



TAGUS - STC, S.A.

Sociedade Titularização de Créditos

Annual Report 2020



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 2020, for your consideration.

In accordance with applicable legal provisions, the Company's financial statements for the year ending 31 December 2020 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 (republished by Law no. 69/2019, of 28 August and with the amendments introduced by Decree-Law no. 144/2019, of 23 September and Law No. 25/2020, of July 7) and CMVM Regulation No. 4/2020. Decree-Law no. 453/99 clearly defines the mandatory autonomous assets of each operation, with the assets of each operation responding exclusively to 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 25th July 2020 the Company made the final redemption of the Operation “ Silk Finance No 4”.

On 30th April 2020 the Company carried out the operation “ Green Belém No.1”.

On 23th July 2020 the Company carried out the operation Silk Finance No 5”.

On 28th July 2019 the Company carried out the operation “Victoria Finance No.1”.



3º Securitization transactions on 31 December 2020

On 31st December 2020 and 2019, the amounts of debt securities issued by each transaction managed by Tagus STC, S.A, were as follows:

<i>(Expressed in EUR)</i>						
Underlying	Designation	Date of establishment	Amount 31-12-2020	%	Amount 31-12-2019	%
Mortgage Loans	Aqua Mortgage No.1	08-12-2008	79 202 699	1.2%	90 176 732	1.4%
	Castilho Mortgages No.1	25-09-2015	0	0.0%	0	0.0%
	Green Belem No. 1	30-04-2020	361 006 630	5.5%	0	0.0%
	Nostrum Mortgage No.2	05-11-2010	2 944 138 472	44.8%	3 192 074 345	49.5%
			3 384 347 801	51.5%	3 282 251 077	50.9%
Consumer Finance	Aqua Finance No.4	11-07-2017	84 223 487	1.3%	126 117 710	2.0%
	Chaves Funding No.7	10-07-2017	0	0.0%	0	0.0%
	Chaves Funding No.8	28-11-2019	462 355 031	7.0%	329 540 088	5.1%
	Pelican Finance No.1	30-04-2014	85 148 633	1.3%	131 405 052	2.0%
	Silk Finance No.4	30-04-2014	0	0.0%	471 667 542	7.3%
	Silk Finance No.5	23-07-2020	605 941 001	9.2%	0	0.0%
	Victoria Finance No. 1	28-07-2020	531 167 534	8.1%	0	0.0%
			1 768 835 686	26.9%	1 058 730 392	16.4%
Receivables	EnergyOn No.1	06-03-2009	395 610 397	6.0%	485 580 401	7.5%
	EnergyOn No.2	03-12-2009	137 339 591	2.1%	168 981 727	2.6%
	Volta III Electricity Receivables Securitisation Notes	24-03-2014	0	0.0%	0	0.0%
	Volta IV Electricity Receivables Securitisation Notes	03-08-2016	26 340 614	0.4%	179 918 106	2.8%
	Volta V Electricity Receivables Securitisation Notes	06-12-2017	176 071 245	2.7%	325 290 519	5.0%
	Volta VI Electricity Receivables Securitisation Notes	27-06-2018	356 421 820	5.4%	517 912 115	8.0%
	Volta VII Electricity Receivables Securitisation Notes	03-07-2019	330 936 591	5.0%	433 775 939	6.7%
			1 422 720 258	21.6%	2 111 458 806	32.7%
	Total		6 575 903 744		6 452 440 274	

4º Equity

In view of the securitization transactions and bonds arising from legislation in force, on 31st December 2020 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 amounting to € 3,260,667 (three million two hundred and sixty thousand six hundred and sixty-seven 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 to article 71.ºM of the RGOIC - Article 19 and Article 43 of the Legal Regime of the Credit securitization as amended by Decree Law no. 144/2019.



5° Main indicators

<i>(Expressed in EUR)</i>			
EUR	2020	2019	Var
Total Balance	6 644 068 349	6 510 910 378	133 157 972
Equity	4 281 352	3 070 230	1 211 122
Net Interest income	24 006 462	(4 194 818)	28 201 280
Total Operating Income/Expense	13 681 825	4 236 720	9 445 105
Reversal / (losses) loan impairment	(37 239 906)	108 775	(37 348 681)
Income Tax	(100 886)	(33 902)	(66 983)
Net Income for the year	347 495	116 775	230 721
Comissions charged by Tagus over the operations	965 936	804 087	161 849

Regarding the main indicators, the total Financial Position increased by approximately 133 million Euros.

This increase is the result of the three new operations that started in 2020, Victoria Finance No. 1, Silk Finance No.5 and Green Belém No.1, amounting to 1,490 million Euros, on the other hand due to the natural amortization of the operations in the amount of 900 million Euros and for the early maturity of the Silk Finance No.4 operation at 470 million Euros.

We see a recovery in the financial margin. It should be noted that in 2019 this item had the impact of the early amortization of the Castilho Mortgage No. 1 operation.

As for the increased in operating income (9 million Euros), this essentially results from the same effect on net interest income.

The increased in impairment in 137 million Euros is justified by the impairment of operation Victoria Finance No.1 in the amount of 22 million Euros.

The result for the year increased by 230,721 Euros, mainly due to the increase in the number of active operations and the assets under management by Tagus during 2020.

The impairment of each of the operations, presents the following evolution for 2020 and 2019:

Operation	2020	2019	Var
Aqua Finance No.4	4.2%	3.1%	1.2%
Aqua Mortgage No.1	1.0%	1.6%	-0.6%
Chaves Funding No.8	2.0%	-	-
Green Belem No. 1	0.0%	-	-
Nostrum Mortgage No.2	0.2%	0.1%	0.2%
Pelican Finance No.1	8.5%	5.8%	2.7%
Silk Finance No.4	-	1.2%	-
Silk Finance No.5	0.6%	0.0%	0.6%
Victoria Finance No. 1	4.1%	0.0%	4.1%



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

6° Prospects for 2020

Regarding the new transactions, 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 foresee a significant recovery in the sector.

7° 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.

8° 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 Euros for the time spent carrying out their assigned duties pursuant to the law and articles of association.
3. For the 2019-2020 mandate, Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., was appointed as Tagus' Statutory Auditor, with annual remuneration of 2.800 Euros 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	Catarina Isabel Lopes Antunes Ribeiro Gil Mata
Member	Rui Paulo Menezes Carvalho
Member	Rafe Nicholas Morton

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

Company Secretary	Helena Patrícia Pereira Lopes
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9º Information required by article 447 of the Commercial Companies Code

In 2020, 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 2020, Tagus STC, S.A. had a profit before tax of 448,381 Euros, subject to 100,886 Euros of income tax payable, pursuant to the applicable legislation.

The net profit was 347,495 Euros, which, in accordance with the law and articles of association, will be allocated as follows:



Proposal for the appropriation of profits

Legal Reserve	Eur	0
Dividends	Eur	347 495
Retained Results	Eur	0
<hr/>		
Total		347 495
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Lisbon, 24th March 2021

The Board of Directors

Rui Carvalho
(Board Member)

Catarina Isabel Gil Mata
(Chairman)



Balance Sheet as at 31 of December 2020 and 2019

(Expressed in EUR)

Notes	Total Operations		Tagus		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Deposits at other Credit Institutions	330 716 281	288 739 375	5 600 191	13 935 508	336 316 472	302 674 883
Balances due from other Credit Institutions	20 832 553	23 807 783	-	-	20 832 553	23 807 783
Loans to customers	6 266 081 587	6 167 176 228	-	-	6 266 081 587	6 167 176 228
Intangible assets	-	-	-	-	-	-
Financial assets held for trading	1 123 089	-	-	-	1 123 089	-
Other assets	19 630 993	17 077 299	83 656	174 184	19 714 649	17 251 483
Total Assets	6 638 384 502	6 496 800 686	5 683 847	14 109 692	6 644 068 349	6 510 910 378
Liabilities						
Financial liabilities held for trading	29 172 334	39 323 929	-	-	29 172 334	39 323 929
Debt securities issued	6 545 013 609	6 431 311 890	-	-	6 545 013 609	6 431 311 890
Other financial liabilities	-	-	199 864	10 336 850	199 864	10 336 850
Other liabilities	64 198 559	26 164 867	1 202 631	702 612	65 401 190	26 867 479
Total Liabilities	6 638 384 502	6 496 800 686	1 402 495	11 039 462	6 639 786 997	6 507 840 148
Equity						
Share Capital	-	-	250 000	250 000	250 000	250 000
Other equity instruments	-	-	3 260 667	2 397 040	3 260 667	2 397 040
Reserves and retained earnings	-	-	423 190	306 415	423 190	306 415
Net income for the period	-	-	347 495	116 775	347 495	116 775
Total Equity	-	-	4 281 352	3 070 230	4 281 352	3 070 230
Total Equity and Liabilities	6 638 384 502	6 496 800 686	5 683 847	14 109 692	6 644 068 349	6 510 910 378

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 of December 2020 and 2019

(Expressed in EUR)

	Notes	Total Operations		Tagus		Total	
		2020	2019	2020	2019	2020	2019
Interest and similar income	4	201 739 037	165 272 317	-	-	201 739 037	165 272 317
Interest expense and similar charges	4	(177 637 219)	(169 162 161)	(95 356)	(304 974)	(177 732 575)	(169 467 135)
Net interest income	4	24 101 818	(3 889 844)	(95 356)	(304 974)	24 006 462	(4 194 818)
Results from services and fees	5	-	-	965 936	804 087	965 936	804 087
Net gains/(losses) arising from financial assets and liabilities at fair value through profit of loss	6	24 701 248	13 694 687	-	-	24 701 248	13 694 687
Staff costs	7	-	-	(15 639)	(12 030)	(15 639)	(12 030)
General and administrative costs	8	(11 563 160)	(9 913 618)	(406 560)	(336 406)	(11 969 720)	(10 250 024)
Impairment losses on loans, net of reversals and recoveries	9	(37 239 906)	108 775	-	-	(37 239 906)	108 775
Income before income tax				448 381	150 677	448 381	150 677
Income tax	10	-	-	(100 886)	(33 902)	(100 886)	(33 902)
Net income for the period				347 495	116 775	347 495	116 775
Resultado líquido por ação				6.95	2.34		

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

THE CHIEF ACCOUNTANT

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Statement of Changes in Equity
for the year ended 31 December, 2020 and 2019

		<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 2018	20 / 21	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	20 / 21	3 070 230	250 000	2 397 040	268 674	37 741	116 775
Legal Reserve		-	-	-	-	-	-
Retained earnings		-	-	-	-	116 775	(116 775)
Dividends		-	-	-	-	-	-
Supplementary Payments		863 627	-	863 627	-	-	-
Net income for the year		347 495	-	-	-	-	347 495
Balance on 31 December 2020	20 / 21	4 281 352	250 000	3 260 667	268 674	154 515	347 496

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

THE CHIEF ACCOUNTANT

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**Statement of Comprehensive Income
for the year ended at 31 December of 2020 and 2019**

	<i>(Expressed in EUR)</i>	
	<u>2020</u>	<u>2019</u>
Other comprehensive income for the year	-	-
Net income for the year	347 496	116 775
Total comprehensive income for the year	<u>347 495</u>	<u>116 775</u>

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

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS



Cash Flow Statement for the year ended 31 December 2020 and 2019

(Expressed in EUR)

	Total Operações		Tagus		Total	
	2020	2019	2020	2019	2020	2019
Operating Activities						
Other receivables/(payments) associated with the operating activities	(12 956 584)	(10 330 200)	815 929	(39 678)	(12 140 655)	(10 369 878)
<i>Cash flows arising from operating activities</i>	(12 956 584)	(10 330 200)	815 929	(39 678)	(12 140 655)	(10 369 878)
Investing Activities						
Receivables:						
Customers Loans	(273 452 977)	1 538 161 580	-	-	(273 452 977)	1 538 161 580
Interest income	401 425 105	204 774 913	-	-	401 425 105	204 774 913
Payments:						
Loan Portfolio acquisition	-	-	-	-	-	-
Financial Investments	(1 859 760)	-	-	-	(1 859 760)	-
<i>Cash flows arising from investing activities</i>	126 112 368	1 742 936 493	-	-	126 112 368	1 742 936 493
Financing Activities						
Receivables:						
Debt securities issued	1 668 955 713	856 689 834	-	-	1 668 955 713	856 689 834
Payments:						
Debt securities issued	(1 546 972 541)	(2 414 569 687)	-	-	(1 546 972 541)	(2 414 569 687)
Interest Expenses	(193 162 050)	(232 550 025)	-	(523 499)	(193 162 050)	(233 073 525)
Dividends	-	-	(9 151 246)	(516 000)	(9 151 246)	(516 000)
<i>Cash flows arising from financing activities</i>	(71 178 877)	(1 790 429 878)	(9 151 246)	(1 039 499)	(80 330 123)	(1 791 469 378)
Net changes in cash and cash equivalents	41 976 907	(57 823 585)	(8 335 317)	(1 079 177)	33 641 590	(58 902 762)
Cash and cash equivalents balance at the beginning of the year	288 739 375	346 562 959	13 935 508	15 014 685	302 674 883	361 577 644
Cash and cash equivalents balance at the end of the year	330 716 282	288 739 375	5 600 191	13 935 508	336 316 473	302 674 882

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

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**Notes to the Financial Statements
31 December 2020 and 2019****1 Introductory Note**

Tagus - Sociedade de Titularização de Cr Crédito, SA ('Company'), was incorporated on November 11, 2004, under Decree-Law No. 453/99, of November 5, republished by Law No. 69/2019 of August 28 and with the changes introduced by Decree-Law no. 144/2019, of September 23 and by Law no. 25/2020, of July 7, which regulate credit securitization companies.

The Company's registered office is located at Rua Castilho, nº20, 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 March 2021. The financial statements are presented in euros.

The financial statements, for the years ended December 31, 2020 and December 31, 2019, were prepared on the assumption of continuity of operations, based on the accounting books and records maintained in accordance with the International Financial Reporting Standards, such as adopted in the European Union (IAS / IFRS).

The financial statements have been prepared on a historical cost basis, modified using 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 considering 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 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 considered 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. The ineffective part of the hedge is recorded in the income statement.

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. For operations in which the prospectus contains the "deemed principal loss" clause and that during the year there are contracts that comply with the "deemed principal loss" requirements, the Company recognizes additional credit impairment in relation to the amount initially reported by the originators / servicers.

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 POCD), 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 2020.



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 in any expenses from research and development.

3.7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the amounts recorded in the Financial Position with a maturity of less than 3 months from the date of the Position Financial, which includes cash from other credit institutions.

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 2020 and 31 December 2019, respectively, these segments were as follows:

- Tagus – Sociedade de Titularização de Créditos, S.A.;
- Aqua Finance No. 4
- Aqua Mortgage No. 1;
- Castilho Mortgages No 1;
- Chaves Funding No. 7;
- Chaves Funding No. 8;
- EnergyOn No. 1 Securitisation Notes;
- EnergyOn No. 2 Securitisation Notes;
- Green Belém No. 1;
- Nostrum Mortgages No. 2;
- Pelican Finance No. 1;
- Silk Finance No. 4;
- Silk Finance No. 5;
- Victoria Finance No. 1;
- 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 27.

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, 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 were 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 2020, the Company adopted the following changes to the rules that became effective on 1st January 2020:

- a) *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.

- b) *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.
- c) *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.

- d) *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).

This amendment provides for certain temporary and restricted exemptions related to the accounting of coverage under IAS 39 / IFRS 9 - Financial instruments, the practical effect of which is not to be discontinuation of hedge accounting, in cases where the only change refers to the change reference interest rate. However, any ineffectiveness of the hedging relationship in force must continue to be recorded in the income statement.



This amendment requires specific disclosures for derivative financial instruments, in relation to to which these exemptions were applied, in terms of nominal value, significant assumptions and applied judgments, as well as the qualitative disclosure of the impact of the change in interest rates benchmark and how the entity is managing that process.

These changes are made retrospectively. The entity must apply these changes retrospectively to the hedging relationships existing at the beginning of the reporting period in which the entity apply these changes for the first time or which were subsequently designated as coverage, and the gain and loss recognized in other comprehensive income existing at the beginning of the reporting period in that an entity applies these changes for the first time.

These standards and interpretations were not adopted in advance by the Company

4 Net interest income

On 31st December 2020 and 2019, this heading was made up as follows:

Description	(Expressed in EUR)					
	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Interest and similar income						
Interest from loans and advances	209 944 418	-	209 944 418	176 030 208	-	176 030 208
Interest from deposits	16 254	-	16 254	-	-	-
Portfolio acquisition premium	(8 544 981)	-	(8 544 981)	(11 173 058)	-	(11 173 058)
Other Interest	323 346	-	323 346	415 166	-	415 166
	<u>201 739 037</u>	<u>-</u>	<u>201 739 037</u>	<u>165 272 317</u>	<u>-</u>	<u>165 272 317</u>
Interest expenses and similar charges						
Interest from debt securities issued	(176 969 476)	-	(176 969 476)	(168 927 789)	-	(168 927 789)
Interest from deposits	(628 975)	-	(628 975)	(282 263)	-	(282 263)
Interest from other financial liabilities	-	(95 356)	(95 356)	-	(304 974)	(304 974)
Premium bond issue	(38 768)	-	(38 768)	47 891	-	47 891
	<u>(177 637 219)</u>	<u>(95 356)</u>	<u>(177 732 575)</u>	<u>(169 162 161)</u>	<u>(304 974)</u>	<u>(169 467 135)</u>
Net income	24 101 818	(95 356)	24 006 462	(3 889 844)	(304 974)	(4 194 818)

The detail of each transaction is shown in note 27.

5 Results from services and fees

On 31st December 2020 and 2019, this heading was made up as follows:

Description	(Expressed in EUR)					
	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Fees and comission income						
Management fees:						
Aqua Mortgage No. 1	-	12 959	12 959	-	14 650	14 650
Aqua Finance No.4	-	70 166	70 166	-	70 117	70 117
Castilho Mortgages No 1	-	-	-	-	22 020	22 020
Chaves Funding No. 7	-	-	-	-	37 916	37 916
Chaves Funding No. 8	-	69 421	69 421	-	10 901	10 901
Green Belem No. 1	-	91 667	91 667	-	-	-
Pelican Finance No. 1	-	21 726	21 726	-	33 191	33 191
Nostrum Mortgages No. 2	-	232 117	232 117	-	247 993	247 993
Silk Finance No. 4	-	21 044	21 044	-	51 945	51 945
Silk Finance No. 5	-	66 652	66 652	-	-	-
CMEC Volta Electricity Receivables Notes	-	-	-	-	4 167	4 167
EnergyOn No. 1 Securitisation Notes	-	44 608	44 608	-	53 474	53 474
EnergyOn No. 2 Securitisation Notes	-	24 959	24 959	-	29 948	29 948
Victoria Finance No. 1	-	116 667	116 667	-	-	-
Volta III Electricity Receivables Notes	-	-	-	-	189	189
Volta IV Electricity Receivables Securitisation Notes	-	14 556	14 556	-	37 339	37 339
Volta V Electricity Receivables Securitisation Notes	-	36 685	36 685	-	58 981	58 981
Volta VI Electricity Receivables Securitisation Notes	-	64 588	64 588	-	88 528	88 528
Volta VII Electricity Receivables Securitisation Notes	-	78 122	78 122	-	42 729	42 729
	<u>-</u>	<u>965 936</u>	<u>965 936</u>	<u>-</u>	<u>804 087</u>	<u>804 087</u>



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 2020 and 2019, this heading was made up as follows:

Description	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>(Expressed in EUR)</i>						
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>						
Financial assets held-for-trading - Swaps	35 700 985	-	35 700 985	39 519 451	-	39 519 451
Other gains arising from financial operations	60 169 077	-	60 169 077	39 391 980	-	39 391 980
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>						
Financial assets held-for-trading - Swaps	(40 476 712)	-	(40 476 712)	(56 327 741)	-	(56 327 741)
Other losses arising financial operations	(30 692 103)	-	(30 692 103)	(8 889 004)	-	(8 889 004)
<i>Net gains / (losses) arising from financial assets and liabilities at fair value through profit and loss</i>	24 701 248	-	24 701 248	13 694 686	-	13 694 686

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 27.

7 Staff costs

On 31st December 2020 and 2019, this heading was made up as follows:

Description	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>(Expressed in EUR)</i>						
Wages and salaries	-	13 000	13 000	-	10 000	10 000
Mandatory social charges	-	2 639	2 639	-	2 030	2 030
	-	15 639	15 639	-	12 030	12 030

The item "Wages and salaries", amounting € 13.000 (2019: € 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 2020 and 2019, this heading was made up as follows:

(Expressed in EUR)

Description	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Judicial costs	-	35 445	35 445	-	6 765	6 765
Fees	-	-	-	-	332	332
Audit fee	358 072	(11 562)	346 510	418 256	18 450	436 706
Arranger fee	907 920	-	907 920	-	-	-
Service fee	5 423 581	-	5 423 581	7 143 061	-	7 143 061
Issuer fee	948 642	-	948 642	816 114	-	816 114
Agent bank fee	74 880	-	74 880	81 727	-	81 727
Irish stock exchange fee	-	-	-	3 690	-	3 690
Legal fee	811 815	-	811 815	133 249	-	133 249
Rating Agency fee	1 410 441	-	1 410 441	461 962	-	461 962
Transaction Manager	535 246	-	535 246	283 566	-	283 566
Service Level Agreement	-	370 289	370 289	-	289 918	289 918
Euronext	110 633	-	110 633	7 134	-	7 134
Interbolsa	154 701	-	154 701	166 909	-	166 909
CMVM	170 839	-	170 839	157 442	746	158 188
Paying Agent fee	31 200	-	31 200	22 360	-	22 360
Others	625 190	12 388	637 578	218 148	20 195	238 343
	11 563 160	406 560	11 969 720	9 913 618	336 406	10 250 024

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 2020 to € 370.289 (2019: Euros 289.918)

The fees charged by the Statutory Auditor for the services provided with the Legal Review of the Company's Accounts for the period of 2020 amounted to € 248,000.

The detail of each transaction is shown in note 27.

9 Impairment losses on loans to customers

On 31st December 2020 and 2019, this heading was made up as follows:

(Expressed in EUR)

Description	2020			2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Impairment losses	(29 272 018)	-	(29 272 018)	(8 588 909)	-	(8 588 909)
Reversals of impairment losses	(7 967 889)	-	(7 967 889)	8 697 684	-	8 697 684
	(37 239 906)	-	(37 239 906)	108 774	-	108 774

10 Income tax

In 2020 and 2019, 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	(Expressed in EUR)	
	2020	2019
Income Taxes		
For the period	100 886	33 902
Previous years corrections	-	-
Total income taxes	100 886	33 902
Income before taxes	448 381	150 677
Tax rate	22.5%	22.5%

The reconciliation between the nominal tax rate and the tax burden in the years 2020 and 2019, together with the reconciliation between the tax loss / gain and the accounting profit through the nominal tax rate, is analysed as follows:

Description	2020		2019	
	Tax Rate	Value	Tax Rate	Value
Income before taxes		448 381		150 677
Tax calculated based on current tax rate	21.0%	94 160	21.0%	31 642
Pour	1.5%	6 726	1.5%	2 260
Correction from previous years	0.0%	0	0.0%	0
Other	0.0%	0	0.0%	0
Tax charge	22.5%	100 886	22.5%	33 902

11 Deposits at other Credit Institutions

On 31st December 2020 and 2019, this heading was made up as follows:

Description	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Deposits	199 768 384	5 600 191	205 368 575	168 416 501	13 935 508	182 352 009
Cash reserve	128 865 309	-	128 865 309	116 376 638	-	116 376 638
Liquidity Account	2 082 588	-	2 082 588	3 946 235	-	3 946 235
	330 716 281	5 600 191	336 316 472	288 739 375	13 935 508	302 674 883

The item “Deposits” corresponds to a deposit at Deutsche Bank AG-Portugal branch in the amount of € 5.600.191 (2019: Euros 13.935.508).

The detail of each transaction is shown in note 27.

12 Balances due from other Credit institutions

On 31st December 2020 and 2019, this heading was made up as follows:

Description	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Deposits at other Credit Institutions	20 832 553	-	20 832 553	23 807 783	-	23 807 783
	20 832 553	-	20 832 553	23 807 783	-	23 807 783

The balance of this account as of 31st December 2020 corresponds to the margin account of Nostrum No 2 transactions under the contractually agreed swap.

The detail of each transaction is shown in note 27.



13 Loans to customers

On 31st December 2020, this heading was made up as follows:

(Expressed in EUR)

Description	31-12-2020							Tagus	Total
	Loans	Overdue Loans	Accrued Interest	Overdue Interest	Impairment	Portfolio Acquisition premium	Total Operations		
Aqua Finance No.4	73 919 617	2 901 004	177 421	120 761	(3 536 614)	-	73 562 188	-	73 562 188
Aqua Mortgage No.1	75 972 446	41 586	24 987	7 535	(783 293)	-	75 263 259	-	75 263 259
Castilho Mortgages No.1	-	-	-	-	-	-	-	-	-
Chaves Funding No.7	-	-	-	-	-	-	-	-	-
Chaves Funding No.8	456 895 098	562 137	1 383 455	334 794	(9 302 099)	-	449 873 386	-	449 873 386
Green Belem No. 1	350 284 147	246	484 330	251	(20 350)	-	350 748 625	-	350 748 625
Pelican Finance No.1	69 499 440	4 583 560	198 544	571 451	(7 251 443)	-	67 601 551	-	67 601 551
Nostrum Mortgage No.2	2 811 861 143	1 005 374	1 653 600	44 496	(6 644 827)	-	2 807 919 786	-	2 807 919 786
Sib. Finance No.4	-	-	-	-	-	-	-	-	-
Sib. Finance No.5	573 903 322	277 336	-	95 840	(3 523 066)	-	570 753 432	-	570 753 432
Energy On No.1	389 849 320	-	-	-	-	-	389 849 320	-	389 849 320
Energy On No.2	136 746 851	-	-	-	-	-	136 746 851	-	136 746 851
Victoria Finance No. 1	526 277 923	219 454	-	447 949	(21 805 033)	-	505 140 293	-	505 140 293
Volta III Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Volta IV Electricity Receivables Securitisation Notes	12 688 231	-	-	-	-	-	12 688 231	-	12 688 231
Volta V Electricity Receivables Securitisation Notes	160 818 615	-	-	-	-	1 995 120	162 813 735	-	162 813 735
Volta VI Electricity Receivables Securitisation Notes	338 536 057	-	-	-	-	3 095 966	341 632 023	-	341 632 023
Volta VII Electricity Receivables Securitisation Notes	318 856 140	-	-	-	-	2 632 766	321 488 906	-	321 488 906
	6 296 108 349	9 590 697	3 922 337	1 623 077	(52 886 725)	7 723 852	6 266 081 587	-	6 266 081 587

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

(Expressed in EUR)

Description	31-12-2019							Tagus	Total
	Loans	Overdue Loans	Accrued Interest	Overdue Interest	Impairment	Portfolio Acquisition premium	Total Operations		
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	-	-	-	-	-	-	-	-	-
Castilho 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 Volta Electricity Receivables	-	-	-	-	-	-	-	-	-
Energy On No.1	481 529 448	-	-	-	-	-	481 529 448	-	481 529 448
Energy On 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	(2 415 255)	-	3 060 808 059	-	3 060 808 059
Pelican Finance No.1	113 268 200	4 394 506	316 972	520 719	(7 618 290)	-	110 882 107	-	110 882 107
Sib. Finance No.4	419 574 447	5 254 309	923 169	159 450	(5 694 256)	-	420 217 119	-	420 217 119
Volta II Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Volta III Electricity Receivables Securitisation Notes	-	-	-	-	-	-	-	-	-
Volta IV Electricity Receivables Securitisation Notes	164 668 943	-	-	-	-	1 269 680	165 938 623	-	165 938 623
Volta V Electricity Receivables Securitisation Notes	306 512 271	-	-	-	-	5 250 893	311 763 165	-	311 763 165
Volta VI Electricity Receivables Securitisation Notes	497 404 308	-	-	-	-	5 261 375	502 665 683	-	502 665 683
Volta 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

The characteristics of the portfolios of the various transactions are analysed in note 27.

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

(Expressed in EUR)

Description	31-12-2020	31-12-2019
<i>Loans Impairment</i>		
Balance on 1 January	(23 874 818)	(35 527 271)
Impairment losses	(29 272 018)	(8 588 908)
Reversals of impairment losses	(7 967 888)	8 697 684
Loans Written-off	8 227 998	11 543 677
Balance on 31 December	(52 886 724)	(23 874 818)



14 Financial assets held for trading

On 31st December 2020 and 2019, this heading was made up as follows:

(Expresso em EUR)

Descrição	31-12-2020			31-12-2019		
	Total Operações	Tagus	Total	Total Operações	Tagus	Total
Swaps	1 123 089	-	1 123 089	-	-	-
	1 123 089	-	1 123 089	-	-	-

The caption financial assets held for trading the fair value of the derivatives including the respective interest racing, as referred to in the accounting policy described in Note 3.1 and detailed by Note 27.

As of 31 december 2020, the operation that holds derivatives in this caption is Silk N°5, for which the the counterparty is Banco Santander S.A.

According to the requirements of IFRS 7, the fair value of the derivatives are classified as level 2.

The analysis of financial assets held for negotiation, on 31st december 2020, is presented as follows:

(Expresso em EUR)

Description	Notional with remaining term			Fair value		
	Total Operações	Tagus	Total	Total Operações	Tagus	Total
Swaps	587 000 000	-	587 000 000	-	-	-
	587 000 000	-	587 000 000	-	-	-

15 Other assets

On 31st December 2020 and 2019, this heading was made up as follows:

(Expressed in EUR)

Description	31-12-2020			31-12-2019		
	Total Operações	Tagus	Total	Total Operações	Tagus	Total
Public Sector	-	-	-	-	99 003	99 003
Receivables	19 614 400	-	19 614 400	17 059 642	-	17 059 642
Up front fee	16 593	-	16 593	17 658	-	17 658
Issuer fee	-	79 027	79 027	-	75 181	75 181
Other	-	4 630	4 630	-	-	-
	19 630 993	83 657	19 714 650	17 077 299	174 184	17 251 483

The item "Receivables", corresponds, largely, to the amounts of principal and interest to be received from the servicers of Silk Finance No 5 (Euros 16.181.158).

The detail of each transaction is shown in note 27.

16 Financial liabilities held for trading

On 31st December 2020 and 2019, this heading was made up as follows:



(Expressed in EUR)

Description	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Swaps	29 172 334	-	29 172 334	39 323 929	-	39 323 929
	29 172 334	-	29 172 334	39 323 929	-	39 323 929

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 27.

As of 31st December 2020, the operations that contain derivatives are EnergyOn No.1, EnergyOn No.2, Green Belem No.1 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 classified as level 2.

The breakdown of "Financial liabilities held for trading" on 31st December 2020, is as follows:

(Expresso em EUR)

Description	Notional with remaining term			Fair value		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Swaps	3 513 511 621	-	3 513 511 621	26 949 352	-	26 949 352
	3 513 511 621	-	3 513 511 621	26 949 352	-	26 949 352

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

(Expresso em EUR)

Description	Notional 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 detail of each transaction is shown in note 27.

17 Debt securities issued

On 31st December 2020 and 2019, this heading was made up as follows:

(Expressed in EUR)

	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
<i>Debt securities issued</i>						
Securisation notes	6 575 903 744	-	6 575 903 744	6 452 440 274	-	6 452 440 274
Accrued interest	32 562 804	-	32 562 804	21 344 409	-	21 344 409
Issued notes premium	849 005	-	849 005	884 893	-	884 893
Issued notes discount	-	-	-	-	-	-
Others	(64 301 943)	-	(64 301 943)	(43 357 686)	-	(43 357 686)
	6 545 013 609	-	6 545 013 609	6 431 311 890	-	6 431 311 890

The item "Others" corresponds to the estimated shortcoming / surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2020.

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



(Expressed in EUR)

Description	Maturity	31-12-2020	31-12-2019
		Total Operations	Total Operations
Aqua Finance No.4	June 2035	83 732 353	125 207 068
Aqua Mortgage No.1	December 2063	78 279 109	88 764 016
Chaves Funding No.8	November 2034	457 411 991	329 941 872
Green Belem No. 1	March 2063	361 333 597	-
Pelican Finance No.1	December 2028	85 196 240	130 679 562
Nostrum Mortgage No.2	May 2065	2 927 819 358	3 172 970 564
Silk Finance No.4	January 2031	-	473 694 287
Silk Finance No.5	February 2035	612 856 210	-
EnergyOn No.1	May 2025	392 574 549	482 375 917
EnergyOn No.2	May 2025	138 305 568	170 069 602
Victoria Finance No. 1	October 2035	517 474 802	-
Volta IV Electricity Receivables Securitisation Notes	February 2021	26 073 738	180 263 941
Volta V Electricity Receivables Securitisation Notes	February 2022	176 053 073	325 319 332
Volta VI Electricity Receivables Securitisation Notes	February 2023	356 595 634	518 090 217
Volta VII Electricity Receivables Securitisation Notes	February 2024	331 307 387	433 935 513
		6 545 013 609	6 431 311 890

In 2020, Silk Finance No.4 made the final redemption. All transactions repaid all notes.

The detail of each transaction is shown in note 27.

18 Other financial liabilities

On 31st December 2020 and 2019, this heading was made up as follows:

(Expressed in EUR)

Prestações acessórias de capital subordinadas				31-12-2020			31-12-2019		
Minutes	Issue Date	Maturity		Amount	Interest	Total	Amount	Interest	Total
		Date	Interest Rate						
16/2009	Jun-2009	Jun-2019	E12M+3%	0	0	0	0	0	0
17/2009	Nov-2009	Nov-2019	E12M+3%	0	0	0	0	0	0
19/2010	Jul-2010	Jul-2020	E12M+3%	0	39 291	39 291	1 911 958	21 940	1 933 898
21/2010	Nov-2010	Nov-2020	E12M+3%	0	2 305	2 305	200 000	470	200 470
22/2010	Dez-2010	Dez-2020	E12M+3%	0	36 986	36 986	4 000 000	0	4 000 000
23/2011	Fev-2011	Fev-2021	E12M+3%	0	41 163	41 163	1 200 000	29 498	1 229 498
24/2011	Mar-2011	Mar-2021	E12M+3%	0	61 099	61 099	1 950 000	42 430	1 992 430
26/2011	Jun-2011	Jun-2021	E12M+3%	0	17 748	17 748	863 627	9 910	873 537
28/2011	Nov-2011	Nov-2021	E12M+3%	0	1 272	1 272	106 757	260	107 017
				0	199 864	199 864	10 232 342	104 508	10 336 850

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.

During the financial year 2020 all subordinated capital benefits were returned to the respective participants who had previously made them, thus leading Tagus to be without subordinated capital as at 31st December 2020.



19 Other liabilities

On 31st December 2020 and 2019 this heading was made up as follows:

Description	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
	<i>(Expressed in EUR)</i>					
Public Sector	-	127 672	127 672	-	13 630	13 630
<i>Accrued Expenses:</i>						
Judicial costs	-	3 383	3 383	-	6 765	6 765
Service Level Agreement	-	780 295	780 295	-	410 006	410 006
Audit fee	183 589	3 444	187 033	261 079	18 450	279 529
Service fee	366 842	-	366 842	1 027 928	-	1 027 928
Issuer fee	68 472	-	68 472	76 798	-	76 798
Agent bank fee	7 107	-	7 107	10 487	-	10 487
Transaction Manager	41 472	-	41 472	33 933	-	33 933
Valores a pagar	40 516 765	-	40 516 765	-	-	-
CMVM	-	-	-	-	-	-
Others	23 014 313	214 228	23 228 541	24 754 644	232 632	24 987 276
<i>Differed income:</i>						
Up front fees	-	73 610	73 610	-	21 129	21 129
Moratoriums	-	-	-	-	-	-
	64 198 559	1 202 631	65 401 190	26 164 867	702 612	26 867 479

On 31st December 2020, the item "Public Sector" was € 3.110 for stamp duty, € 53.749 for VAT and 70.81€ income tax payable.

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 "Upfront 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 27.

20 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:

General Assembly deliberation date	Amount
21 June 2011	863 627
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
	3 260 667



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 2020 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 € 3.260.667 (three million two hundred and sixty thousand and six hundred and sixty-seven euros) but no amount in respect of subordinated supplementary contributions.

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 71.ºM of the RGOIC - Article 19 and Article 43 of the Legal Regime of the Credit Securitization as amended by Decree Law no. 144/2019.

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 2020 and 2019, the Company complied with legally required capital levels.

On 31st December 2020, the fulfilment of these ratios can be demonstrated as follows:

Operation	<i>(Expressed in EUR)</i> Outstanding bonds 2020
Aqua Finance No.4	84 223 487
Aqua Mortgage No.1	79 202 699
Chaves Funding No.8	462 355 031
Green Belem No. 1	361 006 630
Pelican Finance No.1	85 148 633
Nostrum Mortgage No.2	2 944 138 472
Silk Finance No.5	605 941 001
Victoria Finance No. 1	531 167 534
EnergyOn No.1	395 610 397
EnergyOn No.2	137 339 591
Volta IV Electricity Receivables Securitisation Notes	26 340 614
Volta V Electricity Receivables Securitisation Notes	176 071 245
Volta VI Electricity Receivables Securitisation Notes	356 421 820
Volta VII Electricity Receivables Securitisation Notes	330 936 591
	<u>6 575 903 744</u>

**Calculation of own funds****(a1) Paragraph (a) of number 1 of the article 71.º-M RGOIC**

(i) The amount based on general expenses as of December 31, 2019 : 10 195 490

(a2) Paragraph (a) of number 1 of the article 71.º-M RGOIC

(ii) a quarter of the previous year's expenses : 2 548 873

(b) Paragraph (b) of number 1 of the article 71.º-M RGOIC

(i) The minimum initial capital amount : 125 000

(c) Paragraph (c) of number 1 of the article 71.º-M RGOIC

(i) Global net value of the portfolio under management 6 575 903 744

(ii) Amount in which the amount in (i) exceeds the amount of € 250,000,000 : 6 325 903 744

(iii) 0.02% of the value in (ii) : 1 265 181

(iv) Sum of the value in (iii) and the minimum initial capital : 1 390 181

Required Own Funds (highest value between a, b, c)	2 548 873
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(Expressed in EUR)

Own Funds	Amount
Share Capital	250 000
Other equity instruments	3 260 667
Reserves and Retained earnings	268 675
Results from previous years	154 515
Net income for the period	347 495
Own Funds	4 281 352
Surplus / (inadequacy)	1 732 480

21 Reserves and retained earningsOn 31st December 2020 and 2019, this heading was made up as follows:

Description	<i>(Expressed in EUR)</i>					
	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Legal Reserves	-	268 674	268 674	-	268 674	268 674
Retained earnings	-	154 515	154 515	-	37 741	37 741
	-	423 190	423 190	-	306 415	306 415

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.

22 Off-balance sheet elementsOn 31st December, de 2020 and 2019, off-balance sheet elements were as follows:

Description	<i>(Expressed in EUR)</i>					
	31-12-2020			31-12-2019		
	Total Operations	Tagus	Total	Total Operations	Tagus	Total
Credis Written-off	52 992 376	-	52 992 376	83 996 625	-	83 996 625
Assets received as collateral	4 988 714 232	-	4 988 714 232	4 568 768 828	-	4 568 768 828
Swap interest rate	4 100 511 621	-	4 100 511 621	4 012 254 235	-	4 012 254 235
	9 142 218 230	-	9 142 218 230	8 665 019 688	-	8 665 019 688



23 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.

24 Related parties

On 31st December 2020, the Company's related parties were as follows:

Shareholders:

Deutsche Bank AG

Members of the Board of Directors

- Catarina Isabel Lopes Antunes Ribeiro Gil Mata (Chairman)
- Rui Paulo Menezes Carvalho (Member)
- Rafe Nicholas Morton (Member)

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

- Navegator 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 Navegator 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 27; and
- In addition, the item "Remuneration" includes an amount for remuneration of members of the Audit Committee, as described in note 7.

25 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 2020, there were 14 active securitization transactions under the Company's management, corresponding to € 6.266.081.581 in credits (compared 12 transactions in 2019 corresponding to € 6.167.176.228), broken down as shown in the following table.



(Expressed in EUR)

Description	Loans to customers			
	2020	Weight	2019	Weight
Aqua Finance No.4	73 562 188	1.2%	113 755 709	1.8%
Aqua Mortgage No.1	75 263 259	1.2%	85 245 992	1.4%
Chaves Funding No.8	449 873 386	7.2%	321 540 533	5.2%
Green Belem No. 1	350 748 625	5.6%	-	0.0%
Pelican Finance No.1	67 601 551	1.1%	110 882 107	1.8%
Nostrum Mortgage No.2	2 807 919 786	44.8%	3 060 808 059	49.6%
Silk Finance No.4	-	0.0%	420 217 119	6.8%
Silk Finance No.5	570 753 432	9.1%	-	0.0%
Victoria Finance No. 1	505 140 293	8.1%	-	0.0%
EnergyOn No.1	389 849 320	6.2%	481 529 448	7.8%
EnergyOn No.2	136 746 851	2.2%	168 905 347	2.7%
Volta IV Electricity Receivables Securitisation Notes	12 688 231	0.2%	165 938 623	2.7%
Volta V Electricity Receivables Securitisation Notes	162 813 735	2.6%	311 763 165	5.1%
Volta VI Electricity Receivables Securitisation Notes	341 632 023	5.5%	502 665 683	8.2%
Volta VII Electricity Receivables Securitisation Notes	321 488 906	5.1%	423 924 443	6.9%
Total	6 266 081 587	100%	6 167 176 228	100%

The following table shows the amount of total credit (excluding the credit acquisition premium) and overdue credit, together with the impairment rate coverage in relation to these items as of 31st December 2020 and 2019:

(Expressed in EUR)

Description	2020			
	Loans to customers	Overdue Credit	Impairment	Impairment on credit to customers
Aqua Finance No.4	77 118 803	2 901 004	3 556 614	4.61%
Aqua Mortgage No.1	76 046 553	41 586	783 293	1.03%
Chaves Funding No.8	459 175 485	562 137	9 302 099	2.03%
Green Belem No. 1	350 768 974	246	20 350	0.01%
Pelican Finance No.1	74 852 995	4 583 560	7 251 443	9.69%
Nostrum Mortgage No.2	2 814 564 613	1 005 374	6 644 827	0.24%
Silk Finance No.5	574 276 498	277 336	3 523 066	0.61%
Victoria Finance No. 1	526 945 326	219 454	21 805 033	4.14%
EnergyOn No.1	389 849 320	-	-	0.00%
EnergyOn No.2	136 746 851	-	-	0.00%
Volta IV Electricity Receivables Securitisation Notes	12 688 231	-	-	0.00%
Volta V Electricity Receivables Securitisation Notes	160 818 615	-	-	0.00%
Volta VI Electricity Receivables Securitisation Notes	338 536 057	-	-	0.00%
Volta VII Electricity Receivables Securitisation Notes	318 856 140	-	-	0.00%
Total	6 311 244 460	9 590 697	52 886 725	0.84%



(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%

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 Interest Rate Swaps («IRS»).

Earning assets and liabilities and implicit rates of return in 2020 and 2019 are detailed in the following table:



(Expressed in EUR)

Description	2020			2019		
	Loans to customers	Interest and similar income	Implicit Interest Rate	Loans to customers	Interest and similar income	Implicit Interest Rate
Aqua Finance No.4	73 562 188	5 742 955	6.1%	113 755 709	7 032 750	5.0%
Aqua Mortgage No.1	75 263 259	1 911 485	2.4%	85 245 992	8 625 384	9.5%
Castilho Mortgages No.1	-	-	-	-	(263 249)	-0.1%
Chaves Funding No.7	-	-	-	-	6 907 527	7.2%
Chaves Funding No.8	449 873 386	30 372 004	7.7%	321 540 533	5 315 420	3.3%
Green Belem No. 1	350 748 625	7 673 027	4.4%	-	-	-
Pelican Finance No.1	67 601 551	7 326 644	8.2%	110 882 107	14 988 363	10.3%
Nostrum Mortgage No.2	2 807 919 786	56 007 211	-	3 060 808 059	57 793 471	1.8%
Silk Finance No.4	-	10 023 703	4.8%	420 217 119	34 708 658	6.8%
Silk Finance No.5	570 753 432	18 601 152	6.5%	-	-	-
Victoria Finance No. 1	505 140 293	42 194 986	16.7%	-	-	-
EnergyOn No.1	389 849 320	7 739 834	1.8%	481 529 448	9 307 597	1.8%
EnergyOn No.2	136 746 851	2 162 171	1.4%	168 905 347	2 605 152	1.4%
Volta III Electricity Receivables Securitisation Notes	-	-	-	-	20 953	0.4%
Volta IV Electricity Receivables Securitisation Notes	12 688 231	2 418 744	2.7%	165 938 623	6 146 187	2.6%
Volta V Electricity Receivables Securitisation Notes	162 813 735	2 501 767	1.1%	311 763 165	3 425 555	0.9%
Volta VI Electricity Receivables Securitisation Notes	341 632 023	5 255 368	1.2%	502 665 683	6 843 855	1.2%
Volta VII Electricity Receivables Securitisation Notes	321 488 906	3 326 895	0.9%	423 924 443	1 814 695	0.9%
	6 266 081 587	203 257 945	3.3%	6 167 176 228	165 272 317	2.4%

(Expressed in EUR)

Description	2020			2019		
	Debt securities issued	Interest and similar income	Implicit Interest Rate	Debt securities issued	Interest and similar income	Implicit Interest Rate
Aqua Finance No.4	83 732 353	5 476 238	5.2%	125 207 068	6 704 932	4.1%
Aqua Mortgage No.1	78 279 109	1 791 228	2.1%	88 764 016	8 490 603	8.9%
Castilho Mortgages No.1	-	-	-	-	29 469 490	6.1%
Chaves Funding No.7	-	-	-	-	6 227 961	6.3%
Chaves Funding No.8	457 411 991	28 670 905	7.1%	329 941 872	5 057 626	3.1%
Green Belem No. 1	361 333 597	6 777 843	3.8%	-	-	-
Pelican Finance No.1	85 196 240	7 100 970	6.6%	130 679 562	14 686 617	8.9%
Nostrum Mortgage No.2	2 927 819 358	44 174 751	1.4%	3 172 970 564	41 935 319	1.3%
Silk Finance No.4	-	7 828 612	3.3%	473 694 287	29 022 981	5.3%
Silk Finance No.5	612 856 210	16 511 983	5.4%	-	-	-
Victoria Finance No. 1	517 474 802	40 248 639	-	-	-	-
EnergyOn No.1	392 574 549	6 424 191	1.5%	482 375 917	8 186 638	1.6%
EnergyOn No.2	138 305 568	1 718 605	1.1%	170 069 602	2 229 074	1.2%
Volta III Electricity Receivables Securitisation Notes	-	-	-	-	(45 611)	-4.0%
Volta IV Electricity Receivables Securitisation Notes	26 073 738	2 187 778	2.1%	180 263 941	5 875 107	2.3%
Volta V Electricity Receivables Securitisation Notes	176 053 073	2 272 179	0.9%	325 319 332	3 138 238	0.8%
Volta VI Electricity Receivables Securitisation Notes	356 595 634	4 954 514	1.1%	518 090 217	6 541 446	1.1%
Volta VII Electricity Receivables Securitisation Notes	331 307 387	3 017 690	0.8%	433 935 513	1 641 740	0.8%
	6 545 013 609	179 156 127	2.8%	6 431 311 890	169 162 161	2.3%

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).

Regarding 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.



(Expressed in EUR)

Description	2020	Remunerated assets and liabilities	Implicit Interest Rate
<i>Assets</i>			
Deposits at other Credit Institutions	336 316 472	-	-
Balance due from other Credit Institutions	20 832 553	-	-
Loans to customers	6 266 081 587	6 266 081 587	3.3%
Intangible Assets	-	-	-
Financial assets held for trading	1 123 089	-	-
Other Assets	19 714 649	-	-
Total Assets	6 644 068 349	6 266 081 587	
<i>Liabilities</i>			
Financial liabilities held for trading	29 172 334	-	-
Debt securities issued	6 545 013 609	6 545 013 609	2.8%
Other financial liabilities	199 864	-	-
Other liabilities	65 401 190	-	-
Total Liabilities	6 639 786 997	6 545 013 609	
<i>Equity</i>			
Share Capital	250 000	-	-
Other equity instruments	3 260 667	-	-
Reserves and retained earnings	423 190	-	-
Net income for the period	347 495	-	-
Total Equity	4 281 352	-	
Total Equity and Liabilities	6 644 068 349	6 545 013 609	

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	2020			2019		
	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	2 298 216	-	2 298 216	2 621 562	-	2 621 562
Chaves Funding No.8	1 403 818	-	1 403 818	500 000	-	500 000
Green Belem No. 1	5 316 970	-	5 316 970	-	-	-
Pelican Finance No.1	14 700 449	-	14 700 449	14 700 449	-	14 700 449
Nostrum Mortgage No.2	80 111 792	-	80 111 792	80 143 466	-	80 143 466
Silk Finance No.4	-	-	-	3 695 366	-	3 695 366
Silk Finance No.5	6 590 834	-	6 590 834	-	-	-
Victoria Finance No. 1	3 925 000	-	3 925 000	-	-	-
EnergyOn No.1	4 739 468	-	4 739 468	4 809 912	-	4 809 912
EnergyOn No.2	1 637 126	-	1 637 126	1 677 525	-	1 677 525
Volta III Electricity Receivables Securitisation Notes	-	-	-	-	-	-
Volta IV Electricity Receivables Securitisation Notes	278 037	156 304	434 341	305 764	1 080 998	1 386 762
Volta V Electricity Receivables Securitisation Notes	256 081	372 569	628 650	267 652	688 988	956 640
Volta VI Electricity Receivables Securitisation Notes	142 258	976 444	1 118 702	171 111	1 419 324	1 590 435
Volta VII Electricity Receivables Securitisation Notes	465 260	577 271	1 042 531	483 830	756 926	1 240 756
Total	128 865 309	2 082 588	130 947 897	116 376 638	3 946 235	120 322 874

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 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.

26 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 2020, which are not reflected in the Financial Statements.

Even without having an impact on the Financial Statements with reference date as of 31st December 2020, we consider relevant to mention the following subsequent events:

In the first quarter of 2021, more specifically on 25 march of 2021 the operation Pelican Finance No.1 will be settled.

27 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 of December 2020 and 2019

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Castilho Mortgages No.1		Chaves Funding No.7		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest and similiar income	5 742 955	7 032 750	1 911 485	8 625 384	-	(263 249)	-	6 907 527	7 654 441	22 302 412
Interest expense and similar charges	(5 476 238)	(6 704 932)	(1 791 228)	(8 490 603)	-	(29 469 490)	-	(6 227 961)	(7 267 466)	(50 892 986)
Net interest income	266 717	327 818	120 257	134 780	-	(29 732 739)	-	679 566	386 975	(28 590 574)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit of loss	(309 022)	1 678 512	(623 699)	(107 538)	-	29 492 689	-	(2 889 236)	(932 721)	28 174 427
General and administrative costs	(266 717)	(327 818)	(120 257)	(134 780)	-	(260 481)	-	(679 566)	(386 975)	(1 402 646)
Total operating income/(expense)	(575 740)	1 350 695	(743 956)	(242 318)	-	29 232 208	-	(3 568 803)	(1 319 696)	26 771 781
Impairment losses on loans, net of reversals and	309 022	(1 678 512)	623 699	107 538	-	500 531	-	2 889 236	932 721	1 818 793
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 of December 2020 and 2019**

(Expressed in EUR)

	Chaves Funding No.8		Green Belem No.1		Nostrum Mortgage No.2		Pelican Finance No.1		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest and similiar income	30 372 004	5 315 420	6 154 120	-	56 007 211	57 793 471	7 326 644	14 988 363	107 514 419	100 399 665
Interest expense and similar charges	(28 670 905)	(5 057 626)	(5 258 935)	-	(44 174 751)	(41 935 319)	(7 100 970)	(14 686 617)	(92 473 028)	(112 572 547)
Net interest income	1 701 099	257 794	895 184	-	11 832 459	15 858 152	225 674	301 746	15 041 391	(12 172 883)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit of loss	8 899 341	2 866 761	20 350	-	(2 597 136)	(14 273 650)	(307 201)	(2 867 237)	5 082 632	13 900 300
General and administrative costs	(1 701 099)	(257 794)	(895 184)	-	(765 398)	(856 175)	(225 674)	(301 746)	(3 974 330)	(2 818 361)
Total operating income/(expense)	7 198 242	2 608 967	(874 835)	-	(3 362 534)	(15 129 825)	(532 875)	(3 168 983)	1 108 302	11 081 940
Impairment losses on loans, net of reversals and re	(8 899 341)	(2 866 761)	(20 350)	-	(8 469 925)	(728 327)	307 201	2 867 237	(16 149 693)	1 090 942
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 of December 2020 and 2019**

(Expressed in EUR)

	Silk Finance No.4		Silk Finance No.5		Victoria Finance No. 1		EnergyOn No.1		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest and similiar income	10 023 703	34 708 658	18 601 152	-	42 194 986	-	7 739 834	9 307 597	186 074 093	144 415 920
Interest expense and similar charges	(7 828 612)	(29 022 981)	(16 511 983)	-	(40 248 639)	-	(6 424 191)	(8 186 638)	(163 486 453)	(149 782 166)
Net interest income	2 195 091	5 685 676	2 089 168	-	1 946 347	-	1 315 642	1 120 959	22 587 640	(5 366 246)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilites at fair value through profit of loss	(4 883 461)	982 166	3 523 066	-	22 450 608	-	(1 151 748)	(943 669)	25 021 097	13 938 797
General and administrative costs	(2 195 091)	(5 685 675)	(2 089 168)	-	(1 946 347)	-	(163 895)	(177 290)	(10 368 831)	(8 681 326)
Total operating income/(expense)	(7 078 552)	(4 703 510)	1 433 897	-	20 504 261	-	(1 315 642)	(1 120 959)	14 652 266	5 257 471
Impairment losses on loans, net of reversals and re	4 883 461	(982 167)	(3 523 066)	-	(22 450 608)	-	-	-	(37 239 906)	108 775
Operating income	-	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



**Income Statement
as at 31 of December 2020 and 2019**

(Expressed in EUR)

	EnergyOn No.2		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		Volta V Electricity Receivables Securitisation Notes		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest and similar income	2 162 171	2 605 152	-	20 953	2 418 744	6 146 187	2 501 767	3 425 555	193 156 775	156 613 767
Interest expense and similar charges	(1 718 605)	(2 229 074)	-	45 611	(2 187 778)	(5 875 107)	(2 272 179)	(3 138 238)	(169 665 015)	(160 978 975)
Net interest income	443 566	376 078	-	66 563	230 966	271 080	229 587	287 317	23 491 760	(4 365 208)
Results from services and fees	-	-	-	-	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit of loss	(319 849)	(244 110)	-	-	-	-	-	-	24 701 248	13 694 687
General and administrative costs	(123 717)	(131 968)	-	(66 563)	(230 966)	(271 080)	(229 587)	(287 317)	(10 953 101)	(9 438 254)
Total operating income/(expense)	(443 566)	(376 078)	-	(66 563)	(230 966)	(271 080)	(229 587)	(287 317)	13 748 147	4 256 433
Impairment losses on loans, net of reversals and re	-	-	-	-	-	-	-	-	(37 239 906)	108 775
Operating income	(-)	-	-	-	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-



Income Statement
as at 31 of December 2020 and 2019

(Expressed in EUR)

	Volta VI Electricity Receivables		Volta VII Electricity Receivables		Total	
	Securitisation Notes		Securitisation Notes			
	2020	2019	2020	2019	2020	2019
Interest and similiar income	5 255 368	6 843 855	3 326 895	1 814 695	201 739 037	165 272 317
Interest expense and similar charges	(4 954 514)	(6 541 446)	(3 017 690)	(1 641 740)	(177 637 219)	(169 162 161)
Net interest income	300 854	302 408	309 205	172 955	24 101 818	(3 889 844)
Results from services and fees	-	-	-	-	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit of loss	-	-	-	-	24 701 248	13 694 687
General and administrative costs	(300 854)	(302 408)	(309 205)	(172 955)	(11 563 160)	(9 913 618)
Total operating income/(expense)	(300 854)	(302 408)	(309 205)	(172 955)	13 138 088	3 781 069
Impairment losses on loans, net of reversals and re	-	-	-	-	(37 239 906)	108 775
Operating income	-	-	-	-	-	-
Income before taxes	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-



**Balance Sheet
as at 31 of December 2020 e 2019**

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Castilho Mortgages No.1		Chaves Funding No.7		Sub-total	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
<i>Assets</i>										
Deposits at other Credit Institutions	10 312 719	11 593 421	3 029 819	3 547 033	-	-	-	-	13 342 538	15 140 454
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	-	-
Loans to customers	73 562 188	113 755 709	75 263 259	85 245 992	-	-	-	-	148 825 448	199 001 701
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-
Other assets	2 016	2 156	10 177	10 270	-	-	-	-	12 193	12 425
Total Assets	83 876 923	125 351 286	78 303 255	88 803 295	-	-	-	-	162 180 179	214 154 581
<i>Liabilities</i>										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	83 732 353	125 207 068	78 279 109	88 764 016	-	-	-	-	162 011 462	213 971 084
Other liabilities	144 570	144 218	24 146	39 279	-	-	-	-	168 716	183 497
Total Liabilities	83 876 923	125 351 286	78 303 255	88 803 295	-	-	-	-	162 180 178	214 154 581
<i>Equity</i>										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	83 876 923	125 351 286	78 303 255	88 803 295	-	-	-	-	162 180 178	214 154 581



Balance Sheet
as at 31 of December 2020 e 2019

(Expressed in EUR)

	Chaves Funding No.8		Green Belém No. 1		Nostrum Mortgage No.2		Pelican Finance No. 1		Sub-total	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
<i>Assets</i>										
Deposits at other Credit Institutions	7 157 976	8 566 825	9 865 886	-	135 884 523	136 039 819	18 180 858	20 349 087	184 431 782	180 096 185
Balances due from other Credit Institutions	-	-	-	-	18 332 553	21 307 783	-	-	18 332 553	21 307 783
Loans to customers	449 873 386	321 540 533	350 748 625	-	2 807 919 786	3 060 808 059	67 601 551	110 882 107	3 824 968 796	3 692 232 400
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-
Other assets	829 401	4 970	832 615	-	-	-	2 727	3 070	1 676 936	20 465
Total Assets	457 860 763	330 112 327	361 447 125	-	2 962 136 862	3 218 155 661	85 785 137	131 234 264	4 029 410 066	3 893 656 833
<i>Liabilities</i>										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	96 308	-	15 829 322	23 713 393	-	-	15 925 630	23 713 393
Other financial liabilities	457 411 991	329 941 872	361 333 597	-	2 927 819 358	3 172 970 564	85 196 240	130 679 562	3 993 772 648	3 847 563 081
Other liabilities	448 772	170 456	17 220	-	18 488 182	21 471 705	588 897	554 702	19 711 787	22 380 359
Total Liabilities	457 860 763	330 112 327	361 447 125	-	2 962 136 862	3 218 155 661	85 785 137	131 234 264	4 029 410 065	3 893 656 833
<i>Equity</i>										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	457 860 763	330 112 327	361 447 125	-	2 962 136 862	3 218 155 661	85 785 137	131 234 264	4 029 410 065	3 893 656 833



**Balance Sheet
as at 31 of December 2020 e 2019**

(Expressed in EUR)

	Silk Finance No.4		Silk Finance No.5		Victoria Finance No. 1		EnergyOn No.1		Sub-total	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
<i>Assets</i>										
Deposits at other Credit Institutions	-	37 489 664	23 304 808	-	53 895 469	-	13 024 050	13 100 276	274 656 109	230 686 125
Balances due from other Credit Institutions	-	-	-	-	-	-	2 500 000	2 500 000	20 832 553	23 807 783
Loans to customers	-	420 217 119	570 753 432	-	505 140 293	-	389 849 320	481 529 448	5 290 711 841	4 593 978 967
Financial assets held for trading	-	-	1 123 089	-	-	-	-	-	1 123 089	-
Other assets	-	17 053 352	17 950 730	-	-	-	1 625	1 701	19 629 291	17 075 518
Total Assets	-	474 760 136	613 132 059	-	559 035 762	-	405 374 995	497 131 424	5 606 952 882	4 865 548 393
<i>Liabilities</i>										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	10 278 146	12 217 317	26 203 776	35 930 710
Other financial liabilities	-	473 694 287	612 856 210	-	517 474 802	-	392 574 549	482 375 917	5 516 678 209	4 803 633 286
Other liabilities	-	1 065 848	275 849	-	41 560 960	-	2 522 300	2 538 190	64 070 896	25 984 397
Total Liabilities	-	474 760 136	613 132 059	-	559 035 762	-	405 374 995	497 131 424	5 606 952 881	4 865 548 393
<i>Equity</i>										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	-	474 760 136	613 132 059	-	559 035 762	-	405 374 995	497 131 424	5 606 952 881	4 865 548 393



**Balance Sheet
as at 31 of December 2020 e 2019**

(Expressed in EUR)
Total

	EnergyOn No.2		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		Volta V Electricity Receivables Securitisation Notes		Total	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Assets										
Deposits at other Credit Institutions	4 543 208	4 585 645	-	-	13 406 769	14 359 190	13 262 997	13 590 988	305 869 083	263 221 948
Balances due from other Credit Institutions	-	-	-	-	-	-	-	-	20 832 553	23 807 783
Loans to customers	136 746 851	168 905 347	-	-	12 688 231	165 938 623	162 813 735	311 763 165	5 602 960 658	5 240 586 102
Financial assets held for trading	-	-	-	-	-	-	-	-	1 123 089	-
Other assets	1 702	1 781	-	-	-	-	-	-	19 630 993	17 077 299
Total Assets	141 291 761	173 492 774	-	-	26 095 000	180 297 813	176 076 732	325 354 152	5 950 416 375	5 544 693 132
Liabilities										
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-
Debt securities issued	2 968 557	3 393 219	-	-	-	-	-	-	29 172 334	39 323 929
Other financial liabilities	138 305 568	170 069 602	-	-	26 073 738	180 263 941	176 053 073	325 319 332	5 857 110 588	5 479 286 161
Other liabilities	17 635	29 953	-	-	21 262	33 872	23 659	34 820	64 133 452	26 083 043
Total Liabilities	141 291 761	173 492 774	-	-	26 095 000	180 297 813	176 076 732	325 354 152	5 950 416 374	5 544 693 132
Equity										
Share Capital	-	-	-	-	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	141 291 761	173 492 774	-	-	26 095 000	180 297 813	176 076 732	325 354 152	5 950 416 374	5 544 693 132



Balance Sheet
as at 31 of December 2020 e 2019

(Expressed in EUR)

	Volta VI Electricity Receivables		Volta VII Electricity Receivables		Total	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Assets						
Deposits at other Credit Institutions	14 989 882	15 461 885	9 857 317	10 055 542	330 716 282	288 739 375
Balances due from other Credit Institutions	-	-	-	-	20 832 553	23 807 783
Loans to customers	341 632 023	502 665 683	321 488 906	423 924 443	6 266 081 587	6 167 176 228
Financial assets held for trading	-	-	-	-	1 123 089	-
Other assets	-	-	-	-	19 630 993	17 077 299
Total Assets	356 621 905	518 127 568	331 346 223	433 979 986	6 638 384 503	6 496 800 686
Liabilities						
Financial liabilities held for trading	-	-	-	-	-	-
Debt securities issued	-	-	-	-	29 172 334	39 323 929
Other financial liabilities	356 595 634	518 090 217	331 307 387	433 935 513	6 545 013 609	6 431 311 890
Other liabilities	26 271	37 351	38 836	44 473	64 198 559	26 164 867
Total Liabilities	356 621 905	518 127 568	331 346 223	433 979 986	6 638 384 502	6 496 800 686
Equity						
Share Capital	-	-	-	-	-	-
Other equity instruments	-	-	-	-	-	-
Reserves and retained earnings	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-
Total Equity	-	-	-	-	-	-
Total Equity and Liabilities	356 621 905	518 127 568	331 346 223	433 979 986	6 638 384 502	6 496 800 686



Cash Flow Statement
for the years ended 31 December 2020 and 2019

(Expressed in EUR)

	Aqua Finance No.4		Aqua Mortgage No.1		Castilho Mortgages No.1		Chaves Funding No. 7		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating Activities										
Other receivables/(payments) associated with the operating activities	(278 016)	(312 695)	(130 775)	(125 538)	-	(472 383)	-	(736 903)	(408 791)	(1 647 519)
<i>Cash flows arising from operating activities</i>	<u>(278 016)</u>	<u>(312 695)</u>	<u>(130 775)</u>	<u>(125 538)</u>	<u>-</u>	<u>(472 383)</u>	<u>-</u>	<u>(736 903)</u>	<u>(408 791)</u>	<u>(1 647 519)</u>
Investing Activities										
Receivables:										
Customers Loans	38 989 830	54 113 447	11 491 729	17 997 060	-	926 127 393	-	194 200 138	50 481 559	1 192 438 039
Interest income	5 822 438	7 148 475	698 318	1 478 261	-	1 939 060	-	7 651 225	6 520 756	18 217 020
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flows arising from investing activities</i>	<u>44 812 267</u>	<u>61 261 922</u>	<u>12 190 047</u>	<u>19 475 321</u>	<u>-</u>	<u>928 066 453</u>	<u>-</u>	<u>201 851 363</u>	<u>57 002 315</u>	<u>1 210 655 059</u>
Financing Activities										
Receivables:										
Debt securities issued	-	-	-	-	-	-	-	50 828 747	-	50 828 747
Payments:										
Debt securities issued	(41 894 222)	(74 082 290)	(10 974 032)	(12 158 064)	-	(936 053 383)	-	(249 912 586)	(52 868 255)	(1 272 206 323)
Interest Expenses	(3 920 732)	(5 280 322)	(1 602 455)	(8 232 182)	-	(31 529 374)	-	(8 042 571)	(5 523 186)	(53 084 448)
<i>Cash flows arising from financing activities</i>	<u>(45 814 954)</u>	<u>(79 362 612)</u>	<u>(12 576 487)</u>	<u>(20 390 246)</u>	<u>-</u>	<u>(967 582 756)</u>	<u>-</u>	<u>(207 126 410)</u>	<u>(58 391 441)</u>	<u>(1 274 462 025)</u>
Net changes in cash and cash equivalents	(1 280 702)	(18 413 385)	(517 215)	(1 040 464)	-	(39 988 686)	-	(6 011 950)	(1 797 917)	(65 454 485)
Cash and cash equivalents balance at the beginning of the year	11 593 421	30 006 807	3 547 034	4 587 497		39 988 687	0	6 011 950	15 140 455	80 594 940
Cash and cash equivalents balance at the end of the year	10 312 719	11 593 421	3 029 819	3 547 034			0	0	13 342 538	15 140 455
Deposits at other Credit Institutions (Note 9)	10 312 719	11 593 421	3 029 819	3 547 034	-	-	-	-	13 342 538	15 140 455



Cash Flow Statement for the years ended 31 December 2020 and 2019

(Expressed in EUR)

	Chaves Funding no 8		Green Belem No. 1		Nostrum Mortgage No.2		Pelican Finance No.1		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating Activities										
Other receivables/(payments) associated with the operating activities	(1 679 947)	(169 604)	(1 546 215)	-	(769 819)	(847 779)	(241 869)	(298 284)	(4 646 641)	(2 963 187)
<i>Cash flows arising from operating activities</i>	<u>(1 679 947)</u>	<u>(169 604)</u>	<u>(1 546 215)</u>	<u>-</u>	<u>(769 819)</u>	<u>(847 779)</u>	<u>(241 869)</u>	<u>(298 284)</u>	<u>(4 646 641)</u>	<u>(2 963 187)</u>
Investing Activities										
Receivables:										
Customers Loans	(136 873 389)	(323 047 849)	(350 185 157)	-	245 371 823	284 553 596	42 788 543	66 458 676	(148 416 621)	1 220 402 462
Interest income	29 445 932	4 033 271	5 314 815	-	68 906 967	74 692 116	7 218 343	15 188 408	117 406 813	112 130 815
Payments:	-	-	-	-	-	-	-	-	-	-
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	-	-
<i>Cash flows arising from investing activities</i>	<u>(107 427 457)</u>	<u>(319 014 578)</u>	<u>(344 870 342)</u>	<u>-</u>	<u>314 278 790</u>	<u>359 245 712</u>	<u>50 006 886</u>	<u>81 647 084</u>	<u>(31 009 808)</u>	<u>1 332 533 277</u>
Financing Activities										
Receivables:										
Debt securities issued	131 911 124	329 540 088	392 106 656	-	-	-	-	-	524 017 780	380 368 834
Payments:	-	-	-	-	-	-	-	-	-	-
Debt securities issued	(260 997)	-	(30 993 370)	-	(247 935 873)	(292 607 440)	(46 256 419)	(70 298 139)	(378 314 915)	(1 635 111 902)
Interest Expenses	(23 951 572)	(1 789 081)	(4 830 842)	-	(65 728 393)	(89 944 598)	(5 676 827)	(13 575 915)	(105 710 820)	(158 394 042)
<i>Cash flows arising from financing activities</i>	<u>107 698 555</u>	<u>327 751 007</u>	<u>356 282 444</u>	<u>-</u>	<u>(313 664 266)</u>	<u>(382 552 038)</u>	<u>(51 933 247)</u>	<u>(83 874 054)</u>	<u>39 992 045</u>	<u>(1 413 137 110)</u>
Net changes in cash and cash equivalents	(1 408 849)	8 566 825	9 865 886	-	(155 296)	(24 154 105)	(2 168 229)	(2 525 254)	4 335 596	(83 567 020)
Cash and cash equivalents balance at the beginning of the year	8 566 825	-	-	-	136 039 819	160 193 924	20 349 087	22 874 341	180 096 186	263 663 206
Cash and cash equivalents balance at the end of the year	7 157 976	8 566 825	9 865 886	-	135 884 523	136 039 819	18 180 858	20 349 087	184 431 782	180 096 186
Deposits at other Credit Institutions (Note 9)	7 157 976	8 566 825	9 865 886	-	135 884 523	136 039 819	18 180 858	20 349 087	184 431 782	180 096 186



Cash Flow Statement
for the years ended 31 December 2020 and 2019

(Expressed in EUR)

	Silk Finance No.4		Silk Finance No.5		Victoria Finance No. 1		EnergyOn No.1		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating Activities										
Other receivables/(payments) associated with the operating activities	(3 085 236)	(5 949 933)	(1 909 159)	-	(1 888 784)	-	(179 708)	(162 556)	(11 709 527)	(9 075 676)
<i>Cash flows arising from operating activities</i>	<u>(3 085 236)</u>	<u>(5 949 933)</u>	<u>(1 909 159)</u>	<u>-</u>	<u>(1 888 784)</u>	<u>-</u>	<u>(179 708)</u>	<u>(162 556)</u>	<u>(11 709 527)</u>	<u>(9 075 676)</u>
Investing Activities										
Receivables:										
Customers Loans	438 600 779	169 152 455	(587 164 905)	-	(657 987 610)	-	91 680 128	90 173 448	(863 288 230)	1 479 728 365
Interest income	13 401 152	36 004 487	15 404 242	-	214 095 091	-	14 481 626	17 807 357	374 788 925	165 942 658
Payments:										
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	(1 859 760)	-	-	-	-	-	(1 859 760)	-
<i>Cash flows arising from investing activities</i>	<u>452 001 931</u>	<u>205 156 942</u>	<u>(573 620 423)</u>	<u>-</u>	<u>(443 892 519)</u>	<u>-</u>	<u>106 161 754</u>	<u>107 980 805</u>	<u>(490 359 065)</u>	<u>1 645 671 023</u>
Financing Activities										
Receivables:										
Debt securities issued	-	-	610 200 001	-	534 737 933	-	-	-	1 668 955 713	380 368 834
Payments:										
Debt securities issued	(472 089 679)	(142 932 459)	(4 259 000)	-	(3 570 399)	-	(89 970 004)	(88 497 468)	(948 203 997)	(1 866 541 829)
Interest Expenses	(14 316 679)	(30 016 428)	(7 106 611)	-	(31 490 762)	-	(16 088 268)	(19 351 011)	(174 713 140)	(207 761 481)
<i>Cash flows arising from financing activities</i>	<u>(486 406 359)</u>	<u>(172 948 886)</u>	<u>598 834 390</u>	<u>-</u>	<u>499 676 771</u>	<u>-</u>	<u>(106 058 271)</u>	<u>(107 848 479)</u>	<u>546 038 576</u>	<u>(1 693 934 475)</u>
Net changes in cash and cash equivalents	(37 489 663)	26 258 122	23 304 808	-	53 895 469	-	(76 226)	(30 230)	43 969 984	(57 339 128)
Cash and cash equivalents balance at the beginning of the year	37 489 664	11 231 541	-	-	-	-	13 100 276	13 130 506	230 686 125	288 025 253
Cash and cash equivalents balance at the end of the year	37 489 664	23 304 808	-	53 895 469	-	13 024 050	13 100 276	274 656 109	230 686 125	
Deposits at other Credit Institutions (Note 9)	-	37 489 664	23 304 808	-	53 895 469	-	13 024 050	13 100 276	274 656 109	230 686 126



**Cash Flow Statement
for the years ended 31 December 2020 and 2019**

	EnergyOn No.2		Volta III Electricity Receivables Securitisation Notes		Volta IV Electricity Receivables Securitisation Notes		Volta V Electricity Receivables Securitisation Notes		Sub-total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating Activities										
Other receivables/(payments) associated with the operating activities	(135 956)	(119 880)	-	(104 996)	(243 576)	(263 556)	(240 749)	(279 027)	(12 329 807)	(9 843 136)
<i>Cash flows arising from operating activities</i>	<u>(135 956)</u>	<u>(119 880)</u>	<u>-</u>	<u>(104 996)</u>	<u>(243 576)</u>	<u>(263 556)</u>	<u>(240 749)</u>	<u>(279 027)</u>	<u>(12 329 807)</u>	<u>(9 843 136)</u>
Investing Activities										
Receivables:										
Customers Loans	32 158 496	31 630 001	-	10 811 006	151 980 712	146 475 981	145 693 656	141 246 903	(533 455 366)	1 809 892 255
Interest income	5 141 145	6 310 765	-	521 586	3 688 424	9 193 155	5 757 540	10 204 293	389 376 033	192 172 458
Payments:	-	-	-	-	-	-	-	-	-	-
Loan Portfolio acquisition	-	-	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	-	-	(1 859 760)	-
<i>Cash flows arising from investing activities</i>	<u>37 299 641</u>	<u>37 940 766</u>	<u>-</u>	<u>11 332 592</u>	<u>155 669 136</u>	<u>155 669 136</u>	<u>151 451 196</u>	<u>151 451 196</u>	<u>(145 939 092)</u>	<u>2 002 064 713</u>
Financing Activities										
Receivables:										
Debt securities issued	-	-	-	-	-	-	-	-	1 668 955 713	380 368 834
Payments:	-	-	-	-	-	-	-	-	-	-
Debt securities issued	(31 642 136)	(31 124 250)	-	(22 890 643)	(153 577 492)	(149 904 693)	(149 219 274)	(147 956 730)	(1 282 642 898)	(2 218 418 145)
Interest Expenses	(5 563 987)	(6 711 235)	-	(88 775)	(2 800 489)	(6 430 530)	(2 319 164)	(3 567 531)	(185 396 781)	(224 559 552)
<i>Cash flows arising from financing activities</i>	<u>(37 206 123)</u>	<u>(37 835 484)</u>	<u>-</u>	<u>(22 979 418)</u>	<u>(156 377 982)</u>	<u>(156 335 224)</u>	<u>(151 538 438)</u>	<u>(151 524 261)</u>	<u>200 916 034</u>	<u>(2 062 608 863)</u>
Net changes in cash and cash equivalents	(42 437)	(14 599)	-	(11 751 823)	(952 421)	(929 644)	(327 990)	(352 092)	42 647 135	(70 387 286)
Cash and cash equivalents balance at the beginning of the year	4 585 645	4 600 244	-	11 751 823	14 359 190	15 288 834	13 590 987	13 943 080	263 221 948	333 609 234
Cash and cash equivalents balance at the end of the year	4 543 208	4 585 645	-	-	13 406 769	14 359 190	13 262 997	13 590 987	305 869 083	263 221 948
Deposits at other Credit Institutions (Note 9)	4 543 208	4 585 645	-	-	13 406 769	14 359 190	13 262 997	13 590 988	305 869 083	263 221 949



Cash Flow Statement for the years ended 31 December 2020 and 2019

(Expresso em EUR)

	Volta VI Electricity Receivables Securitisation Notes		Volta VII Electricity Receivables Securitisation Notes		CMEC Volta Electricity Receivables Notes		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating Activities								
Other receivables/(payments) associated with the operating activities	(311 935)	(299 805)	(314 842)	(128 482)	-	(58 776)	(12 956 584)	(10 330 200)
<i>Cash flows arising from operating activities</i>	<u>(311 935)</u>	<u>(299 805)</u>	<u>(314 842)</u>	<u>(128 482)</u>	<u>-</u>	<u>(58 776)</u>	<u>(12 956 584)</u>	<u>(10 330 200)</u>
Investing Activities								
Receivables:								
Customers Loans	158 868 251	143 664 510	101 134 138	(424 929 599)	-	9 534 414	(273 452 977)	1 538 161 580
Interest income	7 420 777	9 564 108	4 628 294	2 819 851	-	218 497	401 425 105	204 774 913
Payments:								
Loan Portfolio acquisition	-	-	-	-	-	-	-	-
Financial Investments	-	-	-	-	-	-	(1 859 760)	-
<i>Cash flows arising from investing activities</i>	<u>166 289 028</u>	<u>153 228 618</u>	<u>105 762 432</u>	<u>(422 109 749)</u>	<u>-</u>	<u>9 752 911</u>	<u>126 112 368</u>	<u>1 742 936 493</u>
Financing Activities								
Receivables:								
Debt securities issued	-	-	-	476 321 000	-	-	1 668 955 713	856 689 834
Payments:								
Debt securities issued	(161 490 295)	(133 567 760)	(102 839 347)	(42 802 341)	-	(19 781 441)	(1 546 972 541)	(2 414 569 687)
Interest Expenses	(4 958 801)	(6 688 672)	(2 806 468)	(1 224 886)	-	(76 915)	(193 162 050)	(232 550 025)
<i>Cash flows arising from financing activities</i>	<u>(166 449 097)</u>	<u>(140 256 432)</u>	<u>(105 645 815)</u>	<u>-</u>	<u>-</u>	<u>(19 858 356)</u>	<u>(71 178 877)</u>	<u>(1 790 429 878)</u>
Net changes in cash and cash equivalents	(472 003)	12 672 380	(198 225)	10 055 542	-	(10 164 221)	41 976 907	(57 823 585)
Cash and cash equivalents balance at the beginning of the year	<u>15 461 885</u>	<u>2 789 505</u>	<u>10 055 542</u>	<u>-</u>	<u>-</u>	<u>10 164 221</u>	<u>288 739 375</u>	<u>346 562 959</u>
Cash and cash equivalents balance at the end of the year	14 989 882	15 461 885	9 857 317	10 055 542	-	-	330 716 282	288 739 375
Deposits at other Credit Institutions (Note 9)	14 989 882	15 461 885	9 857 317	10 055 542	-	-	330 716 282	288 739 376



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. and issuing securitized bonds divided into 3 tranches: € 140.000.000 Class A due 2035, € 15.000.000 Class B due 2035 and € 45,200,000 Class C due 2035. 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 2020 were as follows:

	DBRS	S&P
Class A	AAA	A+
Class B	-	-
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 23rd 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, considering 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 31.12.2020	Interest Rate 31.12.2019
Aqua Finance No.4					
Class A-Notes	Junho de 2035	24 023 487	EUR 3 M + 1.05%	0.52%	0.65%
Class B-Notes	Junho de 2035	15 000 000	EUR 3 M + 2.65%	2.12%	2.25%
Class C-Notes	Junho de 2035	45 200 000	-	-	-
		84 223 487			

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 with reference to 31 December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	5 742 955	7 032 750
Interest expense and similiar charges	(5 476 238)	(6 704 932)
Net interest income	266 717	327 818
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(309 022)	1 678 512
General and administrative costs	(266 717)	(327 818)
Total Operating income/(expense)	(575 740)	1 350 695
Impairment losses on loans, net of reversals and recoveries	309 022	(1 678 512)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
<i>Assets</i>		
Deposits at other Credit Institutions	10 312 719	11 593 421
Balances due from other Credit Institutions	-	-
Loans to customers	73 562 188	113 755 709
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	2 016	2 156
Total Assets	<u>83 876 923</u>	<u>125 351 286</u>
<i>Liabilities</i>		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	83 732 353	125 207 068
Other liabilities	144 570	144 218
Total Liabilities	<u>83 876 923</u>	<u>125 351 286</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>83 876 923</u>	<u>125 351 286</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activities		
Other receivables/(payments) associated with the operating activities	(278 016)	(312 695)
<i>Cash flows arising from operating activities</i>	<u>(278 016)</u>	<u>(312 695)</u>
Investing Activities		
Receivables:		
Customers Loans	38 989 830	54 113 447
Interest income	5 822 438	7 148 475
Payments:	-	-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>44 812 267</u>	<u>61 261 922</u>
Financing Activities		
Receivables:	-	-
Debt securities issued	-	-
Payments:	-	-
Debt securities issued	(41 894 222)	(74 082 290)
Interest Expenses	(3 920 732)	(5 280 322)
<i>Cash flows arising from financing activities</i>	<u>(45 814 954)</u>	<u>(79 362 612)</u>
Net changes in cash and cash equivalents	(1 280 702)	(18 413 385)
Cash and cash equivalents balance at the beginning of the year	11 593 421	30 006 807
Cash and cash equivalents balance at the end of the year	<u>10 312 719</u>	<u>11 593 421</u>
Deposits at other Credit Institutions (Note 9)	10 312 719	11 593 421



1.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	5 742 955	7 032 750
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>5 742 955</u>	<u>7 032 750</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(5 420 990)	(6 664 030)
Interest from deposits	(56 761)	(42 411)
Interest from other financial liabilities	-	-
Premium bond issue	1513	1509
	<u>(5 476 238)</u>	<u>(6 704 932)</u>
<i>Net interest income</i>	<u>266 717</u>	<u>327 818</u>

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<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
	<u>-</u>	<u>1 678 512</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	(309 022)	-
	<u>(309 022)</u>	<u>-</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(309 022)</u>	<u>1 678 512</u>

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>	
	2020	2019
Agent bank fee	-	-
Audit fee	(16 605)	(27 491)
CMVM	(4 495)	(3 310)
Bank comissions	-	-
Commitment Fee	-	-
Common Representative	(6 150)	(5 000)
Euronext	-	(43)
Interbolsa	(5 272)	(6 032)
Irish stock exchange fee	-	-
Issuer fee	(70 140)	(70 139)
Legal Fee	-	-
Other	-	-
Paying Agent fee	(4 160)	(4 160)
Rating Agency fee	(22 836)	(22 171)
Service fee	(123 540)	(175 952)
Transcation Manager	(13 520)	(13 520)
	(266 717)	(327 818)

1.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	-	(1 678 512)
Reversal of impairment losses	309 022	-
	309 022	(1 678 512)

1.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	3 312 719	4 593 421
Cash Reserve	7 000 000	7 000 000
Liquidity Account	-	-
	10 312 719	11 593 421

In “Deposits” are registered the deposits at Deutsche Bank, AG – London.



1.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	73 919 617	113 587 621
Overdue loans	2 901 004	3 667 851
Portfolio acquisition premium/(discount)	-	-
Overdue interest	120 761	108 970
Accrued interest	177 421	256 903
Impairment	(3 556 614)	(3 865 636)
	73 562 188	113 755 709

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 the amounts for interim capital receipts and impairment losses, plus the amount of buybacks of new credit and accrued interest. The amounts for capital receipts, buybacks of new credit and write-offs have the following breakdown:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	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
2020	117 255 472	(38 989 830)		(1 445 021)	76 820 621

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(3 865 636)	(2 207 260)
Impairment losses	-	(1 678 512)
Reversal of impairment losses	309 022	-
Loans Written-off	-	20 135
Balance on 31 December	(3 556 614)	(3 865 636)

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

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	2 016	2 156
	2 016	2 156



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>	
	31-12-2020	31-12-2019
Securitisation notes	84 223 487	126 117 710
Accrued interest	394 662	603 293
Issued notes premium	21 856	23 369
Issued notes discount	-	-
Others	(907 652)	(1 537 304)
	83 732 353	125 207 068

In the line "Others" 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 2020.

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
2020	126 117 710	(41 894 222)	84 223 487

1.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	9 533	17 835
Issuer fee	5 833	5 833
Others	120 761	108 970
Paying agent fee	-	-
Service fee	7 317	10 452
Transaction Manager	1 127	1 127
Other Payable	-	-
	144 570	144 218

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 2020 were as follows:

	DBRS	Moody's
Class A	AA	Aa3
Class B	A (high)	Baa1
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 in December 2063, 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 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, considering 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 31.12.2020	Interest Rate 31.12.2019
Aqua Mortgage No. 1					
Class A-Notes	Dezembro de 2063	57 093 499	EUR 6 M + 0,15%	0.00%	0.00%
Class B-Notes	Dezembro de 2063	18 609 200	EUR 6 M + 0,40%	0.00%	0.06%
Class C-Notes	Dezembro de 2063	3 500 000	-	-	-
		79 202 699			



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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	1 911 485	8 625 384
Interest expense and similiar charges	(1 791 228)	(8 490 603)
Net interest income	120 257	134 780
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(623 699)	(107 538)
General and administrative costs	(120 257)	(134 780)
Total Operating income/(expense)	(743 956)	(242 318)
Impairment losses on loans, net of reversals and recoveries	623 699	107 538
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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	3 029 819	3 547 033
Balances due from other Credit Institutions	-	-
Loans to customers	75 263 259	85 245 992
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	10 177	10 270
Total Assets	<u>78 303 255</u>	<u>88 803 295</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	78 279 109	88 764 016
Other liabilities	24 146	39 279
Total Liabilities	<u>78 303 255</u>	<u>88 803 295</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>78 303 255</u>	<u>88 803 295</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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(130 775)	(125 538)
<i>Cash flows arising from operating activities</i>	<u>(130 775)</u>	<u>(125 538)</u>
Investing Activities		
Receivables:		
Customers Loans	11 491 729	17 997 060
Interest income	698 318	1 478 261
Payments:		-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>12 190 047</u>	<u>19 475 321</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		-
Debt securities issued	(10 974 032)	(12 158 064)
Interest Expenses	(1 602 455)	(8 232 182)
<i>Cash flows arising from financing activities</i>	<u>(12 576 487)</u>	<u>(20 390 246)</u>
Net changes in cash and cash equivalents	(517 215)	(1 040 464)
Cash and cash equivalents balance at the beginning of the year	3 547 034	4 587 497
Cash and cash equivalents balance at the end of the year	<u>3 029 819</u>	<u>3 547 034</u>
Deposits at other Credit Institutions (Note 9)	3 029 819	3 547 034



2.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	1 588 139	8 210 217
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	323 346	415 166
	<u>1 911 485</u>	<u>8 625 384</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(1 808 081)	(8 507 410)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	16 853	16 807
	<u>(1 791 228)</u>	<u>(8 490 603)</u>
<i>Net interest income</i>	<u>120 257</u>	<u>134 780</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, 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>	
	2020	2019
<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	-	-
	<u>-</u>	<u>-</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	(623 699)	(107 538)
	<u>(623 699)</u>	<u>(107 538)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(623 699)</u>	<u>(107 538)</u>

In "Other gains / Other losses arising from financial operations" it is 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>	
	2020	2019
Agent bank fee	(12 480)	(12 480)
Audit fee	(19 803)	(21 033)
CMVM	(1 838)	(1 748)
Bank commissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	-	-
Irish stock exchange fee	-	(3 690)
Issuer fee	(12 826)	(14 700)
Legal Fee	-	-
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(30 944)	(30 944)
Service fee	(42 366)	(50 186)
Transaction Manager	-	-
	(120 257)	(134 780)

2.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	-	(7 743)
Reversal of impairment losses	623 699	115 280
	623 699	107 538

2.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	731 602	925 471
Cash Reserve	2 298 217	2 621 562
Liquidity Account	-	-
	3 029 819	3 547 033

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



2.6 Loans to customers

Description	(Expressed in EUR)	
	31-12-2020	31-12-2019
Loans	75 972 446	86 564 943
Overdue loans	41 586	53 948
Portfolio acquisition premium/(discount)	-	-
Overdue interest	7 535	12 058
Accrued interest	24 987	29 683
Impairment	(783 293)	(1 414 640)
	75 263 259	85 245 992

In "Loans to customers" is being recorded the nominal value of the credit acquired under the securitization transaction totalling € 233,000,000 minus the 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	Purchases	Moratorium	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
2020	86 618 890	(11 491 848)	-	228 734	658 255	76 014 032

Changes in impairment for credit risks have the following breakdown:

Description	(Expressed in EUR)	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(1 414 640)	(3 632 349)
Impairment losses	-	(7 743)
Reversal of impairment losses	623 700	115 280
Loans Written-off	7 647	2 110 171
Balance on 31 December	(783 293)	(1 414 640)

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>	
	31-12-2020	31-12-2019
Receivables	6 290	6 290
Up Front Fee	3 888	3 980
	10 177	10 270

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>	
	31-12-2020	31-12-2019
Securitisation notes	79 202 699	90 176 732
Accrued interest	237 239	189 665
Issued notes premium	722 161	739 015
Issued notes discount	-	-
Others	(1 882 990)	(2 341 395)
	78 279 109	88 764 016

In the line "Others" 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	<i>(Expressed in EUR)</i>		
	Initial Amount	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
2020	90 176 732	(10 974 032)	79 202 699



2.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	1 040	1 040
Audit fee	11 175	21 076
Issuer fee	1 023	1 216
Others	7 535	12 058
Paying agent fee	-	-
Service fee	3 374	3 889
Transaction Manager	-	-
Other Payable	-	-
	24 146	39 279

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>	
	31-12-2020	31-12-2019
Credits Written-off	1 750 664	2 545 570
Assets received as collateral	284 891 003	317 546 116
Swap interest rate	-	-
	286 641 667	320 091 685



3 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, considering 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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	-	(263 249)
Interest expense and similiar charges	-	(29 469 490)
Net interest income	-	(29 732 739)
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	29 492 689
General and administrative costs	-	(260 481)
Total Operating income/(expense)	-	29 232 208
Impairment losses on loans, net of reversals and recoveries	-	500 531
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible Assets	-	-
Financial assets held for trading	-	-
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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	-	(472 383)
<i>Cash flows arising from operating activities</i>	-	(472 383)
Investing Activities		
Receivables:		
Customers Loans	-	926 127 393
Interest income	-	1 939 060
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	-	928 066 453
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	-	(936 053 383)
Interest Expenses	-	(31 529 374)
<i>Cash flows arising from financing activities</i>	-	(967 582 756)
Net changes in cash and cash equivalents	-	(39 988 686)
Cash and cash equivalents balance at the beginning of the year		39 988 687
Cash and cash equivalents balance at the end of the year		
Deposits at other Credit Institutions (Note 9)	-	-



3.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	-	134 018
Interest from deposits	-	-
Portfolio Acquisition premium	-	(397 267)
Other interest	-	-
	-	(263 249)
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	-	(29 469 490)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	-	(29 469 490)
<i>Net interest income</i>	-	(29 732 739)

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<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
	-	29 492 689
<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

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 3.8).



3.3 General and Administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	(1 213)
Audit fee	-	(51 241)
CMVM	-	(7 871)
Interbolsa	-	(9 133)
Issuer fee	-	(32 757)
Legal Fee	-	(6 150)
Paying Agent fee	-	(2 600)
Service fee	-	(149 517)
	-	(260 481)

3.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	-	(2 506)
Reversal of impairment losses	-	503 037
	-	500 531

3.5 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	-	-
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	-	-

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>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	-	(1 821 658)
Impairment losses	-	(2 506)
Reversal of impairment losses	-	503 037
Loans Written-off	-	1 321 128
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, as per the accounting policy described in note 3.1.1.

3.6 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	-	-
	-	-

3.7 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	-	-
Accrued interest	-	-
Issued notes premium	-	-
Issued notes discount	-	-
Others	-	-
	-	-

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)	-



4 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, considering 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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	-	6 907 527
Interest expense and similiar charges	-	(6 227 961)
Net interest income	-	679 566
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	(2 889 236)
General and administrative costs	-	(679 566)
Total Operating income/(expense)	-	(3 568 803)
Impairment losses on loans, net of reversals and recoveries	-	2 889 236
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible Assets	-	-
Financial assets held for trading	-	-
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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	-	(736 903)
<i>Cash flows arising from operating activities</i>	-	(736 903)
Investing Activities		
Receivables:		
Customers Loans	-	194 200 138
Interest income	-	7 651 225
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	-	201 851 363
Financing Activities		
Receivables:		
Debt securities issuedr	-	50 828 747
Payments:		
Debt securities issued	-	(249 912 586)
Interest Expenses	-	(8 042 571)
Dividends	-	-
<i>Cash flows arising from financing activities</i>	-	(207 126 410)
Net changes in cash and cash equivalents	-	(6 011 950)
Cash and cash equivalents balance at the beggining of the year	()	6 011 950
Cash and cash equivalents balance at the end of the year	()	()
Deposits at other Credit Institutions (Note 9)	-	-



4.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	-	6 907 527
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	-	6 907 527
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	-	(6 248 653)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	20 692
	-	(6 227 961)
<i>Net interest income</i>	-	679 566

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	23 517
Other gains arising financial operations	-	-
	-	23 517
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	-	(23 517)
Other losses arising financial operations	-	(2 889 236)
	-	(2 912 753)
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	-	(2 889 236)

The item Profits / Losses in operations with financial instruments –swaps includes fair value variations and the accrued interest on financial derivatives.



4.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Audit fee	-	(89 816)
CMVM	-	(1 555)
Bank commissions	-	(300)
Commitment Fee	-	(111 712)
Interbolsa	-	(6 837)
Issuer fee	-	(37 916)
Legal Fee	-	(88 071)
Other	-	(24 105)
Service fee	-	(297 924)
Transaction Manager	-	(21 330)
	-	(679 566)

4.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses		(1 297 234)
Reversal of impairment losses		4 186 471
	-	2 889 236

4.5 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	-	-
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	-	-

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>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	-	(3 701 832)
Impairment losses	-	(1 297 234)
Reversal of impairment losses	-	4 186 471
Loans Written-off	-	812 595
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.



5 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 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, considering 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 31.12.2020	Interest Rate 31.12.2019
Chaves Funding Nº. 8					
Class A-Notes	november de 2034	437 903 651	Fixed	1.25%	1.25%
Class B-Notes	november de 2034	24 451 380	-		
		<u>462 355 031</u>			

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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	30 372 004	5 315 420
Interest expense and similiar charges	(28 670 905)	(5 057 626)
Net interest income	1 701 099	257 794
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	8 899 341	2 866 761
General and administrative costs	(1 701 099)	(257 794)
Total Operating income/(expense)	7 198 242	2 608 967
Impairment losses on loans, net of reversals and recoveries	(8 899 341)	(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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	7 157 976	8 566 825
Balances due from other Credit Institutions	-	-
Loans to customers	449 873 386	321 540 533
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	829 401	4 970
Total Assets	<u>457 860 763</u>	<u>330 112 327</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	457 411 991	329 941 872
Other liabilities	448 772	170 456
Total Liabilities	<u>457 860 763</u>	<u>330 112 327</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>457 860 763</u>	<u>330 112 327</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(1 679 947)	(169 604)
<i>Cash flows arising from operating activities</i>	<u>(1 679 947)</u>	<u>(169 604)</u>
Investing Activities		
Receivables:		
Customers Loans	(136 873 389)	(323 047 849)
Interest income	29 445 932	4 033 271
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>(107 427 457)</u>	<u>(319 014 578)</u>
Financing Activities		
Receivables:		
Debt securities issuedr	131 911 124	329 540 088
Payments:		
Debt securities issued	(260 997)	-
Interest Expenses	(23 951 572)	(1 789 081)
<i>Cash flows arising from financing activities</i>	<u>107 698 555</u>	<u>327 751 007</u>
Net changes in cash and cash equivalents	(1 408 849)	8 566 825
Cash and cash equivalents balance at the beginning of the year	8 566 825	-
Cash and cash equivalents balance at the end of the year	<u>7 157 976</u>	<u>8 566 825</u>
Deposits at other Credit Institutions (Note 9)	7 157 976	8 566 825



5.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	30 372 004	5 315 420
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>30 372 004</u>	<u>5 315 420</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(28 652 042)	(5 057 626)
Interest from deposits	(18 864)	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(28 670 905)</u>	<u>(5 057 626)</u>
<i>Net interest income</i>	<u>1 701 099</u>	<u>257 794</u>

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<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	8 899 341	2 866 761
	<u>8 899 341</u>	<u>2 866 761</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>8 899 341</u>	<u>2 866 761</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 5.8).



5.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(9 225)	(15 375)
CMVM	(4 102)	(10 000)
Bank commissions	-	-
Commitment Fee	(535 398)	(75 359)
Common Representative	-	-
Euronext	-	-
Interbolsa	(9 530)	-
Irish stock exchange fee	-	-
Issuer fee	(65 134)	(10 830)
Legal Fee	(20 540)	(1 867)
Other	-	-
Paying Agent fee	(11 440)	(1 040)
Rating Agency fee	-	-
Service fee	(1 031 430)	(135 523)
Transaction Manager	(14 300)	(7 800)
	(1 701 099)	(257 794)

5.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(8 899 341)	(2 866 761)
Reversal of impairment losses	-	-
	(8 899 341)	(2 866 761)

5.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	5 754 158	8 066 825
Cash Reserve	1 403 818	500 000
Liquidity Account	-	-
	7 157 976	8 566 825

The item “Deposits” corresponds to deposits at Citibank.



5.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	456 895 098	322 939 495
Overdue loans	562 137	108 355
Portfolio acquisition premium/(discount)	-	-
Overdue interest	334 794	77 296
Accrued interest	1 383 455	1 282 148
Impairment	(9 302 099)	(2 866 761)
	449 873 386	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>				
	Beggining Balance	Reimbursement	Purchases	Write-off	Ending Balance
2019	310 500 000	(12 013 728)	24 561 578	-	323 047 849
2020	323 047 849	(76 678 319)	213 551 708	(2 464 003)	457 457 235

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(2 866 761)	-
Impairment losses	(8 899 341)	(2 866 761)
Reversal of impairment losses	-	-
Loans Written-off	2 464 003	-
Balance on 31 December	(9 302 099)	(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.

5.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	824 765	-
Up Front Fee	4 635	4 970
	829 401	4 970



5.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	462 355 031	329 540 088
Accrued interest	4 202 886	3 268 545
Issued notes premium	-	-
Issued notes discount	-	-
Others	(9 145 925)	(2 866 761)
	457 411 991	329 941 872

5.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	7 688	15 375
Audit fee	99 590	70 835
Issuer fee	5 400	5 400
Others	-	-
Paying agent fee	1 300	1 550
Service fee	-	-
Transaction Manager	334 794	77 296
Other Payable	-	-
	448 772	170 456

The item “Other payables” includes the counterparty of the accrued interest already detailed on the item “Loans and advances to customers” (note 5.6). This interest will only be recognized when received.



6 Green Belem No. 1

On 30th April 2020, the Company carried out the transaction “RMBS Green Belem No.1”. This transaction was for the acquisition of a portfolio of housing credit lines of Unión de Créditos Inmobiliarios, in the amount of € 385,000,029. In addition, the transaction resulted in the issuance of securitized bonds divided into 3 tranches: € 331,300,000 Class A, € 25,500,000 Class B, € 35,200,000 Class C. The classes A and B tranches were issued at par and the class C tranche was issued at 100.303%, that is, it was issued at a premium. These obligations were placed in particular and subsequently registered with the Securities Market Commission (CMVM).

The ratings attributed on 31st December 2020 were as follows:

	DBRS	Fitch
Class A	AA (high)	AA
Class B	A (high)	BBB
Class C	-	-

The remuneration of the 3 tranches is indexed to EURIBOR 3 months, plus a spread of 0.55% for Class A and a spread of 0.75% for Class B and a spread of 2.7% for Class C.

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 September 2020, ending in March 2063, 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 case of default of these assets', 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 housing credit lines.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, considering 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 31.12.2020	Interest Rate 31.12.2019
Green Belem No.1					
Class A-Notes	march de 2063	300 306 630	EUR 3 M + 0.55%	0.01%	n.a
Class B-Notes	march de 2063	25 500 000	EUR 3 M + 0.75%	0.21%	n.a
Class C-Notes	march de 2063	35 200 000	EUR 3 M + 2.70%	2.16%	n.a
		361 006 630			



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”, “Class B Notes” and “Class C”) with remuneration indexed to the three-month Euribor plus a 0.55%, 0.75% and 2.7% spread, respectively.

The transaction's financial statements are shown with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	6 154 120	-
Interest expense and similiar charges	(5 258 935)	-
Net interest income	895 184	-
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	20 350	-
General and administrative costs	(895 184)	-
Total Operating income/(expense)	(874 835)	-
Impairment losses on loans, net of reversals and recoveries	(20 350)	-
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	9 865 886	-
Balances due from other Credit Institutions	-	-
Loans to customers	350 748 625	-
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	832 615	-
Total Assets	<u>361 447 125</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	96 308	-
Other financial liabilities	361 333 597	-
Other liabilities	17 220	-
Total Liabilities	<u>361 447 125</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>361 447 125</u>	<u>-</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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(1 546 215)	-
<i>Cash flows arising from operating activities</i>	<u>(1 546 215)</u>	<u>-</u>
Investing Activities		
Receivables:		
Customers Loans	(350 185 157)	-
Interest income	5 314 815	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>(344 870 342)</u>	<u>-</u>
Financing Activities		
Receivables:		
Debt securities issuedr	392 106 656	-
Payments:		
Debt securities issued	(30 993 370)	-
Interest Expenses	(4 830 842)	-
<i>Cash flows arising from financing activities</i>	<u>356 282 444</u>	<u>-</u>
Net changes in cash and cash equivalents	9 865 886	-
Cash and cash equivalents balance at the beginning of the year	-	-
Cash and cash equivalents balance at the end of the year	<u>9 865 886</u>	<u>-</u>
Deposits at other Credit Institutions (Note 9)	9 865 886	-



6.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	6 154 120	-
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	6 154 120	-
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(5 169 479)	-
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	(89 457)	-
	(5 258 935)	-
	895 184	-
<i>Net interest income</i>		

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	96 308	-
Other gains arising financial operations	20 350	-
	116 657	-
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(96 308)	-
Other losses arising financial operations	-	-
	(96 308)	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>		
	20 350	-

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 6.8).



6.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(56 691)	-
CMVM	(16 482)	-
Bank comissions	-	-
Commitment Fee	-	-
Common Representative	(14 500)	-
Euronext	(32 585)	-
Interbolsa	(4 755)	-
Irish stock exchange fee	-	-
Issuer fee	(91 667)	-
Legal Fee	(245 411)	-
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(327 180)	-
Service fee	(14 000)	-
Transaction Manager	(91 914)	-
	(895 184)	-

6.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(28 562)	-
Reversal of impairment losses	8 212	-
	(20 350)	-

6.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	4 548 916	-
Cash Reserve	5 316 970	-
Liquidity Account	-	-
	9 865 886	-

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



6.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	350 284 147	-
Overdue loans	246	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	251	-
Accrued interest	484 330	-
Impairment	(20 350)	-
	350 748 625	-

In "Loans to customers" is being recorded the nominal value of the credit acquired under the securitization transaction deducted from the receipts in the meantime and from losses due to impairments recorded and increased the amount of repurchases of new credits made, as well as the respective periodic interest.

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

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	Moratorium	Ending Balance
2020	-	(35 070 611)	385 000 029	354 975	350 284 393

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	-	-
Impairment losses	(28 562)	-
Reversal of impairment losses	8 212	-
Loans Written-off	-	-
Balance on 31 December	(20 350)	-

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.

6.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	832 615	-
Up Front Fee	-	-
	832 615	-

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.



6.8 Financial liabilities held for trading

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Swaps	96 308	-
	96 308	-

6.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	361 006 630	-
Accrued interest	1 857 545	-
Issued notes premium	104 988	-
Issued notes discount	-	-
Others	(1 635 565)	-
	361 333 597	-

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 2020.

The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>			
	Initial Amount	Amortization	New emissions	Ending Balance
2020	-	(30 993 370)	392 000 000	361 006 630

6.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	8 303	-
Issuer fee	6 667	-
Others	251	-
Paying agent fee	-	-
Service fee	2 000	-
Transaction Manager	-	-
Other Payable	-	-
	17 220	-

The "Other Payable" records the corresponding entry to the overdue interest recognized in the item Loans to Customers (note 6.6). This interest will only be recognized in the income statement when received.



6.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Credits Written-off	-	-
Assets received as collateral	675 345 805	-
Swap interest rate	126 302 944	-
	801 648 749	-



7 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 2020 were as follows:

	DBRS	Fitch
Class A Notes	AA (low)	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, considering 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 31.12.2020	Interest Rate 31.12.2019
Pelican Finance No.1					
Class A Notes	Dezembro 2028	43 715 916	Fixa	3.00%	3.00%
Class B Notes	Dezembro 2028	26 732 717	Fixa	4.00%	4.00%
Class C Notes	Dezembro 2028	14 700 000	-	-	-
		85 148 633			

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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	7 326 644	14 988 363
Interest expense and similiar charges	(7 100 970)	(14 686 617)
Net interest income	225 674	301 746
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(307 201)	(2 867 237)
General and administrative costs	(225 674)	(301 746)
Total Operating income/(expense)	(532 875)	(3 168 983)
Impairment losses on loans, net of reversals and recoveries	307 201	2 867 237
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	18 180 858	20 349 087
Balances due from other Credit Institutions	-	-
Loans to customers	67 601 551	110 882 107
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	2 727	3 070
Total Assets	<u>85 785 137</u>	<u>131 234 264</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	85 196 240	130 679 562
Other liabilities	588 897	554 702
Total Liabilities	<u>85 785 137</u>	<u>131 234 264</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>85 785 137</u>	<u>131 234 264</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(241 869)	(298 284)
<i>Cash flows arising from operating activities</i>	<u>(241 869)</u>	<u>(298 284)</u>
Investing Activities		
Receivables:	-	-
Customers Loans	42 788 543	66 458 676
Interest income	7 218 343	15 188 408
Payments:	-	-
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>50 006 886</u>	<u>81 647 084</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:	-	-
Debt securities issued	(46 256 419)	(70 298 139)
Interest Expenses	(5 676 827)	(13 575 915)
<i>Cash flows arising from financing activities</i>	<u>(51 933 247)</u>	<u>(83 874 054)</u>
Net changes in cash and cash equivalents	(2 168 229)	(2 525 254)
Cash and cash equivalents balance at the beginning of the year	<u>20 349 087</u>	<u>22 874 341</u>
Cash and cash equivalents balance at the end of the year	<u>18 180 858</u>	<u>20 349 087</u>
Deposits at other Credit Institutions (Note 9)	18 180 858	20 349 087



7.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	7 326 644	14 988 363
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>7 326 644</u>	<u>14 988 363</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(6 999 798)	(14 588 875)
Interest from deposits	(101 171)	(97 742)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(7 100 970)</u>	<u>(14 686 617)</u>
<i>Net interest income</i>	<u>225 674</u>	<u>301 746</u>

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<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	-	-
	<u>-</u>	<u>-</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	(307 201)	(2 867 237)
	<u>(307 201)</u>	<u>(2 867 237)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(307 201)</u>	<u>(2 867 237)</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 7.8).



7.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	(10 400)	(10 400)
Audit fee	(42 835)	(20 192)
CMVM	(2 608)	(3 367)
Bank comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(43)
Interbolsa	(5 811)	(7 356)
Irish stock exchange fee	-	-
Issuer fee	(21 434)	(33 191)
Legal Fee	(6 563)	(6 406)
Other	-	-
Paying Agent fee	(5 200)	(5 200)
Rating Agency fee	(33 825)	(33 825)
Service fee	(96 999)	(181 766)
Transaction Manager	-	-
	(225 674)	(301 746)

7.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	-	-
Reversal of impairment losses	307 201	2 867 237
	307 201	2 867 237

7.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	3 480 410	5 648 638
Cash Reserve	14 700 449	14 700 449
Liquidity Account	-	-
	18 180 858	20 349 087

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



7.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	69 499 440	113 268 200
Overdue loans	4 583 560	4 394 506
Portfolio acquisition premium/(discount)	-	-
Overdue interest	571 451	520 719
Accrued interest	198 544	316 972
Impairment	(7 251 443)	(7 618 290)
	67 601 551	110 882 107

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:

Year	<i>(Expressed in EUR)</i>					
	Beggining Balance	Reimbursement	Purchases	Moratorium	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
2020	117 662 705	(42 788 543)	-	231 362	(1 022 525)	74 082 999

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(7 618 290)	(10 586 500)
Impairment losses		
Reversal of impairment losses	307 201	2 867 237
Loans Written-off	59 646	100 971
Balance on 31 December	(7 251 443)	(7 618 290)

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.



7.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	2 727	3 070
	2 727	3 070

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.

7.8 Debt securities issued

Description	31-12-2020	31-12-2019
Securitisation notes	85 148 633	131 405 052
Accrued interest	939 812	1 050 083
Issued notes premium	-	-
Issued notes discount	-	-
Others	(892 205)	(1 775 573)
	85 196 240	130 679 562

The item "Others" corresponds to the estimated shortcoming / surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2020.

The amounts of interim repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	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
2020	131 405 052	(46 256 419)	85 148 633

7.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	867	867
Audit fee	9 533	20 295
Issuer fee	1 277	2 263
Others	571 451	520 719
Paying agent fee	-	-
Service fee	5 770	10 558
Transaction Manager	-	-
Other Payable	-	-
	588 897	554 702



The item "Others" records the consideration for overdue interest recognized in the item "Loans and advances to customers" (note 7.6). This interest will not be recognized in the results for the year until it is received.



8 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 2020 were as follows:

	DBRS	S&P	Fitch	Moody's
Class A	AA (high)	A	AA	Aa3
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, considering 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 31.12.2020	Interest Rate 31.12.2019
Nostrum Mortgage No.2					
Class A-Notes	May de 2065	1 527 712 722	EUR 3 M + 0,2%	0.00%	0.00%
Class B-Notes	May de 2065	1 336 250 000	EUR 3 M + 0,3%	0.00%	0.00%
Class C-Notes	May de 2065	80 175 750	-	-	-
		2 944 138 472			

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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	56 007 211	57 793 471
Interest expense and similiar charges	(44 174 751)	(41 935 319)
Net interest income	11 832 459	15 858 152
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(2 597 136)	(14 273 650)
General and administrative costs	(765 398)	(856 175)
Total Operating income/(expense)	(3 362 534)	(15 129 825)
Impairment losses on loans, net of reversals and recoveries	(8 469 925)	(728 327)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	135 884 523	136 039 819
Balances due from other Credit Institutions	18 332 553	21 307 783
Loans to customers	2 807 919 786	3 060 808 059
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>2 962 136 862</u>	<u>3 218 155 661</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	15 829 322	23 713 393
Other financial liabilities	2 927 819 358	3 172 970 564
Other liabilities	18 488 182	21 471 705
Total Liabilities	<u>2 962 136 862</u>	<u>3 218 155 661</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>2 962 136 862</u>	<u>3 218 155 661</u>

Off-balance sheet accounts (note 8.11)

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(769 819)	(847 779)
<i>Cash flows arising from operating activities</i>	<u>(769 819)</u>	<u>(847 779)</u>
Investing Activities		
Receivables:		
Customers Loans	245 371 823	284 553 596
Interest income	68 906 967	74 692 116
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>314 278 790</u>	<u>359 245 712</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(247 935 873)	(292 607 440)
Interest Expenses	(65 728 393)	(89 944 598)
<i>Cash flows arising from financing activities</i>	<u>(313 664 266)</u>	<u>(382 552 038)</u>
Net changes in cash and cash equivalents	(155 296)	(24 154 105)
Cash and cash equivalents balance at the beginning of the year	<u>136 039 819</u>	<u>160 193 924</u>
Cash and cash equivalents balance at the end of the year	<u>135 884 523</u>	<u>136 039 819</u>
Deposits at other Credit Institutions (Note 9)	135 884 523	136 039 819



8.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	56 007 211	57 793 471
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>56 007 211</u>	<u>57 793 471</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(43 945 012)	(41 868 431)
Interest from deposits	(229 739)	(66 888)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(44 174 751)</u>	<u>(41 935 319)</u>
<i>Net interest income</i>	<u>11 832 459</u>	<u>15 858 152</u>

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	24 395 729	24 215 262
Other gains arising financial operations	23 385 672	8 122 404
	<u>47 781 400</u>	<u>32 337 666</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(28 014 281)	(39 119 401)
Other losses arising financial operations	(22 364 255)	(7 491 915)
	<u>(50 378 536)</u>	<u>(46 611 316)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(2 597 136)</u>	<u>(14 273 650)</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 8.9).



8.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	(16 120)	(15 773)
Audit fee	(29 520)	(30 659)
CMVM	(69 610)	(64 271)
Bank comissions	(650)	(650)
Commitment Fee	(143)	(297)
Common Representative	-	-
Euronext	-	-
Interbolsa	(61 162)	(66 913)
Irish stock exchange fee	-	-
Issuer fee	(227 973)	(247 993)
Legal Fee	-	-
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(56 257)	(98 962)
Service fee	(303 963)	(330 657)
Transaction Manager	-	-
	(765 398)	(856 175)

8.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(19 973 507)	(3 803 950)
Reversal of impairment losses	11 503 581	3 075 623
	(8 469 925)	(728 327)

8.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	55 772 731	55 896 353
Cash Reserve	80 111 792	80 143 466
Liquidity Account	-	-
	135 884 523	136 039 819

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

8.6 Investments at other credit institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits at other Credit Institutions	18 332 553	21 307 783
	18 332 553	21 307 783

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



8.7 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	2 811 861 143	3 060 704 169
Overdue loans	1 005 374	1 774 503
Portfolio acquisition premium/(discount)	-	-
Overdue interest	44 496	48 367
Accrued interest	1 653 600	696 254
Impairment	(6 644 827)	(2 415 235)
	2 807 919 786	3 060 808 059

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	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	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
2020	3 062 478 672	(245 371 823)	-	(4 240 333)	2 812 866 517

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(2 415 235)	(7 391 731)
Impairment losses	(19 973 507)	(3 803 950)
Reversal of impairment losses	11 503 581	3 075 623
Loans Written-off	4 240 333	5 704 824
Balance on 31 December	(6 644 827)	(2 415 235)

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.



8.8 Financial Liabilities held for trading

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Swaps	15 829 322	23 713 393
	15 829 322	23 713 393

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 with reference to 31st December 2020 and 2019 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2020	Fair Value 2019
Nostrum Mortgage No.2	2 859 204 782	Maio 2065	15 161 397	22 609 906

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

8.9 Debt securities issued

h

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	2 944 138 472	3 192 074 345
Accrued interest	6 044 185	6 464 082
Issued notes premium	-	-
Issued notes discount	-	-
Others	(22 363 300)	(25 567 863)
	2 927 819 358	3 172 970 564

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 2020.

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
2020	3 192 074 345	(247 935 873)	2 944 138 472



8.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	3 293	2 773
Audit fee	30 750	30 750
Issuer fee	24 467	26 585
Others	18 397 049	21 376 150
Paying agent fee	-	-
Service fee	32 623	35 446
Transaction Manager	-	-
Other Payable	-	-
	18 488 182	21 471 705

The item "Others" includes the consideration for overdue interest recognized in the item "Loans to customers" (note 8.7). This interest will not be recognized in the results for the year until it is received. This item also includes the amount of € 18,332,552.67 for the margin account under the contracted swap.

8.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Credits Written-off	51 241 712	77 325 665
Assets received as collateral	4 028 477 424	4 251 222 712
Swap interest rate	2 859 204 782	3 104 177 571
	6 938 923 919	7 432 725 949

**9 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 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.

The operation settled in advance on June 25, 2020, and all obligations were repaid.

Impairment

The Company periodically assesses the impairment of its portfolio of due and past-due assets, considering 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 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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	10 023 703	34 708 658
Interest expense and similiar charges	(7 828 612)	(29 022 981)
Net interest income	2 195 091	5 685 676
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(4 883 461)	982 166
General and administrative costs	(2 195 091)	(5 685 675)
Total Operating income/(expense)	(7 078 552)	(4 703 510)
Impairment losses on loans, net of reversals and recoveries	4 883 461	(982 167)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	-	37 489 664
Balances due from other Credit Institutions	-	-
Loans to customers	-	420 217 119
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	17 053 352
Total Assets	<u>-</u>	<u>474 760 136</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	-	473 694 287
Other liabilities	-	1 065 848
Total Liabilities	<u>-</u>	<u>474 760 136</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>474 760 136</u>

Off-balance sheet accounts (note 9.10)

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(3 085 236)	(5 949 933)
<i>Cash flows arising from operating activities</i>	(3 085 236)	(5 949 933)
Investing Activities		
Receivables:		
Customers Loans	438 600 779	169 152 455
Interest income	13 401 152	36 004 487
Payments:		
Customers Loansp	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	452 001 931	205 156 942
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(472 089 679)	(142 932 459)
Interest Expenses	(14 316 679)	(30 016 428)
<i>Cash flows arising from financing activities</i>	(486 406 359)	(172 948 886)
Net changes in cash and cash equivalents	(37 489 663)	26 258 122
Cash and cash equivalents balance at the beginning of the year	37 489 664	11 231 541
Cash and cash equivalents balance at the end of the year	37 489 664	37 489 664
Deposits at other Credit Institutions (Note 9)	-	37 489 664



9.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	10 007 449	34 708 658
Interest from deposits	16 254	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>10 023 703</u>	<u>34 708 658</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(7 848 721)	(29 015 610)
Interest from deposits	(102 400)	(16 254)
Interest from other financial liabilities	-	-
Premium bond issue	122 510	8 883
	<u>(7 828 612)</u>	<u>(29 022 981)</u>
<i>Net interest income</i>	<u>2 195 091</u>	<u>5 685 676</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>	
	2020	2019
<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
	<u>-</u>	<u>982 166</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	(4 883 461)	-
	<u>(4 883 461)</u>	<u>-</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(4 883 461)</u>	<u>982 166</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 9.8).



9.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	(13 000)	(17 680)
Audit fee	(19 680)	(25 797)
CMVM	(5 086)	(11 475)
Bank commissions	(24)	(94)
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	(7 267)	(12 892)
Irish stock exchange fee	-	-
Issuer fee	(20 714)	(55 884)
Legal Fee	(21 240)	(7 657)
Other	(50 000)	-
Paying Agent fee	(3 120)	(4 160)
Rating Agency fee	-	-
Service fee	(2 054 961)	(5 550 037)
Transaction Manager	-	-
	(2 195 091)	(5 685 675)

9.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(658 267)	(1 694 626)
Reversal of impairment losses	5 541 727	712 459
	4 883 461	(982 167)

9.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	-	33 794 299
Cash Reserve	-	3 695 366
Liquidity Account	-	-
	-	37 489 664

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



9.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	-	419 574 447
Overdue loans	-	5 254 309
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	159 450
Accrued interest	-	923 169
Impairment	-	(5 694 256)
	-	420 217 119

The item "Loans to customers" records the nominal value of the credit acquired under the securitization transaction totalling € 611,022,649, minus the 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>				
	Beggining 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	(200 839 103)	17 092 972	(1 473 851)	424 828 756
2020	424 828 756	(424 017 961)		(810 795)	()

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	(5 694 256)	(6 185 940)
Impairment losses	(658 267)	(1 694 626)
Reversal of impairment losses	5 541 727	712 459
Loans Written-off	810 795	1 473 851
Balance on 31 December	()	(5 694 256)

9.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	17 053 352
Up Front Fee	-	-
	-	17 053 352



9.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	-	471 667 542
Accrued interest	-	7 603 226
Issued notes premium	-	122 510
Issued notes discount	-	-
Others	-	(5 698 991)
	-	473 694 287

The operation settled in advance, repaying the amount of debt securities issued in full.

9.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	3 900
Audit fee	-	22 140
Issuer fee	-	8 778
Others	-	159 450
Paying agent fee	-	-
Service fee	-	871 580
Transaction Manager	-	-
Other Payable	-	-
	-	1 065 848

The item "Others" records the consideration for overdue interest recognized in the item "Loans and advances to customers" (note 9.6).

9.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Credits Written-off	-	2 442 366
Assets received as collateral	-	-
Swap interest rate	-	-
	-	2 442 366



10 Silk Finance No. 5

On 23rd July 2020, the Company carried out the transaction “Silk Finance No. 5”. This transaction was for the acquisition of a consumer credit portfolio of Banco Santander Consumer Portugal, S.A. in the amount of € 600,018,247 and the respective issuance of securitized bonds divided into 7 tranches: € 466,100,000 Class A, € 65,900,000 Class B, € 55,000,000 Class C, €13,000,000 Class D, € 6,600,000 Class E, €1 Variable Funding Note, and € 3,600,000 Class X. The 7 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 2020 were as follows:

	Fitch	Moody's
Class A Notes	A	Aa3
Class B Notes	BBB	Baa1
Class C Notes	BB	Ba3
Class D Notes	-	-
Class E Notes	-	-
Class X Notes	-	-
Class VFN	-	-

The remuneration of the first 3 tranches is indexed to 3 months EURIBOR, adding a spread of 0.75% Class A, 2% Class B and 3% Class C. The remuneration of the following classes is fixed and is of 7.25% Class D and 8% Class E. The other 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.

The Class A, B, C, D and E Notes are registered with the securities settlement company Interbolsa and listed on the Euronext Lisbon stock exchange. The bond redemption date started in November 2020, ending in February 2035, the date legal maturity for all 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, considering 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 31.12.2020	Interest Rate 31.12.2019
Silk Finance No.5					
Class A-Notes	February de 2035	466 100 000	EUR 3 M + 0.75%	0.23%	n.a
Class B-Notes	February de 2035	65 900 000	EUR 3 M + 2%	1.48%	n.a
Class C-Notes	February de 2035	55 000 000	EUR 3 M + 3%	2.48%	n.a
Class D-Notes	February de 2035	13 000 000	Fixed	7.25%	n.a
Class E-Notes	February de 2035	5 940 000	Fixed	8.00%	n.a
Class X-Notes	February de 2035	1 000	-	-	n.a
Class VFN	February de 2035	1	-	-	n.a
		605 941 001			

The item “Debt securities issued” records the carrying value of securitization bonds issued within the scope of the securitization transaction. This issuance includes seven tranches of bonds (Class A Notes”, “Class B Notes”, “Class C Notes”, “Class D Notes”, “Class E Notes”, “Class X Notes”, “Variable Funding Notes”) with fixed remuneration of 3 months EURIBOR plus spread of 0.75% Class A, 2% Class B, 3% Class C; fixed rate remunerations of 7.25% Class D and 8% Class E and two tranches of bonds (“Class X Notes” and Variable Funding Note) whose remuneration will be the difference between the amounts received and the remuneration paid to the other classes.

The transaction’s financial statements are shown with reference to 31st December 2020 and 2019:

Income Statement**For the years ended 31 December 2020 and 2019**

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	18 601 152	-
Interest expense and similiar charges	(16 511 983)	-
Net interest income	2 089 168	-
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	3 523 066	-
General and administrative costs	(2 089 168)	-
Total Operating income/(expense)	1 433 897	-
Impairment losses on loans, net of reversals and recoveries	(3 523 066)	-
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	23 304 808	-
Balances due from other Credit Institutions	-	-
Loans to customers	570 753 432	-
Intangible Assets	-	-
Financial assets held for trading	1 123 089	-
Other Assets	17 950 730	-
Total Assets	<u>613 132 059</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	612 856 210	-
Other liabilities	275 849	-
Total Liabilities	<u>613 132 059</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>613 132 059</u>	<u>-</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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(1 909 159)	-
<i>Cash flows arising from operating activities</i>	<u>(1 909 159)</u>	<u>-</u>
Investing Activities		
Receivables:		
Customers Loans	(587 164 905)	-
Interest income	15 404 242	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	(1 859 760)	-
<i>Cash flows arising from investing activities</i>	<u>(573 620 423)</u>	<u>-</u>
Financing Activities		
Receivables:		
Debt securities issued	610 200 001	-
Payments:		
Debt securities issued	(4 259 000)	-
Interest Expenses	(7 106 611)	-
<i>Cash flows arising from financing activities</i>	<u>598 834 390</u>	<u>-</u>
Net changes in cash and cash equivalents	23 304 808	-
Cash and cash equivalents balance at the beginning of the year	-	-
Cash and cash equivalents balance at the end of the year	<u>23 304 808</u>	<u>-</u>
Deposits at other Credit Institutions (Note 9)	23 304 808	-

10.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	18 601 152	-
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>18 601 152</u>	<u>-</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(16 364 244)	-
Interest from deposits	(57 552)	-
Interest from other financial liabilities	-	-
Premium bond issue	(90 187)	-
	<u>(16 511 983)</u>	<u>-</u>
Net interest income	<u>2 089 168</u>	<u>-</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>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(1 123 089)	-
Other gains arising financial operations	3 523 066	-
	2 399 977	-
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	1 123 089	-
Other losses arising financial operations	-	-
	1 123 089	-
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	3 523 066	-

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>	
	2020	2019
Agent bank fee	-	-
Audit fee	(20 910)	-
Arranger Fee	(595 920)	-
CMVM	(10 000)	-
Banking Comissions	-	-
Commitment Fee	-	-
Common Representative	(5 000)	-
Euronext	(48 050)	-
Interbolsa	(3 392)	-
Irish stock exchange fee	-	-
Issuer fee	(67 247)	-
Legal Fee	(290 003)	-
Other	-	-
Paying Agent fee	(1 040)	-
Rating Agency fee	(358 118)	-
Service fee	(670 849)	-
Transaction Manager	(18 640)	-
	(2 089 168)	-



10.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(3 523 066)	-
Reversal of impairment losses	-	-
	(3 523 066)	-

10.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	16 713 974	-
Cash Reserve	6 590 834	-
Liquidity Account	-	-
	23 304 808	-

The item “Deposits” corresponds to deposits at BNP Paribas – London Branch.

10.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	573 903 322	-
Overdue loans	277 336	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	95 840	-
Accrued interest	-	-
Impairment	(3 523 066)	-
	570 753 432	-

In "Loans to customers" is being recorded the nominal value of the credit acquired under the securitization transaction deducted from the receipts in the meantime and from losses due to impairments recorded and increased the amount of repurchases of new credits made, as well as the respective periodic interest.

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

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	Write-off	Ending Balance
2020	-	(76 764 801)	650 945 458		574 180 657

Changes in impairment for credit risks have the following breakdown:



Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	-	-
Impairment losses	(3 523 066)	-
Reversal of impairment losses	-	-
Loans Written-off	-	-
Balance on 31 December	(3 523 066)	-

10.7 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	17 950 730	-
Up Front Fee	-	-
	17 950 730	-

10.8 Financial assets held for trading

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Swaps	1 123 089	-
	1 123 089	-

The item swaps refer to the fair value of the interest rate swap operation contracted within the scope of the Operation Silk Finance No. 5 and the corresponding accrued interest.

The detail of the fair value of the Swap with reference to 31st December 2020 and 2019 have the following breakdown:

	Notional Amount	Maturity	Fair Value 2020	Fair Value 2019
Silk Finance No.5	587 000 000	Março 2063	-1 123 089	0

As previously mentioned, the counterparty to this derivative is Banco Santander, S.A

10.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	605 941 001	-
Accrued interest	9 315 186	-
Issued notes premium	-	-
Issued notes discount	-	-
Others	(2 399 977)	-
	612 856 210	-



10.10 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	20 910	-
Issuer fee	6 059	-
Others	95 840	-
Paying agent fee	-	-
Service fee	150 000	-
Transaction Manager	3 040	-
Other Payable	-	-
	275 849	-

The item "Others" records the consideration for overdue interest recognized in the item "Loans and advances to customers" (note 10.6).

10.11 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Credits Written-off	-	-
Assets received as collateral	-	-
Swap interest rate	587 000 000	-
	587 000 000	-



11 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. Securitised 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 2020 were as follows:

	DBRS	Moody's
Class A1	A (low)	Aa3
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 31.12.2020	Interest Rate 31.12.2019
EnergyOn No.1					
Class A1-Notes	March de 2025	390 460 397	EUR 1 M + 1,95%	1,38%	1,50%
Class A2-Notes	March de 2025	150 000	-	-	-
Class B-Notes	March de 2025	5 000 000	-	-	-
		395 610 397			

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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	7 739 834	9 307 597
Interest expense and similiar charges	(6 424 191)	(8 186 638)
Net interest income	1 315 642	1 120 959
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(1 151 748)	(943 669)
General and administrative costs	(163 895)	(177 290)
Total Operating income/(expense)	(1 315 642)	(1 120 959)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	13 024 050	13 100 276
Balances due from other Credit Institutions	2 500 000	2 500 000
Loans to customers	389 849 320	481 529 448
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	1 625	1 701
Total Assets	<u>405 374 995</u>	<u>497 131 424</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	10 278 146	12 217 317
Other financial liabilities	392 574 549	482 375 917
Other liabilities	2 522 300	2 538 190
Total Liabilities	<u>405 374 995</u>	<u>497 131 424</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>405 374 995</u>	<u>497 131 424</u>

Off-balance sheet accounts (note 11.11)

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(179 708)	(162 556)
<i>Cash flows arising from operating activities</i>	<u>(179 708)</u>	<u>(162 556)</u>
Investing Activities		
Receivables:		
Customers Loans	91 680 128	90 173 448
Interest income	14 481 626	17 807 357
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>106 161 754</u>	<u>107 980 805</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(89 970 004)	(88 497 468)
Interest Expenses	(16 088 268)	(19 351 011)
<i>Cash flows arising from financing activities</i>	<u>(106 058 271)</u>	<u>(107 848 479)</u>
Net changes in cash and cash equivalents	(76 226)	(30 230)
Cash and cash equivalents balance at the beginning of the year	13 100 276	13 130 506
Cash and cash equivalents balance at the end of the year	<u>13 024 050</u>	<u>13 100 276</u>
Deposits at other Credit Institutions (Note 9)	13 024 050	13 100 276

11.1 Net interest income

	<i>(Expressed in EUR)</i>	
Description	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	7 739 834	9 307 597
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>7 739 834</u>	<u>9 307 597</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(6 378 045)	(8 147 585)
Interest from deposits	(46 146)	(39 053)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(6 424 191)</u>	<u>(8 186 638)</u>
Net interest income	<u>1 315 642</u>	<u>1 120 959</u>



11.2 Net gains / losses arising from financial assets and liabilities at fair value

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	9 239 439	11 213 768
Other gains arising financial operations	1 420 038	2 611 913
	10 659 476	13 825 681
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(10 014 242)	(12 624 238)
Other losses arising financial operations	(1 796 982)	(2 145 112)
	(11 811 224)	(14 769 350)
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	(1 151 748)	(943 669)

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 11.9).

11.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	(12 480)	(12 480)
Audit fee	(29 520)	(31 980)
CMVM	(10 352)	(10 811)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(26)	(228)
Interbolsa	(11 019)	(12 007)
Irish stock exchange fee	-	-
Issuer fee	(44 371)	(53 466)
Legal Fee	-	-
Other	(143)	(333)
Paying Agent fee	(2 080)	(2 080)
Rating Agency fee	(28 905)	(28 905)
Service fee	(25 000)	(25 000)
Transcation Manager	-	-
	(163 895)	(177 290)



11.4 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	8 284 582	8 290 364
Cash Reserve	4 739 468	4 809 912
Liquidity Account	-	-
	13 024 050	13 100 276

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

11.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
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.

11.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	389 849 320	481 529 448
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	389 849 320	481 529 448

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>				
	Begging 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
2020	481 529 448	(91 680 128)	-	-	389 849 320



11.7 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	1 625	1 701
	1 625	1 701

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.

11.8 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>	
	31-12-2020	31-12-2019
Swaps	10 278 146	12 217 317
	10 278 146	12 217 317

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 with reference to 31st December 2020 and 2019 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2020	Fair Value 2019
EnergyOn No.1	390 623 117	12-02-2025	9 945 109	11 962 759

11.9 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	395 610 397	485 580 401
Accrued interest	433 118	641 428
Issued notes premium	-	-
Issued notes discount	-	-
Others	(3 468 966)	(3 845 911)
	392 574 549	482 375 917

The item "Others" corresponds to the estimated shortcoming / surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2020.

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:



(Expressed in EUR)

Year	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
2020	485 580 400	(89 970 004)	395 610 397

11.10 Other liabilities

(Expressed in EUR)

Description	31-12-2020	31-12-2019
Agent bank fee	1 040	1 040
Audit fee	15 990	30 750
Issuer fee	3 187	4 316
Other	2 500 000	2 500 000
Paying agent fee	-	-
Service fee	2 083	2 083
Transaction Manager	-	-
Other Payable	-	-
	2 522 300	2 538 190

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

11.11 Off-balance sheet accounts

(Expressed in EUR)

Description	31-12-2020	31-12-2019
Credits Written-off	-	-
Assets received as collateral	-	-
Swap interest rate	390 623 117	489 053 750
	390 623 117	489 053 750



12 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. Securitized 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 2020 were as follows:

	DBRS	Moody's
Class A	A (low)	A1
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 31.12.2020	Interest Rate 31.12.2019
EnergyOn No.2					
Class A-Notes	May de 2025	137 139 591	EUR 1 M + 1,60%	1,03%	1,15%
Class B-Notes	May de 2025	200 000	-	-	-
		137 339 591			

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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	2 162 171	2 605 152
Interest expense and similiar charges	(1 718 605)	(2 229 074)
Net interest income	443 566	376 078
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	(319 849)	(244 110)
General and administrative costs	(123 717)	(131 968)
Total Operating income/(expense)	(443 566)	(376 078)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	4 543 208	4 585 645
Balances due from other Credit Institutions	-	-
Loans to customers	136 746 851	168 905 347
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	1 702	1 781
Total Assets	<u>141 291 761</u>	<u>173 492 774</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	2 968 557	3 393 219
Other financial liabilities	138 305 568	170 069 602
Other liabilities	17 635	29 953
Total Liabilities	<u>141 291 761</u>	<u>173 492 774</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>141 291 761</u>	<u>173 492 774</u>

Off-balance sheet accounts (note 12.10)

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(135 956)	(119 880)
<i>Cash flows arising from operating activities</i>	<u>(135 956)</u>	<u>(119 880)</u>
Investing Activities		
Receivables:		
Customers Loans	32 158 496	31 630 001
Interest income	5 141 145	6 310 765
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>37 299 641</u>	<u>37 940 766</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(31 642 136)	(31 124 250)
Interest Expenses	(5 563 987)	(6 711 235)
<i>Cash flows arising from financing activities</i>	<u>(37 206 123)</u>	<u>(37 835 484)</u>
Net changes in cash and cash equivalents	(42 437)	(14 599)
Cash and cash equivalents balance at the beginning of the year	<u>4 585 645</u>	<u>4 600 244</u>
Cash and cash equivalents balance at the end of the year	<u>4 543 208</u>	<u>4 585 645</u>
Deposits at other Credit Institutions (Note 9)	4 543 208	4 585 645



12.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	2 714 889	3 264 811
Interest from deposits	-	-
Portfolio Acquisition premium	(552 718)	(659 659)
Other interest	-	-
	<u>2 162 171</u>	<u>2 605 152</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(1 702 264)	(2 215 279)
Interest from deposits	(16 341)	(13 795)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(1 718 605)</u>	<u>(2 229 074)</u>
<i>Net interest income</i>	<u>443 566</u>	<u>376 078</u>

12.2 Net gains / losses arising from financial assets and liabilities at fair value

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Gains arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	3 092 599	4 066 904
Other gains arising financial operations	470 004	1 129 451
	<u>3 562 603</u>	<u>5 196 355</u>
<i>Losses arising from financial assets and liabilities at fair value through profit and loss</i>		
Financial assets held-for-trading - Swaps	(3 474 970)	(4 560 585)
Other losses arising financial operations	(407 482)	(879 880)
	<u>(3 882 452)</u>	<u>(5 440 465)</u>
<i>Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss</i>	<u>(319 849)</u>	<u>(244 110)</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 12.8).



12.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	(10 400)	(10 400)
Audit fee	(23 370)	(25 584)
CMVM	(3 603)	(3 770)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	(53)	(228)
Interbolsa	(4 834)	(5 145)
Irish stock exchange fee	-	-
Issuer fee	(24 714)	(29 943)
Legal Fee	-	-
Other	(143)	(297)
Paying Agent fee	(2 080)	(2 080)
Rating Agency fee	(29 520)	(29 520)
Service fee	(25 000)	(25 000)
Transaction Manager	-	-
	(123 717)	(131 968)

12.4 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	2 906 082	2 908 120
Cash Reserve	1 637 126	1 677 525
Liquidity Account	-	-
	4 543 208	4 585 645

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

12.5 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	136 746 851	168 905 347
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	136 746 851	168 905 347

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:



(Expressed in EUR)

Year	Beggining Balance	Reimbursement	Purchases	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
2020	168 905 347	(32 158 496)	-	-	136 746 851

12.6 Other assets

(Expressed in EUR)

Description	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	1 702	1 781
	1 702	1 781

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.

12.7 Financial assets held for trade

(Expressed in EUR)

Description	31-12-2020	31-12-2019
Swaps	2 968 557	3 393 219
	2 968 557	3 393 219

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 with reference to 31st December 2020 and 2019 is shown in the following table:

	Notional Amount	Maturity	Fair Value 2020	Fair Value 2019
EnergyOn No.2	137 380 778	12-02-2025	2 869 628	3 420 386

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



12.8 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	137 339 591	168 981 727
Accrued interest	113 456	172 832
Issued notes premium	-	-
Issued notes discount	-	-
Others	852 520	915 042
	138 305 568	170 069 602

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 2020.

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
2020	168 981 727	(31 642 136)	137 339 591

12.9 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	867	867
Audit fee	12 915	24 600
Issuer fee	1 770	2 403
Other	-	-
Paying agent fee	-	-
Service fee	2 083	2 083
Transaction Manager	-	-
Other Payable	-	-
	17 635	29 953



12.10 Off-balance sheet accounts

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Credits Written-off	-	-
Assets received as collateral	-	-
Swap interest rate	137 380 778	169 022 914
	137 380 778	169 022 914



13 Victoria Finance No.1

On 28th July 2015, the Company carried out the transaction “Victoria Finance No.1”. This transaction was for the acquisition of a receivable loan portfolio in the amount of € 505,000,000 and the respective issuance of securitized bonds at par for a total amount of € 510,000,000. These bonds were placed privately and subsequently registered with the Portuguese Securities Market Commission (CMVM).

These issuances correspond to 5 tranches of bonds: “Class A” issued at par in the amount of € 392,500,000 with remuneration of 0.8%; “Class B” issued at par for the amount of € 60,000,000 with remuneration of 1.5%; “Class C” issued at par in the amount of €22,500,000 with remuneration of 2%; “Class S” issued at par in the amount of €5,000,000 with remuneration of 2.5% and “Class SICF” issued at par in the amount of €30,000,000 with remuneration of 2.5%.

Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in September 2020, ending in October 2035, 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).

Debt securities issued

Description	Legal Maturity	Amount EUR	Spread	Interest Rate 31.12.2020	Interest Rate 31.12.2019
Victoria Finance No. 1					
Class A-Notes	fevereiro de 2035	392 500 000	Fixed	0.80%	n.a
Class B-Notes	fevereiro de 2035	60 000 000	Fixed	1.50%	n.a
Class C-Notes	fevereiro de 2035	22 500 000	Fixed	2.00%	n.a
Class S-Notes	fevereiro de 2035	4 026 284	Fixed	2.50%	n.a
Class SICF	fevereiro de 2035	52 141 250	Fixed	2.50%	n.a
		531 167 534			

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 with reference to 31st December 2020 and 2019:



Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	42 194 986	-
Interest expense and similiar charges	(40 248 639)	-
Net interest income	1 946 347	-
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	22 450 608	-
General and administrative costs	(1 946 347)	-
Total Operating income/(expense)	20 504 261	-
Impairment losses on loans, net of reversals and recoveries	(22 450 608)	-
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	53 895 469	-
Balances due from other Credit Institutions	-	-
Loans to customers	505 140 293	-
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>559 035 762</u>	<u>-</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	517 474 802	-
Other liabilities	41 560 960	-
Total Liabilities	<u>559 035 762</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>559 035 762</u>	<u>-</u>

To be read with the notes attached to the financial statements



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(1 888 784)	-
<i>Cash flows arising from operating activities</i>	<u>(1 888 784)</u>	<u>-</u>
Investing Activities		
Receivables:		
Customers Loans	(657 987 610)	-
Interest income	214 095 091	-
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>(443 892 519)</u>	<u>-</u>
Financing Activities		
Receivables:		
Debt securities issued	534 737 933	-
Payments:		
Debt securities issued	(3 570 399)	-
Interest Expenses	(31 490 762)	-
<i>Cash flows arising from financing activities</i>	<u>499 676 771</u>	<u>-</u>
Net changes in cash and cash equivalents	53 895 469	-
Cash and cash equivalents balance at the beginning of the year	-	-
Cash and cash equivalents balance at the end of the year	<u>53 895 469</u>	<u>-</u>
Deposits at other Credit Institutions (Note 9)	53 895 469	-



13.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	42 194 986	-
Interest from deposits	-	-
Portfolio Acquisition premium	-	-
Other interest	-	-
	<u>42 194 986</u>	<u>-</u>
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(40 248 639)	-
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	<u>(40 248 639)</u>	<u>-</u>
<i>Net interest income</i>	<u>1 946 347</u>	<u>-</u>

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

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<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	22 450 608	-
	<u>22 450 608</u>	<u>-</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>22 450 608</u>	<u>-</u>



13.3 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(17 343)	-
Arranger fee	(312 000)	-
CMVM	(12 500)	-
Bank Comissions	(1 040)	-
Commitment Fee	-	-
Common Representative	(12 000)	-
Euronext	(29 919)	-
Interbolsa	(3 911)	-
Irish stock exchange fee	-	-
Issuer fee	(110 000)	-
Legal Fee	(177 653)	-
Other	-	-
Paying Agent fee	(2 080)	-
Rating Agency fee	(362 235)	-
Service fee	(783 474)	-
Transcation Manager	(122 192)	-
	(1 946 347)	-

13.4 Impairment losses on loans

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Loans to customers:</i>		
Impairment losses	(22 450 608)	-
Reversal of impairment losses	-	-
	(22 450 608)	-

13.5 Deposits at other Credit Institutions

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	49 970 469	-
Cash Reserve	3 925 000	-
Liquidity Account	-	-
	53 895 469	-

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



13.6 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	526 277 923	-
Overdue loans	219 454	-
Portfolio acquisition premium/(discount)	-	-
Overdue interest	447 949	-
Accrued interest	-	-
Impairment	(21 805 033)	-
	505 140 293	-

In "Loans to customers" is being recorded the nominal value of the credit acquired under the securitization transaction deducted from the receipts in the meantime and from losses due to impairments recorded and increased the amount of repurchases of new credits made, as well as the respective periodic interest.

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

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	Write-off	Ending Balance
2020	-	(167 358 844)	694 501 796	(645 575)	526 497 377

Changes in impairment for credit risks have the following breakdown:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
<i>Loans Impairment:</i>		
Balance on 1 January	-	-
Impairment losses	(22 450 608)	-
Reversal of impairment losses	-	-
Loans Written-off	645 575	-
Balance on 31 December	(21 805 033)	-

13.7 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	531 167 534	-
Accrued interest	8 282 338	-
Issued notes premium	-	-
Issued notes discount	-	-
Others	(21 975 069)	-
	517 474 802	-

The item "Others" corresponds to the estimated shortcoming / surplus that would be assumed by the holders of the issued securities if the transaction ended on 31st December 2020.



Pursuant to the provisions of the contractual agreement, the bonds' repayment date began in September 2020, ending in May 2035, the legal maturity date for all the tranches. The amounts of interim securitization bond repayments had the following breakdown:

	<i>(Expressed in EUR)</i>			
<u>Year</u>	<u>Initial Amount</u>	<u>Amortization</u>	<u>New emissions</u>	<u>Ending Balance</u>
2020	-	(3 570 399)	534 737 933	531 167 534

13.8 Other liabilities

	<i>(Expressed in EUR)</i>	
<u>Description</u>	<u>31-12-2020</u>	<u>31-12-2019</u>
Agent bank fee	-	-
Audit fee	8 672	-
Issuer fee	-	-
Other	447 949	-
Paying agent fee	-	-
Service fee	41 003	-
Transaction Manager	7 889	-
Other Payable	41 055 448	-
	41 560 960	-



14 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 € 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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	-	20 953
Interest expense and similiar charges	-	45 611
Net interest income	-	66 563
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	-
General and administrative costs	-	(66 563)
Total Operating income/(expense)	-	(66 563)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	-	-
Balances due from other Credit Institutions	-	-
Loans to customers	-	-
Intangible Assets	-	-
Financial assets held for trading	-	-
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 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	-	(104 996)
<i>Cash flows arising from operating activities</i>	-	(104 996)
Investing Activities		
Receivables:		
Customers Loans	-	10 811 006
Interest income	-	521 586
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	-	11 332 592
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	-	(22 890 643)
Interest Expenses	-	(88 775)
<i>Cash flows arising from financing activities</i>	-	(22 979 418)
Net changes in cash and cash equivalents	-	(11 751 823)
Cash and cash equivalents balance at the beginning of the year	-	11 751 823
Cash and cash equivalents balance at the end of the year	-	-
Deposits at other Credit Institutions (Note 9)	-	-



14.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	-	521 586
Interest from deposits	-	-
Portfolio Acquisition premium	-	(500 633)
Other interest	-	-
	-	20 953
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	-	51 732
Interest from deposits	-	(6 121)
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	-	45 611
Net interest income	-	66 563

14.2 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	(1 300)
Audit fee	-	-
CMVM	-	(182)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(69)
Interbolsa	-	(3 064)
Irish stock exchange fee	-	-
Issuer fee	-	(189)
Legal Fee	-	-
Other	-	-
Paying Agent fee	-	(1 040)
Rating Agency fee	-	(55 220)
Service fee	-	(5 500)
Transaction Manager	-	-
	-	(66 563)



15 Volta IV Electricity Receivables Securitization 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 2020 were as follows:

	Fitch	Moody's	DBRS
Fixed Rate Senior Asset-Backed	A	Aa3	BBB (high)
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 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 31.12.2020	Interest Rate 31.12.2019
Volta IV Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes	Fevereiro de 2021	25 803 310	Fixa	2.4230%	2.4230%
Class R Notes due	Fevereiro de 2021	156 304	-	-	-
Liquidity Notes due	Fevereiro de 2021	381 000	-	-	-
		26 340 614			



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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	2 418 744	6 146 187
Interest expense and similiar charges	(2 187 778)	(5 875 107)
Net interest income	230 966	271 080
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	-
General and administrative costs	(230 966)	(271 080)
Total Operating income/(expense)	(230 966)	(271 080)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	13 406 769	14 359 190
Balances due from other Credit Institutions	-	-
Loans to customers	12 688 231	165 938 623
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>26 095 000</u>	<u>180 297 813</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	26 073 738	180 263 941
Other liabilities	21 262	33 872
Total Liabilities	<u>26 095 000</u>	<u>180 297 813</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>26 095 000</u>	<u>180 297 813</u>

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(243 576)	(263 556)
<i>Cash flows arising from operating activities</i>	<u>(243 576)</u>	<u>(263 556)</u>
Investing Activities		
Receivables:		
Customers Loans	151 980 712	146 475 981
Interest income	3 688 424	9 193 155
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows 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	(153 577 492)	(149 904 693)
Interest Expenses	(2 800 489)	(6 430 530)
<i>Cash flows arising from financing activities</i>	<u>(156 377 982)</u>	<u>(156 335 224)</u>
Net changes in cash and cash equivalents	(952 421)	(929 644)
Cash and cash equivalents balance at the beginning of the year	<u>14 359 190</u>	<u>15 288 834</u>
Cash and cash equivalents balance at the end of the year	<u>13 406 769</u>	<u>14 359 190</u>
Deposits at other Credit Institutions (Note 9)	13 406 769	14 359 190



15.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	3 688 424	7 018 059
Interest from deposits	-	-
Portfolio Acquisition premium	(1 269 680)	(871 872)
Other interest	-	-
	2 418 744	6 146 187
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(2 187 778)	(5 875 107)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(2 187 778)	(5 875 107)
Net interest income	230 966	271 080

15.2 General and administrative expenses

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(18 450)	(19 680)
CMVM	(2 579)	(5 614)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	(5 527)	(8 282)
Irish stock exchange fee	-	-
Issuer fee	(14 556)	(37 339)
Legal Fee	-	(8 203)
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(59 748)	(59 083)
Service fee	(60 000)	(60 000)
Transaction Manager	(70 106)	(72 878)
	(230 966)	(271 080)



15.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	12 972 428	12 972 428
Cash Reserve	278 037	305 764
Liquidity Account	156 304	1 080 998
	13 406 769	14 359 190

The item "Deposits at other Credit Institutions - Notes" corresponds to deposits at Citibank – London Branch.

15.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	12 688 231	164 668 943
Overdue loans	-	-
Portfolio acquisition premium/(discount)	-	1 269 680
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	12 688 231	165 938 623

The item "Loans and advances to customers" records the nominal value of the credit acquired under the securitization transaction totalling €599,987,316, minus the 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	Purchases	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
2020	164 668 943	(151 980 712)	-	-	12 688 231

15.5 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	-	-
	-	-



15.6 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	26 340 614	179 918 106
Accrued interest	73 754	379 764
Issued notes premium	-	-
Issued notes discount	-	-
Others	(340 630)	(33 929)
	26 073 738	180 263 941

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 the tranches. The amounts of interim securitization bond repayments had the following breakdown:

Year	<i>(Expressed in EUR)</i>		
	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
2020	179 918 106	(153 577 492)	26 340 614

15.7 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	10 531	-
Issuer fee	329	2 249
Other	-	6 867
Paying agent fee	-	5 000
Service fee	5 000	19 756
Transaction Manager	5 401	-
Other Payable	-	-
	21 262	33 872



16 Volta V Electricity Receivables Securitization 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 2020 were as follows:

	Fitch	Moody's
Fixed Rate Senior Asset-Backed	A	Aa3
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 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 31.12.2020	Interest Rate 31.12.2019
Volta V Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes	Fevereiro de 2022	175 326 676	Fixa	0.8500%	0.8500%
Class R Notes	Fevereiro de 2022	372 569	-	-	-
Liquidity Notes	Fevereiro de 2022	372 000	-	-	-
		176 071 245			



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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	2 501 767	3 425 555
Interest expense and similiar charges	(2 272 179)	(3 138 238)
Net interest income	229 587	287 317
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	-
General and administrative costs	(229 587)	(287 317)
Total Operating income/(expense)	(229 587)	(287 317)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	13 262 997	13 590 988
Balances due from other Credit Institutions	-	-
Loans to customers	162 813 735	311 763 165
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>176 076 732</u>	<u>325 354 152</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	176 053 073	325 319 332
Other liabilities	23 659	34 820
Total Liabilities	<u>176 076 732</u>	<u>325 354 152</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>176 076 732</u>	<u>325 354 152</u>

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(240 749)	(279 027)
<i>Cash flows arising from operating activities</i>	<u>(240 749)</u>	<u>(279 027)</u>
Investing Activities		
Receivables:		
Customers Loans	145 693 656	141 246 903
Interest income	5 757 540	10 204 293
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>151 451 196</u>	<u>151 451 196</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(149 219 274)	(147 956 730)
Interest Expenses	(2 319 164)	(3 567 531)
<i>Cash flows arising from financing activities</i>	<u>(151 538 438)</u>	<u>(151 524 261)</u>
Net changes in cash and cash equivalents	(327 990)	(352 092)
Cash and cash equivalents balance at the beginning of the year	13 590 987	13 943 080
Cash and cash equivalents balance at the end of the year	<u>13 262 997</u>	<u>13 590 987</u>
Deposits at other Credit Institutions (Note 9)	13 262 997	13 590 988



16.1 Net interest income

Description	(Expressed in EUR)	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	5 757 540	8 443 773
Interest from deposits	-	-
Portfolio Acquisition premium	(3 255 773)	(5 018 218)
Other interest	-	-
	2 501 767	3 425 555
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(2 272 179)	(3 138 238)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(2 272 179)	(3 138 238)
Net interest income	229 587	287 317

16.2 General and administrative expenses:

Description	(Expressed in EUR)	
	2020	2019
Agent bank fee	-	-
Audit fee	(18 450)	(19 680)
CMVM	(8 269)	(8 449)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	(8 638)	(11 085)
Irish stock exchange fee	-	-
Issuer fee	(36 685)	(58 983)
Legal Fee	(7 832)	-
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(20 295)	(62 127)
Service fee	(60 000)	(60 000)
Transaction Manager	(69 418)	(66 992)
	(229 587)	(287 317)

16.3 Deposits at other Credit Institutions:

Description	(Expressed in EUR)	
	31-12-2020	31-12-2019
Deposits	12 634 347	12 634 347
Cash Reserve	256 081	267 652
Liquidity Account	372 569	688 988
	13 262 997	13 590 988

The item "Deposits at other Credit Institutions - Notes" corresponds to deposits at Citibank – London Branch.



16.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	160 818 615	306 512 271
Overdue loans	-	-
Portfolio acquisition premium/(discount)	1 995 120	5 250 893
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	162 813 735	311 763 165

Amounts for capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	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
2020	306 512 271	(145 693 656)	-	-	160 818 615

16.5 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	-	-
	-	-

16.6 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	176 071 245	325 290 519
Accrued interest	124 190	229 663
Issued notes premium	-	-
Issued notes discount	-	-
Others	(142 362)	(200 849)
	176 053 073	325 319 332

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:



Year	<i>(Expressed in EUR)</i>		
	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
2020	325 290 519	(149 219 274)	176 071 245

16.7 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	10 531	19 756
Issuer fee	2 201	4 066
Other	-	-
Paying agent fee	-	-
Service fee	5 000	5 000
Transaction Manager	5 927	5 998
Other Payable	-	-
	23 659	34 820



17 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 2020 were as follows:

	Fitch	Moody's
Fixed Rate Senior Asset-Backed	A	Aa3
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 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 31.12.2020	Interest Rate 31.12.2019
Volta VI Electricity Receivables Securitisation Notes					
Fixed Rate Senior Notes due 2023	Fevereiro de 2023	355 070 376	Fixa	1.1000%	-
Class R Notes due 2023	Fevereiro de 2023	976 444	-	-	-
Liquidity Notes due 2023	Fevereiro de 2023	375 000	-	-	-
		356 421 820			



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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	5 255 368	6 843 855
Interest expense and similiar charges	(4 954 514)	(6 541 446)
Net interest income	300 854	302 408
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	-
General and administrative costs	(300 854)	(302 408)
Total Operating income/(expense)	(300 854)	(302 408)
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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	14 989 882	15 461 885
Balances due from other Credit Institutions	-	-
Loans to customers	341 632 023	502 665 683
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>356 621 905</u>	<u>518 127 568</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	356 595 634	518 090 217
Other liabilities	26 271	37 351
Total Liabilities	<u>356 621 905</u>	<u>518 127 568</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>356 621 905</u>	<u>518 127 568</u>

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(311 935)	(299 805)
<i>Cash flows arising from operating activities</i>	<u>(311 935)</u>	<u>(299 805)</u>
Investing Activities		
Receivables:		
Customers Loans	158 868 251	143 664 510
Interest income	7 420 777	9 564 108
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>166 289 028</u>	<u>153 228 618</u>
Financing Activities		
Receivables:		
Debt securities issued	-	-
Payments:		
Debt securities issued	(161 490 295)	(133 567 760)
Interest Expenses	(4 958 801)	(6 688 672)
<i>Cash flows arising from financing activities</i>	<u>(166 449 097)</u>	<u>(140 256 432)</u>
Net changes in cash and cash equivalents	(472 003)	12 672 380
Cash and cash equivalents balance at the beginning of the year	<u>15 461 885</u>	<u>2 789 505</u>
Cash and cash equivalents balance at the end of the year	<u>14 989 882</u>	<u>15 461 885</u>
Deposits at other Credit Institutions (Note 9)	14 989 882	15 461 885



17.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	7 420 777	9 564 108
Interest from deposits	-	-
Portfolio Acquisition premium	(2 165 409)	(2 720 253)
Other interest	-	-
	5 255 368	6 843 855
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(4 954 514)	(6 541 446)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(4 954 514)	(6 541 446)
<i>Net interest income</i>	300 854	302 408

17.2 General and administrative expenses:

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(17 835)	(20 049)
CMVM	(10 072)	(12 199)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	-
Interbolsa	(12 607)	(14 606)
Irish stock exchange fee	-	-
Issuer fee	(64 588)	(88 526)
Legal Fee	(15 514)	-
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(41 832)	(41 205)
Service fee	(60 000)	(60 000)
Transaction Manager	(78 406)	(65 823)
	(300 854)	(302 408)

17.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	13 871 180	13 871 450
Cash Reserve	142 258	171 111
Liquidity Account	976 444	1 419 324
	14 989 882	15 461 885

The item "Deposits" corresponds to deposits at Citibank – London Branch.



17.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	338 536 057	497 404 308
Overdue loans	-	-
Portfolio acquisition premium/(discount)	3 095 966	5 261 375
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	341 632 023	502 665 683

Amounts for capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	Write-off	Ending Balance
2018	641 068 818	-	-	-	641 068 818
2019	641 068 818	(143 664 510)	-	-	497 404 308
2020	497 404 308	(158 868 251)	-	-	338 536 057

17.5 Other Assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	-	-
	-	-

17.6 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	356 421 820	517 912 115
Accrued interest	340 847	479 791
Issued notes premium	-	-
Issued notes discount	-	-
Others	(167 032)	(301 690)
	356 595 634	518 090 217

In accordance with the contractual provisions, the repayment date for the bonds began in August 2018, ending in 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
2020	517 912 115	(161 490 295)	356 421 820



17.7 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	10 148	19 065
Issuer fee	4 455	6 474
Other	-	-
Paying agent fee	-	-
Service fee	5 000	5 000
Transaction Manager	6 668	6 813
Other Payable	-	-
	26 271	37 351



18 Volta VII Electricity Receivables Securitization 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 2020 were as follows:

	Fitch	Moody's
Fixed Rate Senior Asset-Backed	A	Aa3
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 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 31.12.2020	Interest Rate 31.12.2019
Volta VII Electricity Receivables Securitisation Notes					
Fixed Rate Senior Asset-Backed Notes due 2024	Fevereiro de 2024	329 869 320	Fixa	0.7000%	-
Liquidity Notes due 2024	Fevereiro de 2024	577 271	-	-	-
Class R Notes due 2024	Fevereiro de 2024	490 000	-	-	-
		330 936 591			

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 with reference to 31st December 2020 and 2019:

Income Statement

For the years ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Interest and similiar income	3 326 895	1 814 695
Interest expense and similiar charges	(3 017 690)	(1 641 740)
Net interest income	309 205	172 955
Results from services and fees	-	-
Net gains/(losses) arising from financial assets and liabilities at fair value through profit and loss	-	-
General and administrative costs	(309 205)	(172 955)
Total Operating income/(expense)	(309 205)	(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 of 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	<u>31-12-2020</u>	<u>31-12-2019</u>
Assets		
Deposits at other Credit Institutions	9 857 317	10 055 542
Balances due from other Credit Institutions	-	-
Loans to customers	321 488 906	423 924 443
Intangible Assets	-	-
Financial assets held for trading	-	-
Other Assets	-	-
Total Assets	<u>331 346 223</u>	<u>433 979 986</u>
Liabilities		
Financial liabilities held for trading	-	-
Debt securities issued	-	-
Other financial liabilities	331 307 387	433 935 513
Other liabilities	38 836	44 473
Total Liabilities	<u>331 346 223</u>	<u>433 979 986</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>331 346 223</u>	<u>433 979 986</u>

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



Cash Flow Statement

for the year ended 31 December 2020 and 2019

	<i>(Expressed in EUR)</i>	
	2020	2019
Operating Activities		
Other receivables/(payments) associated with the operating activities	(314 842)	(128 482)
<i>Cash flows arising from operating activities</i>	<u>(314 842)</u>	<u>(128 482)</u>
Investing Activities		
Receivables:		
Customers Loans	101 134 138	(424 929 599)
Interest income	4 628 294	2 819 851
Payments:		
Loan Portfolio acquisition	-	-
Financial Investments	-	-
<i>Cash flows arising from investing activities</i>	<u>105 762 432</u>	<u>(422 109 749)</u>
Financing Activities		
Receivables:		
Debt securities issuedr	-	476 321 000
Payments:		
Debt securities issued	(102 839 347)	(42 802 341)
Interest Expenses	(2 806 468)	(1 224 886)
<i>Cash flows arising from financing activities</i>	<u>(105 645 815)</u>	<u>432 293 773</u>
Net changes in cash and cash equivalents	(198 225)	10 055 542
Cash and cash equivalents balance at the beginning of the year	<u>10 055 542</u>	
Cash and cash equivalents balance at the end of the year	<u>9 857 317</u>	<u>10 055 542</u>
Deposits at other Credit Institutions (Note 9)	9 857 317	10 055 542



18.1 Net interest income

Description	<i>(Expressed in EUR)</i>	
	2020	2019
<i>Interest and similiar income</i>		
Interest from loans and advances	4 628 294	2 819 851
Interest from deposits	-	-
Portfolio Acquisition premium	(1 301 399)	(1 005 156)
Other interest	-	-
	3 326 895	1 814 695
<i>Interest expenses and similiar changes</i>		
Interest from debt securities issued	(3 017 690)	(1 641 740)
Interest from deposits	-	-
Interest from other financial liabilities	-	-
Premium bond issue	-	-
	(3 017 690)	(1 641 740)
Net interest income	309 205	172 955

18.2 General and administrative expenses:

Description	<i>(Expressed in EUR)</i>	
	2020	2019
Agent bank fee	-	-
Audit fee	(17 835)	(19 680)
CMVM	(9 244)	(12 822)
Bank Comissions	-	-
Commitment Fee	-	-
Common Representative	-	-
Euronext	-	(6 521)
Interbolsa	(10 976)	(3 558)
Irish stock exchange fee	-	-
Issuer fee	(76 595)	(44 257)
Legal Fee	(27 060)	(14 895)
Other	-	-
Paying Agent fee	-	-
Rating Agency fee	(38 745)	-
Service fee	(72 000)	(36 000)
Transaction Manager	(56 750)	(35 223)
	(309 205)	(172 955)

18.3 Deposits at other Credit Institutions:

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Deposits	8 814 786	8 814 786
Cash Reserve	465 260	483 830
Liquidity Account	577 271	756 926
	9 857 317	10 055 542

The item "Deposits at other Credit Institutions - Notes" corresponds to deposits at Citibank – London Branch.



18.4 Loans to customers

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Loans	318 856 140	419 990 278
Overdue loans	-	-
Portfolio acquisition premium/(discount)	2 632 766	3 934 165
Overdue interest	-	-
Accrued interest	-	-
Impairment	-	-
	321 488 906	423 924 443

Amounts regarding capital receipts are as follows:

Year	<i>(Expressed in EUR)</i>				
	Beggining Balance	Reimbursement	Purchases	Write-off	Ending Balance
2019	-	(55 009 722)	475 000 000	-	419 990 278
2020	419 990 278	(101 134 138)			318 856 140

18.5 Other assets

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Receivables	-	-
Up Front Fee	-	-
	-	-

18.6 Debt securities issued

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Securitisation notes	330 936 591	433 775 939
Accrued interest	203 586	262 037
Issued notes premium	-	-
Issued notes discount	-	-
Others	167 209	(102 463)
	331 307 387	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
2020	433 775 939	(102 839 347)	330 936 591



18.7 Other liabilities

Description	<i>(Expressed in EUR)</i>	
	31-12-2020	31-12-2019
Agent bank fee	-	-
Audit fee	16 913	19 680
Issuer fee	5 803	7 214
Other	-	-
Paying agent fee	-	-
Service fee	6 000	6 000
Transaction Manager	10 120	11 579
Other Payable	-	-
	38 836	44 473

**Statutory Auditor's Report**

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

Report on the Audit of Financial Statements**Opinion**

We have audited the accompanying financial statements of **Tagus – Sociedade de Titularização de Créditos, S.A.** («the Entity»), which comprise the statement of financial position as at 31 December 2021 (showing a total of 6 644 068 349 euros and a total net equity of 4 281 352 euros, including a net profit of 347 495 euros), and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of **Tagus – Sociedade de Titularização de Créditos, S.A.** as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In accordance with the legislation in force, namely Decree-Law no. 453/99, the Entity is obliged to segregate the autonomous financial position of each operation, accounting for the assets of each operation exclusively by the corresponding liabilities. Although the Entity complies with these requirements provided for in the legislation, we draw attention to the fact that the disclosures included in the Notes to the financial statements, relating to the loan portfolio indicators for each operation, result exclusively from the information provided by the originators / servicers of the operations, and consequently, in some cases, the financial statements do not contain all the disclosures required by the International Financial Reporting



Standards, namely those required by IFRS 7 (“Financial Instruments: Disclosures”) following the introduction of IFRS 9 (“Financial Instruments”), regarding credit risk. However, as disclosed in Note 25 (“Risk Management”) of the Notes to the financial statements, the Entity acquires credit portfolios that are subsequently subject to securitization operations, so there is an effective and total transfer of credit risk from these portfolios to the note holders of the bonds issued in the scope of these operations, which do not affect the Entity’s Equity.

Our opinion is not modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Operational risk associated with the accounting recognition of securitization operations	
Key Audit Matter description	Audit approach and response
<p>As disclosed in Note 25 “Risk Management” of the Notes to the Entity's Financial Statements, operational risk translates into the potential loss resulting from failures or inadequacies in the internal processes, people or systems, or even the potential losses resulting from external events. Considering that the Entity has the purpose of carrying out credit securitization operations, through the acquisition, management and transmission of credits and the issuance of securitized bonds for the payment of acquired credits, with each securitization operation being a single operation, involving several counterparties / stakeholders, the Entity needs to carry out a set of procedures for obtaining, reconciling and processing information from different sources in order to proceed with the accounting treatment of each of these</p>	<p>In order to respond to the identified risks, among the Audit procedures carried out, we highlight the following:</p> <ul style="list-style-type: none"> • Documentary analysis of all relevant supporting information relating to each of the Entity's operations; • The survey of the procedures instituted in the process of obtaining and reconciling the information received from the various sources, as well as in the financial reporting process, based on the various data obtained; • Verification of compliance with the regulations applicable to each of the securitization operations; • Conducting substantive tests of detail on the amounts recorded in the accounts, taking into account (i) the information defined in each transaction and (ii) the information received from the several parties;



operations. Given the relevance and volume of information received from the various sources of information, in the Entity's Financial Reporting process, this matter was considered as relevant within the scope of our Audit.

- The critical analysis of the credit portfolio of each of the operations (including the amount of impairment recorded in them), through procedures of external circulation to the originators / servicers of the operations; and
 - The assessment of the adequacy of the disclosures made in the Notes to the financial statements, considering the applicable accounting framework (IFRS).
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Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union;
- the preparation of the management report and the corporate governance report, in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes their public disclosure;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and



other matters that may reasonably be thought to bear on our independence, and where applicable, the related measures taken to eliminate threats or the safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code.

Report on other legal and regulatory requirements

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

On the corporate governance report

In our opinion, the corporate governance report includes the information required to the Entity to provide under article 245.º-A of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and m) of the number 1 of that article.

On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Entity in the shareholders extraordinary general assembly held on 13th February 2020 for a first mandate from 2019 to 2020.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism, and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that our audit opinion is consistent with the additional report that we prepared and delivered to the supervisory body of the Entity on 29th March 2021.



- We declare that we have not provided any prohibited services as described in article 77.º, number 8, of the Ordem dos Revisores Oficiais de Contas statutes, and we have remained independent of the Entity in conducting the audit.

Lisbon, 29th March 2021

Mazars & Associados, Sociedade de Revisores Oficiais de Contas, S.A.

Represented by Fernando Jorge Marques Vieira (Statutory Auditor nº 564)