 600)
Irish stock exchange fee	-	(1 845)
Rating Agency fee	-	-
Euronext	-	-
Interbolsa	-	(4 749)
Paying Agent fee	-	(6 240)
Comissões Bancárias	-	-
Legal Fee	-	-
Transaction Manager	-	-
Common Representative	-	-
CMVM	-	(1 380)
Commitment Fee	-	-
Others	-	-
	-	(181 546)

12.3 Deposits at other Credit Institutions

Descrição	(Expressed in EUR)	
	31-12-2019	31-12-2018
Deposits	-	9 752 932
Cash Reserve	-	270 875
Liquidity Account	-	140 414
	-	10 164 221

The item “Deposits” corresponds to demand deposits at Deutsche Bank, AG – London.



12.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	-	9 534 414
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	193 005
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	-	9 727 419

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling €123,947,382, minus interim capital receipts. This item includes the loan acquisition premium paid in full at the start of the transaction, totalling €11,005,675. Amounts regarding capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2014	228 825 936				228 825 936
2015	228 825 936				228 825 936
2016	228 825 936	-	-	-	228 825 936
2017	228 825 936	(104 878 554)	-	-	123 947 382
2018	123 947 382	(114 412 968)	-	-	9 534 414
2019	9 534 414	(9 534 414)	-	-	-

12.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	-	19 846 411
Accrued interest	-	49 171
Issued notes premium	-	-
Issued notes discount	-	(2 480)
Others	-	(37 062)
	-	19 856 039

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in March 2015, ending in February 2019, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	Initial amount	Amortization	Ending balance
2014	243 507 000	-	243 507 000
2015	243 507 000	(4 148 290)	239 358 710
2016	239 358 710	(4 376 100)	234 982 610
2017	234 982 610	(98 959 774)	136 022 837
2018	136 022 837	(116 176 426)	19 846 411
2019	19 846 411	(19 846 411)	0



12.6 Other liabilities

Descrição	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Audit fee	-	24 384
Service fee	-	5 750
Issuer fee	-	4 167
Agent bank fee	-	1 300
Transaction Manager	-	-
Paying agent fee	-	-
Others	-	-
Other Payable	-	-
	-	35 600



13 EnergyOn No. 1 Securitisation Notes

On 6th March 2009, the Company carried out the transaction “EnergyOn No. 1 Securitization Notes”. This transaction entailed the acquisition, from EDP Serviço Universal, SA, of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the years 2007 and 2008. Securitized bonds totalling €1,258,600,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31st December 2019 were as follows:

	Moody's	DBRS
Class A1	Aa3	A (low)
Class A2	-	-
Class B	-	-

This issuance corresponds to 3 tranches of bonds: “Class A1 Notes” issued at par in the amount of €1,253,450,000 with variable remuneration at the one-month Euribor plus a 0.90% spread, with a 1.95% spread after the step-up date; “Class A2 Notes” issued at par in the amount of €150,000 with remuneration of 12 consecutive payments, defined as differential step-up amounts, only insofar as such payments are due; and a third tranche of bonds, “Class B Notes”, issued at par in the amount of €5,000,000, whose remuneration will be the difference between the amounts received and the remuneration paid to “Class A1” and “Class A2” and all costs, fees and expenses due on this date. All are registered with the securities settlement company Interbolsa. Class A1 is listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th March 2010, monthly, beginning with Class A1, followed by Class A2 and finally Class B.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
EnergyOn No.1					
Class A1-Notes	March 2025	480 430 400	EUR 1 M + 1.95%	1.51%	1.58%
Class A2-Notes	March 2025	150 000	-	-	-
Class B-Notes	March 2025	5 000 000	-	-	-
		485 580 400			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement



For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	9 307 597	10 720 405
Interest expense and similar charges	(8 186 638)	(9 821 837)
Net interest income	1 120 959	898 567
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(943 669)	(711 440)
General and administrative costs	(177 290)	(187 127)
Total operating income/(expense)	(1 120 959)	(898 567)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	13 100 276	13 130 506
Balances due from other Credit Institutions	2 500 000	2 500 000
Loans to customers	481 529 448	571 702 896
Intangible assets	-	-
Other assets	1 701	2 006
Total Assets	<u>497 131 424</u>	<u>587 335 407</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	12 217 317	13 287 848
Other financial liabilities	482 375 917	571 523 798
Other liabilities	2 538 190	2 523 761
Total Liabilities	<u>497 131 424</u>	<u>587 335 407</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>497 131 424</u>	<u>587 335 407</u>

To be read with the notes attached to the financial statements



Cash Flow Statement
for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(162 556)	2 297 371
<i>Cash flows arising from operating activities</i>	<u>(162 556)</u>	<u>2 297 371</u>
Investing activities		
Receivables:		
Customer loans	90 173 448	86 244 106
Interest income	17 807 357	20 916 320
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>107 980 805</u>	<u>107 160 426</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(88 497 468)	(87 080 000)
Interest expenses	(19 351 011)	(22 433 839)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(107 848 479)</u>	<u>(109 513 839)</u>
Net changes in cash and cash equivalents	(30 230)	(56 042)
Cash and cash equivalents balance at the beginning of the year	<u>13 130 506</u>	<u>13 186 548</u>
Cash and cash equivalents balance at the end of the year	<u>13 100 276</u>	<u>13 130 506</u>
Deposits at other Credit Institutions	13 100 276	13 130 506



13.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	9 307 597	10 720 405
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>9 307 597</u>	<u>10 720 405</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(8 147 585)	(9 803 269)
Interest from deposits	(39 053)	(18 568)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(8 186 638)</u>	<u>(9 821 837)</u>
<i>Net interest income</i>	<u>1 120 959</u>	<u>898 567</u>

13.2 Net gains/ (losses) arising from financial assets and liabilities at fair value

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	11 213 768	12 517 914
Other gains arising financial operations	2 611 913	2 175 898
	<u>13 825 681</u>	<u>14 693 812</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(12 624 238)	(13 829 314)
Other losses arising financial operations	(2 145 112)	(1 575 939)
	<u>(14 769 350)</u>	<u>(15 405 253)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(943 669)</u>	<u>(711 441)</u>

The item "Profits/losses in transactions with financial trading instruments – swaps" includes changes in fair value and interest accrued from financial derivatives.

The items “Other gains/ (other losses) arising from financial operations” include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 13.9).



13.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(12 480)	(12 480)
Audit fee	(31 980)	(32 071)
CMVM	(10 811)	(9 267)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(228)	(214)
Interbolsa	(12 007)	(13 727)
Irish stock exchange fee	-	-
Issuer fee	(53 466)	(62 873)
Legal Fee	-	-
Others	(333)	(510)
Paying Agent fee	(2 080)	(2 080)
Rating Agency fee	(28 905)	(28 905)
Service fee	(25 000)	(25 000)
Transcation Manager	-	-
	(177 290)	(187 127)

13.4 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	8 290 364	8 287 547
Cash Reserve	4 809 912	4 842 959
Liquidity Account	-	-
	13 100 276	13 130 506

The item “Deposits” corresponds to demand deposits at Deutsche Bank, AG – London.

13.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Swap collateral account	2 500 000	2 500 000
	2 500 000	2 500 000

The balance of this account corresponds to the margin account under the contracted swap.



13.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	481 529 448	571 702 896
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	481 529 448	571 702 896

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 1,275,682,000, minus interim capital receipts and plus accrued interest. Amounts regarding capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beginning Balance	Reimbursement	Purchases	Write-off	Ending balance
2009	1 275 682 000	-	-	-	1 275 682 000
2010	1 275 682 000	(62 647 812)	-	-	1 213 034 188
2011	1 213 034 188	(71 719 681)	-	-	1 141 314 507
2012	1 141 314 507	(70 602 017)	-	-	1 070 712 490
2013	1 070 712 490	(76 216 664)	-	-	994 495 826
2014	994 495 826	(80 193 335)	-	-	914 302 491
2015	914 302 491	(82 145 302)	-	-	832 157 189
2016	832 157 189	(84 614 572)	-	-	747 542 617
2017	747 542 617	(87 095 615)	-	-	660 447 002
2018	660 447 002	(88 744 106)	-	-	571 702 896
2019	571 702 896	(90 173 448)	-	-	481 529 448

13.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	1 701	2 006
	1 701	2 006

The item "Up-front fee" records the amount not yet recognized in the results for the initial fee paid for the transaction, which is deferred until maturity, representing the services performed by the Company for the transaction.

13.8 Financial assets held for trade

The detail of the swaps, paid and calculated monthly, is shown in the following table:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Swaps	12 217 317	13 287 848
	12 217 317	13 287 848



The item "Swaps" corresponds to the fair value of the interest rate swap under the EnergyOn No. 1 Securitization Notes and accrued interest. As mentioned before, the counterparty of this operation is Deutsche Bank AG.

The detail of the fair value of the swap in reference to 31st December 2019 and 2018 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2019	Fair Value 2018
EnergyOn No.1	489 053 750	February 2025	11 962 759	13 103 758

13.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	485 580 401	574 077 868
Accrued interest	641 428	825 040
Issued notes premium	-	-
Issued notes discount	-	-
Others	(3 845 911)	(3 379 110)
	482 375 917	571 523 798

The item "Other" corresponds to the estimated (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31 December 2019.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in March 2010, ending in May 2025, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2010	1 258 600 000	(55 967 280)	1 202 632 720
2011	1 202 632 720	(70 177 276)	1 132 455 444
2012	1 132 455 444	(69 507 872)	1 062 947 572
2013	1 062 947 572	(74 384 954)	988 562 618
2014	988 562 618	(78 497 378)	910 065 240
2015	910 065 240	(80 577 864)	829 487 376
2016	829 487 376	(82 943 450)	746 543 926
2017	746 543 926	(85 386 057)	661 157 869
2018	661 157 869	(87 080 001)	574 077 868
2019	574 077 868	(88 497 468)	485 580 400



13.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	1 040	1 040
Audit fee	30 750	15 375
Issuer fee	4 316	5 262
Others	2 500 000	2 500 000
Paying agent fee	-	-
Service fee	2 083	2 083
Transaction Manager	-	-
Other Payable	-	-
	2 538 190	2 523 761

The line “others” corresponds to the margin account under the contracted swap.

13.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	-	-
Assets received as collateral	-	-
Swap interest rate	489 053 750	579 109 176
	489 053 750	579 109 176



14 EnergyOn No. 2 Securitisation Notes

On 3rd December 2009, the Company carried out the transaction “EnergyOn No. 2 Securitization Notes”. This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2009. Securitised bonds totalling €440,850,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings attributed on 31st December 2019 were as follows:

	Moody's	DBRS
Class A	A1	A (low)
Class B	-	-

This issuance corresponds to 2 tranches of bonds: “Class A Notes” issued at par in the amount of €440,650,000 with variable remuneration at the one-month Euribor plus a 0.90% spread, with a 1.60% spread after the step-up date; “Class B Notes” issued at par in the amount of €200,000 with remuneration corresponding to 12 consecutive payments, defined as differential step-up amounts, only insofar as these payments are due. All are registered with the securities settlement company Interbolsa. Class A is listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th March 2010, monthly, beginning with Class A, followed by Class B.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
EnergyOn No.2					
Class A-Notes	May de 2025	168 781 727	EUR 1 M + 1,60%	1.16%	1.23%
Class B-Notes	May de 2025	200 000	-	-	-
		168 981 727			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	2 605 152	2 991 263
Interest expense and similar charges	(2 229 074)	(2 688 298)
Net interest income	376 078	302 966
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(244 110)	(165 357)
General and administrative costs	(131 968)	(137 608)
Total operating income/(expense)	(376 078)	(302 966)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	4 585 645	4 600 244
Balances due from other Credit Institutions	-	-
Loans to customers	168 905 347	200 535 348
Intangible assets	-	-
Other assets	1 781	2 101
Total Assets	<u>173 492 774</u>	<u>205 137 693</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	3 393 219	3 623 158
Other financial liabilities	170 069 602	201 496 350
Other liabilities	29 953	18 185
Total Liabilities	<u>173 492 774</u>	<u>205 137 693</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>173 492 774</u>	<u>205 137 693</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(119 880)	(149 833)
<i>Cash flows arising from operating activities</i>	<u>(119 880)</u>	<u>(149 833)</u>
Investing activities		
Receivables:		
Customer loans	31 630 001	31 128 634
Interest income	6 310 765	7 354 600
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>37 940 766</u>	<u>38 483 234</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(31 124 250)	(30 625 728)
Interest expenses	(6 711 235)	(7 744 965)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(37 835 484)</u>	<u>(38 370 693)</u>
Net changes in cash and cash equivalents	(14 599)	(37 292)
Cash and cash equivalents balance at the beginning of the year	4 600 244	4 637 536
Cash and cash equivalents balance at the end of the year	<u>4 585 645</u>	<u>4 600 244</u>
Deposits at other Credit Institutions	4 585 645	4 600 244



14.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	3 264 811	3 760 375
Interest from deposits	-	-
Portfolio Acquisition premium	(659 659)	(769 112)
Other interest	-	-
	2 605 152	2 991 263
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(2 215 279)	(2 681 753)
Interest from deposits	(13 795)	(6 545)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(2 229 074)	(2 688 298)
<i>Net interest income</i>	376 078	302 966

14.2 Net gains/ (losses) arising from financial assets and liabilities at fair value

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	4 066 904	4 362 168
Other gains arising financial operations	1 129 451	783 453
	5 196 355	5 145 621
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(4 560 585)	(4 753 037)
Other losses arising financial operations	(879 880)	(557 941)
	(5 440 465)	(5 310 978)
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	(244 110)	(165 357)

The item "Profits/losses in transactions with financial trading instruments – swaps" includes changes in fair value and interest accrued from financial derivatives. The items "Other gains/ (other losses) arising from financial operations" include the recognition, during the year, of the shortcoming/surplus assumed by the holders of the securities (note 14.8).



14.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(10 400)	(10 400)
Audit fee	(25 584)	(25 657)
CMVM	(3 770)	(3 235)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(228)	(218)
Interbolsa	(5 145)	(5 754)
Irish stock exchange fee	-	-
Issuer fee	(29 943)	(32 245)
Legal Fee	-	-
Others	(297)	(510)
Paying Agent fee	(2 080)	(2 080)
Rating Agency fee	(29 520)	(32 510)
Service fee	(25 000)	(25 000)
Transcation Manager	-	-
	(131 968)	(137 608)

14.4 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	2 908 120	2 907 081
Cash Reserve	1 677 525	1 693 163
Liquidity Account	-	-
	4 585 645	4 600 244

The item "Deposits" corresponds to demand deposits at Deutsche Bank, AG – London.

14.5 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	168 905 347	200 535 348
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	168 905 347	200 535 348

The item "Loans" records the nominal value of the credit acquired under the securitization transaction totalling € 447,469.00, minus interim capital receipts and plus accrued interest. Amounts regarding capital receipts are as follows:



Year	Beginning Balance	Reimbursement	Purchases	<i>(Expressed in EUR)</i>	
				Write-off	Ending balance
2009	447 469 000		-	-	447 469 000
2010	447 469 000	(21 974 874)	-	-	425 494 126
2011	425 494 126	(25 157 001)	-	-	400 337 125
2012	400 337 125	(24 764 954)	-	-	375 572 171
2013	375 572 171	(26 734 399)	-	-	348 837 772
2014	348 837 772	(28 129 291)	-	-	320 708 481
2015	320 708 481	(28 813 981)	-	-	291 894 500
2016	291 894 500	(29 680 125)	-	-	262 214 375
2017	262 214 375	(30 550 393)	-	-	231 663 982
2018	231 663 982	(31 128 634)	-	-	200 535 348
2019	200 535 348	(31 630 001)	-	-	168 905 347

14.6 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Receivables	-	-
Up Front Fee	1 781	2 101
	1 781	2 101

The item "Up-front fee" records the amount not yet recognized in the results for the initial fee paid for the transaction, which is deferred until maturity, representing the services performed by the Company for the transaction.

14.7 Financial assets held for trade

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Swaps	3 393 219	3 623 158
	3 393 219	3 623 158

The item "Swaps" corresponds to the fair value of the interest rate swap transaction and accrued interest.

The detail of the fair value of the swap in reference to 31st December 2019 and 2018 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2019	Fair Value 2018
EnergyOn No.2	169 022 914	February 2025	3 420 386	3 681 105

As mentioned before, the counterparty of this derivative is Banco Santander, S.A.



14.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	168 981 727	200 105 977
Accrued interest	172 832	225 760
Issued notes premium	-	-
Issued notes discount	-	-
Others	915 042	1 164 613
	170 069 602	201 496 350

The item "Other" corresponds to the estimated (shortcoming)/surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2019.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in March 2010, ending in May 2025, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2009	440 850 000	-	440 850 000
2010	440 850 000	(19 683 496)	421 166 504
2011	421 166 504	(24 681 102)	396 485 402
2012	396 485 402	(24 445 670)	372 039 732
2013	372 039 732	(26 160 926)	345 878 806
2014	345 878 806	(27 607 250)	318 271 556
2015	318 271 556	(28 338 952)	289 932 604
2016	289 932 604	(29 170 923)	260 761 681
2017	260 761 681	(30 029 976)	230 731 705
2018	230 731 705	(30 625 728)	200 105 977
2019	200 105 977	(31 124 250)	168 981 727

14.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	867	867
Audit fee	24 600	12 300
Issuer fee	2 403	2 935
Others	-	-
Paying agent fee	-	-
Service fee	2 083	2 083
Transaction Manager	-	-
Other Payable	-	-
	29 953	18 185

14.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Credits Written off	-	-
Assets received as collateral	-	-
Swap interest rate	169 022 914	200 147 169
	169 022 914	200 147 169

**15 Volta II Electricity Receivables Securitisation Notes**

On 26th March 2014, the Company carried out the transaction “Volta II Electricity Receivables Securitization Notes”. This transaction entailed the acquisition, from EDP – Serviço Universal, S.A. (“Transferor”) of loans corresponding to a portion of the 2013 tariff deficit, which resulted from a 5-year deferral of the recovery of the 2013 surcharge for the acquisition of power from producers under a special scheme (including the 2011 and 2012 adjustments). Securitized bonds totalling €756,061,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

These issuances correspond to 3 tranches of bonds: “Fixed Rate Senior Notes due 2018” issued at par in the amount of €750,000,000 with remuneration of 2.98%; “Class R Notes due 2018” issued at par for the amount of €473,000 without a set interest rate, with entitlement to amounts available after the transaction's other responsibilities have been met; and “Liquidity Notes due 2018” issued at par in the amount of €5,588,000, without remuneration, only giving entitlement to receive the borrowed capital.

The senior tranche is registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 16th May 2014, monthly, beginning with the “Fixed Rate Senior Notes due 2018”, and with the final repayment scheduled for 16th February 2018, the legal maturity date for all of the tranches.

In February 2018, was the final redemption of the operation, having been reimbursed the total amount of de Notes.

Debt securities issued

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while the holder will assume any shortcomings on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:



Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	-	46 406
Interest expense and similar charges	-	33 093
Net interest income	-	79 500
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	-	(79 500)
Total operating income/(expense)	-	(79 500)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>-</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	-
Other liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	-	(105 566)
<i>Cash flows arising from operating activities</i>	-	(105 566)
Investing activities		
Receivables:		
Customer loans	-	16 356 744
Interest income	-	956 170
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	-	17 312 914
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	-	(34 922 895)
Interest expenses	-	(157 367)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	-	(35 080 262)
Net changes in cash and cash equivalents	-	(17 872 915)
Cash and cash equivalents balance at the beginning of the year	-	17 872 915
Cash and cash equivalents balance at the end of the year	-	-
Deposits at other Credit Institutions	-	-



15.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	-	956 170
Interest from deposits	-	-
Portfolio Acquisition premium	-	(909 764)
Other interest	-	-
	-	46 406
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	-	33 093
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	-	33 093
Net interest income	-	79 500

15.2 General and administrative expenses

Description	(Expressed in EUR)	
	2019	2018
Audit fee	-	(10 455)
Service fee	-	(5 750)
Issuer fee	-	(307)
Agent bank fee	-	(1 300)
Irish stock exchange fee	-	-
Rating Agency fee	-	(57 035)
Euronext	-	(195)
Interbolsa	-	(3 184)
Paying Agent fee	-	(1 040)
Comissões Bancárias	-	-
Legal Fee	-	-
Transaction Manager	-	-
Common Representative	-	-
CMVM	-	(235)
Commitment Fee	-	-
Others	-	-
	-	(79 500)



16 Volta III Electricity Receivables Notes

On 24th March 2015, the Company carried out the transaction “Volta III Electricity Receivables Securitization Notes”. This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2014. Securitized bonds totalling €502,898,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

These issuances correspond to 3 tranches of bonds: “Fixed Rate Senior Asset-Backed Notes due 2019” issued at par in the amount of € 500,000,000 with remuneration of 1.99%; “Liquidity Notes due 2019” issued at par for the amount of € 2,488,000 without a set interest rate; and “Class R Notes due 2019” issued at par in the amount of € 410,000, without remuneration, with the latter two tranches only giving entitlement to receive the borrowed capital.

In February 2019, was the final redemption of the operation, having been reimbursed the total amount of de Notes.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	20 953	1 829 574
Interest expense and similar charges	45 611	(1 609 626)
Net interest income	66 563	219 948
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	(66 563)	(219 948)
Total operating income/(expense)	(66 563)	(219 948)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements.



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	-	11 751 823
Balances due from other Credit Institutions	-	-
Loans to customers	-	11 311 639
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>-</u>	<u>23 063 462</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	23 025 029
Other liabilities	-	38 433
Total Liabilities	<u>-</u>	<u>23 063 462</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>-</u>	<u>23 063 462</u>

To be read with the notes attached to the financial statements.



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(104 996)	(210 706)
<i>Cash flows arising from operating activities</i>	<u>(104 996)</u>	<u>(210 706)</u>
Investing activities		
Receivables:		
Customer loans	10 811 006	129 234 608
Interest income	521 586	6 756 496
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>11 332 592</u>	<u>135 991 104</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(22 890 643)	(134 352 217)
Interest expenses	(88 775)	(2 126 641)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(22 979 418)</u>	<u>(136 478 858)</u>
Net changes in cash and cash equivalents	(11 751 823)	(698 460)
Cash and cash equivalents balance at the beginning of the year	11 751 823	12 450 282
Cash and cash equivalents balance at the end of the year	<u>-</u>	<u>11 751 823</u>
Deposits at other Credit Institutions	-	11 751 823



16.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	521 586	6 756 496
Interest from deposits	-	-
Portfolio Acquisition premium	(500 633)	(4 926 922)
Other interest	-	-
	<u>20 953</u>	<u>1 829 574</u>
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	51 732	(1 596 607)
Interest from deposits	(6 121)	(13 019)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>45 611</u>	<u>(1 609 626)</u>
<i>Net interest income</i>	<u>66 563</u>	<u>219 948</u>

16.2 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2019	2018
Agent bank fee	(1 300)	(15 600)
Audit fee	-	(41 895)
CMVM	(182)	(1 763)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(69)	(328)
Interbolsa	(3 064)	(5 038)
Irish stock exchange fee	-	-
Issuer fee	(189)	(17 193)
Legal Fee	-	(8 113)
Others	-	-
Paying Agent fee	(1 040)	(6 240)
Rating Agency fee	(55 220)	(57 778)
Service fee	(5 500)	(66 000)
Transcation Manager	-	-
	<u>(66 563)</u>	<u>(219 948)</u>



16.3 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	-	11 346 236
Cash Reserve	-	293 446
Liquidity Account	-	112 140
	-	11 751 823

The item “Deposits” corresponds to demand deposits at Deutsche Bank, AG – London.

16.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	-	10 811 006
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	500 633
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	-	11 311 639

16.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	-	23 062 904
Accrued interest	-	63 949
Issued notes premium	-	-
Issued notes discount	-	-
Others	-	(101 824)
	-	23 025 029

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in May 2015, ending in February 2019, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2015	502 898 000	(84 661 407)	418 236 593
2016	418 236 593	(129 114 267)	289 122 326
2017	289 122 326	(131 707 205)	157 415 122
2018	157 415 122	(134 352 218)	23 062 904
2019	23 062 904	(23 062 904)	-



16.6 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	-	1 300
Audit fee	-	31 210
Issuer fee	-	423
Others	-	-
Paying agent fee	-	-
Service fee	-	5 500
Transaction Manager	-	-
Other Payable	-	-
	-	38 433



17 Volta IV Electricity Receivables Securitisation Notes

On 3rd August 2016, the Company carried out the transaction “Volta IV Electricity Receivables Securitization Notes”. This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2016. Securitized bonds totalling € 604,016,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings for the different classes on 31st December 2019 were as follows:

	Moody's	Fitch	DBRS
Fixed Rate Senior Asset-Backed	A1 (sf)	BBB (sf)	BBB (high) (sf)
Liquidity Notes	-	-	-
Class R Notes	-	-	-

This issuance corresponds to 3 tranches of bonds: “Senior Notes” issued in the amount of € 600,000,000; “Class R Notes” issued in the amount of € 381,000; “Liquidity Notes” issued in the amount of € 3,635,000.

The remuneration of the Senior Notes is fixed, with an annual rate of 2.423%. The remaining classes do not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th September 2016, ending on 12th February 2021, the legal maturity date for all of the tranches.

The senior tranche is registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th September 2016, monthly, with final repayment scheduled for 12th February 2021, the legal maturity date for all the tranches.

Impairment

There is no impairment of the portfolio for the portfolio of this operation. The underlying asset of this transaction is the tariff deficit, as defined in the prospectus. According to the prospectus of the transaction, it is also possible verify that the risk of recoverability is ultimately the Country Risk. The Company considered that the risk of impairment in these operations being reduced and the fact that there was never any loss recorded in these operations, any impairment to be calculated would be irrelevant to the Company's accounts.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Volta IV Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes	February 2021	178 456 108	Fixed	2.42%	2.42%
Class R Notes due	February 2021	1 080 998	-	-	-
Liquidity Notes due	February 2021	381 000	-	-	-
		179 918 106			



The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>2019</u>	<u>2018</u>
Interest and similar income	6 146 187	10 129 333
Interest expense and similar charges	(5 875 107)	(9 806 322)
Net interest income	271 080	323 011
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	(271 080)	(323 011)
Total operating income/(expense)	(271 080)	(323 011)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	14 359 190	15 288 834
Balances due from other Credit Institutions	-	-
Loans to customers	165 938 623	315 461 572
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>180 297 813</u>	<u>330 750 406</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	180 263 941	330 724 057
Other liabilities	33 872	26 348
Total Liabilities	<u>180 297 813</u>	<u>330 750 406</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>180 297 813</u>	<u>330 750 406</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(263 556)	(328 637)
<i>Cash flows arising from operating activities</i>	<u>(263 556)</u>	<u>(328 637)</u>
Investing activities		
Receivables:		
Customer loans	146 475 981	145 394 390
Interest income	9 193 155	10 274 746
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>155 669 136</u>	<u>155 669 136</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(149 904 693)	(146 319 727)
Interest expenses	(6 430 530)	(9 928 183)
Other equity instruments		
<i>Cash flow arising from financing activities</i>	<u>(156 335 224)</u>	<u>(156 247 910)</u>
Net changes in cash and cash equivalents	(929 644)	(907 412)
Cash and cash equivalents balance at the beginning of the year	15 288 834	16 196 246
Cash and cash equivalents balance at the end of the year	<u>14 359 190</u>	<u>15 288 834</u>
Deposits at other Credit Institutions	14 359 190	15 288 834



17.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	7 018 059	10 274 746
Interest from deposits	-	-
Portfolio Acquisition premium	(871 872)	(145 413)
Other interest	-	-
	6 146 187	10 129 333
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(5 875 107)	(9 806 322)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(5 875 107)	(9 806 322)
Net interest income	271 080	323 011

17.2 General and administrative expenses

Description	(Expressed in EUR)	
	2019	2018
Agent bank fee	-	-
Audit fee	(19 680)	(21 370)
CMVM	(5 614)	(6 546)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(131)
Interbolsa	(8 282)	(11 171)
Irish stock exchange fee	-	-
Issuer fee	(37 339)	(59 577)
Legal Fee	(8 203)	(8 106)
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	(59 083)	(76 887)
Service fee	(60 000)	(60 000)
Transcation Manager	(72 878)	(79 222)
	(271 080)	(323 011)



17.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	12 972 428	12 972 428
Cash Reserve	305 764	332 828
Liquidity Account	1 080 998	1 983 578
	14 359 190	15 288 834

The item "Deposits at other Credit Institutions - Notes" corresponds to demand deposits at Citibank – London Branch.

17.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	164 668 943	313 320 020
Overdue loans	-	-
Portfolio acquisition premium/(discount)	1 269 680	2 141 552
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	165 938 623	315 461 572

The item "Loans and advances to customers" records the nominal value of the credit acquired under the securitization transaction totalling €599,987,316, minus interim capital receipts. This item includes the loan acquisition discount paid in full at the start of the transaction, totalling €2,286,625. Amounts for capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2016	599 987 316	(9 080 836)	-	-	590 906 480
2017	590 906 480	(132 192 070)	-	-	458 714 410
2018	458 714 410	(145 394 390)	-	-	313 320 020
2019	313 320 020	(148 651 077)	-	-	164 668 943

17.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	179 918 106	329 822 799
Accrued interest	379 764	678 767
Issued notes premium	-	-
Issued notes discount	-	-
Others	(33 929)	222 491
	180 263 941	330 724 057

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in May 2015, ending in February 2021, the legal maturity date for all of the tranches. The amounts of interim securitization bond repayments had the following breakdown:



(Expressed in EUR)

Year	Initial amount	Amortization	Ending balance
2016	604 016 000	(5 597 518)	598 418 482
2017	598 418 482	(122 275 956)	476 142 526
2018	476 142 526	(146 319 727)	329 822 799
2019	329 822 799	(149 904 693)	179 918 106

17.6 Other liabilities

(Expressed in EUR)

Description	31-12-2019	31-12-2018
Agent bank fee	-	-
Audit fee	-	-
Issuer fee	2 249	4 123
Others	6 867	6 541
Paying agent fee	5 000	5 000
Service fee	19 756	10 685
Transaction Manager	-	-
Other Payable	-	-
	33 872	26 348



18 Volta V Electricity Receivables Securitisation Notes

On 6th December 2017, the Company carried out the transaction “ Volta V Electricity Receivables Securitisation Notes” – This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2016. Securitised bonds totalling € 601,647,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings for the different classes on 31st December 2019 were as follows:

	Moody's	Fitch
Fixed Rate Senior Asset-Backed	A1 (sf)	BBB (sf)
Liquidity Notes	-	-
Class R Notes	-	-

This issuance corresponds to 3 tranches of bonds: “Senior Notes” issued in the amount of € 600,000,000; “Class R Notes” issued in the amount of € 372,000; “Liquidity Notes” issued in the amount of € 1,275,000.

The remuneration of the Senior Notes is fixed, with an annual rate of 0.85%. The remaining classes do not have a set interest rate, with entitlement to the available amounts after the transactions of other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th January 2018, ending on 12th February 2022, the legal maturity date for all the tranches.

The senior tranche is registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12 January 2018, monthly, with final repayment scheduled for 12th February 2022, the legal maturity date for all of the tranches.

Impairment

There is no impairment of the portfolio for the portfolio of this operation. The underlying asset of this transaction is the tariff deficit, as defined in the prospectus. According to the prospectus of the transaction, it is also possible verify that the risk of recoverability is ultimately the Country Risk. The Company considered that the risk of impairment in these operations being reduced and the fact that there was never any loss recorded in these operations, any impairment to be calculated would be irrelevant to the Company's accounts.

Debt securities issued



Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Volta V Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes	February 2022	324 229 531	Fixed	0.8500%	0.8500%
Class R Notes	February 2022	688 988	-	-	-
Liquidity Notes	February 2022	372 000	-	-	-
		325 290 519			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	3 425 555	4 735 135
Interest expense and similar charges	(3 138 238)	(4 434 655)
Net interest income	287 317	300 480
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	(287 317)	(300 480)
Total operating income/(expense)	(287 317)	(300 480)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	13 590 988	13 943 080
Balances due from other Credit Institutions	-	-
Loans to customers	311 763 165	459 788 806
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>325 354 152</u>	<u>473 731 885</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	325 319 332	473 705 355
Other liabilities	34 820	26 530
Total Liabilities	<u>325 354 152</u>	<u>473 731 885</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>325 354 152</u>	<u>473 731 885</u>

To be read with the notes attached to the financial statements



Cash Flow Statement
for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(279 027)	(301 186)
<i>Cash flows arising from operating activities</i>	<u>(279 027)</u>	<u>(301 186)</u>
Investing activities		
Receivables:		
Customer loans	141 246 903	131 445 103
Interest income	10 204 293	10 912 838
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>151 451 196</u>	<u>142 357 941</u>
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(147 956 730)	(128 399 751)
Interest expenses	(3 567 531)	(4 903 036)
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	<u>(151 524 261)</u>	<u>(133 302 787)</u>
Net changes in cash and cash equivalents	(352 092)	8 753 968
Cash and cash equivalents balance at the beginning of the year	13 943 080	5 189 112
Cash and cash equivalents balance at the end of the year	<u>13 590 988</u>	<u>13 943 080</u>
Deposits at other Credit Institutions	13 590 988	13 943 080



18.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	8 443 773	10 912 838
Interest from deposits	-	-
Portfolio Acquisition premium	(5 018 218)	(6 177 703)
Other interest	-	-
	3 425 555	4 735 135
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(3 138 238)	(4 434 655)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(3 138 238)	(4 434 655)
Net interest income	287 317	300 480

18.2 General and administrative expenses:

Description	(Expressed in EUR)	
	2019	2018
Agent bank fee	-	-
Audit fee	(19 680)	(27 938)
CMVM	(8 449)	(8 083)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(7 472)
Interbolsa	(11 085)	(11 366)
Irish stock exchange fee	-	-
Issuer fee	(58 983)	(80 975)
Legal Fee	-	(23 927)
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	(62 127)	(20 910)
Service fee	(60 000)	(60 000)
Transcation Manager	(66 992)	(59 810)
	(287 317)	(300 480)



18.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	12 634 347	12 634 347
Cash Reserve	267 652	306 003
Liquidity Account	688 988	1 002 729
	13 590 988	13 943 080

The item "Deposits at other Credit Institutions - Notes" corresponds to demand deposits at Citibank – London Branch.

18.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	306 512 271	449 519 694
Overdue loans	-	-
Portfolio acquisition premium/(discount)	5 250 893	10 269 111
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	311 763 165	459 788 806

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling €583.538.751, minus interim capital receipts. This item includes the loan acquisition discount paid in full at the start of the transaction. Amounts for capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2017	583 538 751	(19 020 768)	16 446 815	-	580 964 797
2018	580 964 797	(131 445 103)	-	-	449 519 694
2019	449 519 694	(143 007 423)	-	-	306 512 271

18.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	325 290 519	473 247 249
Accrued interest	229 663	334 243
Issued notes premium	-	-
Issued notes discount	-	-
Others	(200 849)	123 863
	325 319 332	473 705 355

In accordance with the contractual provisions, the repayment date for the bonds began in May 2015, ending in February 2022, the legal maturity date for all tranches. The amounts referring to the amortizations of securitization obligations that have occurred in the meantime are analysed as follows:



<i>(Expressed in EUR)</i>			
Year	Initial amount	Amortization	Ending balance
2017	601 647 000	-	601 647 000
2018	601 647 000	(128 399 751)	473 247 249
2019	473 247 249	(147 956 730)	325 290 519

18.6 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	-	-
Audit fee	19 756	10 685
Issuer fee	4 066	5 916
Others	-	-
Paying agent fee	-	-
Service fee	5 000	5 000
Transaction Manager	5 998	4 929
Other Payable	-	-
	34 820	26 530



19 Volta VI Electricity Receivables Securitisation Notes

On 27th June 2018 the Company carried out the transaction “Volta VI Electricity Receivables Securitisation Notes” – This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2017. Securitised bonds totalling €652,163,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings for the different classes on 31st December 2019 were as follows:

	Moody's	Fitch
Fixed Rate Senior Asset-Backed	A1 (sf)	A- (sf)
Liquidity Notes	-	-
Class R Notes	-	-

This issuance corresponds to 3 tranches of bonds: “Senior Notes” issued in the amount of €650,000,000; “Class R Notes” issued in the amount of €375,000; “Liquidity Notes” issued in the amount of €1,788,000.

The remuneration of the Senior Notes is fixed, with an annual rate of 1.10%. The remaining classes do not have a set interest rate, with entitlement to the available amounts after the transactions of other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 13th August 2018, ending on 13th February 2023, the legal maturity date for all the tranches.

The senior tranche is registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 13th August 2018, monthly, with final repayment scheduled for 13th February 2023, the legal maturity date for all of the tranches.

Impairment

There is no impairment of the portfolio for the portfolio of this operation. The underlying asset of this transaction is the tariff deficit, as defined in the prospectus. According to the prospectus of the transaction, it is also possible verify that the risk of recoverability is ultimately the Country Risk. The Company considered that the risk of impairment in these operations being reduced and the fact that there was never any loss recorded in these operations, any impairment to be calculated would be irrelevant to the Company's accounts.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Volta VI Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes due 2023	February 2023	516 117 791	Fixed	1.10%	-
Class R Notes due 2023	February 2023	1 419 324	-	-	-
Liquidity Notes due 2023	February 2023	375 000	-	-	-
		517 912 115			



The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	6 843 855	4 013 368
Interest expense and similar charges	(6 541 446)	(3 874 741)
Net interest income	302 408	138 627
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	(302 408)	(138 627)
Total operating income/(expense)	(302 408)	(138 627)
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	15 461 885	2 789 505
Balances due from other Credit Institutions	-	-
Loans to customers	502 665 683	649 050 446
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>518 127 568</u>	<u>651 839 951</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	518 090 217	651 805 202
Other liabilities	37 351	34 748
Total Liabilities	<u>518 127 568</u>	<u>651 839 951</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>518 127 568</u>	<u>651 839 951</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(299 805)	(103 879)
<i>Cash flows arising from operating activities</i>	<u>(299 805)</u>	<u>(103 879)</u>
Investing activities		
Receivables:		
Customer loans	143 664 510	-
Interest income	9 564 108	4 782 053
Payments:		
Loan Portfolio acquisition	-	(649 819 131)
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	<u>153 228 618</u>	<u>(645 037 078)</u>
Financing activities		
Receivables:		
Debt securities issued	-	652 163 000
Payments:		
Debt securities issued	(133 567 760)	(683 125)
Interest expenses	(6 688 672)	(3 549 413)
Other equity instruments		
<i>Cash flow arising from financing activities</i>	<u>(140 256 432)</u>	<u>647 930 462</u>
Net changes in cash and cash equivalents	12 672 380	2 789 505
Cash and cash equivalents balance at the beginning of the year	2 789 505	
Cash and cash equivalents balance at the end of the year	<u>15 461 885</u>	<u>2 789 505</u>
Deposits at other Credit Institutions	15 461 885	2 789 505



19.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	9 564 108	4 782 053
Interest from deposits	-	-
Portfolio Acquisition premium	(2 720 253)	(768 685)
Other interest	-	-
	6 843 855	4 013 368
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(6 541 446)	(3 874 741)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(6 541 446)	(3 874 741)
<i>Net interest income</i>	302 408	138 627

19.2 General and administrative expenses:

Description	(Expressed in EUR)	
	2019	2018
Agent bank fee	-	-
Audit fee	(20 049)	(19 065)
CMVM	(12 199)	(239)
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(7 563)
Interbolsa	(14 606)	(4 772)
Irish stock exchange fee	-	-
Issuer fee	(88 526)	(48 893)
Legal Fee	-	(13 500)
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	(41 205)	-
Service fee	(60 000)	(30 000)
Transcation Manager	(65 823)	(14 596)
	(302 408)	(138 627)

19.3 Deposits at other Credit Institutions:

Description	(Expressed in EUR)	
	31-12-2019	31-12-2018
Deposits	13 871 450	811 040
Cash Reserve	171 111	192 837
Liquidity Account	1 419 324	1 785 628
	15 461 885	2 789 505



The item "Deposits" corresponds to demand deposits at Citibank – London Branch.

19.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	497 404 308	641 068 818
Overdue loans	-	-
Portfolio acquisition premium/(discount)	5 261 375	7 981 628
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	502 665 683	649 050 446

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling €641,068,818, minus interim capital receipts. This item includes the loan acquisition discount paid in full at the start of the transaction. Amounts for capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2018	641 068 818	-	-	-	641 068 818
2019	641 068 818	(143 664 510)	-	-	497 404 308

19.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	517 912 115	651 479 875
Accrued interest	479 791	609 600
Issued notes premium	-	-
Issued notes discount	-	-
Others	(301 690)	(284 272)
	518 090 217	651 805 202

In accordance with the contractual provisions, the repayment date for the bonds began on August 2018, ending on February 2023, the legal maturity date for all tranches. The amounts referring to the amortizations of securitization obligations that have occurred in the meantime are analysed as follows:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2018	652 163 000	(683 125)	651 479 875
2019	651 479 875	(133 567 760)	517 912 115



19.6 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	-	-
Audit fee	19 065	19 065
Issuer fee	6 474	8 144
Others	-	-
Paying agent fee	-	-
Service fee	5 000	5 000
Transaction Manager	6 813	2 540
Other Payable	-	-
	37 351	34 748



20 Volta VII Electricity Receivables Securitisation Notes

On 26th June 2019 the Company carried out the transaction “Volta VII Electricity Receivables Securitisation Notes” – This transaction entailed the acquisition, from EDP Serviço Universal, S.A., of loans with entitlement to receive amounts for payments for positive adjustments to electricity acquisition costs for the year 2019 and adjustments from previous two years. Securitised bonds totalling € 476,321,000 were issued at par. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

The ratings for the different classes on 31st December 2019 were as follows:

	Moody's	Fitch
Fixed Rate Senior Asset-Backed	Aa3 (sf)	A (sf)
Liquidity Notes	-	-
Class R Notes	-	-

This issuance corresponds to 3 tranches of bonds: “Senior Notes” issued in the amount of € 475,000,000; “Class R Notes” issued in the amount of € 490,000; “Liquidity Notes issued in the amount of € 831,000.

The remuneration of the Senior Notes is fixed, with an annual rate of 0.7%. The remaining classes do not have a set interest rate, with entitlement to the available amounts after the transaction's other responsibilities have been fulfilled, as stipulated in its terms and conditions.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th August 2019, ending on 12th February 2024, the legal maturity date for all the tranches.

The senior tranche is registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. Pursuant to the provisions of the contractual agreement, the bonds' repayment date began on 12th August 2019, monthly, with final repayment scheduled for 12th February 2024, the legal maturity date for all of the tranches.

Impairment

There is no impairment of the portfolio for the portfolio of this operation. The underlying asset of this transaction is the tariff deficit, as defined in the prospectus. According to the prospectus of the transaction, it is also possible verify that the risk of recoverability is ultimately the Country Risk. The Company considered that the risk of impairment in these operations being reduced and the fact that there was never any loss recorded in these operations, any impairment to be calculated would be irrelevant to the Company's accounts.

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2019	Interest Rate 31.12.2018
Volta VII Electricity Receivables Securitisation Notes					
Fixed Rate Senior Asset-Backed Notes due 2024	February 2024	432 529 013	Fixed	0.70%	-
Liquidity Notes due 2024	February 2024	756 926	-	-	-
Class R Notes due 2024	February 2024	490 000	-	-	-
		433 775 939			

The item “Debt securities issued” records the carrying value of securitization bonds within the scope of the securitization transaction. The amounts received each month are transferred to the transaction's set of responsibilities in accordance with its terms. Any surpluses generated by the



assets will be paid to the holder of the bonds, while any shortcomings will be assumed by the holder on their cancellation date, with no result in the Company's operating accounts.

The transaction's financial statements are shown in reference to 31st December 2019 and 2018:

Income Statement

For the years ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Interest and similar income	1 814 695	-
Interest expense and similar charges	(1 641 740)	-
Net interest income	172 955	-
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	-	-
General and administrative costs	(172 955)	-
Total operating income/(expense)	(172 955)	-
Impairment losses on loans, net of reversals and recoveries	-	-
Operating income	-	-
Income before taxes	-	-
Income taxes	-	-
Net income for the year	-	-

To be read with the notes attached to the financial statements



Balance Sheet as at 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	<u>31-12-2019</u>	<u>31-12-2018</u>
Assets		
Deposits at other Credit Institutions	10 055 542	-
Balances due from other Credit Institutions	-	-
Loans to customers	423 924 443	-
Intangible assets	-	-
Other assets	-	-
Total Assets	<u>433 979 986</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	433 935 513	-
Other liabilities	44 473	-
Total Liabilities	<u>433 979 986</u>	<u>-</u>
Equity		
Share Capital	-	-
Other equity instruments	-	-
Reserves and retained earnings	-	-
Net income for the period	-	-
Total Equity	<u>-</u>	<u>-</u>
Total Equity and Liabilities	<u>433 979 986</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2019 and 2018

	<i>(Expressed in EUR)</i>	
	2019	2018
Operating activities		
Other receivables/(payments) associated with the operating activities	(128 482)	-
<i>Cash flows arising from operating activities</i>	(128 482)	-
Investing activities		
Receivables:		
Customer loans	(424 929 599)	-
Interest income	2 819 851	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flow arising from investing activities</i>	(422 109 749)	-
Financing activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(42 802 341)	-
Interest expenses	(1 224 886)	-
Other equity instruments	-	-
<i>Cash flow arising from financing activities</i>	(44 027 227)	-
Net changes in cash and cash equivalents	(466 265 458)	-
Cash and cash equivalents balance at the beginning of the year	476 321 000	-
Cash and cash equivalents balance at the end of the year	10 055 542	-
Deposits at other Credit Institutions	10 055 542	-



20.1 Net interest income

Description	(Expressed in EUR)	
	2019	2018
<i>Interest and similar income</i>		
Interest from loans and advances	2 819 851	-
Interest from deposits	-	-
Portfolio Acquisition premium	(1 005 156)	-
Other interest	-	-
	1 814 695	-
<i>Interest expenses and similar charges</i>		
Interest from debt securities issued	(1 641 740)	-
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(1 641 740)	-
	172 955	-
<i>Net interest income</i>		

20.2 General and administrative expenses:

Description	(Expressed in EUR)	
	2019	2018
Agent bank fee	-	-
Audit fee	(19 680)	-
CMVM	(12 822)	-
Comissões Bancárias	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(6 521)	-
Interbolsa	(3 558)	-
Irish stock exchange fee	-	-
Issuer fee	(44 257)	-
Legal Fee	(14 895)	-
Others	-	-
Paying Agent fee	-	-
Rating Agency fee	-	-
Service fee	(36 000)	-
Transcation Manager	(35 223)	-
	(172 955)	-



20.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Deposits	8 814 786	-
Cash Reserve	483 830	-
Liquidity Account	756 926	-
	10 055 542	-

The item "Deposits at other Credit Institutions - Notes" corresponds to demand deposits at Citibank – London Branch.

20.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Loans	419 990 278	-
Overdue loans	-	-
Portfolio acquisition premium/(discount)	3 934 165	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	423 924 443	-

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling €475,000,000, minus interim capital receipts. This item includes the loan acquisition discount paid in full at the start of the transaction. Amounts regarding capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purshases	Write-off	Ending balance
2019	475 000 000	(55 000 687)	-	-	419 999 313

20.5 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Securitisatin notes	433 775 939	-
Accrued interest	262 037	-
Issued notes premium	-	-
Issued notes discount	-	-
Others	(102 463)	-
	433 935 513	-

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in August 2019, ending in February 2024, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	Initial amount	Amortization	Ending balance
2019	476 321 000	(42 545 061)	433 775 939



20.6 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2019	31-12-2018
Agent bank fee	-	-
Audit fee	19 680	-
Issuer fee	7 214	-
Others	-	-
Paying agent fee	-	-
Service fee	6 000	-
Transaction Manager	11 579	-
Other Payable	-	-
	44 473	-