

**Pelican Finance No. 2**

**(Article 62 Asset Identification Code 202112RSLDIVNXXN0141)**

<b>Class of Notes</b>	<b>Amount (in EUR)</b>	<b>Amount (% of total issued amount)</b>	<b>Rating Fitch</b>	<b>Rating DBRS</b>
<b>Class A</b>	285,400,000	79.21%	AA-sf	AA (sf)
<b>Class B</b>	20,700,000	5.75%	Asf	A (sf)
<b>Class C</b>	17,500,000	4.86%	BBB+sf	BBB (sf)
<b>Class D</b>	19,300,000	5.36%	BB+sf	B (high) (sf)
<b>Class E</b>	17,400,000	4.83%	Not Rated	Not Rated
<b>Class X</b>	1,000	0.00%	Not Rated	Not Rated

Issue Price: 100.6055% (one hundred point six thousand and fifty five per cent.) for the Class A Notes, and 100.00% (one hundred per cent.) for the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes issued by **Ares Lusitani – STC, S.A.**

*(incorporated in Portugal with limited liability under registered number 514 657 790 with a share capital of € 250,000.00 and head office at Avenida José Malhoa, 27, 11<sup>th</sup> floor, 1070-156 Lisbon, Portugal)*

This document constitutes a prospectus for admission to trading on a regulated market of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (the “**Listed Notes**”) described herein for the purposes of the Prospectus Regulation (as defined below). The €285,400,000 Class A Floating Rate Notes due 2035 (the “**Class A Notes**”), the €20,700,000 Class B Floating Rate Notes due 2035 (the “**Class B Notes**”), the €17,500,000 Class C Floating Rate Notes due 2035 (the “**Class C Notes**”), the €19,300,000 Class D Floating Rate Notes due 2035 (the “**Class D Notes**”), the €17,400,000 Class E Fixed Rate Notes due 2035 (the “**Class E Notes**”) and the €1,000 Class X Notes due 2035 (the “**Class X Notes**” and together with the Class A Notes, the Class B Notes, the Class C Notes, Class D Notes and the Class E Notes the “**Notes**”), will be issued by Ares Lusitani – STC, S.A. (the “**Issuer**”) on 6 December 2021 (the “**Closing Date**”).

Interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Distribution Amount will be paid on 25 January 2022 and thereafter will be payable monthly in arrear on the 25<sup>th</sup> day of each calendar month in each year (or, in each case, if such day is not a Business Day, the next succeeding Business Day). The Rated Notes will bear interest for each Interest Period up to the Final Legal Maturity Date, to the extent that they have not been previously redeemed in accordance with the Conditions, at the Euro Interbank Offered Rate (“**EURIBOR**”) for one-month euro deposits (except for the case of the first Interest Period, in respect of which the applicable rate will be equal to the interpolation of the EURIBOR for one to three-month euro deposits) plus, in relation to the Class A Notes, a margin of 0.70% (zero point seventy per cent.), in relation to the Class B Notes, a margin of 1.35% (one point thirty five per cent.), in relation to the Class C Notes, a margin of 2.25% (two point twenty five per cent.) and in relation to the Class D Notes, a margin of 4.25% (four point twenty five per cent.), subject to a floor of 0% (zero per cent). The Class E Notes will bear interest for each Interest Period up to the Final Legal Maturity Date, to the extent that they have not been

previously redeemed, at an annual rate of 6.40% (six point forty per cent.). The Class X Notes will not bear interest but will be entitled to the Class X Distribution Amount (if any), to the extent of available funds and subject to the relevant Payment Priorities.

Payments on the Notes will be made in Euro after deduction for or on account of income taxes (including withholding taxes) or other taxes. The Notes will not provide for additional payments by way of gross-up in the case that interest payable under the Notes is or becomes subject to income taxes (including withholding taxes) or other taxes. See the section headed "**Principal Features of the Notes**" herein.

The Notes will be redeemed at their Principal Amount Outstanding on the Interest Payment Date falling on 25 January 2035 (the "**Final Legal Maturity Date**"), to the extent that they have not been previously redeemed in accordance with the Conditions.

The Notes of each Class will be subject to mandatory redemption in whole or in part on each Interest Payment Date if and to the extent that the Issuer has amounts available for redeeming the relevant Class of Notes in accordance with the relevant Payment Priorities.

On each Interest Payment Date prior to the occurrence of a Subordination Event, the Issuer will cause each Class of Listed Notes to be redeemed for the relevant Pro-Rata Amortisation Ratio Amount on such Interest Payment Date *pari passu* and on a *pro rata* basis, in accordance with and subject to the Payment Priorities.

After the occurrence of a Subordination Event, the Issuer will cause the part of the Available Principal Distribution Amount remaining for this purpose to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Listed Notes made sequentially by redeeming the Principal Amount Outstanding of the Class A Notes until all the Class A Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class B Notes until all the Class B Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class C Notes until all the Class C Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class D Notes until all the Class D Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class E Notes until all the Class E Notes have been redeemed in full, in accordance with the Pre-Enforcement Principal Payment Priorities.

The Issuer will cause any Available Interest Distribution Amount available for this purpose to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions). For further details on the mandatory redemption of the Notes see the section headed "**Principal Features of the Notes**".

The Notes will be subject to optional redemption (in whole but not in part) by the Issuer, at the option of the Originators, at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to and including the relevant Interest Payment Date (and any Class X Distribution amount, if applicable): following the occurrence of (a) certain regulatory changes; or (b) on an Interest Payment Date when, on the immediately preceding Calculation Date, the Aggregate Principal Outstanding Balance of the Receivables is less than 10% (ten per cent.) of the Aggregate Principal Outstanding Balance of the Receivables as at the Portfolio Determination Date. See the section headed "**Principal Features of the Notes**" herein.

Prior to the serving of an Enforcement Notice all payments of interest (or, in the case of the Class X Notes, the Class X Distribution Amount) and principal due on the Notes will be made in accordance with the Pre-Enforcement Interest Payment Priorities and the Pre-Enforcement Principal Payment Priorities.

After the serving of an Enforcement Notice all payments of interest (or, in the case of the Class X Notes, the Class X Distribution Amount) and principal due on the Notes will be made in accordance with the Post-Enforcement

Payment Priorities.

The source of funds for payment of principal and interest on the Notes and, in the case of the Class X Notes, the Class X Distribution Amount will be the right of the Issuer to receive payments in respect of receivables arising under a portfolio of Portuguese law governed Vehicle Loans and Consumer Loans sold to it by, and originated by, Caixa Económica Montepio Geral, caixa económica bancária, S.A. ("**Banco Montepio**") or Montepio Crédito – Instituição Financeira de Crédito, S.A. ("**Montepio Crédito**") (together with Banco Montepio the "**Originators**" and the "**Servicers**" and each an "**Originator**" and a "**Servicer**").

The Notes are limited recourse obligations and are obligations solely of the Issuer and are not the obligations of, or guaranteed by, and will not be the responsibility of, any other entity, subject to statutory segregation as provided for in the Securitisation Law (as defined in the section headed "**Risk Factors**"). In particular, the Notes will not be obligations of and will not be guaranteed by either of the Originators, or either of Crédit Agricole Corporate and Investment Bank and Stormharbour Securities LLP (together, the "**Joint Arrangers**" or the "**Joint Lead Managers**"), or any of their respective affiliates.

The Notes will be issued in dematerialised book-entry (*escritural*) and nominative (*nominativa*) form and will be governed by Portuguese law. The Listed Notes will be issued in the denomination of €100,000 each and the Class X Notes will be issued in the denomination of €100 each.

This Prospectus (the "**Prospectus**") has been approved by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* or the "**CMVM**") as a competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No. 809/2004 (the "**Prospectus Delegated Regulation**") as a prospectus for admission to trading on a regulated market of the Listed Notes described herein.

The CMVM approves this Prospectus as meeting the requirements imposed under Portuguese and European Union ("**EU**") law pursuant to the Prospectus Regulation and the Prospectus Delegated Regulation. The approval of this Prospectus by the CMVM as a competent authority under the Prospectus Regulation and the Prospectus Delegated Regulation does not imply any guarantee as to the information contained herein, the financial situation of the Issuer or as to the opportunity of the issue or the quality of the Notes. The Issuer is authorised by the CMVM as a securitisation company (*sociedade de titularização de créditos*).

Application has been made to Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. ("**Euronext**") for the Listed Notes to be admitted to trading on the regulated market managed by Euronext ("**Euronext Lisbon**"). No application will be made to list the Listed Notes on any other stock exchange. The Class X Notes will not be listed.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes shall, upon issue be integrated in a centralised system (*sistema centralizado*) and registered in the Portuguese securities depository and settlement system operated by INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), in its capacity as operator and manager of the Portuguese securities depository and settlement system, and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Recognition of the Class A Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the

Eurosystem will depend, upon issue or at any and all times during the life of the Class A Notes, on satisfaction of the Eurosystem eligibility criteria.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (the “**Rated Notes**”) are expected to be rated by Fitch Ratings Ireland Limited and DBRS Ratings GmbH (“**Fitch**” and “**DBRS**”, respectively, and together, the “**Rating Agencies**”), while the Class E Notes and the Class X Notes will not be rated. Additionally, the Issuer has not been, and will not be, rated by the Rating Agencies or any other third-party rating agencies, and currently does not have any credit rating or similar rating assigned to it which may be relevant in the context of the securitisation transaction envisaged under this Prospectus (the “**Transaction**”). It is a condition precedent to the issuance of the Notes that the Rated Notes receive the ratings set out above. A credit rating is not a recommendation to buy, sell or hold securities and may be **subject to revision, suspension or withdrawal at any time by the Rating Agencies**. See “**Ratings**” in the section headed “**Principal Features of the Notes**”.

In general, European regulated investors are restricted under Regulation (EU) No 462/2013 (“**CRA III**”) of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No. 1060/2009, as amended, (“**CRA Regulation**”) on credit rating agencies, from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Credit ratings included or referred to in this Prospectus have been or, as applicable, may be, issued by Fitch and DBRS, each of which is a credit rating agency established in the European Union and registered under the CRA Regulation at the date of this Prospectus. The list of registered and certified rating agencies is published by the European Securities and Markets Authority (“**ESMA**”) on its website (<http://www.esma.europa.eu/>) in accordance with the CRA Regulation.

CRA Regulation has introduced a requirement that where an issuer or related third parties (which term includes, among others, sponsors, servicers and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one credit rating agency having not more than a 10% (ten per cent.) total market share (as measured in accordance with Article 8d(3) of the CRA Regulation, provided that a small credit rating agency is capable of rating the relevant issuance or entity. In order to give effect to those provisions, ESMA is required to annually publish a list of registered credit rating agencies, their total market share, and the types of credit rating they issue. According to ESMA’s 2020 market share calculations Fitch has more than a 10% (ten per cent.) total market share while DBRS has less than a 10% (ten per cent.) total market share (2.99% market share for DBRS).

For a discussion of certain significant factors affecting investments in the Notes, see the section headed “**Risk Factors**” herein.

**The date of this Prospectus is 30 November 2021.**

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## IMPORTANT NOTICE

This Prospectus has been approved as a Prospectus by the CMVM, as competent authority under the Prospectus Regulation. The CMVM has approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency requirements imposed under Portuguese and EU law pursuant to the Prospectus Regulation and the Prospectus Delegated Regulation. Approval by the CMVM should not be considered as an endorsement of the Issuer or of the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus, the CMVM gives no undertaking as to the economic and financial soundness of the Transaction or the quality or solvency of the Issuer.

Application has been made to Euronext for the Listed Notes to be admitted to trading on the Euronext Lisbon. No application will be made to list the Listed Notes on any other stock exchange. The Class X Notes will not be listed.

This Prospectus has been approved by the CMVM on 30 November 2021 and is valid for 12 (twelve) months after its approval for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply with the admission to trading of the Notes on Euronext Lisbon.

**An investment in the Notes involves certain risks. For a discussion of these risks, see “Risk Factors”.** Investors should make their own assessment as to the suitability of investing in the Notes and shall refer, in particular, to the “**Terms and Conditions of the Notes**” and “**Taxation**” sections of this Prospectus for the procedures to be followed in order to receive payments under the Notes. Noteholders are required to comply with the procedures and certification requirements described herein in order to receive payments on the Notes free from Portuguese withholding tax. Noteholders must rely on the procedures of Interbolsa to receive payments under the Notes.

### **Selling restrictions summary**

The Notes are subject to certain restrictions on transfer as described in “**Subscription and Sale**”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, any of the Transaction Parties to subscribe for or purchase any of the Notes and this document may not be used for or in connection with an offer to, or a solicitation of an offer by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Joint Lead Managers and the Joint Arrangers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “**Subscription and Sale**” herein.

### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND SALE OR OFFER OF NOTES GENERALLY**

***This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers, the Joint Arrangers, the Originators and the Common Representative do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in***

*compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary, no action has been taken by the Issuer, the Joint Lead Manager, the Joint Arrangers, the Originators or the Common Representative which would permit a public offer of any Notes in any country or jurisdiction where action for that purpose is required or distribution of this Prospectus in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the United States of America and the European Economic Area, see the section headed "Subscription and Sale".*

#### **PROHIBITION OF SALES OF NOTES TO RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point 11 of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council, of 20 January 2016 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point 10 of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council, of 26 November 2014, (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

#### **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

*The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are intended to be admitted to trading on a regulated market, although the Notes are not intended to be offered, sold or*



*otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK.*

#### **MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

*Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the Issuer is not a manufacturer of the Notes.*

#### **UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

*Solely for the purposes of each manufacturer's product approval process, the target market assessment pursuant to the FCA Handbook Conduct of Business Sourcebook ("COBS") in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only: (i) eligible counterparties, as defined in COBS; and (ii) professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("UK MiFIR"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, noting the responsibility of each manufacturer under COBS only. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") or, as the case may be, MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

#### **BENCHMARKS REGULATION**

*Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (the "Benchmarks Regulation"). If any such reference rate does constitute such a benchmark, the Prospectus will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in Article 51 (Transitional Provisions) of the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Prospectus. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.*

#### **STS SECURITISATION**

*The Transaction is intended to qualify as STS-securitisation within the meaning of Article 18 of Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017, as amended by Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021, laying down a general framework*

for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012 and its relevant technical standards (the “**Securitisation Regulation**”). Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the Securitisation Regulation and the Originators shall be responsible for sending notification to ESMA on the Closing Date to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation (or, if applicable, article 27(5) of the UK Securitisation Regulation) (the “**STS Notification**”). The Originators shall also be responsible for immediately sending notification to ESMA and the competent authority (when appointed) when the Transaction no longer meets the requirements of Articles 19 to 22 of the Securitisation Regulation. Pursuant to Article 27, no. 2 of the Securitisation Regulation, the Originators have used the service of Prime Collateralised Securities (PCS) EU sas (“**PCS**”), as a verification agent authorised under Article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of Articles 19 to 22 of the Securitisation Regulation (the “**STS Verification**”) and to prepare verification of compliance of the Notes with the relevant provisions of Article 243 of the CRR (together with the STS Verification, the “**STS Assessment**”). It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, the Originators and the Issuer, as applicable in each case. The STS Verification will not absolve such entities from making their own assessments with respect to the Securitisation Regulation, and the relevant provisions of Article 243 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the “**CRR**”) and the STS Verification cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities.

Furthermore, the STS Assessment is not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessment, the STS Notification or other disclosed information.

It is expected that the STS Assessment prepared by PCS will be available on the PCS website (<https://www.pcsmarket.org/sts-verification-transactions/>) (the “**PCS Website**”) together with a detailed explanation of its scope at <https://www.pcsmarket.org/disclaimer>. The PCS Website and the contents thereof do not form part of this Prospectus.

The risk retention, transparency, due diligence and underwriting criteria requirements apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originators for the purposes of complying with any relevant requirements and any corresponding national measures which may be relevant and none of the Issuer, the Originators, the Designated Reporting Entity, the Joint Arrangers, the Joint Lead Managers, or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with the implementing provisions in respect of the Securitisation Regulation as applicable in its relevant jurisdiction. Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator and/or independent legal advice on the issue.

Various parties to the Transaction are subject to the requirements of the Securitisation Regulation. However,

there is at present some uncertainty in relation to some of these requirements, including with regard to the risk retention requirements under Article 6 of the Securitisation Regulation. The regulatory technical standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such regulatory technical standards and the compliance of the Transaction with the same is not assured.

**Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.**

**No assurance can be provided that the Transaction does or continues to qualify as STS-securitisation under the Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) on the Closing Date or at any point in time in the future.** None of the Issuer, the Joint Lead Managers and the Joint Arrangers or any other party to the Transaction Documents (other than the Originators) makes any representation or accepts any liability for the Transaction to qualify as STS-securitisation under the Securitisation Regulation (or, if applicable, the UK Securitisation Regulation).

The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS register website and continue to meet the STS Criteria.

Please refer to the sections entitled “**Regulatory Disclosures**” for further information.

#### **UNITED STATES DISTRIBUTION RESTRICTIONS**

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW AND EXCEPTIONS TO UNITED STATES TAX REQUIREMENTS, THE NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. THERE IS NO UNDERTAKING TO REGISTER THE NOTES UNDER STATE OR FEDERAL LAW.

THIS PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED, FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT “U.S. PERSONS” AS DEFINED IN THE U.S. RISK RETENTION RULES (“**RISK RETENTION U.S. PERSONS**”). HOWEVER, NOTWITHSTANDING THE FOREGOING, WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 15G OF THE U.S. EXCHANGE ACT OF 1934, AS AMENDED (THE “**U.S. RISK RETENTION RULES**”), THE ISSUER MAY SELL THE CLASS A NOTES AND/OR THE CLASS B NOTES AND/OR THE CLASS C NOTES AND/OR THE CLASS D NOTES AND/OR THE CLASS E NOTES TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSONS UP TO THE 10% (TEN PER CENT.) PROVIDED FOR IN SECTION 10 OF THE U.S. RISK RETENTION RULES WITH THE PRIOR WRITTEN CONSENT OF THE ORIGINATORS IN RESPECT OF ANY SUCH PERSON. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF “U.S. PERSON” IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF “U.S. PERSON” IN REGULATION S. THE NOTES MAY NOT BE TRANSFERRED TO ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT RISK RETENTION U.S. PERSONS. PURCHASERS OF THE

NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY THEIR ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED WRITTEN CONSENT FROM THE ORIGINATORS TO THEIR PURCHASE OF NOTES, (2) IS ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10% (TEN PER CENT.) RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). SEE “**RISK FACTORS - U.S. RISK RETENTION REQUIREMENTS**”.

*The Transaction will not involve the retention by the Originators of at least 5% (five per cent.) of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules. The Originators intend to rely on the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. No other steps have been taken by the Issuer, the Originators, the Joint Arrangers or the Joint Lead Managers or any of their affiliates or any other party to otherwise comply with the U.S. Risk Retention Rules.*

*The determination of the proper characterisation of potential investors as non-Risk Retention U.S. Persons for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules is solely the responsibility of the Originator; none of the Joint Lead Managers, the Joint Arrangers or the Issuer nor any person who controls them or any of their directors, officers, employees, agents or affiliates will have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and the Joint Lead Managers, the Joint Arrangers, the Issuer or any person who controls it or any of their directors, officers, employees, agents or affiliates do not accept any liability or responsibility whatsoever for any such determination or characterisation.*

THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS (INCLUDING AS A CONDITION TO ACCESSING OR OTHERWISE OBTAINING A COPY OF THIS PROSPECTUS OR OTHER OFFERING MATERIALS RELATING TO THE NOTES) TO THE ISSUER, THE ORIGINATORS, THE JOINT ARRANGERS AND THE JOINT LEAD MANAGERS AND ON WHICH EACH OF SUCH PERSONS WILL RELY WITHOUT ANY INVESTIGATION THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS EMAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES OR ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A PERSON FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT

*PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. FURTHER SEE RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER OR SALE OF THE NOTES IN THE SECTION HEADED "SUBSCRIPTION AND SALE".*

*No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Joint Lead Managers or any of the Joint Arrangers as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their offering. Furthermore, unless otherwise and where stated in this Prospectus, no person has been authorised to give any information or to make any representations in connection with the issue and sale of the Notes, and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Transaction Parties. Each person receiving this Prospectus acknowledges that (except if otherwise stated in this prospectus) such person has not relied on the Joint Lead Managers, the Joint Arrangers, the Transaction Manager, the Common Representative, the Accounts Bank, the Paying Agent or any other party nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.*

**No fiduciary role**

*None of the Issuer, the Joint Lead Managers, the Joint Arrangers, the Common Representative or any other Transaction Party or any of their respective affiliates is acting as an investment advisor and none of them assumes any fiduciary obligation to any purchaser of the Notes (other than the Common Representative in the terms set out in the Securitisation Law, the Portuguese Companies Code, the Common Representative Appointment Agreement or the Conditions).*

*None of the Issuer, the Joint Lead Managers, the Joint Arrangers, the Common Representative or any other Transaction Party or any of their respective affiliates assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, credit-worthiness, status and/or affairs of any other Transaction Party nor makes any representation or warranty, express or implied, as to any of these matters.*

**Financial condition of the Issuer**

*Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, nor any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.*

**Representations about the Notes**

*No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Transaction Parties. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.*

*No action has been taken by the Issuer, the Joint Lead Managers or the Joint Arrangers that would permit a public offer of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any prospectus, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations and the Issuer has represented that all offers and sales by them have been made on such terms.*

*Each person receiving this Prospectus shall be deemed to acknowledge that (i) such person has been afforded an*

*opportunity to request from the Issuer, and to review, and has received, all additional information which it considers to be necessary to verify the accuracy and completeness of the information herein, (ii) such person has not relied on the Joint Lead Managers, the Joint Arrangers or any person affiliated with the Joint Lead Managers or the Joint Arrangers in connection with its investigation of the accuracy of such information or its investment decision, and (iii) except as provided pursuant to item (i) above, no person has been authorised to give any information or to make any representation concerning the Notes offered hereby except as contained in this Prospectus, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers or the Joint Arrangers.*

*If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. You should remember that the price of securities and the income deriving therefrom can go down, as well as up.*

*None of the Transaction Parties nor any of their respective affiliates (i) accepts any responsibility, (ii) makes any representation, warranty or guarantee that the information described in this Prospectus is sufficient for the purpose of allowing an investor to comply with the EU Retained Interest, the UK Retained Interest, or any other applicable legal, regulatory or other requirements; (iii) shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the Transactions contemplated herein to comply with or otherwise satisfy the EU Retained Interest, the UK Retained Interest, or any other applicable legal, regulatory or other requirements; or (iv) shall have any obligation, other than the obligations undertaken by the Originator, to enable compliance with the EU Retained Interest, the UK Retained Interest, or any other applicable legal, regulatory or other requirements.*

*Each prospective investor in the Notes which is subject to the EU Retained Interest, the UK Retained Interest or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which the information set out under the section headed “**Overview of Certain Transaction Documents**” and in this Prospectus generally is sufficient for the purpose of complying with the EU Retained Interest, the UK Retained Interest, or any other applicable legal, regulatory or other requirements. Any such prospective investor is required to independently assess and determine the sufficiency of such information for its own purpose.*

*To the extent that the Notes do not satisfy the EU Retained Interest or the UK Retained Interest, the Notes are not a suitable investment for the types of EEA-regulated investors or UK-regulated investors subject to the EU Retained Interest or the UK Retained Interest, respectively. In such case: (i) any such investor holding the Notes may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of such investment or may be subject to penalties in respect thereof; and (ii) the price and liquidity of the Notes in the secondary market may be adversely affected.*

## **RISK FACTORS**

*The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes. Most of these factors are contingencies which may or may not occur, and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.*

*An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom.*

*The Issuer believes that the factors described below are the risks that are considered more relevant prior to the issuance of the Notes, based on the probability of their occurrence and on the expected extent of their negative impact, should they occur. The contents of the risk factors in this section are related to the underlying Assets, the nature of the Notes and the nature of the Issuer and have been drafted in accordance with Article 16 of the Prospectus Regulation. Therefore, generic risks regarding the underlying Assets, the nature of the Notes and the nature of the Issuer have not been included in this Prospectus in accordance with such Article 16. The risk factors included in this section may not be the only risks to which the Issuer is exposed and the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons or for the identified risks having materialised differently, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers generic or immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*The purchase of the Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iii) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. In particular, an investment in the Notes involves the risk of a partial or total loss of investment.*

### **RISKS RELATING TO THE ORIGINATORS AND THE RECEIVABLES**

#### **Obligors' and Transaction Parties' default risk**

The ability of the Issuer to meet its payment obligations under the Notes depends almost entirely on the full and timely payments by the Obligors of the amounts to be paid by such Obligors in respect of the Receivables. The Originators have not made any representations or given any warranties or assumed any liability in respect of the ability of the Obligors to make the payments due in respect of the Receivables.

The Receivables included in the Receivables Portfolio on the Closing Date were originated in accordance with the Lending Criteria. General economic conditions and other factors such as interest rate rises, may have an impact

on the ability of Obligors to meet their repayment obligations under the Receivables. A deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household incomes could have an adverse effect on the ability of Obligors to make payments on the Receivables and result in losses on the Notes. Unemployment, loss of earnings, illness (including any illness arising in connection with epidemics or pandemics), divorce and other similar factors may also lead to an increase in delinquencies and insolvency filings by Obligors, which may lead to a reduction in payments by such Obligors on their Receivables and could ultimately reduce the Issuer's ability to service payments on the Notes. Events such as certain meteorological conditions, natural disasters, fires or widespread health crises or the fear of such crises (such as Covid-19, in relation to which see the risk factor entitled "**COVID-19 Pandemic and Possible Similar Future Outbreaks**" below) in a particular region may weaken economic conditions and negatively impact the ability of affected Obligors to make timely payments on the Receivables. This may affect the Obligors' ability to make payments when due under the respective Receivables Contracts, which may negatively impact the Issuer's ability to make payments under the Notes.

The ability of the Issuer to meet its payment obligations in respect of the Notes also depends on the full and timely payments by the Transaction Parties of the amounts due to be paid thereby and on the non-existence of unforeseen extraordinary expenses to be borne by the Issuer which are not already accounted for by the Rating Agencies in relation to the Transaction Documents. If any of the Transaction Parties fails to meet its payment obligations (including if the Accounts Bank fails to be able to return funds deposited in the Transaction Accounts) or if the Issuer has to bear the referred unforeseen extraordinary expenses, there is no assurance that the ability of the Issuer to meet its payment obligations under the Notes will not be adversely affected or that the ratings initially assigned to the Rated Notes are not subsequently lowered, withdrawn or qualified.

For detailed information on default rates of loans originated by each Originator, please refer to section entitled "**Historical Performance**".

#### **Risk of delay in the recovery process**

In case of default of payment of amounts due under a Receivables Contract by Obligors, the Servicers shall, in accordance with the Enforcement Procedures, take such action as may be determined by the Servicers to be necessary or desirable, including, if necessary and without limitation, by means of court proceedings (which may involve judicial expenses and time waste) against any Obligor in relation to a Defaulted Receivable. In accordance with the Securitisation Law and the Receivables Servicing Agreement, the Servicer, and not the Issuer, is contractually required to administer and collect the Receivables and accordingly the Issuer will not intervene or take any decisions in the aforementioned enforcement or other procedures envisaged or taken by the Servicers. For further information on the recovery processes, please refer to section entitled "**Originators' Standard Business Practices, Servicing and Credit Assessment**". In addition, for detailed information on default rates of loans originated by each Originator, please refer to section entitled "**Historical Performance**".

Certain events such as widespread health crises or the fear of such crises (such as Covid-19, in relation to which see the risk factor entitled "**COVID-19 Pandemic and Possible Similar Future Outbreaks**" below) may lead to a temporary suspension or decrease in the activity of courts. This may cause delays in the recovery process, which may negatively impact the Issuer's ability to make payments under the Notes.

#### **Risk of decline in value of the Assets securing vehicle loan Receivables**

The Related Security may be affected by, among other things, a decline in value of the Assets securing the relevant Receivables. It is expected that time/ageing will have a detrimental effect in Asset values. The automobile market in Portugal in general, or in any particular region, may from time to time experience a decline as a result of a deterioration in economic conditions, namely increase in unemployment rates and disruption in



the vehicle loan market and, consequently, may experience higher rates of loss and delinquency on vehicle loans generally. In addition, events such as certain meteorological conditions, natural disasters, fires or widespread health crises or the fear of such crises (such as Covid-19, in relation to which see the risk factor entitled “**COVID-19 Pandemic and Possible Similar Future Outbreaks**” below) may weaken economic conditions and could lead to a decline in the values of the vehicles located in regions affected by such events which may result in a loss being incurred upon sale of vehicles.

The secondary market value of the Assets depends upon their purpose and the intensity of their use. The purpose of a vehicle dictates the general degree of secondary market liquidity for used vehicles – the more specific and customised a vehicle is for a given function or task, the lower its demand in the secondary market. For example, if a particular vehicle is initially prepared to perform a specific purpose demand for that vehicle will be conditioned by this fact, and the vehicle’s price will be conditioned by a smaller market or by restructuring and modification costs incurred to accommodate a different purpose or a more general use for the vehicle. The intensity of use is another factor which affects the price of a vehicle in the secondary market as it determines its usable lifespan. In addition to the degree of use, there are other factors, especially in the personal loan market segment, which condition the market price of vehicles in the secondary market. These include brand (notoriety), general maintenance conditions and the number of previous owners. Other factors which may generate uncertainty about the market value of a vehicle are of a fiscal nature, induced by ecological or purely tax-related guidelines, and of a regulatory nature, such as limiting or encouraging the circulation of certain types of cars in cities or on certain roads.

The reduction in the price of vehicles in the used car market may negatively affect the capacity to service debts and recover credit values through their sale and completion in the secondary market. A downturn in the secondary car market may increase default and write-off levels on the Receivables included in the Receivables Portfolio. The Issuer is exposed to the risk that recoveries upon sale of any of the Assets may be lower than anticipated at the outset of the Receivables Sale Agreement. This may negatively affect the Issuer’s ability to make payments on the Notes.

#### **Risk of deterioration in the economic condition of areas with a high geographical concentration of the Receivables**

Although the Obligors are located throughout Portugal, the Obligors may be concentrated in certain locations, such as densely populated areas (see the section headed “**Characteristics of the Receivables**”). The geographical regions that show a greater concentration of the Receivables, based on the percentage of Principal Outstanding Balance of the Receivables, as at 31 October 2021, are the following: *Área Metropolitana de Lisboa* (20.36% (twenty point thirty six per cent.)), *Área Metropolitana do Porto* (18.43% (eighteen point forty three per cent.)) and *Região de Coimbra* (7.91% (seven point ninety one per cent.)), representing a total of 46.70% (forty six point seventy per cent.).

For further information on the representations and warranties made by each of the Originators in respect of the Receivables, please refer to the section headed “**Overview of certain Transaction Documents – Receivables Sale Agreement – Representations and Warranties**”.

Any deterioration in the economic condition of the areas in which the Obligors are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Obligors to make payments on the Receivables could increase the risk of losses on the Receivables. A concentration of Obligors in such areas may, therefore, result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Notes as well as on the repayment of principal and interest due on the Notes and the Class X Distribution Amount, if any.

### **Assignment of Receivables Portfolio may be affected by Originators' insolvency**

In the event any of the Originators becoming insolvent, the Receivables Sale Agreement and the sale and assignment of the Receivables conducted pursuant to it, will not be affected and therefore will neither be terminated nor will such Receivables form part of the relevant Originator's insolvent estate, save if a liquidator appointed to any Originator or any of the Originators' creditors produces evidence that the relevant Originator and the Issuer have entered into and executed such agreement in bad faith (i.e. with the intention of defrauding creditors) (see "Selected aspects of laws of the Portuguese Republic relevant to the Receivables and the transfer of the Receivables").

However, the transfer of Related Security subject to registration with a public registry (as in the case of mortgages over vehicles (*hipotecas sobre veículos automóveis*), for example) will only be enforceable against third parties acting in good faith upon registration of such act at the relevant registry. No such registration will be made until the occurrence of a Notification Event.

In the case of Receivables with the benefit of a retention of title (*reserva de propriedade*) of the vehicle duly registered in the name of the Originator, the retention of title to the vehicle will not be re-registered in the name of the Issuer under the Receivables Sale Agreement, but will instead remain registered in the name of the Originator, without prejudice to the transfer of entitlement to rights and benefits resulting therefrom to the extent permitted by law. In the event of the insolvency of the Originator, and under Portuguese Securitisation Law, the benefit of the retention of title, together with other rights aimed at ensuring the repayment of the assigned receivables, will not form part of the bankruptcy estate of the Originator and will be exclusively allocated to ensuring any payments due under securitisation transaction.

### **Uncertainty as to insurance policies' conditions and rights of the Issuer thereunder**

Obligors are generally required according to the Credit and Collection Policies to take protection payment insurance covering the risks of death and permanent invalidity (temporary disability and unemployment coverage is optional). In that regard, Banco Montepio and Montepio Crédito – acting as insurance agents – offer insurance policies from Lusitania, Companhia de Seguros, S.A., and/or Lusitania Vida, Companhia de Seguros de Vida, S.A., in the case of Banco Montepio, and currently, Metlife Europe d.a.c. – Portuguese Branch and Metlife Europe Insurance d.a.c. – Portuguese Branch, in case of Montepio Crédito. When entering into a Receivables Contract, the Obligors may either accept the insurance proposals of Banco Montepio or Montepio Crédito – acting as insurance agents – or obtain insurance from a third-party insurer and assign the rights in favour of Banco Montepio or Montepio Crédito, as applicable. In general the insurance premium due and payable by the Obligor at the date of execution is funded by the relevant Receivable Contract.

These insurance policies do not cover for payment holidays under Temporary Moratoria.

The Originators will transfer in accordance with the Receivables Sale Agreement to the Issuer on the Closing Date, their right, title, interest and benefit (if any) in the Insurance Policies. However, as these Insurance Policies may not, in each case, refer to the relevant Originator as assignee in title, such an assignment may not provide the Issuer with an insurable interest under the relevant Insurance Policies and the ability of the Issuer to make a claim under such Insurance Policy is not certain. Furthermore, the Originators will not notify each individual insurer of the assignment of the benefit of the Insurance Policies to the Issuer on the Closing Date and, in accordance with the Receivables Sale Agreement, the Issuer shall not deliver notices to the insurers of the Insurance Policies until such time as a Notification Event has occurred.

In addition, where an Obligor cancels its Insurance Policy or where the Obligor prepays the relevant Receivable in full, the Obligor is entitled to a refund of the unearned part of the premium from the relevant third-party insurer. The Receivables Contracts do not require the Obligor to apply any amounts resulting from such refund

towards repayment of their obligations under the relevant Receivables Contract.

#### **No independent investigation in relation to the Receivables**

None of the Transaction Parties (other than the Originators and the Servicers) has undertaken or will undertake any investigations, searches or other actions in respect of any Obligor, Receivable or any historical information relating to the Receivables. Each Transaction Party (other than the Originators and the Servicers) will rely instead on the representations and warranties made by each of the Originators in relation thereto set out in the Receivables Sale Agreement. Each of the Originators shall notify the Issuer upon becoming aware of a material breach of any representation and warranty in relation to the Receivables.

#### **Limited liquidity of the Receivables on liquidation of Issuer**

In the event of occurrence of an Event of Default and the delivery of an Enforcement Notice to the Issuer by the Common Representative, the disposal of performing Receivables by the Common Representative (including the Issuer's rights in respect of the Receivables) is restricted by the Securitisation Law in that any such disposal will be, as a general rule, restricted to a disposal to the Originators, to another STC or FTC established under Portuguese law or to credit institutions or financial companies authorised to grant credit on a professional basis. Notwithstanding the foregoing, the Securitisation Law provides that the Issuer may assign non-performing Receivables ("*créditos em situação de incumprimento*") to any entity.

In such circumstances, the Originators have no obligation to repurchase the Receivables from the Issuer under the Transaction Documents and there can be no certainty that any other purchaser could be found as there is not, at present, and the Issuer believes it is unlikely to develop, an active and liquid secondary market for receivables of this type in Portugal.

In addition, even if a purchaser could be found for the Receivables, the amount realised by the Issuer in respect of their disposal to such purchaser in such circumstances may not be sufficient to redeem all of the Notes in full at their then Principal Amount Outstanding (together with accrued interest and any Class X Distribution amount, if applicable).

#### **Reliance on the Originators' representations and warranties**

If any of the Receivables fails to comply with any of the Receivables Warranties, then the Originators may discharge their liability for this failure either by (a) if the breach is capable of remedy, remedy of such breach, or (b) if such breach is not capable of remedy, repurchase or procure a third-party to repurchase such Receivable from the Issuer for an amount corresponding to the amount calculated in accordance with limb (a) of the definition of Repurchase Price, or, in certain circumstances, (b) substitute or procure the substitution of a similar receivable and security in replacement for the Receivable which is in breach of any Receivables Warranty provided that this shall not limit any other remedies available to the Issuer if the Originators fail to discharge such liability. The Originators are also liable for any losses or damages suffered by the Issuer or any other relevant party as a result of any breach of the Originators' Representations and Warranties other than the Receivables Warranties. The Issuer's rights arising out of breach of the Originators' Representations and Warranties are however unsecured and, consequently, a risk of loss exists if a Receivables Warranty is breached and the breaching Originator does not or is unable to repurchase or cause a third-party to purchase or substitute the relevant Receivable or indemnify the Issuer.

#### **Modifications to the Originators' Lending Criteria**

The Receivables Contracts in the Receivables Portfolio were originated in accordance with the Lending Criteria set out in "*Originators' Standard Business Practices, Servicing and Credit Assessment*". Accordingly, under the Receivables Sale Agreement, the Originators will warrant that: (i) prior to originating a Receivable, the nature

and amount of such Receivable and the circumstances of the relevant Obligor satisfied its Lending Criteria in force and effect and applicable by the Originators at the time of origination, and (ii) at the time of origination of a Receivable, the underlying assets intended to be charged to secure the repayment of such Receivable were in all material respects of the kind permitted under its Lending Criteria for new business in force at the time of origination. The Lending Criteria considers, among other things, an Obligor's credit history, employment history and status, repayment ability, debt-to-income ratio, the value of the Assets to be used as security, and the need for additional guarantees or other collateral (see the section headed "**Originators' Standard Business Practices, Servicing and Credit Assessment**").

No assurance can be given that the Originators will not change their Lending Criteria in the future and that such change would not have an adverse effect on the cashflows generated by any Substitute Receivables to ultimately repay the principal and interest due on the Notes and the Class X Distribution Amount, if any, or on the compliance of this Transaction with the STS Criteria and, accordingly, its qualification as an STS Securitisation. See the description of the limited circumstances when Substitute Receivables may form part of the Receivables Portfolio in the subsection "**Receivables Sale Agreement**" of the section headed "**Overview of certain Transaction Documents**" and the section headed "**Originators' Standard Business Practices, Servicing and Credit Assessment**".

#### **Originators' liability**

The Originators are severally but not jointly liable for any obligation resulting from the Transaction Documents, meaning that one Originator is not, and shall not be, liable for any obligation imposed to the other Originator (in any capacity under the Transaction Documents). The Issuer or any Transaction Party can only exercise its rights under the Transaction Documents against an Originator that has failed to meet its own obligations.

### **RISKS RELATING TO THE NOTES AND THE STRUCTURE**

#### **Interest rate risk**

The Issuer is subject to an interest rate risk of a mismatch between the rate of interest payable in respect of the Receivables and the rate of interest payable in respect of the Listed Notes. A part of the Receivables (60.31% (sixty point thirty one per cent.)) pays a fixed rate of interest and the remaining Receivables (39.69% (thirty nine point sixty nine per cent.)) pay a variable rate of interest.

However, the Issuer's liabilities with respect to interest under the Rated Notes are based on EURIBOR and only those under Class E Notes are based on a fixed rate.

In order to mitigate the risk described above and to protect the Issuer and the Noteholders of the Listed Notes against any material interest rate discrepancy, the Issuer and the Cap Counterparty will enter into the Cap Agreement, under which the Cap Counterparty will pay to the Issuer on each Interest Payment Date an amount, if positive, equal to the product of:

- (a) the Notional Amount (as defined in the Cap Agreement) for the Calculation Period (as defined in the Cap Agreement) related to such Interest Payment Date;
- (b) the Floating Rate Day Count Fraction (as defined in the Cap Agreement); and
- (c) (i) in relation to the First Interest Payment Date, (a) the rate determined using straight-line interpolation by reference to one month EURIBOR and three month EURIBOR for the number of days in such Calculation Period minus (b) the Strike Rate; and (ii) on any other Interest Payment Date, (a) 1-month EURIBOR minus (b) the Strike Rate.

The amounts payable by the Cap Counterparty will be calculated over a cap notional amount, which on the First Interest Payment Date is of €215,188,104.97 (two hundred and fifteen million, one hundred and eighty eight

thousand and one hundred and four euros and ninety seven cents).

The Cap Agreement shall be in force until the Interest Payment Date falling on 25 January 2035.

See for further details “**Overview of Certain Transaction Documents – Cap Transaction**”.

**Termination of the Cap Transaction may expose the Issuer to interest rate fluctuations or require additional costs in replacing the Cap Agreement**

The benefits of the Cap Transaction may not be achieved in the event of the early termination of the Cap Transaction, including termination upon the failure of the Cap Counterparty to perform its obligations thereunder. The Cap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Cap Transaction. In case of an early termination of the Cap Transaction, unless one or more comparable interest rate cap agreements are entered into, the Issuer may have insufficient funds to make payments under the Notes and this may result in a downgrading of the rating of some or all of the Rated Notes and/or Noteholders of any Class of Listed Notes may be adversely affected. Any collateral transferred to the Issuer by the Cap Counterparty pursuant to the Cap Transaction and any amount payable by the Issuer to the replacement cap counterparty or by the replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement will generally not be available to the Issuer to make payments to the Noteholders and the Transaction Creditors and will only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments. In the event of the insolvency of the Cap Counterparty, the Issuer will be treated as a general and unsecured creditor in respect of any claim it has for a termination amount due to it under the Cap Transaction. Consequently, the Issuer will be subject to the credit risk of the Cap Counterparty. The Cap Counterparty (or its guarantor or credit support provider) is required to have certain minimum ratings. Although contractual remedies are provided in the event of a downgrading of the Cap Counterparty, any replacement arrangement with a third-party may not be as favourable as the current Cap Agreement and the Noteholders may therefore be adversely affected. If the Cap Transaction is terminated, the Issuer will be exposed to changes in associated interest rates and, under certain circumstances, the Issuer may have insufficient funds to make payments due on the Rated Notes.

**Issuer obligations are subject to a predefined priority**

The Conditions provide that, after the delivery of an Enforcement Notice, payments will rank in a certain order of priority as set out under the heading “**Transaction Overview – Post-Enforcement Payment Priorities**”. In the event the Issuer’s obligations are enforced, no amount of interest or principal (and, in respect of the Class X Notes, the Class X Distribution Amount) will be paid in respect of any Class of Notes until all amounts of interest and principal (and, in respect of the Class X Notes, the Class X Distribution Amount) due on any Class of Notes ranking in priority to such Notes (if any) and any other amounts ranking in priority to payments in respect of such Notes have been paid in full. The Issuer may not have sufficient funds to meet all payments.

In addition, pursuant to the Common Representative Appointment Agreement, the Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors and of Third-Party Expenses’ creditors will rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities. Pursuant to the same terms, and in accordance with the relevant Payment Priorities, the Issuer’s liability to tax in relation to this Transaction is always paid first, ahead or together with any liabilities towards the Common Representative and the Issuer Expenses. If any such amount is significant or the Issuer does not have sufficient funds to pay such creditors, this may adversely impact payments to be made to Noteholders, by reducing in such amount the monies available to make payments to Noteholders (see the sections headed “**Transaction Overview – Pre-Enforcement Interest Payment Priorities**”, “**Transaction Overview – Pre-Enforcement Principal Payment Priorities**” and “**Transaction Overview – Post-Enforcement Payment Priorities**”).

## **Ranking and Status of the Notes**

On any Interest Payment Date, prior to the delivery of an Enforcement Notice, all payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes, which will rank in priority to any payments of interest due on the Class C Notes, which will rank in priority to any payments of interest due on the Class D Notes, which will rank in priority to any payments of interest due on the Class E Notes, which will rank in in priority to any payments of any Class X Distribution Amount in each case in accordance with the Pre-Enforcement Payment Priorities.

On any Interest Payment Date, prior to the occurrence of the Subordination Event, the Issuer will cause each Class of Listed Notes to be redeemed for the relevant Pro-Rata Amortisation Ratio Amount on such Interest Payment Date on a *pari passu* and *pro rata* basis.

On any Interest Payment Date, after the occurrence of a Subordination Event, the Issuer will cause any Available Principal Distribution Amount available for this purpose to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Listed Notes made sequentially by redeeming the Principal Amount Outstanding of the Class A Notes until all the Class A Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class B Notes until all the Class B Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class C Notes until all the Class C Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class D Notes until all the Class D Notes have been redeemed in full and thereafter by redeeming the Principal Amount Outstanding of the Class E Notes until all the Class E Notes have been redeemed in full, in accordance with the Pre-Enforcement Principal Payment Priorities.

On any Interest Payment Date, prior to the delivery of an Enforcement Notice, the Issuer will cause any Available Interest Distribution Amount available for this purpose to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions).

After the delivery of an Enforcement Notice, any payments due under the Class A Notes will rank in priority to any payments due under the Class B Notes, which will rank in priority to any payments due on the Class C Notes, which will rank in priority to any payments due on the Class D Notes, which will rank in priority to any payments due on the Class E Notes, which will rank in in priority to any payments of any Class X Distribution Amount in each case in accordance with the Post-Enforcement Payment Priorities.

In addition, pursuant to the Common Representative Agreement, the Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors and of third-party expenses creditors will rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities. Pursuant to the same terms, the Issuer's liability to tax, in relation to this transaction, is always paid first, ahead or together with any liabilities towards the Common Representative and Issuer Expenses, and if any such amount is significant this may impact payments to be made to Noteholders, by reducing in such amount the monies available to make payments to Noteholders.

## **Notes are subject to optional redemption**

The Notes may be subject to early redemption at the option of the Originators, as specified in Condition 8.8 (*Optional Redemption in Whole*) and at the option of the Issuer as specified in Condition 8.9 (*Optional Redemption in Whole for Taxation Reasons*).

Such early redemption features of the Notes may limit their market value. During any period when either the Originators or the Issuer may redeem the Notes, the market value of the Notes probably will not rise substantially above the price at which the Notes can be redeemed. This may also be true prior to the occurrence of the events

allowing either the Originators or the Issuer to exercise such optional redemption. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Listed Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk bearing in mind other investments available at the time.

In addition, if the Notes are early redeemed at the option of either the Originators or the Issuer as specified in Condition 8.8 (*Optional Redemption in Whole*) and Condition 8.9 (*Optional Redemption in Whole for Taxation Reasons*), respectively, the Class E Notes and/or the Class X Notes will only be repaid to the extent that the Issuer has sufficient funds available. If the Issuer does not have sufficient funds available to redeem the Class E Notes and/or the Class X Notes, such Notes shall be extinguished and the holders of such Notes may lose the right to receive, as applicable, interest, the Class X Distribution Amount and all or part of the capital invested.

## **RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES**

### **No recourse over the Transaction Assets until full discharge of the Issuer's liabilities towards the Noteholders and the other Transaction Creditors**

The Transaction Assets are covered by the statutory segregation rule provided in Article 62 of the Securitisation Law, which provides that the assets and liabilities (constituting an autonomous estate or *património autónomo*) of the Issuer in respect of each securitisation transaction entered into by the Issuer are completely segregated from any other assets and liabilities of the Issuer. In accordance with the terms of Article 61(1) of the Securitisation Law, the Notes and the obligations owing to the Transaction Creditors will have the benefit of the segregation principle (*princípio da segregação*) and, accordingly, the Issuer's Obligations are exclusively limited, in accordance with the Securitisation Law and the applicable Transaction Documents, to the Transaction Assets and other creditors of the Issuer do not have any right of recourse over the Transaction Assets until there has been a full discharge of the Issuer's liabilities towards the Noteholders and the other Transaction Creditors.

Therefore, the satisfaction of the Noteholders' and other Transaction Creditors' credit entitlements upon delivery of an Enforcement Notice and the Notes becoming immediately due and payable in accordance with the Post-Enforcement Payment Priorities will depend on the actual access to the Transaction Assets.

As a result, Noteholders should be aware that, as the Transaction Assets are the sole recourse to the Issuer's Obligations, actual access to the Transaction Assets is paramount to the discharge of the Issuer's Obligations and that such access may be affected by the fact that the Receivables Portfolio is serviced by an entity other than Issuer. Nevertheless, further to the Noteholder's and other Transaction Creditor's rights established in the Securitisation Law mentioned above, and under the applicable Transaction Documents, the Issuer will represent that it has not created (and will undertake that it will not create) any Encumbrance (other than the Permitted Encumbrance) over the Transaction Assets and that creditors of the Issuer in respect of other securitisation transactions are similarly bound by non-petition and limited recourse restrictions which would prevent them from having recourse to the Transaction Assets.

### **Issuer's liability under the Notes**

The Notes will be direct limited recourse obligations solely of the Issuer and are not the obligations of, nor are they guaranteed by, any other person mentioned in this Prospectus. In particular, holders of each Note do not have any legal recourse for non-payments or reduced payments against the Originators. None of the Transaction Parties or any other person has assumed any obligation in the event the Issuer fails to make a payment due under any of the Notes. No holder of any Notes will be entitled to proceed directly or indirectly against any of the Transaction Parties (other than indirectly against the Issuer through the Common Representative) under the Notes. No Transaction Party (other than the Issuer to the extent of the cashflows generated by the Receivables Portfolio and any other amounts paid to the Issuer pursuant to the Transaction Documents) or any other person

has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

**Limited resources of the Issuer to repay interest and principal**

The obligations of the Issuer under the Notes are without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, officers, employees, managers or shareholders. None of such persons or entities has assumed or will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on or in respect of the Notes.

The Issuer will not have any assets available for the purpose of meeting its payment obligations under the Notes other than the Transaction Assets.

There is no assurance that there will be sufficient funds to enable the Issuer to pay interest on any Class of Notes, the Class X Distribution Amount or, on the redemption date of any Class of Notes (whether on the Final Legal Maturity Date, upon acceleration following the delivery of an Enforcement Notice or upon mandatory early redemption as foreseen under the Conditions), to repay principal in respect of such Class of Notes, in whole or in part.

**Estimated weighted average lives of the Notes is an estimate that may be influenced by several external factors**

The yield to maturity of the Notes will depend on, among other things, the amount and timing of payment of principal (including prepayments, sale proceeds arising from the enforcement of the relevant Receivables Contract and repurchases due to breaches of representations and warranties) on the Receivables and the price paid by the Noteholders. Upon any early payment by the Obligor in respect of the Receivables, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Receivables. The funds from such prepayments will be part of the Available Principal Distribution Amount. The risk of prepayment will be transferred to the Noteholders through the partial redemption of the Notes on each Interest Payment Date, as specified in Conditions 8.2 (*Mandatory Redemption in Part before a Subordination Event*) and 8.3 (*Mandatory Redemption in Part after a Subordination Event*).

The average annualised prepayment rate from 1 January 2015 to 30 June 2021 of the Vehicle Loans is 4.9% (four point nine per cent.) and of Consumer Loans is 8.7% (eight point seven per cent.). The rate of prepayment of Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the availability of alternative financing, local and regional economic conditions and the ability of banks operating in Portugal to levy prepayment charges on Obligor being legally limited. There is a number of competitors in the Portuguese auto and other Vehicle Loans and Consumer Loans market and competition may result in lower interest rates on offer in such market. In the event of lower interest rates, Obligor may seek to repay their Receivables early. As a result, no assurance can be given as to the level of prepayment that the Receivables Portfolio will experience, as to whether the Receivables Portfolio will continue to generate sufficient cashflows and, ultimately, as to whether the Issuer will be able to meet its commitments under the Notes.

In addition, Temporary Moratoria may extend the duration of the Receivables, affecting the estimated weighted average lives of the Notes. In accordance with the Eligibility Criteria, the Receivables included in the Receivables Portfolio as well as any Substitute Receivables, are not and will not be, as applicable, affected by Temporary Moratoria as at the Portfolio Determination Date or at the relevant Substitute Receivables Determination Date, as applicable. However, it cannot be excluded that after the Receivables have been assigned under the Receivables Sale Agreement, any Receivable may be subject to further Temporary Moratoria, in which case the relevant Originator will (unless the exposure arising out of such Receivables has already been classified as stage



2 or 3 according to IFRS9 at the moment of the application of the moratorium) substitute, repurchase or procure a third-party to repurchase such Receivables from the Issuer on the terms of the Receivables Sale Agreement (see risk factor “***Covid-19 Pandemic and Possible Similar Future Outbreaks***”). Such repurchases may alter the portfolio profile and affect Noteholders’ returns on their investment in the Notes.

Furthermore, the Notes may be subject to early or optional redemption in whole upon the occurrence of a Call Option Event or a Tax Event. If a Call Option Event or a Tax Event occurs the Notes may be redeemed earlier than it would have been the case if no such event had occurred and Noteholders may not be able to reinvest the amounts of principal received on conditions similar to or better than those of the Notes. Conversely, if Noteholders had expected any such event to occur and eventually no such event occurs and they are repaid later than expected, Noteholders will not be able to reinvest the amounts of principal at potentially better conditions than those of Notes.

In addition, the election by the Originators to exercise any of the Call Options is discretionary and may be driven by various factors. Additionally, the ability of the Originators to exercise a Call Option will be conditional *inter alia* on the funds available to the Issuer being sufficient to redeem the Rated Notes in full. As a result, there may be circumstances where the Originators may not be entitled to exercise any of the Call Options. Accordingly, there is no certainty as to whether any of the Call Options will be exercised and as to when it might be exercised, so Noteholders may be repaid later than they would have been if such call option had been exercised.

The Notes may also be subject to early redemption at the option of the Issuer as specified in Condition 8.9 (*Optional Redemption in Whole for Taxation Reasons*). The ability of the Issuer to exercise such early redemption will be conditional *inter alia* on the funds available to the Issuer being sufficient to redeem the Rated Notes in full. The exercise of any of the Call Options by the Originator or the early redemption at the option of the Issuer as specified in Condition 8.9 (*Optional Redemption in Whole for Taxation Reasons*) may result in losses for Class E Noteholders and the Class X Noteholders and/or higher losses than they would have suffered if no Call Option or such early redemption option had been exercised. Besides the Receivables which are not Delinquent Receivables will be valued at par value implying that Noteholders would not benefit from the credit enhancement provided by excess spread as they would have if such Call Option or such early redemption option had not been exercised. Accordingly, optional redemption of the Notes may adversely affect the yield of the Notes.

See the section headed “***Estimated Weighted Average Lives of the Notes and Assumptions***”.

**Monies deposited in the Transaction Accounts will be subject to payment of negative interest rates by the Issuer**

The Issuer will have monies deposited in the Transaction Accounts and if the interest payable on funds standing to the credit of the Transaction Accounts is negative, the Issuer may be required to pay negative interest to the Accounts Bank from time to time instead of collecting positive interest from the Accounts Bank from time to time, as there is no zero floor on the interest applicable to monies deposited in such accounts. As a result of the foregoing, or if for any other reason the Accounts Bank is not required or able to return to the Issuer the full amounts deposited in the relevant Transaction Accounts when due, the Issuer’s ability to meet all its payment obligations under the Transaction Documents (including payments due and payable to the Noteholders) may be negatively impacted.

**Authorised Investments may not have a return or be unrecoverable and therefore the assets of the Issuer may be adversely affected**

The Transaction Manager, on behalf, and acting upon written instruction, of the Issuer, has the right to make certain interim investments of money standing to the credit of the Payment Account and the Reserve Account may be made. Such investments must comply with the requirements set out, for instance, in accordance with

Article 44(3) of the Securitisation Law and Article 3 of the CMVM Regulation No. 12/2002, as amended by CMVM Regulation No. 4/2020, and have appropriate ratings (as set out in the definition of Authorised Investments) depending on the term of the investment and the term of the investment instrument and shall not consist, either directly or indirectly, of asset-backed securities or credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives, in accordance with article 77-A of the Instruction (*Instrução*) of the Bank of Portugal 3/2015. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to cover fully interest payment obligations due from the investing entity in respect of its corresponding payment obligations. In this case, the Issuer may not be able to meet all its payment obligations. None of the Transaction Parties (other than the Issuer) will be responsible for any such loss or shortfall.

#### **The Notes are not protected by the Deposit Guarantee Fund**

Unlike a bank deposit, the Notes are not protected by the Deposit Guarantee Fund (*Fundo de Garantia de Depósitos* or “FGD”) or any other government savings or deposit protection scheme, because the Notes do not constitute deposits and the Issuer, being a securitisation company, is not a credit institution and, therefore, is not covered by the rules applicable to the FGD. As a result, the FGD will not pay compensation to an investor in the Notes upon any payment failure of the Issuer. If the Issuer is, for any reason, prevented from doing business or becomes insolvent, the Noteholders may lose all or part of their investment in the Notes.

#### **RISKS RELATING TO THE TRANSACTION PARTIES AND THE TRANSACTION**

##### **COVID-19 pandemic and possible similar future outbreaks**

Different regions of the world have, from time to time, experienced virus outbreaks. A widespread global pandemic of the severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and of the infectious disease COVID-19, caused by the virus, is currently taking place. Given that this virus and the conditions it causes are relatively new, vaccination is still in course.

Although COVID-19 is still spreading and the final implications of this pandemic are difficult to estimate at this stage, it is clear that it will have significant consequences and will affect the lives of a large portion of the global population. As such, the Originators and Servicers may be adversely affected by the wider macroeconomic effects of the ongoing COVID-19 pandemic and any possible future outbreaks, seeing as it is very likely that this pandemic will have a substantial negative effect on Portugal and the Portuguese market.

The pandemic has led to the state of emergency being declared several times in 2020 and 2021 in various countries, including Portugal, as well as the imposition of travel restrictions, including the closure of land borders between Portugal and Spain and the restriction of flights to and from the European Union, the establishment of quarantines and the temporary shutdown of various institutions and companies, including the adoption by *Banco Montepio* and Montepio Crédito and by other credit institutions and companies in Portugal of an unprecedented measure, namely that of having all, or the vast majority, of its employees working remotely.

According to the latest projections concerning the Portuguese economy made available by International Monetary Fund (“IMF”) in the World Economic Outlook of April 2021, the IMF expects a contraction of the Portuguese GDP by 3.9% in 2021, followed by a growth of 4.8% in 2022, with a projected negative inflation rate of - 0.9% in 2021, reaching a positive value of 1.2% already in 2022, and with the unemployment rate expected to reach 7% by the end of this year, increasing to 7.3% in 2022. In turn, the Bank of Portugal, under the Economic Bulletin of June 2021, projects a increase of 4.8% in GDP in 2021, followed by a growth of 5.6% in 2022, with the inflation rate expected to remain positive at 0.7% in 2021 and 0.9% in 2022, and with an expected unemployment rate of 7.2% in 2021 and 7.1% in 2022. The European Commission’s latest forecast from July 2021, projects a

increase of the Portuguese GDP of 3.9% in 2021, and an increase of the inflation of 0.8% in 2021 and of 1.1% in 2022. Therefore, the ongoing COVID-19 pandemic and any potential future outbreaks of other viruses may have a significant adverse effect on the Originators and on the collection of the Receivables.

Firstly, the spread of such diseases amongst the Originators' employees, or any quarantines affecting Originators' employees or facilities, may reduce Originators' personnel's ability to carry out their work, thus affecting the operations of Banco Montepio and Montepio Crédito.

Secondly, any quarantines or spread of viruses may affect clients' capacity to carry out their business operations, which may consequently adversely affect the Originators' own capacity to carry out its business as normal and its ability to generate new loans.

Thirdly, the ongoing COVID-19 pandemic and any potential future outbreaks may also have an adverse effect on Banco Montepio's and Montepio Crédito's counterparties and/or clients, including the Obligors, resulting in additional risks in the performance of the obligations assumed by them before Banco Montepio and Montepio Crédito, including payment obligations in relation to the Receivables Portfolio, as and when the same fall due, and ultimately exposing the Originators to an increased number of insolvencies among its counterparties and/or clients, including Obligors.

As a response to these exceptional circumstances and the wide effects thereof, on 26 March 2020, the Portuguese Government approved Decree-Law no. 10-J/2020 which establishes a temporary legal moratorium on certain financing agreements with a view to protect the liquidity of companies and families (as amended from time to time, the "**Temporary Legal Moratorium**"). This regime entered into force on 27 March 2020 and, following the approval of Decree-Law no. 22-C/2021 on 22 March 2021, will remain in force until 31 December 2021 and includes a suspension, during the period of the measure, in relation to credits with partial instalments or other cash amounts payable, of payments of principal, rents and interest in such period and an automatic extension of the respective contractual payment plan for a period equal to the suspension period.

On 2 April 2020, the European Banking Authority ("**EBA**") published a guidance on the criteria to be fulfilled by legislative and non-legislative moratoria applied before 30 June 2020 (EBA/GL/2020/02). The EBA clarified that payment moratoria do not trigger classification as forbearance or distressed restructuring if the measures taken are based on the applicable national law or on an industry/sector-wide private initiative agreed and applied broadly by the relevant credit institutions, without prejudice to the institutions' continuous monitoring of the borrowers' credit quality, identifying exposures to borrowers who may face longer-term financial difficulties. Any such exposures should be classified in accordance with existing regulation.

Following publication of the EBA's guidelines, the members of the Portuguese Banking Association (*Associação Portuguesa de Bancos* ("**APB**")), including Banco Montepio, signed, on 16 April 2020, an interbank protocol establishing harmonised general conditions for private initiative moratoria (the "**APB Private Moratorium**"), *inter alia*, on non-mortgage loans (e.g. personal or vehicle loans), available on the website [https://bo.apb.pt/content/files/Moratria\\_geral\\_de\\_iniciativa\\_privada\\_de\\_Credito\\_no\\_Hipotecario\\_23.pdf](https://bo.apb.pt/content/files/Moratria_geral_de_iniciativa_privada_de_Credito_no_Hipotecario_23.pdf).)

In addition, on 10 April 2020, the Portuguese Association of Specialized Credit Institutions (*Associação de Instituições de Crédito Especializado* (ASFAC)) approved a payment holiday (available on the website of ASFAC: [https://www.asfac.pt/comunicado/12/moratoria\\_privada\\_da\\_asfac](https://www.asfac.pt/comunicado/12/moratoria_privada_da_asfac)) to which Montepio Crédito has adhered and which was in force until 31 December 2020 and includes the suspension, during the period of the measure (or an inferior period, if the Obligor so requests), in relation to credits with partial instalments or other cash amounts payable, of payments of principal and/or interest in such period (the "**ASFAC Private Moratorium**" and together with the Temporary Legal Moratorium, the APB Private Moratorium, and/or any additional and similar moratoria or payment holidays approved by law or granted by a Servicer on its own initiative to tackle the pandemic caused by coronavirus SARS-CoV-2 and COVID-19, as applicable, the "**Temporary Moratoria**").

For more information on the scope of beneficiaries included under the Temporary Legal Moratorium, the ASFAC Private Moratorium and the APB Private Moratorium please refer to *“Temporary legal measures to tackle the pandemic caused by coronavirus SARS-CoV-2 and COVID-19”* included in the section headed *“Selected aspects of laws of the Portuguese Republic relevant to the Receivables and the transfer of the Receivables”*.

Such extensions, together with additional measures taken from time to time by the Portuguese Government or adopted by Banco Montepio and/or Montepio Crédito at their own initiative to address this situation, notably those relating to moratoria or payment holidays in respect of loans granted to individuals and companies permitting borrowers to postpone regular payments under their loans for certain periods, to the extent applicable, may generally affect the capacity of Banco Montepio and Montepio Crédito to carry out their business as normal.

In accordance with the Eligibility Criteria, the Receivables included in the Receivables Portfolio as well as any Substitute Receivables, are not and will not be, as applicable, affected by Temporary Moratoria as at the Portfolio Determination Date or at the relevant Substitute Receivables Determination Date, as applicable. However, it cannot be excluded that after the Receivables have been assigned under the Receivables Sale Agreement they may be subject to further Temporary Moratoria, in which case the Originators will (unless the exposure arising out of such Receivable has already been classified as stage 2 or 3 according to IFRS9 at the moment of the application of the moratorium) substitute, repurchase or procure a third-party to repurchase such Receivables from the Issuer on the terms of the Receivables Sale Agreement. Notwithstanding, it is not possible at this stage to anticipate all specific measures that will be implemented to curb the effects of the COVID-19 pandemic and to assess the corresponding impact.

In light of the above, the ongoing COVID-19 pandemic may affect the Originators and Servicers’ ability to comply with their obligations under the Transaction Documents and/or the Obligor’s ability to make payments when due under the Receivables, which may negatively impact the Issuer’s ability to make payments under the Notes.

#### **Commingling risk and payment interruption risk due to a default of any of the Servicers**

Each Servicer will procure that all amounts received from Obligor in respect of the Receivables are paid into the relevant Proceeds Account, which will be operated by the Servicers in accordance with the terms of the Receivables Servicing Agreement. The Servicers will direct the Proceeds Account Bank to transfer to the Payment Account, on each Business Day, any cleared funds standing to the credit of the relevant Proceeds Account following the receipt of such Collections credited to the relevant Proceeds Account received until the close of the immediately preceding Business Day.

The Proceeds Account in the name of Montepio Crédito is not a dedicated account to the relevant Receivables and will include other amounts unrelated with the relevant Receivables. As a result, there may be an operational risk that Collections received by Montepio Crédito, in its capacity as Servicer, may temporarily be, from an operational point of view, commingled with other monies.

Furthermore, where an Insolvency Event in respect of a Servicer occurs and is continuing, it cannot be excluded that cash transfers to the Payment Account and the Reserve Account may be interrupted immediately thereafter while alternative payment arrangements are made, the effect of which could be a short-term lack of liquidity that may lead to an interruption of payments to the Noteholders.

#### **Counterparty and rating trigger risk**

The Issuer faces the possibility that a counterparty will be unable to honour its contractual obligations to it. The counterparties may default on their obligations to the Issuer due to insolvency, lack of liquidity, operational failure or other reasons. For example, the Transaction Manager will provide calculation and management services under the Transaction Management Agreement and the Paying Agent and the Agent Bank will provide

payment and calculation services in connection with the Notes. In the event that any of these counterparties fails to perform its obligations under the respective agreements to which it is a party (including any failure arising from circumstances beyond their control, such as epidemics or pandemics), or the creditworthiness of these third parties deteriorates, the Noteholders may be adversely affected. See “**Overview of Certain Transaction Documents**”.

The parties to the Transaction Documents who receive and hold monies pursuant to the terms of such documents (such as the Accounts Bank and Cap Counterparty) are required to satisfy certain criteria in order to continue to receive and hold such monies.

These criteria include requirements in relation to the unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the concerned party ceases to satisfy the applicable criteria, including such ratings criteria, then the rights and obligations of that party may be required to be transferred to another entity which does satisfy the applicable criteria, which may then be required to become a party to the relevant Transaction Document. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Transaction Documents.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers, as detailed under Condition 15 (*Modification and Waiver*). If the requirements of the Rating Agencies in relation to the unguaranteed and unsecured ratings ascribed to a party to the Transaction Documents are not met, that could potentially adversely affect the rating of the Rated Notes.

While certain Transaction Documents provide for rating triggers to address the insolvency risk of counterparties, such rating triggers may be ineffective in certain situations. Rating triggers may require counterparties, *inter alia*, to arrange for a new counterparty to become a party to the relevant Transaction Document upon a rating downgrade or withdrawal of the original counterparty. It may, however, occur that a counterparty having a requisite rating becomes insolvent before a rating downgrade or withdrawal occurs or that insolvency occurs immediately upon such rating downgrade or withdrawal or that the relevant counterparty does not have sufficient liquidity for implementing the measures required upon a rating downgrade or withdrawal.

#### **Reliance on performance by the Servicers and risk of Servicers insolvency**

The Issuer has engaged each Servicer to administer the Receivables Portfolio and has appointed the Back-Up Servicer to administer the Receivables Portfolio upon any of the Servicers ceasing to do so pursuant to the Receivables Servicing Agreement. While each Servicer and the Back-Up Servicer are under contract to perform certain services under the Receivables Servicing Agreement, there can be no assurance that they will be willing or able to perform such services in the future.

If the appointment of any the Servicers or the Back-up Servicer is terminated, there can be no assurance that the transition of servicing will occur without adverse effect to Noteholders or that an equivalent level of performance on collections and administration of the Receivables can be maintained by a successor servicer (“**Successor Servicer**”) after any replacement of any of the Servicers or the Back-up Servicer, as many of the servicing and collections techniques currently employed were developed by the Servicers or the Back-up Servicer.

If the appointment of any of the Servicers is terminated while the appointment of the Back-up Servicer is no longer continuing without a Successor Back-up Servicer having been appointed, the Issuer shall endeavour to appoint a Successor Servicer. No assurances can be made as to the availability of, and the time necessary to engage, such Successor Servicer.

None of the Servicers may resign from their respective appointment as Servicers, without a justified reason and furthermore, pursuant to the Receivables Servicing Agreement, the resignation of any of the Servicers shall only be effective if the Issuer has appointed a Successor Servicer, which is conditional on such appointment not having any adverse effect on the current ratings of the Rated Notes. The appointment of the Back-Up Servicer and the Successor Servicer is subject to the prior approval of the CMVM.

Notice of the appointment of a Successor Servicer shall be delivered by the Issuer to the Rating Agencies, the CMVM, the Bank of Portugal and each of the other Transaction Parties. A Successor Servicer is appointed by the Issuer with effect from the Servicer Termination Date or the Servicer Resignation Date, by the entry of the Successor Servicer, the Originators and the Issuer into a replacement servicing agreement in similar terms to the Servicing Agreement. The Successor Servicer shall have experience in the servicing of loans similar to those included in the Receivables Portfolio and shall have well documented and adequate policies, procedures and risk management controls relating to such servicing. The appointment of a Successor Servicer may not have an adverse effect on the ratings of the Rated Notes and it is subject to the prior approval of the CMVM.

Under the Portuguese Securitisation law, in the event the Servicers become insolvent, all the amounts which each Servicer may then hold in respect of the Receivables assigned by the Originators to the Issuer will not form part of the Servicers' insolvency estate and the replacement of Servicers provisions in the Receivables Servicing Agreement will then apply.

For further information, please refer to the section headed "*Overview of certain Transaction Documents – Receivables Servicing Agreement*".

#### **Services and limited liability of Back-up Servicer**

The performance of the services by the Back-up Servicer is dependent on receipt by the Back-up Servicer of certain documents, records and information from the Servicers and the Back-Up Servicer shall not be liable for any failure to carry out its obligations, which arises in connection with the Back-up Servicer not having received in full such documents, records and information from the Servicers, in accordance with clause 8 (*Servicers Obligations towards Back-up Servicer*) of the Receivables Servicing Agreement.

Additionally, the Back-up Servicer shall also not be held liable for any set-off or other rights which the Obligors may exercise or invoke against any of the Servicers or for any monies or entitlements that may, for whatever reason, be retained by the original Servicers and, in such event, the Back-up Servicer will be dependent on the cooperation of the original Servicers in order to fully recover any such amounts, including the possible intervention of the original Servicers in any judicial proceedings against such Obligors.

The above described factors may limit the capacity of the Back-up Servicer to render the services in the manner rendered by any of the original Servicers and consequentially may impose a delay and negatively affect the collections and recoveries made under the Receivables Portfolio and therefore affect the rights of the Noteholders to receive payments under the Notes.

#### **No certainty on the substitution of the Transaction Manager**

In the event of the termination of the appointment of the Transaction Manager by consent between the parties to the Transaction Management Agreement or due to the delivery of a Transaction Manager Event Notice it will be necessary for the Issuer to appoint a substitute transaction manager. The appointment of the substitute transaction manager is subject to the condition that, *inter alia*, such substitute transaction manager is capable of administering the Transaction Accounts of the Issuer. The appointment of any successor transaction manager shall be previously notified to the Rating Agencies.

There is no certainty that it would be possible to find a substitute or a substitute of satisfactory standing and

experience, who would be willing to act as transaction manager under the terms of the Transaction Management Agreement.

In order to appoint a substitute transaction manager, it may be necessary to pay higher fees than those paid to the Transaction Manager and depending on the level of fees payable to any substitute, the payment of such fees could potentially adversely affect the ratings of some or all of the Rated Notes.

#### **All Noteholders to be bound by the provisions on Meetings of Noteholders and by decisions of the Common Representative**

The Conditions contain provisions for calling Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also provide that the Common Representative may, without the consent of Noteholders or any other Transaction Creditors, agree to certain modifications of, or to the waiver or authorisation of a breach or proposed breach of, provisions of the applicable Transaction Documents or the Conditions which, in the opinion of the Common Representative, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding and any of the Transaction Creditors or agree to certain modifications of provisions of the applicable Transaction Documents or the Conditions which are of a formal, minor, administrative or technical nature or is made to correct a manifest error or an error which is, to the satisfaction of the Common Representative, proven, or is necessary or desirable for the purposes of clarification.

#### **Common Representative's rights may be limited under the Transaction Documents**

The Common Representative has entered into the Common Representative Appointment Agreement, *inter alia*, to exercise, following the occurrence of an Event of Default, certain rights on behalf of the Issuer and the Transaction Creditors (other than itself) in accordance with the terms of the Transaction Documents for the benefit of the Noteholders and the Transaction Creditors (other than itself) and to give certain directions and make certain requests in accordance with the terms and subject to the conditions of the Transaction Documents, the Securitisation Law and the Portuguese Companies Code.

The Common Representative shall have no liability or responsibility for monitoring the activities and obligations of the Servicers or any Successor Servicer and shall assume, unless it has actual knowledge to the contrary, that the Servicers or any Successor Servicer are properly carrying out its responsibilities and obligations. The Common Representative will not, at any time, carry out any of the responsibilities or obligations of each of the Servicers themselves or of any Successor Servicer.

The Common Representative will not be granted the benefit of any contractual rights or any representations, warranties or covenants by the Originators or the Servicers under the Receivables Sale Agreement or the Receivables Servicing Agreement but will acquire the benefit of such rights from the Issuer through the Co-ordination Agreement.

Accordingly, although the Common Representative may give certain directions and make certain requests to the Originators and the Servicers on behalf of the Issuer under the terms of the Receivables Sale Agreement and the Receivables Servicing Agreement, the exercise of any action by the Originators and the Servicers, in response to any such directions and requests, will be made, respectively, to and with the Issuer only and not with the Common Representative. Therefore, if an Event of Default or an Insolvency Event has occurred in relation to the Issuer, the Common Representative may not be able to circumvent the involvement of the Issuer in the Transaction by, for example, pursuing actions directly against the Originators or the Servicers under the Receivables Sale Agreement or the Receivables Servicing Agreement. Although the Notes have the benefit of the segregation provided by the Securitisation Law, the above may impair the ability of the Noteholders and the

Transaction Creditors to be repaid in regard of amounts due to them in respect of the Notes and under the Transaction Documents.

#### **Common Representative not obliged to act in certain circumstances**

The Common Representative may, at any time, at its absolute discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents after the occurrence of an Event of Default as the Common Representative may think fit to enforce its rights in respect of the Notes and under the other Transaction Documents, as well as at any time, at its absolute discretion and without notice, deliver an Enforcement Notice to the Issuer.

However, the Common Representative shall not be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 12 (*Events of Default and Enforcement*)) unless it shall have been directed to do so (i) in writing by the holders of at least 25% (twenty five per cent.) of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or (ii) by an Extraordinary Resolution passed by the Noteholders, and, provided that, in each case, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby become liable or to which it may incur by so doing.

Consequently, if the Common Representative is not directed to act in such circumstances as identified above, there is no assurance that the Common Representative will exercise its discretion to take any proceedings, steps or actions against the Issuer or any other party to any of the Transaction Documents after the occurrence of an Event of Default or that any proceedings, actions or steps taken by the Common Representative at its absolute discretion are those that are more adequate, efficient or swift to enforce the rights of the Noteholders upon the occurrence of an Event of Default or otherwise those that would have been directed by the Noteholders if the Noteholders had instructed the Common Representative.

#### **Potential Conflict of Interest**

Each of the Transaction Parties (other than the Issuer) and their affiliates (including affiliates of the Issuer) in the course of each of their respective businesses may provide services to other Transaction Parties and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between (i) such Transaction Parties and their affiliates or (ii) between such Transaction Parties and their affiliates and third parties. Each of the Transaction Parties (other than the Issuer) and their affiliates may provide such services and enter into arrangements with any person without regard to or constraint as a result of any such conflicts of interest arising as a result of it being a Transaction Party in respect of the Transaction.

#### **MARKET RISKS**

##### **Ratings are not recommendations and ratings may be lowered, withdrawn or qualified**

Except for the Accounts Bank and the Cap Counterparty, the Transaction Parties have no obligation under the Notes or the Transaction Documents to maintain any rating themselves or of some or all of the Rated Notes. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each securities rating should be evaluated independently of any other securities rating. In the event the ratings initially assigned to the Rated Notes are subsequently lowered, withdrawn or qualified for any reason, no person will be obliged to provide any credit facilities or credit enhancement to the Issuer for the original ratings to be restored. Any such lowering, withdrawal or qualification of a rating may have an adverse effect on the liquidity and market price of some or all of the Rated Notes.

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Rated Notes. However, the ratings assigned to the Rated Notes do not represent any



assessment of the likelihood or rate of principal prepayments. The ratings do not address the possibility that the holders of any of the Rated Notes might suffer a lower than expected yield due to prepayments. In addition, the negative economic impact which may be caused by events certain meteorological conditions, natural disasters, fires or widespread health crises or the fear of such crises (such as Covid-19, in relation to which see the risk factor entitled “**COVID-19 Pandemic and Possible Similar Future Outbreaks**” below) may result in downgrades to the ratings assigned to some or all of the Rated Notes.

The Rating Agencies’ ratings address only the credit risks associated with the Transaction. Other non-credit risks have not been addressed but may have a significant effect on yield to investors.

Additionally, CRA Regulation has introduced a requirement that where an issuer or related third parties (which term includes, among others, sponsors, servicers and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one credit rating agencies having not more than a 10% (ten per cent.) total market share (as measured in accordance with Article 8d(3) of the CRA Regulation, provided that a small credit rating agency is capable of rating the relevant issuance or entity. In order to give effect to those provisions, ESMA is required to annually publish a list of registered credit rating agencies, their total market share, and the types of credit rating they issue. According to ESMA’s 2020 calculations, Fitch has more than a 10% (ten per cent.) total market share, DBRS has less than a 10% (ten per cent.) total market share (2.99% total market share for DBRS) and the Issuer has not requested a rating of any of the Rated Notes by any rating agency other than the Rating Agencies. There can be no assurance, however, as to whether any other rating agency will rate any of the Rated Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned by such other rating agency to the relevant Rated Notes could be lower than the respective ratings assigned by the Rating Agencies.

#### **Absence of a secondary market**

There is currently no developed market for the Notes and there can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the entire life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption thereof. The market price of the Notes could be subject to fluctuation in response to, among other things, variations in the value of the Receivables, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions. Noteholders should also be aware of the prevailing and widely reported global credit market conditions and the general lack of liquidity in the secondary market for instruments similar to the Notes. Additionally, since the United Kingdom referendum which occurred on 23 June 2016, where the United Kingdom voted to leave the European Union, there has been increased volatility and disruption of the capital, currency and credit markets, including the market for securities similar to the Notes. In addition to this, the circumstances created by the COVID-19 pandemic have led to volatility in the capital markets and may lead to volatility in or disruption of the credit markets at any time.

Potential investors should be aware that these prevailing market conditions affecting securities similar to the Notes could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the securitised portfolio. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

## Risks related to benchmarks

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate (“LIBOR”) and EURIBOR, are the subject of ongoing political and regulatory discussions and to proposals for reform. Some reforms have already been implemented with further changes being anticipated. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, and they may also have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any of the Notes linked to or referencing such a benchmark.

Interest payable under the Rated Notes are calculated by reference to EURIBOR which is provided by the European Money Markets Institute (“EMMI”) or by another index that may come to replace EURIBOR. EMMI is in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. Among other things, the Benchmarks Regulation (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or be otherwise recognised or endorsed), and (ii) prevents certain uses by EU supervised entities of benchmarks administrators that are not authorised or registered (or, if non-EU-based, not deemed equivalent or otherwise recognised or endorsed). The Benchmarks Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or any other benchmark rate or index, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or of affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have any of the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or to contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks; (iii) lead to the disappearance of the benchmark.

Separate workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide fallback provisions by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). EMMI is developing a hybrid methodology for EURIBOR. In October 2019, it published for the first time the Euro Overnight Index Average (“EONIA”) under reformed determination methodology. EONIA’s methodology directly tracks the €STR.

Reforms such as EMMI’s changed methodology and other pressures may cause one or more interest rate benchmarks to disappear entirely, or to perform differently than they have in the past (as a result of a change in methodology or otherwise), to create disincentives for market participants to continue to administer or participate in certain benchmarks or to have other consequences which cannot be predicted. The potential elimination of benchmarks, such as LIBOR or EURIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Investors should note the various circumstances in which a modification may be made to the Conditions of the Notes, the Cap Agreement or any other Transaction Documents for the purpose of changing the base rate or such other related or consequential amendments as are necessary to facilitate such change (a “**Base Rate Modification**”). These circumstances broadly relate to the disruption, discontinuation or cessation of EURIBOR, but also specifically include, *inter alia*, any public statements by the EURIBOR administrator or certain regulatory

bodies that EURIBOR will be discontinued or may no longer be used, and a Base Rate Modification may also be made if the Servicers reasonably expect any of these events to occur within six months of the proposed effective date of the Base Rate Modification, subject to certain conditions. There can be no assurance that any such amendment will mitigate the interest rate risk or result in an effective replacement methodology for determining the reference rate on the Notes. Investors should note that the Issuer shall be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by the Cap Counterparty for the purpose of changing the screen rate or the base rate that then applies in respect of the Notes and the Cap Agreement as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement by taking into account any adjustment spread and making such other related or consequential amendments as are necessary or advisable to facilitate such change. Any of the above matters (including an amendment to change the base rate) or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR could result in amendments to the Conditions of the Notes in line with Condition 15.2 (*Additional Right of Modification*).

Based on the foregoing, prospective investors should in particular be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including causing it to be lower and/or more volatile than it would otherwise be;
- (b) the elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the Notes and the trading market for securities (including the Notes) based on the same benchmark; and
- (c) if EURIBOR or any other relevant interest rate benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Notes will be determined for a period by the relevant fallback provisions, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Eurozone interbank market in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time).

In light of the above, the Conditions provide that the Common Representative shall be obliged to concur with the Issuer, under certain conditions and without consulting with the Noteholders or any other Transaction Creditors, to amend EURIBOR as the base rate (see Condition 15.2 (*Additional Right of Modification*), paragraph g) in the section headed "**Terms and Conditions of the Notes**").

As alternative or reformed reference rates to replace the EURIBOR calculated according to their original methodology are still in the process of being identified and developed by or with the involvement of administrators, contributors, central banks, supervisory authorities and market participants, it cannot be predicted at the date of this Prospectus what such substitute reference rate would be. Should the Common Representative substitute EURIBOR for a substitute reference rate, this could negatively affect the yield and the market value of the Notes, particularly because EURIBOR immediately prior to its definite disappearance might be subject to high volatility. Any of the above matters or any other significant change to the setting or existence

of EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR or any other relevant interest rate benchmark could result in adjustment to the Conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters, consult their own independent advisers and make their own assessment about the potential risks when making their investment decision with respect to the Notes.

#### **Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Investor's Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Euro or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

#### **LEGAL AND REGULATORY RISKS IN RESPECT OF THE NOTES AND OTHERS**

##### **Uncertainty as to STS designation being achieved for this Transaction**

The Securitisation Regulation provides for a securitisation transaction to be designated a simple, transparent and standardised transaction ("**STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 19 to 22 of the Securitisation Regulation ("**STS Criteria**") during its entire life. Either of the originator or sponsor in relation to such transaction is required to file an STS Notification to ESMA on the transaction's closing date. The originator or the sponsor must notify ESMA and the competent authority should the transaction cease to meet the STS Criteria at any point during its life. The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS register website and continue to meet the STS Criteria.

The Notes are intended to be designated as STS Securitisation, but there is no certainty that such designation will be achieved, and the Originators will be responsible for filing the STS Notification with ESMA. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements. It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) remains with the relevant institutional investors, the Originators and the Issuer, as applicable in each case. The STS Verification will not absolve such entities from making their own assessment and assessments with respect to the Securitisation Regulation, and the STS Assessment cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Noteholders and potential investors should verify the current status of the Notes on the website of ESMA. Non-compliance with the status of STS Securitisation may result in the loss of benefits in regulatory treatment of STS Securitisations under various EU regimes (in relation to which see the risk factor entitled "**Regulatory capital framework may affect risk weighting of the Notes for the Noteholders**"), in higher capital

requirements for investors (as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the CRR), as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originators. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Furthermore, STS Assessment is not an opinion on the creditworthiness of the relevant Notes or on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) need to make their own independent assessment and may not rely solely on STS Assessment, the STS Notification or other disclosed information. None of the Issuer, the Joint Arrangers, the Joint Lead Managers, or any other party to the Transaction Documents (other than the Originators) makes any representation or accepts any liability for the Securitisation to qualify as an STS Securitisation under the Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) at any point in time.

Non-compliance with the status of STS Securitisation may result in the loss of benefits in regulatory treatment of STS Securitisations under various EU regimes (in relation to which see the risk factor entitled “**Regulatory capital framework may affect risk weighting of the Notes for the Noteholders**” below), in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originators. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

#### **Uncertainty regarding eligibility of the Notes for Eurosystem Monetary Policy**

Only the Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes will be integrated in a centralised system (*sistema centralizado*) and settled through the Portuguese securities settlement system operated by Interbolsa, in its capacity as central securities depository and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (“**Eurosystem Eligible Collateral**”) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the ECB. If the Class A Notes do not satisfy the criteria specified by the ECB, there is a risk that the Class A Notes will not be Eurosystem Eligible Collateral. As a consequence, Noteholders may not be permitted to use the Class A Notes as collateral for monetary policy transactions of the Eurosystem and may sell the Notes into the secondary market at a reduced price only.

The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Class A Notes should make their own determinations and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

#### **Regulatory capital framework may affect risk weighting of the Notes for the Noteholders**

The Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as Basel III), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systematically important banks) and to establish a leverage ratio “backstop” for financial institution and certain minimum liquidity standards for credit institutions. In particular, the changes refer to, among other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity.

The Basel III framework as implemented in the EU through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, also known as the “**Capital Requirements Directive**” or “**CRD IV**”, and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, also known as the “**Capital Requirements Regulation**” or “**CRR**”, provides for a substantial strengthening of existing prudential rules relating to liquidity and funding. These rules have been further strengthened by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the Capital Requirements Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (“**CRR II**”) and by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**”). The CRR II and the CRD V introduce a new market risk framework, revisions to the large exposures’ regime and a net stable funding ratio. The net stable funding ratio is intended to ensure that institutions are not overly reliant on short-term funding. CRR II amends CRR and is directly applicable in all EU Member States, and its application is staggered in accordance with Article 3 of the CRR II from 27 June 2019 to 28 June 2023. CRD V amends CRD IV and requires national transposition of the majority of its provisions by 28 December 2020. Although the transposition deadline has passed, CRD V has still not been implemented in Portugal. Bank of Portugal, as the Portuguese local regulator, has launched a public consultation regarding the draft legal instrument that aims to transpose CRD V into national law. As at the date of this Prospectus, the public consultation has been concluded, following which a revised draft legal instrument has been published and is currently pending admission and approval at the Portuguese Parliament, which is expected during the during the second quarter of 2022.

In December 2017, the Basel Committee published a package of proposals to update Basel III (referred to as Basel IV). Basel IV proposes to amend the way in which institutions approach the calculation of their risk-weighted assets as well as setting regulatory capital floors. The Basel Committee currently proposes a nine-year implementation timetable for Basel IV. As implementation of any changes to the Basel framework requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participation jurisdiction initiatives, such as Commission Delegated Regulation (EU) 2015/35, of 10 October 2014 (“**Solvency II Implementing Rules**”) framework in Europe. The changes under Basel III and Basel IV as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

The STS Securitisation designation (in relation to which see the risk factor entitled “**Uncertainty as to STS designation being achieved for this Transaction**”) impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework, such as:

- (i) the substitution under Commission Delegated Regulation (EU) 2018/1221 of 1 June 2018 (already in force though subject to transitional arrangements) of the general provisions on the type 1 securitisation under Solvency II Implementing Rules, with reference now being made to the relevant provisions on STS

Securitisation laid down in the Securitisation Regulation;

- (ii) the amendments to regulatory capital treatment under the securitisation framework of the Capital Requirements Regulation, as amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms ("**CRR Amendment Regulation**") to adequately reflect the specific features of STS Securitisations and already in force;
- (iii) the recharacterisation of the type 2B securitisation under Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, as amended, notably by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018, which will apply from 20 April 2020 (the "**LCR Regulation**") to reflect the STS designation; and
- (iv) the changes to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012, as amended ("**EMIR**"), made in January 2021 and February 2021, through Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 and Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021, that address certain exemptions on STS Securitisation caps.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

#### **Impact of the legal framework for recovery and resolution of credit institutions on the Notes**

In May 2014, the EU Council and the EU Parliament approved a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU of the European Parliament and of the Council, of 15 May 2014, establishing a framework for the recovery and resolution of credit institutions and investment firms, the "**BRRD**"). The aim of the BRRD is to equip national authorities with harmonised tools and powers to tackle crises at banks and certain investment firms at the earliest possible moment and to minimise costs for taxpayers. The tools and powers include:

- (a) preparatory and preventive measures (including the requirement for banks to have recovery and resolution plans);
- (b) early supervisory intervention (including powers for authorities to take early action to address emerging problems); and
- (c) resolution tools, which are intended to ensure the continuity of essential services and to manage the failure of a credit institution in an orderly way.

The BRRD was implemented in Portugal by a number of legislative acts, including Law no. 23-A/2015, of 26 March, which have amended the Portuguese Legal Framework of Credit Institutions and Financial Companies enacted by Decree-Law no. 298/92, of 31 December (as amended, hereinafter "**RGICSF**"), including the requirements for the application of preventive measures, supervisory intervention and resolution tools to credit institutions and investment firms in Portugal. The Issuer cannot anticipate the impact of such regime on the Notes even though the Issuer is not subject to it.

Credit institutions, branches of credit institutions outside the EU, and investment firms, such as all the Transaction Parties other than the Issuer, are subject to the BRRD regime as implemented in the relevant EU Member States and if one or more of the above-mentioned actions under the BRRD is taken in respect of any

Transaction Party (other than the Issuer), this may impact the performance of their respective obligations under the relevant contracts.

Following the publication of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019, amending the BRRD (“**BRRD2**”), credit institutions will be subject to more burdensome capital and other legal requirements, as they become applicable. Any difficulty or failure to comply with such requirements may have a material adverse effect on the Notes.

Prospective investors should make themselves aware of the current recovery and resolution framework, in addition to any other applicable regulatory requirements with respect to any investment in the Notes, and be alert to any changes which may occur in the future. Prospective investors should independently assess the impact of the recovery and resolution framework on any investment in the Notes. No predictions can be made as to the precise effects the resolution framework may have on any investment on the Notes.

#### **Noteholders to verify matters required by Article 5(1) of the Securitisation Regulation**

The Securitisation Regulation requires that, prior to holding a securitisation position, EU institutional investors are required to verify the matters required by Article 5(1) of the Securitisation Regulation and to conduct a due diligence assessment in accordance with Article 5(3). The matters required by Article 5(1) include, among others, compliance with the EU Retained Interest under Article 6 of the Securitisation Regulation and the UK Retained Interest under Article 6 of the UK Securitisation Regulation (as in effect on the Closing Date), respectively, and disclosure of the information required by Article 7 of the Securitisation Regulation in accordance with the frequency and modalities provided for in that Article. The due diligence assessment required by Article 5(3) includes an assessment of the compliance of the securitisation with the STS Criteria.

None of the Issuer, Banco Montepio or Montepio Crédito (in any capacity), the Joint Arrangers or the Joint Lead Managers provide any assurance that the information provided in this Prospectus, or any other information that will be provided to investors in relation to the Notes (including without limitation any investor report or loan-level data that is published in relation to the Notes) is sufficient for the satisfaction by any investor of the requirements in Article 5 of the Securitisation Regulation as they apply to that investor. However, the Designated Reporting Entity has confirmed it will comply with Article 7 of the Securitisation Regulation (as to which, see the section of this Prospectus headed “**Regulatory Disclosures**”). Investors should note that the requirements of Article 5 of the Securitisation Regulation apply in addition to any other applicable regulatory requirements applying to such investor in relation to an investment in the Notes.

While the Securitisation Regulation came into force on 1 January 2019, not all of the proposed technical guidance in relation to certain provisions of the Securitisation Regulation have, as at the Closing Date, been finalised. As such, there is a degree of uncertainty around the manner in which compliance with certain elements of the new regulations will be achieved.

With regards to each of the EU Retained Interest and the UK Retained Interest, Article 6 of the Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect on the Closing Date), respectively, amends the manner in which the retention requirements apply by imposing a direct obligation of compliance with the risk retention requirements on EU originators, sponsors or original lenders.

There can be no assurance that the manner in which the EU Retained Interest or the UK Retained Interest is complied with under this Transaction and that the information to be provided by the Designated Reporting Entity will be adequate for any potential investors to comply with their obligations pursuant to Article 5 of the Securitisation Regulation or Article 5 of the UK Securitisation Regulation. Prospective investors should independently investigate the consequences of non-compliance with their due diligence requirements under Article 5 of the Securitisation Regulation and Article 5 of the UK Securitisation Regulation.



Noteholders should make themselves aware of the due diligence obligations which apply to them under Article 5 of the Securitisation Regulation and Article 5 of the UK Securitisation Regulation and make their own investigation and analysis as to the impact thereof on any holding of Notes. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise.

**Noteholders to assess compliance with the Securitisation Regulation, the CRR Amendment Regulation and the Bank of Portugal Notice 9/2010**

In general, the requirements imposed under the Securitisation Regulation and the CRR Amendment Regulation are more onerous and have a wider scope than those which were imposed under earlier legislation, namely (i) the Capital Requirements Regulation, (ii) the Commission Delegated Regulation No. 231/2013, of 19 December 2012, and (iii) the Solvency II Implementing Rules. Amongst other things, the Securitisation Regulation and the CRR Amendment Regulation together include provisions intended to implement the revised securitisation framework developed by the Basel Committee (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors.

In particular, the Securitisation Regulation requires that, prior to holding a securitisation position, EU institutional investors are required to verify the matters required by Article 5(1) of the Securitisation Regulation and to conduct a due diligence assessment in accordance with Article 5(3).

Noteholders should make themselves aware of all those provisions and make their own investigation and analysis as to the impact thereof on any holding of Notes and should take their own advice on whether this Transaction constitutes a securitisation and on the provisions of the Securitisation Regulation, CRR Amendment Regulation and Bank of Portugal Notice 9/2010. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise. Additionally, Noteholders should also be aware that, if applicable, non-compliance with the requirements of the Securitisation Regulation, CRR Amendment Regulation and Bank of Portugal Notice 9/2010 may adversely affect the price and liquidity of the Notes.

**Investor compliance with due diligence requirements under the UK Securitisation Regulation**

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020, EU regulations (including the Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into domestic law in the UK.

In order to smooth the transition from the Securitisation Regulation regime to that under Regulation (EU) No. 2017/2402 dated 12 December 2017, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the Securitisation Regulation or amending the Securitisation Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom) (the "UK Securitisation Regulation"), the UK regulators have put various transitional provisions in place until 31 March 2022 or such later date as specified by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (the "Standstill Period"). In certain cases, UK regulated entities can continue to comply with the previous requirements under the Securitisation Regulation instead of the UK Securitisation Regulation. In particular, UK originators, sponsors and SSPEs may use the standardised reporting templates developed by ESMA for the purpose of Article 7 of the Securitisation Regulation, rather than the standardised reporting templates adopted by the FCA for the purpose of Article 7 of the UK Securitisation Regulation, during the Standstill Period.

The UK Securitisation Regulation includes in Article 5 due diligence requirements which are applicable to UK

institutional investors in a securitisation.

If the due diligence requirements under Article 5 of the UK Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on the UK institutional investor.

In respect of the due diligence requirements under Article 5 of the UK Securitisation Regulation, potential UK institutional investors (as defined in the UK Securitisation Regulation) should note in particular that:

- in respect of the risk retention requirements set out in Article 6 of the UK Securitisation Regulation, the Originator commits to retain a material net economic interest with respect to this Transaction in compliance with Article 6(3)(c) of the Securitisation Regulation and Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation and in compliance with Article 6 of the UK Securitisation Regulation (as in effect at the Closing Date only), and
- in respect of the transparency requirements set out in Article 7 of the UK Securitisation Regulation, the Originator in its capacity as designated reporting entity under Article 7 of the Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the Securitisation Regulation Disclosure Requirements for the purposes of this Transaction and will not make use of the standardised templates adopted by the FCA.

UK institutional investors (as defined in the UK Securitisation Regulation) should be aware that whilst, at the date of this Prospectus, the Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation are very similar, and the FCA has also issued a standstill direction under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 allowing for reporting on the basis of Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 until the expiry of the Standstill period, the Securitisation Regulation and UK Securitisation Regulation (including but not limited to the Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation) may diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the Securitisation Regulation Disclosure Requirements will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under Article 5 of the UK Securitisation Regulation.

Therefore, relevant UK institutional investors are required to independently assess and determine the sufficiency of the information described in this prospectus for the purposes of complying with Article 5 of the UK Securitisation Regulation, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. None of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Servicers, the Originators or any of the other Transaction Parties makes any representation that any such information described in this Prospectus is sufficient in all circumstances for such purposes.

#### **Impact of non-compliance by the Designated Reporting Entity with reporting obligations under Article 7 of the Securitisation Regulation**

With regards to the transparency requirements set out in Article 7 of the Securitisation Regulation, the relevant regulatory and implementing technical standards, which are based on the draft regulatory technical standards submitted by ESMA to the Commission, were approved by Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 (“**Delegated Regulation 2020/1224**”) and Commission Delegated Regulation (EU) 2020/1225 of 16 October 2019 (“**Delegated Regulation 2020/1225**”).

In order to ensure compliance with the transparency requirement set forth in Article 7 of the Securitisation Regulation, the Designated Reporting Entity is required to make available information using the following

regulatory and implementing technical standards:

- information referred to in Annexes VI (*Underlying Exposures Information – Consumer*), XII (*Investor Report Information – Non-Asset Backed Commercial Paper Securitisation*), XIV (*Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation*) of Delegated Regulation 2020/1224;
- information referred to in Annexes VI (*Underlying exposures template— Consumer*), XII (*Investor Report Template – Non-asset backed commercial paper securitisation*) and XIV (*Inside Information or Significant Event Template – Non-asset backed commercial paper securitisation*) of Delegated Regulation 2020/1225.

In accordance with Article 9 of the Regulation Delegated 2020/1224, the information made available by the Designated Reporting Entity must be complete and consistent. Pursuant to Articles 5 and 11 of the Regulation Delegated 2020/1224, the Designated Reporting Entity shall assign item codes to the information made available to securitisation repositories and the securitisation shall be assigned a unique identifier.

Delegated Regulation 2020/1224 and Delegated Regulation 2020/1225 do not foresee any consequences for the Designated Reporting Entity resulting from any potential non-compliance by the Designated Reporting Entity with the abovementioned regulations. According to Article 32 of the Securitisation Regulation, EU Member States shall lay down rules establishing appropriate administrative sanctions, in the case of negligence or intentional infringement, and remedial measures, such as: (i) a public statement which indicates the identity of the natural or legal person and the nature of the infringement; (ii) a temporary ban preventing any member of the originator's, sponsor's or securitisation special purpose entity's (SSPE's) management body or any other natural person held responsible for the infringement from exercising management functions in such undertakings; and (iii) in the case of a legal person, maximum administrative pecuniary sanctions of at least EUR 5,000,000 (five million euros), or of up to 10% (ten per cent.) of the total annual net turnover of the legal person according to the last available accounts approved by the management body. Articles 66-D, 66-F, 66-G of the Securitisation Law confer on the CMVM powers to enforce several remedial measures, which include the measures mentioned above.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Arrangers as to the Designated Reporting Entity's ability to comply with any obligation, including the reporting obligations, provided for in, or otherwise ensuring the compliance of the transaction with, the Delegated Regulation 2020/1224 and Delegated Regulation 2020/1225.

The Originators have also undertaken to the Issuer and the Joint Lead Managers that they will use reasonable endeavours to procure the provision to the investors in the Notes of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation (to the extent permitted by any applicable laws), following written request by such investors provided that neither Originator will be in breach of such requirements if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertakings.

Noteholders should make themselves aware of all those provisions and make their own investigation and analysis as to the impact of non-compliance by the Designated Reporting Entity on any holding of Notes. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise. Additionally, Noteholders should also be aware that, if applicable, such non-compliance may adversely affect the price and liquidity of the Notes.

#### **Risk of change of law**

The structure of the Transaction and, *inter alia*, the issue of the Notes and ratings assigned to each Class of the Rated Notes are based on law, tax rules, rates, procedures and administrative practice in effect at the date

hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice (including regarding deductibility of interest). No assurance can be given that law, tax rules, rates, procedures or administration practice (including following the publication of Law No. 24/2020 of 6 July 2020) will not change after the date of this Prospectus or that such change will not adversely impact the structure of the Transaction and the treatment of the Notes, including the expected payments of interest and repayment of principal in respect of the Notes. None of the Issuer, the Common Representative, the Joint Lead Managers, the Joint Arrangers, the Transaction Manager, the Servicers or the Originators will bear the risk of a change in law whether in the jurisdiction of the Issuer or in any other jurisdiction.

In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation. As detailed below, the risk of change of law is increased in the wake of the current COVID-19 pandemic (see the risk factor entitled “**COVID-19 pandemic and possible similar future outbreaks**”).

#### **Limited case law on the Securitisation Law, the Securitisation Tax Law and Decree-law no. 193/2005, of 7 November**

The Securitisation Law was enacted in Portugal by Decree-Law no. 453/99, of 5 November, as amended by Decree-Law no. 82/2002, of 5 April, by Decree-Law no. 303/2003, of 5 December, by Decree-Law no. 52/2006, of 15 March, by Decree-Law no. 211-A/2008, of 3 November, amended and restated by Law no. 69/2019, of 28 August and amended by Decree-Law no. 144/2019, of 23 September (“**Securitisation Law**”). The Securitisation Tax Law was enacted in Portugal by Decree-Law no. 219/2001, of 4 August, as amended by Law no. 109-B/2001, of 27 December, by Decree-Law no. 303/2003, of 5 December, by Law no. 107-B/2003, of 31 December, and by Law no. 53-A/2006, of 29 December and Decree-Law no. 53/2020, of 11 August (“**Securitisation Tax Law**”). The tax regime applicable on income arising from debt securities in general was enacted by Decree-Law no. 193/2005, of 7 November, as amended by Decree-Law no. 25/2006, of 8 February, by Law no. 83/2013, of 9 December, and by Law no. 42/2016, of 28 December (“**Decree-Law no. 193/2005**”).

As at the date of this Prospectus the application of the Securitisation Law by the Portuguese courts and the interpretation of its application by any Portuguese governmental or regulatory authority has been limited to a few cases, namely regarding effectiveness of the assignment of banking credits towards debtors, despite the absence of debtor notification and format of the assignment agreement.

The Securitisation Tax Law has not been considered by any Portuguese court and no interpretation of its application has been issued by any Portuguese governmental or regulatory authority. Decree-law no. 193/2005, has also been considered by few Portuguese court cases and the interpretation of its application has been issued by Portuguese authorities in limited cases, notably Circular 4/2014 and the Order issued by the Secretary of State for Tax Affairs dated July 14, 2014 in connection with tax ruling no. 7949/2014. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law, to the Securitisation Tax Law and to Decree-law no. 193/2005 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

#### **No certainty relating to consumer protection laws**

Portuguese law (namely the Portuguese Constitution, the Portuguese Civil Code and the consumer protection laws) contains general provisions in relation to consumer protection. These provisions cover general principles of information disclosure, information transparency (contractual clauses must be clear, precise and legible) and a general duty of diligence, neutrality and good faith in the negotiation of contracts.

Decree-Law no. 133/2009, of 2 June 2009 (implementing Directive 2008/48/CE of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC)

sets forth specific provisions related to consumer credit agreements entered into with natural persons to finance the purchase of consumer goods, whether for commercial or professional purposes, namely including vehicle loans. Any clause contained in the Receivables Contracts entered into by Obligors which are natural persons which does not comply with Decree-Law no. 133/2009, of 2 June 2009 shall be considered null and void. Furthermore, Decree-Law no. 446/85 of 25 October 1985, as amended by Decree-Law no. 220/95 of 31 July 1995, Decree-Law no. 249/99 of 7 July 1999 (which implemented Directive 93/13/CEE of 5 April 1993) and Decree-Law no. 323/2001 of 17 December 2001, referred to as the General Contractual Clauses Law (*Lei das Cláusulas Contratuais Gerais*) prohibits, in general terms, the introduction of abusive clauses in contracts entered into with consumers. Pursuant to this law, a clause is in general deemed to be abusive if such clause has not been specifically negotiated by the parties and leads to an unbalanced situation insofar as the rights and obligations of the consumer (regarded as the weaker party) and the rights and obligations of the counterparty (regarded as the stronger party) are concerned in violation of contractual good faith. The introduction of clauses that are prohibited under Decree-Law no. 446/85 of 25 October 1985, as amended, will cause such clauses to be considered null and void.

The foregoing should not be viewed as an exhaustive description of the provisions which could be invoked in respect of consumer protection although the Originators have represented and warranted to the Issuer in the Receivables Sale Agreement that the Receivables have been created in compliance with all applicable laws, requirements of Bank of Portugal and regulations, as applicable, and are not in breach of Portuguese consumer legislation. There can be no assurance that a court in Portugal would not apply the relevant consumer protection laws to vary the terms of a Receivables Contract or to relieve an Obligor of its obligations thereunder.

If any of the Receivables Contracts does not comply with these laws, the Servicers may be prevented from or delayed in the enforcement of the relevant Receivables Contract, which could affect the Issuer's ability to make payments on the Notes.

#### **Risks resulting from data protection rules**

The legal framework on data protection applicable in Portugal includes, namely but not limited, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (the "General Data Protection Regulation" or "GDPR"), and Law n.º. 58/2019, of 8 August ("**Data Protection Law**") that enforces the GDPR due to GDPR opening clauses that allow the Member State to maintain or introduce more specific provisions to adapt the application of certain rules of the GDPR.

The GDPR has a far-reaching scope and, besides few exceptions (such as household purposes), it applies each time information relating to an identified or identifiable natural person ("**Data Subject**") who is in the EU is processed by a controller or a processor established in the EU (or not, if certain conditions are in place) and also to the free movement of such data. Since the key concepts of personal data and processing are broad, the GDPR shall be applied each time data from such Data Subject is at stake (either by collecting, recording, storing, consulting, using, disclosing or other operations).

The GDPR foresees heavy fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% (four per cent.) of annual worldwide turnover or €20,000,000 (twenty million euros) and fines of up to the higher of 2% (two per cent.) of annual worldwide turnover or €10,000,000 (ten million euros) (whichever is highest) for other specified infringements. The GDPR identifies a list of general conditions to ensure that the imposing of administrative fines in respect of such infringements shall in each individual case be effective, proportionate and dissuasive (namely, but not limited, the nature, gravity and duration of the infringement).

The Data Protection Law takes into account, when determining or imposing fines such aspects as the turnover and annual balance sheet of the company, the continuing nature of the infringement, and the size of the entity

(taking into account the number of employees and the nature of the services provided), as well as the severity of the actual damage incurred to Data Subjects. Furthermore, the Data Protection Law determines that certain actions may give rise to criminal liability, namely the use of data in a manner incompatible with the purpose of collection, improper access, misappropriation of data, tampering with or destruction of data, the insertion of false data, and the breach of secrecy. In the most serious cases, some of these crimes might be punished with a prison sentence of up to 2 (two) years.

The implementation of the GDPR required Banco Montepio and Montepio Crédito to review procedures and privacy policies and to set out technical and organizational measures to warrant a level of security appropriated to mitigate the risks which are presented by processing personal data. However, the size of the fines that could be imposed for failure to comply with GDPR, as well as its reputational impact on business, may have a material adverse effect on their operations, financial condition and prospects.

In Portugal, there is no case law or publication from a court or other competent authority confirming the proper manner and procedures for the processing of personal data that underlie a securitisation transaction to be in compliance with the GDPR. Therefore, certain aspects of the implementation of the data protection requirements in the context of securitisation transactions remain unclear and subject to interpretation and it cannot be excluded that some of the parties to the securitisation transaction may have to take further steps to comply with the data protection requirements which may result in the need to amend the provisions of certain Transaction Documents in the future.

### **CRA Regulations**

CRA Regulation regulates credit rating agencies. In general, European regulated investors are restricted under the CRA III from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA III (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA III (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

ESMA is obliged to maintain on its website, [www.esma.europa.eu](http://www.esma.europa.eu), a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list is required to be updated within 5 (five) working days following the adoption by ESMA of a registration decision under the CRA Regulation. While the timing of the registration decision coming into effect and the publication of the updated ESMA list coincides, there will be some mismatch in timing when it concerns: (i) any decision to withdraw registration (i.e. the decision takes an immediate effect throughout the EU, while the ESMA list is only required to be updated within 5 (five) working days following the adoption of the decision) or (ii) any decision to temporarily suspend the use, for regulatory purposes of the credit ratings issued by the credit rating agency with effect throughout the EU under Article 24 (i.e. the CRA Regulation does not expressly provide for the update of the ESMA list in this situation and, while ESMA must notify, without undue delay, its decision to the credit rating agency concerned and communicate to the competent authorities, including sectoral competent authorities, the European Banking Authority and the European Insurance and Occupational Pensions Authority, it is only required to make such decision public on its website within 10 (ten) working days from the date when the decision was adopted).

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by Fitch and DBRS, each of which as at the date of this Prospectus is a credit rating agency established in the European Community and registered under the CRA Regulation. It should be noted that the list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive

evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

### **U.S. Risk Retention Requirements**

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the “securitizer” of a “securitization transaction” to retain at least 5% (five per cent.) of the “credit risk” of “securitized assets”, as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Final rules implementing the statute (the “**U.S. Risk Retention Rules**”) came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originators do not intend to retain at least 5% (five per cent.) of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10% (ten per cent.) of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25% (twenty-five per cent.) of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Originators have advised the Issuer that they have not acquired, and they do not intend to acquire more than 25% (twenty-five per cent.) of the assets from an affiliate or branch of each of the Originators or the Issuer that is organised or located in the United States.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons except with the express written consent of the Originators up to the 10% (ten per cent.) Risk Retention U.S. Person limitation under the exemption provided by Section 20 of the U.S. Risk Retention Rules. Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of “U.S. person” under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, “U.S. person” means any of the following:

- (a) Any natural person resident in the United States;
- (b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other

- fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
  - (h) Any partnership, corporation, limited liability company, or other organisation or entity if:
    - (i) Organised or incorporated under the laws of any foreign jurisdiction; and
    - (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;

Consequently, the Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) Risk Retention U.S. Persons that have obtained written consent from the Originators to their purchase of the Notes. Each holder of a Note or a beneficial interest acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Originators, the Joint Lead Managers and the Joint Arrangers and in certain circumstances will be required to make certain representations and agreements that it (1) either (i) is not a Risk Retention U.S. Person or (ii) is a Risk Retention U.S. Person that has obtained written consent from the Originators to its acquisition of the Notes, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10% (ten per cent.) Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Originators, the Issuer, the Joint Lead Managers and the Joint Arrangers have agreed that none of the Joint Arrangers, the Issuer, the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of any of the Joint Lead Managers or the Joint Arrangers or the Issuer (as applicable) shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Joint Lead Managers, the Joint Arrangers or the Issuer or any person who controls it or any director, officer, employee, agent or affiliate of any of the Joint Lead Managers or the Joint Arrangers or the Issuer accepts any liability or responsibility whatsoever for any such determination or characterisation.

Failure on the part of the Originators to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originators which may adversely affect the Notes and the ability of the Originators to perform its obligations under the Transaction Documents. Furthermore, a failure by the Originators to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

## **TAX RELATED RISKS**

### **No gross up for taxes**

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes (see "**Taxation**" below), neither the Issuer, the Common Representative, nor the Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction. If payments made by any party under the Receivables Servicing Agreement are subject to a Tax



Deduction required by law, there will be no obligation on such party to increase the payment to leave an amount equal to the payment which would have been due if no Tax Deduction would have been required.

#### **Noteholders may be subject to tax reporting requirements under the Common Reporting Standard**

The Organisation for Economic Co-operation and Development (“OECD”) approved, in July 2014, a Common Reporting Standard (“CRS”) with the aim of providing comprehensive and multilateral automatic exchange of financial account information on a global basis. This goal is achieved through an annual exchange of information between the governments of 108 (one hundred and eight) jurisdictions (the “participating jurisdictions”) that have already adopted the CRS.

On 9 December 2014, Council Directive 2014/107/EU, amending Council Directive 2011/16/EU, introduced the CRS among the EU Member States. This Directive was transposed into Portuguese national law on October 2016, via Decree-Law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017 of 24 August 2017 and, more recently, by Law no. 17/2019 of 14 February 2019 (the “Portuguese CRS Law”).

Under the Portuguese CRS Law, financial institutions established in Portugal are required to report to the Tax Authorities (for the exchange of information with the State of Residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Portuguese CRS Law. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Under the Portuguese CRS Law, the deadline for the report is 31 July in each year. Investors who are in any doubt as to their position should consult their professional advisers.

#### **Notes may be subject to financial transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”). However, Estonia has stated that it will not participate.

The proposed FTT has very broad scope and, if introduced in the form proposed on 14 February 2013, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the 14 February 2013 proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. Additional EU Member States may decide to participate, although certain EU Member States have expressed strong objections to the proposal. The FTT proposal may therefore be altered prior to any implementation, the timing of which remains unclear. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### **In certain circumstances, the Issuer and the Noteholders may be subject to US withholding tax under FATCA for any payments made after 31 December 2018**

The United States enacted rules, commonly referred to as “FATCA”, that generally impose a new reporting and

withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States entered into a Model 1 intergovernmental agreement with Portugal (the “IGA”). Under the IGA, payments made on or with respect to the Notes are not expected to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

Portugal has implemented through Law no. 82-B/2014, of 31 December 2014, as amended by Law no. 98/2017, of 24 August 2017 the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. Through Decree-Law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017, of 24 August 2017, and more recently, by Law no. 17/2019 of 14 February 2019, the Portuguese government approved the complementary regulation required to comply with FATCA. Under this legislation, foreign financial institutions (as defined in Decree-Law no. 64/2016, of 11 October 2016) are required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the United States Internal Revenue Service.

As defined in Decree-Law no. 64/2016, of 11 October 2016, (i) “foreign financial institutions” means a *Foreign Financial Institution* as defined in the applicable U.S. *Treasury Regulations*, including *inter alia* Portuguese financial institutions; and (ii) “Portuguese financial institutions” means any financial institution with head office or effective management in the Portuguese territory, excluding its branches outside of Portugal and including Portuguese branches of financial institutions with head office outside of Portugal.

The deadline for the financial institutions to report to the Portuguese Tax Authorities the mentioned information is regulated by Decree-Law no. 64/2016, of 11 October 2016, as amended, and ends on 31 July of each year.

Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

## **OTHER RISKS**

### **United Kingdom’s exit from the European Union**

Following the United Kingdom’s (“UK”) notification of withdrawal from the EU, on 29 March 2017, several uncertainties have risen within the UK and regarding its relationship with the EU.

On 17 October 2019, the UK and the EU entered into a withdrawal agreement in relation to Brexit (the “**Withdrawal Agreement**”). The Withdrawal Agreement provided for a transition period from the exit date until 31 December 2020 (“**Brexit Transition Period**”), whereby the UK was treated as if it were an EU member state. At the end of the Brexit Transition Period, the supremacy of EU law in the UK ended and EU legislation that was directly applicable in the UK up to that date was adopted as part of “retained EU law” by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the “**EUWA**”), which thereafter can only be amended by UK legislation (not by subsequent EU legislation).

In connection with this process, government ministers have been granted the power to make secondary legislation to amend such retained EU law in order to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other “deficiency” in such law, in each case which arise as a result of Brexit. Several UK statutory instruments have been put in place under these powers, in order to make sure this retained EU law functions in the UK following the end of the transition period.

One of these statutory instruments is the Securitisation (Amendment) (EU Exit) Regulations 2019 which amend the Securitisation Regulation, as it stood on 31 December 2020, as it has been applicable in the UK following the

end of the Brexit Transition Period and translated into the UK Securitisation Regulation. This means that since 1 January 2021, regulation of the European securitisation market has been applying two sets of regulations, Securitisation Regulation and UK Securitisation Regulation, to a market that had operated as a single market up until 1 January 2021, which presents some complexity to participants from each of the UK and EU. The UK's departure from the EU and the fact that neither the EU regulatory rules nor the new UK regulatory framework are in a complete state is likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect one or more of the Transaction Parties (including the Originators and/or the Servicers) and/or any Obligor in respect of the Receivables. As at the date of this Prospectus, it is not possible to determine the full impact the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK.

Given the current uncertainties and the range of possible outcomes, and bearing in mind that certain Transaction Documents are governed by English law, no assurance can be given as to the likely impact of any of the matters described above, and no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

#### **Limited provision of information**

The Issuer will not be under any obligation to disclose to the Noteholders any financial or other information received by it in relation to the Receivables Portfolio or to notify them of the contents of any notice received by it in respect of the Receivables Portfolio other than as legally required. In particular it will have no obligation to keep any Noteholder or any other person informed as to matters arising in relation to the Receivables Portfolio, except for the information provided in the Securitisation Regulation Reports, as applicable, concerning the Receivables Portfolio and the Notes. ESMA has approved the registration of the first two securitisation repositories under the Securitisation Regulation (the European DataWarehouse GmbH based in Germany and the SecRep B.V. based in the Netherlands). The Designated Reporting Entity will use the European DataWarehouse GmbH based in Germany to fulfil its reporting obligations under the Securitisation Regulation.

#### **Projections, forecasts and estimates**

Forward looking statements, including estimates, and any other projections are forecasts in this document necessarily speculative in nature and some or all of the assumptions underlying the forward-looking statements may not materialise or may vary significantly from actual results.

#### **No Volcker Rule determination**

Under the Volcker Rule, U.S. banks, non-U.S. banks with U.S. branches or agencies, companies that control U.S. Banks, and their U.S. and non-U.S. affiliates (collectively, the "*Relevant Banking Entities*" as defined under the Volcker Rule) are prohibited from, *inter alia*, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts Relevant Banking Entities from entering into certain credit exposure related transactions with covered funds.

Neither the Issuer, nor the Joint Lead Managers, nor the Joint Arrangers has made any determination as to whether the Issuer would be a "covered fund" for purposes of the Volcker Rule. If the Issuer were considered a "covered fund", the price and liquidity of the market for the Notes may be materially and adversely affected.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "*Relevant Banking Entity*" and

is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a Relevant Banking Entity. Neither the Issuer, nor the Joint Lead Managers, nor the Joint Arrangers makes any representations regarding the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

#### **Suitability of the Notes as an investment**

The Notes may not be a suitable investment for all investors. Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Forward looking statements, including estimates, any other projections and forecasts in this document are necessarily speculative in nature and some or all of the assumptions underlying the forward-looking statements may not materialise or may vary significantly from actual results.

## RESPONSIBILITY STATEMENTS

In accordance with Article 243 of the Portuguese Securities Code the following entities are responsible for the information contained in this Prospectus:

The **Issuer** and **Mr. Claudio Panunzio** and **Mr. Hugo Reinaldo Carvalho Velez** in their capacities as directors of the Issuer, are responsible for the information contained in this document. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer further confirms that this Prospectus contains all information which is material in the context of the issue of the Notes, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Pursuant to Article 149 of the Portuguese Securities Code, **Mr. Claudio Panunzio** and **Mr. Hugo Reinaldo Carvalho Velez**, in their capacity as directors of the Issuer for the mandate 2018/2020 and for the mandate 2021/2023, are also responsible for the financial statements of the Issuer in respect of the financial year ended on 31 December 2019 and on 31 December 2020 and for the half-yearly financial statements of the Issuer reported as at 30 June 2021, which are incorporated by reference in this Prospectus (see “**Documents Incorporated by Reference**”). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by **Mr. Claudio Panunzio** and **Mr. Hugo Reinaldo Carvalho Velez** as to the accuracy or completeness of any information contained in this Prospectus (other than the aforementioned financial information) or any other information supplied in connection with the Notes or their offering.

**Mr. José António Ferreira Machado**, **Mr. Gonçalo dos Reis Martins** and **Mr. Duarte Maria de Almeida e Vasconcelos Calheiros**, in their capacity as members of the supervisory board of the Issuer, appointed on 1 February 2018 for the 2018/2020 mandate, in respect of the relevant financial statements of the Issuer incorporated by reference herein in respect of the financial years ended on 31 December 2019 and on 31 December 2020 and in respect of for the half-yearly financial statements of the Issuer reported as at 30 June 2021, and **Mr. António do Pranto Nogueira Leite**, **Mr. Duarte Maria de Almeida e Vasconcelos Calheiros** and **Mr. Gonçalo Jorge dos Reis Martins**, in their capacity as members of the supervisory board of the Issuer, appointed on 31 March 2021 and in office as from 25 September 2021 for the 2021/2023 mandate, are responsible for the accuracy of the financial statements of the Issuer required by law or regulation to be prepared as from the date on which they began their current term of office following their appointment as members of the supervisory board of the Issuer until the end of such term of office and confirm that having taken all reasonable care to ensure that such is the case, such above-mentioned financial statements are, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by **Mr. José António Ferreira Machado**, **Mr. Gonçalo dos Reis Martins** and **Mr. Duarte Maria de Almeida e Vasconcelos Calheiros** as to the accuracy or completeness of any information contained in this Prospectus (other than the aforementioned financial information) or any other information supplied in connection with the Notes or their offering.

Each of **Caixa Económica Montepio Geral**, **caixa económica bancária, S.A.** and **Montepio Crédito - Instituição**

**Financeira de Crédito, S.A.** accepts responsibility for the information in this Prospectus relating to itself in their capacities as Originator and Servicer, the description of its rights and obligations in respect of, and all information relating to, the Receivables, the Receivables Sale Agreement, the Receivables Servicing Agreement and all information relating to the Receivables Portfolio, in the sections headed “**Characteristics of the Receivables**”, “**Originators’ Standard Business Practices, Servicing and Credit Assessment**”, “**Business of the Originators**” and “**Estimated Weighted Average Lives of the Notes and Assumptions**” (together the “**Originators Information**”) and confirms that, to the best of its knowledge and belief, such Originators Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Originators or the Servicers as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and below and not specifically excluded therein) or any other information supplied in connection with the Notes or their offering.

**Citibank N.A., London Branch** accepts responsibility for the information in this Prospectus relating to itself in the section headed “**The Accounts Bank**” (the “**Accounts Bank Information**”). To the best of the knowledge and belief of Citibank N.A., London Branch. (which has taken all reasonable care to ensure that such is the case), the Accounts Bank Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Accounts Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Accounts Bank Information and as stated in the previous paragraph) or any other information supplied in connection with the Notes or their distribution.

**Horwath & Associados, SROC, Lda.** (“**Horwath & Associados**”), registered with Ordem dos Revisores Oficiais de Contas under number 186 and with the CMVM with number 20161486, with registered offices at Edifício Scala, Rua de Vilar, 235, 2nd, 4050-626 Porto, Portugal, represented by Mrs. Sónia Matos Lourosa, registered with Ordem dos Revisores Oficiais de Contas under number 1128, has audited the financial statements of the Issuer for the years ended on 31 December 2019 and on 31 December 2020 as the statutory auditor (*revisor oficial de contas*) and external auditor of the Issuer and is therefore responsible for the statutory audit report and auditors’ report for that financial year, mentioned statutory audit report and auditors’ report are, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking which are incorporated by reference in this Prospectus (see “**Documents Incorporated by Reference**”) and confirms that having taken all reasonable care to ensure that such is the case, such above-, expressed or implied, is made and no responsibility or liability is accepted by **Horwath & Associados, SROC, Lda.** as to the accuracy or completeness of any information.

**Vieira de Almeida & Associados – Sociedade de Advogados, SP R.L.**, as legal advisors to the Joint Arrangers and the Joint Lead Managers, accepts responsibility for the Portuguese legal matters included in the sections headed “**Selected Aspects of Laws of the Portuguese Republic relevant to the Receivables and the transfer of the Receivables**” and “**Taxation**” and shall issue the legal opinion required under Article 20(1) of the Securitisation Regulation.

**António Frutuoso de Melo e Associados, Sociedade de Advogados, SP RL** as legal advisors to the Originators and the Servicers, responsible for the Portuguese legal matters included in the sections headed “**Selected Aspects of Laws of the Portuguese Republic relevant to the Receivables and the transfer of the Receivables**” to the extent it relates to the Originators and the Servicers.

In accordance with Article 149(3) (*ex vi* Article 243) of the Portuguese Securities Code, liability of the entities referred to above is excluded if any of such entities proves that the addressee knew or should have known about the shortcomings and/or discrepancies in the contents of this Prospectus as of the date of issuance of its

declaration or moment when revocation thereof was still possible.

Pursuant to subparagraph b) of Article 150 of the Portuguese Securities Code, the Issuer is strictly liable (i.e., independently of fault) if any of the members of its board of directors, supervisory board, accounting firms, statutory auditors and any other individuals that have certified or, in any other way, verified the accounting documents on which the Prospectus is based is held to be civilly liable for such information.

Further to subparagraph b) of Article 243 of the Portuguese Securities Code, the right to compensation based on the aforementioned responsibility is to be exercised within 6 (six) months following the knowledge of shortcomings and/or discrepancies in the contents of the Prospectus, or, if applicable, in any amendment thereof, and ceases, in any case, 2 (two) years following (i) the disclosure of the admission Prospectus or, if applicable, (ii) the amendment that contains the defective information or forecast.

The responsible entities for certain parts of information contained in this document declare that, having taken all reasonable care to ensure that such is the case, the information contained in that part of the document for which they are responsible to is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. For each of the legal persons identified above, the corresponding registered office may be found in the last two pages of this Prospectus.

The Notes will be obligations solely of the Issuer and will not be obligations of, and will not be guaranteed by, and will not be the responsibility of, any other entity. In particular, the Notes will not be the obligations of, and will not be guaranteed by the Transaction Parties (other than the Issuer).

**Neither any of the Joint Lead Managers or the Joint Arrangers, nor any other person mentioned in this Prospectus or the documents incorporated by reference, except for the Issuer and unless otherwise and where stated in this Prospectus, is responsible for the information contained in this Prospectus, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts responsibility for the accuracy and completeness of the information contained herein or for any statement made or purported to be made by any of them, or on any of their behalf in connection with the Issuer or any offer of the securities described in the Prospectus.**

**No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Joint Arrangers as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution. Furthermore, unless otherwise and where stated in this Prospectus, no one (other than the Issuer and the Originators) is allowed to provide information or make representations in connection with the offering of the Notes. The Joint Arranger, the Joint Lead Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement.**

**Crédit Agricole Corporate and Investment Bank and Stormharbour Securities LLP in their role as Joint Arrangers and Joint Lead Managers, do not accept responsibility for the information in this document. The Joint Arrangers and Joint Lead Managers are (in such capacity) acting merely as arrangers and joint lead managers for the Notes and are not providing any financial service in relation to which the Joint Arrangers and Joint Lead Managers would be required, pursuant to Article 149(1) (ex vi Article 243) of the Portuguese Securities Code, to accept responsibility for the information contained herein.**

**This Prospectus may only be used for the purposes for which it has been published. This Prospectus is not, and under no circumstances is to be construed as an advertisement, and the offering contemplated in this Prospectus is not, and under no circumstances is it to be construed as, an offering of the Notes to the public.**

## OTHER RELEVANT INFORMATION

### Currency

In this Prospectus, unless otherwise specified, references to “EUR”, “Euro”, “euro” or “€” are to the lawful currency of the EU Member States participating in the Economic and Monetary Union as contemplated by the Treaty establishing the European Communities as amended by, *inter alia*, the Treaty on European Union (the “Treaty”).

### Interpretation

The language of the Prospectus is English, although certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus and, in particular in the Conditions. An index of defined terms used in this Prospectus appears at the back of this Prospectus on pages 261 – 264. A reference to a “Condition” or the “Conditions” is a reference to a numbered Condition or Conditions set out in the “*Terms and Conditions of Notes*” below.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.



## THE PARTIES

**Issuer:** Ares Lusitani, STC, S.A., a limited liability company (*sociedade anónima*) incorporated under the laws of Portugal as a credit securitisation company (*sociedade de titularização de créditos*), with a share capital of €250,000.00, having its registered office at Avenida José Malhoa, 27, 11th floor, 1070-156 Lisbon, Portugal and having the sole commercial registration and taxpayer number 514 657 790.

The Issuer is fully owned by Hipoges Iberia SL.

**Originators:** Caixa Económica Montepio Geral, caixa económica bancária, S.A., a full-service savings bank in accordance with Decree-Law no. 190/2015, of 10 September 2015 (“**Savings Banks Act**”) (*caixa económica bancária*), previously named Caixa Económica Montepio Geral, with a share capital of €2,420,000,000.00, having its registered office at Rua Castilho, No. 5, 1250-066 Lisbon, Portugal, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 500 792 615; and Montepio Crédito – Instituição Financeira de Crédito, S.A., a financial credit institution (*instituição financeira de crédito*), with a share capital of €30,000,000.00, having its registered office at Rua Julio Dinis, 158/160, 2nd floor, 4050-318 Oporto, Portugal, and registered with the Commercial Registry of Porto with sole commercial registration and taxpayer number 502 774 312.

**Joint Arrangers:** Crédit Agricole Corporate and Investment Bank, a company incorporated under the laws of France, with registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France and Stormharbour Securities LLP., a limited liability partnership, incorporated under the laws of England and Wales, having its registered office at 6 Grosvenor Street, London W1K 4PZ, United Kingdom, with Registrar of Companies Number OC343890.

**Joint Lead Managers:** Crédit Agricole Corporate and Investment Bank, a company incorporated under the laws of France, with registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France and Stormharbour Securities LLP, a limited liability partnership, incorporated under the laws of England, having its registered office at 6 Grosvenor Street, London W1K 4PZ United Kingdom, with Registrar of Companies Number OC343890.

**Servicers:** Caixa Económica Montepio Geral, caixa económica bancária, S.A., a full-service savings bank in accordance with Decree-Law no. 190/2015, of 10 September 2015 (“**Savings Banks Act**”) (*caixa económica bancária*), previously named Caixa Económica Montepio Geral, with a share capital of €2,420,000,000.00, having its

registered office at Rua Castilho, No. 5, 1250-066 Lisbon, Portugal, and registered with the Commercial Registry of Oporto with sole commercial registration and taxpayer number 500 792 615; and Montepio Crédito – Instituição Financeira de Crédito, S.A., a financial credit institution (*instituição financeira de crédito*), with a share capital of €30,000,000.00, having its registered office at Rua Julio Dinis, 158/160, 2nd floor, 4050-318 Oporto, Portugal, and registered with the Commercial Registry of Oporto with sole commercial registration and taxpayer number 502 774 312, each in its capacity as servicer of the Receivables originated by itself pursuant to the Securitisation Law and in accordance with the terms of the Receivables Servicing Agreement, or any successor thereof appointed in accordance with the provisions of the Receivables Servicing Agreement.

**Transaction Manager:**

Citibank N.A., London Branch a principal branch office of a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018, in its capacity as Transaction Manager to the Issuer in accordance with the terms of the Transaction Management Agreement (“**Citibank N.A., London Branch**”), or any successor thereof appointed in accordance with the provisions of the Transaction Management Agreement.

**Proceeds Account Bank:**

Caixa Económica Montepio Geral, caixa económica bancária, S.A., a full-service savings bank in accordance with Decree-Law no. 190/2015, of 10 September 2015 (“**Savings Banks Act**”) (*caixa económica bancária*), previously named Caixa Económica Montepio Geral, with a share capital of €2,420,000,000.00, having its registered office at Rua Castilho, No. 5, 1250-066 Lisbon, Portugal, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 500 792 615.

**Accounts Bank:**

Citibank N.A., London Branch, or any successor thereof appointed in accordance with the provisions of the Accounts Agreement.

**Common Representative:**

Citibank Europe plc, a public limited company registered in Ireland with registration number 132781, having its registered office at 1 North Wall Quay, IFSC, Dublin 1, Ireland, in its capacity as common representative of the Noteholders pursuant to Article 65 of the Securitisation Law in accordance with the Conditions and the

Common Representative Appointment Agreement (“**Citibank Europe**”), or any successor thereof appointed in accordance with the provisions of the Common Representative Appointment Agreement.

**Back-Up Servicer:**

HG PT, S.A., a limited liability company by shares (*sociedade anónima*) with registered office at Avenida José Malhoa, no. 27, 11.º, in Lisbon, Portugal, with a share capital of €50,000.00, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 510 891 691, in its capacity as Back-Up Servicer in accordance with the terms of the Receivables Servicing Agreement.

**Paying Agent:**

Citibank Europe plc, having its registered office at 1 North Wall Quay, IFSC, Dublin 1, Ireland or any successor thereof appointed in accordance with the provisions of the Paying Agency Agreement.

**Agent Bank:**

Citibank Europe plc, having its registered office at 1 North Wall Quay, IFSC, Dublin 1, Ireland or any successor thereof appointed in accordance with the terms of the Paying Agency Agreement.

**Cap Counterparty:**

Crédit Agricole Corporate and Investment Bank, a company incorporated under the laws of France, with registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France.

**Rating Agencies:**

DBRS and Fitch.

**Information on the direct and indirect ownership or control between the Transaction Parties**

Montepio Geral Associação Mutualista owns directly 99,99% of Caixa Económica Montepio Geral, caixa económica bancária, S.A.’s share capital. Caixa Económica Montepio Geral, caixa económica bancária, S.A., owns 100% of Montepio Crédito – Instituição Financeira de Crédito, S.A., through its wholly owned subsidiary Montepio Holding, SGPS, S.A. Consequently, Montepio Crédito – Instituição Financeira de Crédito, S.A., is indirectly owned in 99,99% by Montepio Geral Associação Mutualista.

Citibank N.A., London Branch, acting as Transaction Manager and Accounts Bank, is a branch of Citibank N.A, which is in turn wholly owned by Citicorp LLC which is directly held by Citigroup Inc.

Citibank Europe Plc, acting as Paying Agent, Agent Bank and Common Representative, is directly wholly owned by Citibank Holdings Ireland Limited, which is in turn indirectly held by Citibank Overseas Investment Corporation, which is in turn directly held by Citibank N.A

The Common Representative is not in a group (*grupo*) or control (*domínio*) relationship with the Issuer or the Originator, in accordance with Article 65 of the Securitisation Law and Article

357(4) of the Portuguese Companies Code.

Each of the Joint Lead Managers is not in any direct or indirect ownership or control relationship either between themselves or with any of the other Transaction Parties.

There are no potential conflicts of interest that are material to the issuance of the Notes between any duties of the persons listed above and their private interests.

## PRINCIPAL FEATURES OF THE NOTES

The following is a summary of certain aspects of the Notes of which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should read the detailed information set out in this document and reach their own views prior to making any investment decision.

- Notes:** The Issuer intends to issue the following Notes on the Closing Date in accordance with the Transaction Documents:
- €285,400,000 Class A Floating Rate Notes due 2035 (the “**Class A Notes**”);
  - €20,700,000 Class B Floating Rate Notes due 2035 (the “**Class B Notes**”);
  - €17,500,000 Class C Floating Rate Notes due 2035 (the “**Class C Notes**”);
  - €19,300,000 Class D Floating Rate Notes due 2035 (the “**Class D Notes**”);
  - €17,400,000 Class E Fixed Rate Notes due 2035 (the “**Class E Notes**”);
- and
- €1,000 Class X Notes due 2035 (the “**Class X Notes**”).
- The Class A Notes, the Class B Notes, the Class C Notes, the Class D, the Class E Notes and the Class X Notes are together referred to as the “**Notes**”.
- The Notes will be governed by the Conditions.
- Issue Price:** The issue price for the Class A Notes will be 100.6055% (one hundred point six thousand and fifty five per cent.) of their nominal amount.
- The issue price for the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will be 100% (one hundred per cent.) of their nominal amount.
- Form and Denomination:** The Notes will be in dematerialised book-entry (*forma escritural*) and nominative (*nominativas*) form and issued in denominations of €100,000 each in the case of the Listed Notes and €100 each in the case of the Class X Notes and will be registered with Interbolsa, as operator and manager of the Portuguese securities depository system (Central de Valores Mobiliários or “**CVM**”), and held through the accounts of Interbolsa Participants.
- Eurosystem Eligibility:** The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be registered with Interbolsa as operator and manager of CVM and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at

any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

**Status and Ranking:**

The Notes will constitute direct limited recourse obligations of the Issuer.

The Notes in each Class rank *pari passu* without preference or priority amongst themselves. The ranking between each Class varies throughout the course of the Transaction in accordance with the relevant Payment Priorities.

The Notes represent the right to receive interest (or, in the case of the Class X Notes, the Class X Distribution Amount) and principal payments from the Issuer in accordance with the Conditions, the Common Representative Appointment Agreement and the relevant Payment Priorities.

Repayment of principal on the Listed Notes will be made in accordance with the Pre-Enforcement Principal Payment Priorities. Payment of interest on the Listed Notes, repayment of principal due on the Class X Notes and payment of the Class X Distribution Amount will be made in accordance with the Pre-Enforcement Interest Payment Priorities.

On each Interest Payment Date and prior to the occurrence of a Subordination Event, the Issuer will cause each Class of Listed Notes to be redeemed for the relevant Pro-Rata Amortisation Ratio Amount on such Interest Payment Date on a *pari passu* and *pro rata* basis.

On each Interest Payment Date after the occurrence of a Subordination Event, the Issuer will cause any Available Principal Distribution Amount available for this purpose on such Interest Payment Date to be applied in or towards the repayment of principal on the Listed Notes made sequentially by redeeming all principal due on the Class A Notes and thereafter by redeeming all principal due on the Class B Notes and thereafter by redeeming all principal due on the Class C Notes and thereafter by redeeming all principal due on the Class D Notes and thereafter by redeeming all principal due on the Class E Notes.

Payment of interest on the Listed Notes, payment of principal due on the Class X Notes (except for € 1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) and payment of the Class X Distribution Amount will be made sequentially and in accordance with the Pre-Enforcement Interest Payment Priorities.

All payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes, Class C Notes, Class D Notes and Class E Notes, to payment of principal due on the Class X Notes (except for €1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in

accordance with the Conditions) and to payment of the Class X Distribution Amount.

All payments of interest due on the Class B Notes will rank in priority to payments of interest due on the Class C Notes, Class D Notes and Class E Notes, to payment of principal due on the Class X Notes (except for €1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) and to payment of the Class X Distribution Amount.

All payments of interest due on the Class C Notes will rank in priority to payments of interest due on the Class D Notes and the Class E Notes, to payment of principal due on the Class X Notes (except for €1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) and to payment of the Class X Distribution Amount.

All payments of interest due on the Class D Notes will rank in priority to payments of interest due on the Class E Notes, to payment of principal due on the Class X Notes (except for €1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) and to payment of the Class X Distribution Amount.

All payments of interest due on the Class E Notes will rank in priority to payment of principal due on the Class X Notes (except for €1 (one euro), which will be paid on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) and to payment of the Class X Distribution Amount.

Payment of principal due on the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions) will rank in priority to payment of the Class X Distribution Amount.

**Payment Priorities:**

Prior to the serving of an Enforcement Notice, all payments of interest (or, in the case of the Class X Notes, the Class X Distribution Amount) and principal due on the Notes will be made in accordance with the Pre-Enforcement Interest Payment Priorities and the Pre-Enforcement Principal Payment Priorities.

After the serving of an Enforcement Notice all payments of interest (or, in the case of the Class X Notes, the Class X Distribution Amount) and principal due on the Notes will be made in accordance with the Post-Enforcement Payment Priorities.

**Limited Recourse:**

All obligations of the Issuer to the Noteholders or to the Transaction Parties in respect of the Notes or the other Transaction Documents, including, without limitation, the Issuer Obligations, are limited in

recourse and, as set out in Condition 9 (*Limited Recourse*), the Noteholders and/or the Transaction Parties will only have a claim in respect of the Transaction Assets and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its contributed capital.

**Statutory Segregation in relation to the Notes and Issuer's Obligations:**

The Notes and any Issuer's Obligations will have the benefit of the statutory segregation provided for by Article 62 of the Securitisation Law which establishes that the assets and liabilities of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer.

**Use of Proceeds:**

On or about the Closing Date, the Issuer will apply the proceeds of the Notes as follows:

- (a) in or towards payment to the Originators of the Purchase Price Principal Component for the purpose of purchasing the Receivables Portfolio pursuant to the Receivables Sale Agreement;
- (b) in or towards funding of the Reserve Account up to the Reserve Amount; and
- (c) in or towards payment of the Cap Premium to the Cap Counterparty and payment of the Up-front Transaction Expenses

provided that any excess of the Class A Notes Issuance Premium over the items comprised in paragraph (c), if any, shall form part of the Available Interest Distribution Amount to be applied on the First Interest Payment Date in accordance with the Pre-Enforcement Interest Payment Priorities.

**Rate of Interest:**

The Rated Notes will represent entitlements to payment of interest in respect of each successive Interest Period from the Closing Date at an annual rate in respect of each Class equal to EURIBOR for one-month euro deposits or, in the case of the first Interest Period, at a rate equal to the interpolation of the EURIBOR one to three-month euro deposits, plus the following margins:

Class A Notes	0.70% (zero point seventy per cent.)
Class B Notes	1.35% (one point thirty five per cent.)
Class C Notes	2.25% (two point twenty five per cent.)
Class D Notes	4.25% (four point twenty five per cent.)

subject to a floor of 0% (zero per cent.).

The Class E Notes represent entitlements to payment of interest in



respect of each successive Interest Period from the Closing Date, at a fixed annual rate equal to the following:

Class E Notes                      6.40% (six point forty per cent.)

**Class X Distribution Amount:**

In respect of any Interest Payment Date, the Class X Notes will bear an entitlement to payment of the Class X Distribution Amount in the amount calculated by the Transaction Manager to be paid from the Available Interest Distribution Amount on the relevant Interest Payment Date. This amount will only be payable to the extent that funds are available to the Issuer for that purpose under the Pre-Enforcement Interest Payment Priorities.

**Interest Period:**

Interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Distribution Amount will be paid monthly in arrear. Interest will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Closing Date) to, but excluding, the relevant Interest Payment Date.

**Interest Payment Date:**

Interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Distribution Amount are payable on 25 January 2022 and thereafter will be payable monthly in arrear on the 25<sup>th</sup> day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day).

**Deferral of Interest:**

If on any Interest Payment Date (other than the Final Legal Maturity Date) prior to the delivery of an Enforcement Notice and in respect of any Class of Notes, where any such Class is not the Most Senior Class of Notes, there is any Interest Amount in arrear, payment of such amounts shall be deferred to the next Interest Payment Date and any amounts so deferred shall not accrue any interest.

**Business Day:**

For the purposes of payments under the Notes, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (“TARGET 2”) is open for the settlement of payments in euro (a “TARGET 2 Settlement Day”) or, if such TARGET 2 Settlement Day is not a day on which banks are open for business in Lisbon, London and Dublin, the next succeeding TARGET 2 Settlement Day on which banks are open for business in Lisbon and London; and  
For any other purpose, any day on which banks are open for business in Lisbon, London and Dublin.

**Final Redemption:**

Unless the Notes have previously been redeemed in full as described in the Conditions, the Notes will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount,

if applicable). If as a result of the Issuer having insufficient amounts of Available Interest Distribution Amount or Available Principal Distribution Amount, as applicable, any of the Notes cannot be redeemed in full or any interest due (and, in the case of the Class X, the Class X Distribution Amount) cannot be paid in full in respect of such Note, the amount of any principal and/or interest (and, in the case of the Class X, the Class X Distribution Amount) then unpaid shall be cancelled and no further amounts shall be due in respect of the Notes by the Issuer.

<b>Final Legal Maturity Date:</b>	The Interest Payment Date falling on 25 January 2035 or, if such day is not a Business Day, the immediately following day that is a Business Day.
<b>Mandatory Redemption in part prior to the occurrence of a Subordination Event:</b>	On each Interest Payment Date prior to the occurrence of a Subordination Event, the Issuer will cause each Class of Listed Notes to be redeemed for the relevant Pro-Rata Amortisation Ratio Amount on such Interest Payment Date <i>pari passu</i> and on a <i>pro rata</i> basis, in accordance with and subject to the Payment Priorities.
<b>Mandatory Redemption in part after the occurrence of a Subordination Event:</b>	On each Interest Payment Date after the occurrence of a Subordination Event, the Issuer will cause the part of the Available Principal Distribution Amount remaining for this purpose on such Interest Payment Date to be applied in or towards the redemption of the Class A Notes until fully repaid, and thereafter in or towards the redemption of the Class B Notes until fully repaid, and thereafter in or towards the redemption of the Class C Notes until fully repaid, and thereafter in or towards the redemption of the Class D Notes until fully repaid and thereafter in or towards the redemption of the Class E Notes until fully repaid.
<b>Mandatory Redemption in Part of the Class X Notes:</b>	On each Interest Payment Date, the Issuer will cause any Available Interest Distribution Amount available for this purpose on such Interest Payment Date to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions), in accordance with the Pre-Enforcement Interest Payment Priorities.
<b>Redemption in Whole at the option of the Originator:</b>	The Issuer shall redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount, if applicable) on any Interest Payment Date if:  (a) a Regulatory Change has occurred and a Regulatory Change

Notice has been delivered by the Originators to the Issuer; or  
(b) the Clean-Up Call Condition has occurred and a Clean-Up Call Notice has been delivered by the Originators to the Issuer.

subject to, in each case, certain conditions being met as set out in the Conditions and in accordance with the Payment Priorities.

**Optional Redemption in Whole for  
Taxation Reasons**

The Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount, if applicable) on any Interest Payment Date if a Tax Change Event has occurred and is continuing, subject to certain conditions being met as set out in the Conditions and in accordance with the Payment Priorities.

**Authorised Investments:**

The Transaction Manager, on behalf, and acting upon written instruction, of the Issuer, has the right to make Authorised Investments (in compliance with the requirements set out in Article 3 of the CMVM Regulation No. 12/2002, as amended by CMVM Regulation No. 4/2020 and in accordance with article 77-A of the Instruction (*Instrução*) of the Bank of Portugal 3/2015) using amounts standing to the credit of the Payment Account and the Reserve Account, in accordance with the terms set out in the Transaction Management Agreement. Any Authorised Investments will be disclosed in the Monthly Investor Report.

**Taxation in respect of the Notes:**

Payment of interest and other amounts due under the Notes may be subject to income taxes, including applicable withholding taxes (if any), and other taxes (if any) and neither the Issuer nor any other person will be obliged to pay additional amounts in relation thereto.

Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to Portuguese tax for securitisation debt notes (*obrigações*) if the holder is a Portuguese resident or has a permanent establishment in Portugal to which the income might be attributable. Pursuant to Decree-law no. 193/2005, of 7 November, any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents and do not have a permanent establishment in Portugal to which the income might be attributable will be exempt from Portuguese income tax provided the requirements and procedures for the evidence of non-residence are complied with. The above-mentioned exemption from income tax does not apply to non-resident individuals or companies if the individual's or company's country of residence is any of the jurisdictions listed as tax havens in Ministerial Order no. 150/2004, of 13 February 2004, as amended, and with which Portugal does not have a double tax treaty in force or a tax information exchange agreement in force.

For a more detailed description of Tax matters please see the section headed "**Taxation**".

**Ratings:**

The Rated Notes are expected to be assigned the following ratings by the Rating Agencies on the Closing Date:

	Fitch	DBRS
Class A Notes	AA-sf	AA (sf)
Class B Notes	Asf	A (sf)
Class C Notes	BBB+sf	BBB (sf)
Class D Notes	BB+sf	B (high) (sf)

It is a condition precedent to the issuance of the Notes that the Rated Notes receive the above ratings. The Class E Notes and the Class X Notes are unrated.

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies.**

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, respectively, including the nature of the underlying Assets.

The Rating Agencies' ratings of the Class A Notes address timely payment of scheduled interest and ultimate repayment of principal by the Final Legal Maturity Date. The Rating Agencies' ratings of the Class B Notes, Class C Notes and Class D Notes address the ultimate payment of scheduled interest while the relevant Class is not the Most Senior Class, the timely payment of scheduled interest while the relevant Class is the Most Senior Class, and ultimate repayment of principal by the Final Legal Maturity Date.

The ratings do not address the possibility that the holders of the Rated Notes might suffer a lower than expected yield due to prepayments. The Rating Agencies' ratings address only the credit risks associated with the Transaction. Other non-credit risks such as any change in any applicable law, rule or regulations have not been addressed but may have a significant effect on yield to investors.

Each securities rating should be evaluated independently of any other securities rating. In the event that the ratings initially assigned to the Rated Notes are subsequently lowered, withdrawn or qualified for any reason, no person or entity will be obliged to provide any credit facilities or credit enhancement to the Issuer for the original ratings to be restored. Any such lowering, withdrawal or qualification of a rating

may have an adverse effect on the liquidity and market price of the Notes.

*Ratings considerations*

The meaning of the ratings assigned to the Notes by Fitch and DBRS can be reviewed at those Rating Agencies' websites: respectively, [www.fitchratings.com](http://www.fitchratings.com) and <https://www.dbrsmorningstar.com/>.

The ratings assigned by the Rating Agencies do not constitute an evaluation of the likelihood of Obligors prepaying principal, nor indeed of the extent to which such payments differ from what was originally forecast and should not prevent potential investors from conducting their own analysis of the Notes to be acquired. The ratings are not by any means a rating of the level of actuarial performance.

The abovementioned credit ratings are intended purely as an opinion and should not prevent potential investors from conducting their own analyses of the securities to be acquired.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

As of 31 October 2011, and 14 December 2018, Fitch and DBRS, respectively, are registered and authorised by ESMA as European Union Credit Rating Agencies in accordance with the provisions of CRA Regulation.

Fitch's ratings of structured finance obligations on the long-term scale consider the obligations' relative vulnerability to default. These ratings are typically assigned to an individual security or tranche in a transaction and not to an issuer.

AAAsf: Highest Credit Quality. 'AAAsf' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AAsf: Very High Credit Quality. 'AAsf' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

Asf: High Credit Quality. 'Asf' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBBsf: Good Credit Quality. 'BBBsf' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial

commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

BBSf: Speculative. 'BBSf' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.

Bsf: Highly Speculative. 'Bsf' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

The DBRS® long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" and "(low)" designation indicates the rating is in middle of the category. Descriptions on the meaning of each individual relevant rating is as follows:

AAA(sf): Highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

AA(sf): Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A(sf): Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

BBB(sf): Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

BB(sf): Speculative, non-investment-grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

B(sf): Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.

**Paying Agent:**

The Issuer will appoint the Paying Agent with respect to payments due under the Notes. The Issuer will procure that, for so long as any Notes are outstanding, there will always be a Paying Agent to perform the

functions assigned to it. The Issuer may (with the prior written approval of the Common Representative) at any time, by giving not less than 30 (thirty) calendar days' notice, replace the Paying Agent by one or more reputable and experienced banks or other financial institutions, provided such financial institution is capable of acting as a paying agent pursuant to Interbolsa or other applicable regulations, which will assume such functions. As consideration for performance of the paying agency services, the Issuer will pay the Paying Agent a fee in accordance with the terms of the Paying Agency Agreement.

**Transfers of Notes:**

Transfers of Notes will require appropriate entries in securities accounts, in accordance with the applicable procedures of Interbolsa.

Transfers of interest in the Notes (i) between Euroclear participants, (ii) between Clearstream, Luxembourg participants and (iii) between Euroclear participants, on the one hand, and Clearstream, Luxembourg participants, on the other hand, will be carried out in accordance with procedures established for these purposes by Euroclear and/or Clearstream, Luxembourg, respectively.

**Settlement:**

Settlement of the Notes is expected to be made on or about the Closing Date.

**Listing:**

Application has been made for the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes to be admitted to trading on Euronext Lisbon.

**Simple, Transparent and Standardised Securitisation (STS):**

The Transaction is intended to qualify as an STS Securitisation within the meaning of Article 18 of the Securitisation Regulation and the STS Notification to be submitted to ESMA by the Originators on the Closing Date. The STS Notification, once notified to ESMA, will be available for download on the ESMA STS register website. In relation to the STS Notification, Banco Montepio has been designated as the first contact point for investors and competent authorities.

With respect to an STS Notification, the Originators have used the services of PCS as a verification agent authorised under Article 28 of the Securitisation Regulation in connection with the STS Assessment. It is expected that the STS Assessment prepared by PCS will be available on the PCS Website together with detailed explanations of its scope at <https://www.pcsmarket.org/disclaimer>. Neither the PCS Website nor the contents thereof form part of this Prospectus.

The STS status of any series of notes is not static and prospective investors should verify the current status of such notes on ESMA's website (<https://www.esma.europa.eu>).

**EU Retained Interest:**

The Originators will retain on an ongoing basis during the life of the Transaction a material net economic interest of not less than 5% (five per cent.) of the nominal amount of the securitised exposures as required by Article 6(1) of the Securitisation Regulation (“**EU Retained Interest**”). Such retention requirement will be satisfied by each of the Originators retaining, in accordance with Article 6(3)(c) of the Securitisation Regulation, on an ongoing and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, randomly selected exposures equivalent to not less than 5% (five per cent.) of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been included in the securitisation provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date (see “**Regulatory Disclosures**” section).

**UK Retained Interest:**

The Originators will retain on an ongoing basis during the life of the Transaction a material net economic interest of not less than 5% (five per cent.) of the nominal amount of the securitised exposures as required by Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date) (“**UK Retained Interest**”). Such retention requirement will be satisfied by each of the Originators retaining, in accordance with Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date), on an ongoing and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, randomly selected exposures equivalent to not less than 5% (five per cent.) of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been included in the securitisation provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date (see “**Regulatory Disclosures**” section).

**Governing Law:**

The Notes and the Transaction Documents will be governed by Portuguese law (other than the Cap Agreement and the Accounts Agreement, which will be governed by English law).



## REGULATORY DISCLOSURES

### EU Risk Retention Requirements and UK Risk Retention Requirements

The Originators will collectively retain on an ongoing basis during the life of the Transaction the EU Retained Interest and the UK Retained Interest. Such retention requirement will be satisfied by each of the Originators retaining, in accordance with Article 6(3)(c) of the Securitisation Regulation and Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date), respectively, on an ongoing and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, randomly selected exposures, equivalent to not less than 5% (five per cent.) of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been included in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date.

Any change to the manner in which the EU Retained Interest or the UK Retained Interest is held will be notified to investors. Receivables have not been selected to be sold to the Issuer with the aim of rendering losses on the Receivables sold to the Issuer, measured over a period of 4 (four) years, higher than the losses over the same period on comparable assets held on Banco Montepio and Montepio Crédito's balance sheet.

Each of Banco Montepio and Montepio Crédito (as Originators) will undertake in the Subscription Agreement and in the Class X Notes Purchase Agreement that: (a) it will acquire and collectively retain on an ongoing and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, the EU Retained Interest and the UK Retained Interest; (b) whilst any of the Notes remain outstanding, it will not sell, hedge or otherwise mitigate its credit exposure to the EU Retained Interest or the UK Retained Interest; (c) there will be no arrangements pursuant to which the EU Retained Interest or the UK Retained Interest will decline over time materially faster than the Principal Outstanding Balance of the Receivables assigned to the Issuer; (d) it will confirm to the Issuer and the Transaction Manager, on a monthly basis, that it continues to hold the EU Retained Interest and the UK Retained Interest; and (e) it will provide notice to the Issuer, the Common Representative and the Transaction Manager as soon as practicable in the event it no longer holds the EU Retained Interest or the UK Retained Interest. For the avoidance of doubt, the above undertakings are given by each Originator without prejudice to the several but not jointly liability of Originators.

### Transparency under the Securitisation Regulation and UK Securitisation Regulation and confirmations of the Originators

For the purposes of Article 5 of the Securitisation Regulation and Article 5 of the UK Securitisation Regulation (as in effect at the Closing Date), each of the Originators has made available the following information (or have procured that such information is made available): (a) confirmation that the Originators grant all credits giving rise to the Receivables on the basis of sound and well defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation and Article 9(1) of the UK Securitisation Regulation (as in effect at the Closing Date); (b) confirmation that the Originators will collectively retain on an ongoing and *pro-rata basis*, with reference to the securitised exposures for which it is the Originator, a material net economic interest in accordance with Article 6(3)(c) of the Securitisation Regulation and Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date) and that the risk retention will be disclosed to investors in accordance with the transparency requirements required by the text of Article 7 of the Securitisation Regulation and Article 7 of the UK Securitisation Regulation (as in effect at the Closing Date), as stated above in "**EU Risk Retention Requirements and UK Risk Retention Requirements**"; and (c) confirmation that the Originators will make available the information required by Article 7 of the Securitisation Regulation in accordance with the frequency and modalities provided for in such Article.

Each of the Originators confirm that it has made available to prospective investors, prior to pricing:

- (a) the information required to be made available under Article 7(1)(a) of the Securitisation Regulation and Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date), to the extent such information has been requested by a potential investor;
- (b) the underlying documentation required to be made available under Article 7(1)(b) of the Securitisation Regulation and Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date) in draft form;
- (c) a cashflow model required to be made available under Article 22(3) of the Securitisation Regulation and Article 22(3) of the UK Securitisation Regulation (as in effect at the Closing Date);
- (d) data on static and dynamic historical default and loss performance covering a period of 5 (five) years required to be made available under Article 22(1) of the Securitisation Regulation Article 22(1) of the UK Securitisation Regulation (as in effect at the Closing Date); and
- (e) a draft of the STS Notification required to be made available under Article 7(1)(d) of the Securitisation Regulation,

(in each case, on the Securitisation Repository registered on 25 June 2021 and effective on 30 June 2021).

Each of the Originators further confirm that it has obtained external verification on a sample of the underlying exposures prior to issuance, in accordance with Article 22(2) of the Securitisation Regulation and Article 22(2) of the UK Securitisation Regulation (as in effect at the Closing Date).

For the avoidance of doubt, the above confirmations made by each of the Originators are made without prejudice to the several but not jointly liability of Originators.

#### **EU Disclosure Requirements and Designated Reporting Entity under the Securitisation Regulation**

Each of the Originators has provided a corresponding undertaking with respect to: (i) the provision of such investor information and compliance requirements of Article 7(1)(e)(iii) of the Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) by confirming its risk retention as contemplated by Article 6(1) of the Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date) as specified in the paragraph above; and (ii) the interest to be retained by the Originators as specified in the introductory paragraph above to the Joint Lead Managers and Joint Arrangers in the Subscription Agreement and to the Issuer pursuant to the Receivables Sale Agreement.

For the purposes of Article 7(2) and Article 22(5) of the Securitisation Regulation and Article 7(2) and Article 22(5) of the UK Securitisation Regulation (as in effect at the Closing Date), Banco Montepio (as Originator) has been designated by the Issuer and each of the Originators as the entity responsible for compliance with the requirements of Article 7 of the Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards ("**EU Disclosure Requirements**") and for compliance with Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) and (in relation only to such documents or information required to be disclosed prior to or within 15 (fifteen) days after the Closing Date) Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date) ("**Designated Reporting Entity**") and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf, provided that the Designated Reporting Entity will not be in breach of such undertaking if the Designated Reporting Entity fails to so comply due to events, actions or circumstances beyond the Designated Reporting Entity's control. Any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of Article 7 of the Securitisation Regulation included in any European Union directive or regulation.

The Designated Reporting Entity will, from the Closing Date:

- a) procure that the Transaction Manager prepares, and the Transaction Manager will prepare and deliver (to the satisfaction of the Designated Reporting Entity) an investor report on the 25<sup>th</sup> (twenty fifth) day of each of *January, April, July and October* in each year or, provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day (a “**SR Reporting Date**”) in relation to the immediately 3 (three) preceding Calculation Periods containing inter alia the information required under:
- (i) the ESMA Disclosure templates and regulatory technical standards published pursuant to Article 7(3) of the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 (“**RTS**”) and the disclosure templates and regulatory technical standards published pursuant to Article 7(3) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) ; and
  - (ii) ESMA implementing the technical standards published pursuant to Article 7(4) of the Securitisation Regulation, with regard to the format and standardised templates for making available the information and details under the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 (“**ITS**”) and the disclosure templates and regulatory technical standards published pursuant to Article 7(4) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date).

On the date hereof (i) the following RTS should be considered for the above purposes: Annexes XII (*Investor Report Information – Non-Asset Backed Commercial Paper Securitisation*) and XIV (*Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation*) of Delegated Regulation 2020/1224; and (ii) the following ITS should be considered for the above purposes: Annexes XII (*Investor Report Template – Non-asset backed commercial paper securitisation*) and XIV (*Inside Information or Significant Event Template – Non-asset backed commercial paper securitisation*) of Delegated Regulation 2020/1225 (the “**Investor Report**”); and

- b) procure that the Servicers prepare a quarterly report on each SR Reporting Date in respect of the 3 (three) preceding Calculation Periods (the “**SR Reporting Period**”), containing the information required under the applicable RTS and ITS.

On the date hereof, (i) the following RTS should be considered for the above purposes: Annex VI (*Underlying Exposures Information – Consumer*) of Delegated Regulation 2020/1224; and (ii) the following ITS should be considered for the above purposes: Annex VI (*Underlying Exposures Information – Consumer*) of Delegated Regulation 2020/1225 (the “**Loan-Level Report**” and together with the Investor Report, the “**Securitisation Regulation Reports**”).

The Transaction Manager shall have no responsibility for preparing any Loan-Level Report.

Banco Montepio and Montepio Crédito (as Originators) shall provide or, as relevant, procure the provision to the Transaction Manager for inclusion in the Securitisation Regulation Reports (or otherwise so that such information can be available to investors) of readily accessible data and information with respect to the provision of such investor information and compliance by Banco Montepio and Montepio Crédito (as Originators) with the requirements of Article 7(1)(e)(iii) of the Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date), by confirming the risk retention of Banco Montepio and Montepio

Crédito (as Originators) as contemplated by Article 6(1) of the Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date).

Each of the Issuer, the Designated Reporting Entity and the Servicers shall supply to the Transaction Manager all relevant information required in order for the Transaction Manager to prepare the Investor Report.

The Designated Reporting Entity shall make available to the investors in the Notes a copy of the final Prospectus and the other final Transaction Documents and the STS Assessment on the Securitisation Repository and on the investor page of the website of Banco Montepio and Montepio Crédito (being, as at the date of this Prospectus, [www.bancomontepio.pt](http://www.bancomontepio.pt) and <https://www.bancomontepio.pt/institucional/informacao-investidores/divida-funding-programmes>), by no later than 15 (fifteen) days after the Closing Date, and any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation or, in relation only to such documents or information required to be disclosed prior to or within 15 (fifteen) days after the Closing Date, the UK Securitisation Regulation (as in effect at the Closing Date), in a timely manner (to the extent not already provided by other parties), in each case in accordance with the reporting requirements under Article 7(1)(a) of the Securitisation Regulation and Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date). Pursuant to Article 22(5) of the Securitisation Regulation and Article 22(5) of the UK Securitisation Regulation, draft versions of the STS Assessment will be made available prior to the pricing of the Notes. In addition, each of the Originators has undertaken to make available to investors in the Notes on the investor page of the website of Banco Montepio and Montepio Crédito, on an ongoing basis and to potential investors in the Notes, upon request, all information required under the first subparagraph of Article 7(1) of the Securitisation Regulation.

The Securitisation Regulation Reports shall be published simultaneously on the Securitisation Repository and each such report shall be made available no later than 1 (one) month following the interest payment dates falling in January, April, July and October in each year.

The Originators have also undertaken to the Issuer and the Joint Lead Managers that they will use reasonable endeavours to procure the provision to the investors in the Notes of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation (to the extent permitted by any applicable laws) following written request by such investors, provided that neither Originator will be in breach of such requirements if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertakings.

For the avoidance of doubt, the Securitisation Repository, the Securitisation Regulation Reports and the contents thereof do not form part of this Prospectus.

***Liability of the Transaction Manager in relation to the EU Disclosure Requirements and Securitisation Regulation Reports***

The Transaction Manager does not assume any responsibility for the Designated Reporting Entity's obligations as the entity designated as being responsible for complying with the EU Disclosure Requirements. In providing its services, the Transaction Manager assumes no responsibility or liability to any third party, including, any holder of the Notes or any potential investor in the Notes or any other party, and including for their use or onward disclosure of any information published in support of the Designated Reporting Entity's reporting obligations, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents. Any Investor Reports prepared by the Transaction Manager may include disclaimers excluding the liability of the Transaction Manager for information provided therein. The Transaction Manager shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation provided to it in connection with the preparation by it of the Investor Report or the publication by it of the Securitisation Regulation Reports, or whether or not the provision of such information accords with

the EU Disclosure Requirements, and the Transaction Manager shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Designated Reporting Entity regarding the same, provided that such instructions are given in accordance with the Transaction Documents, and shall have no obligation, responsibility or liability whatsoever for the provision of information and documentation on the Securitisation Repository.

### ***Securitisation Repository***

Following the appointment by the Designated Reporting Entity of the Securitisation Repository, the Designated Reporting Entity shall be responsible for procuring that each Securitisation Regulation Report, and any other information required to be made available by the Designated Reporting Entity under the Securitisation Regulation, is made available through the Securitisation Repository in accordance with the requirements of Article 7 of the Securitisation Regulation and for the purposes of making available the Securitisation Regulation Reports to the holders of the Notes and the competent authorities, and upon request, potential investors in the Notes. In determining whether a person is a holder of the Notes or a potential investor in the Notes, the Designated Reporting Entity is entitled to rely, without liability, on any certification given by such person that they are a holder of the Notes or, as relevant, a potential investor in the Notes.

### ***Ongoing monitoring of ESMA Disclosure Templates and ESMA regulatory technical standards under the Securitisation Regulation***

The Designated Reporting Entity (and/or their professional advisers on their behalf) will monitor when ESMA or any relevant regulatory or competent authority publishes or amends any applicable ESMA Disclosure Templates or applicable ESMA regulatory technical standards under the Securitisation Regulation, and will notify the Servicers, the Transaction Manager and the Issuer of the same (each such notification, an “**SR Reporting Notification**”).

As soon as reasonably practicable following receipt of an SR Reporting Notification:

- (a) the Designated Reporting Entity shall propose to the Transaction Manager in writing the form, timing, method of distribution and content of the information required to be disclosed in accordance with the relevant RTS in order to allow such information, where reasonably available, to be included in the Investor Report. The Transaction Manager shall consult with the Designated Reporting Entity and if the Transaction Manager agrees (in its sole discretion, acting in a commercially reasonable manner) to provide such reporting on such proposed terms, the Transaction Manager shall confirm the same in writing to the Issuer and the Designated Reporting Entity and the format of the Investor Report shall be amended as necessary to ensure that the Designated Reporting Entity is satisfied with the form of the Investor Report in the context of compliance with the Designated Reporting Entity's obligations under the Securitisation Regulation. If, following the adoption of the relevant RTS, the Transaction Manager does not agree to provide such assistance, the Designated Reporting Entity shall appoint an agent to provide such reporting. The Issuer will reimburse the Transaction Manager and the Designated Reporting Entity for any costs properly incurred by either of them in connection with any amendments to the format of any such reports. Any such costs will be Issuer Expenses; and
- (b) the Servicers will amend the format of the Loan-Level Report. The Issuer will reimburse the Servicers for any costs properly incurred by the Servicers in amending the format of any reports it is required to prepare. Any such costs will be Issuer Expenses.

### ***Information required to be reported under Article 7(1)(f) and (g), to the extent applicable, of the Securitisation Regulation***

The Designated Reporting Entity will: (a) publish on the Securitisation Repository (without delay), any

information required to be reported pursuant to Article 7(1)(f) and (g), to the extent applicable, of the Securitisation Regulation. The Designated Reporting Entity will only be required to publish such information as the Issuer or the Servicers may from time to time notify to it and/or direct it to publish; and (b) within 15 (fifteen) days of the Closing Date make available via the Securitisation Repository copies of the Transaction Documents and this Prospectus. The Designated Reporting Entity's obligation to publish information required to be reported by the Issuer pursuant to Article 7(1)(f) and (g), to the extent applicable, of the Securitisation Regulation shall be conditional upon delivery by the Issuer or the Servicers, to the extent the Issuer or the Servicers become aware, of any information falling under Article 7(1)(f) and (g), to the extent applicable, of the Securitisation Regulation, provided that the Designated Reporting Entity shall not be required to monitor the price at which any Class of Notes trade at any time.

#### ***Disclosure of modifications to the Payment Priorities***

Any events which trigger changes in any Payment Priorities and any change in any Payment Priorities which will materially adversely affect the repayment of the Notes will be disclosed by the Designated Reporting Entity without undue delay to the extent required under Article 21(9) of the Securitisation Regulation.

#### **Sufficiency of information**

Each prospective investor is required to assess independently and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation, Article 5 of the UK Securitisation Regulation and any national measures which may be relevant and none of the Issuer, the Joint Lead Managers and Joint Arrangers, the Transaction Manager, nor any of the other Transaction Parties (other than the Originators to the extent required by Article 22(5) of the Securitisation Regulation and Article 22(5) of the UK Securitisation Regulation (as in effect at the Closing Date)): (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes; (ii) shall have any liability to any such investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (other than the obligations in respect of Article 6 of the Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect at the Closing Date) undertaken by Banco Montepio and Montepio Crédito and the obligations of the Designated Reporting Entity in relation to the EU Disclosure Requirements as referred to above) to enable compliance with the requirements of Article 6 of the Securitisation Regulation, Article 6 of the UK Securitisation Regulation (as in effect at the Closing Date) or any other applicable legal, regulatory or other requirements. In addition, each prospective investor should ensure that it complies with the implementing provisions (including any regulatory technical standards, implementing technical standards and any other implementing provisions) in their relevant jurisdiction. Investors and prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

#### **Liability cashflow model**

Banco Montepio and Montepio Crédito (as Originators) have, prior to pricing, as required by Article 22(3) of the Securitisation Regulation and Article 22(3) of the UK Securitisation Regulation (as in effect at the Closing Date), made available to potential investors (through the website of the European DataWarehouse at <https://editor.eurodw.eu/>) a cashflow model, either directly or indirectly through one or more entities which provide such cashflow models to investors generally. Banco Montepio and Montepio Crédito (in their capacity as Originators) shall procure that such cashflow model (i) precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, investors, other third parties and the Issuer, and (ii) is made available to investors in the Notes on an ongoing basis and to potential investors upon

request.

### **Credit granting**

As required by Article 9 of the Securitisation Regulation and Article 9 of the UK Securitisation Regulation (as in effect at the Closing Date), Banco Montepio and Montepio Crédito (as Originators) applied to each Receivable the same sound and well-defined criteria for credit granting as Banco Montepio and Montepio Crédito (as Originators) applied to all other Vehicle Loans and Consumer Loans originated by them. The same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables also apply to all other Vehicle Loans and Consumer Loans originated by Banco Montepio and Montepio Crédito. Banco Montepio and Montepio Crédito have in place effective systems to apply such criteria and processes in order to ensure that Banco Montepio and Montepio Crédito's credit-granting is based on a thorough assessment of the relevant obligor's (including each of the Obligor's) creditworthiness, taking appropriate account of the factors relevant to verifying the prospect of the relevant obligor (including the Obligor) meeting his/her obligations under the relevant loan (including the Receivables). Additional information on Banco Montepio and Montepio Crédito's credit granting criteria is included in the section headed "***Originators' Standard Business Practices, Servicing and Credit Assessment***".

Any information which from time to time may be deemed necessary under Articles 5, 6 and 7 of the Securitisation Regulation in accordance with the market practice will be made available through the Securitisation Repository. Such information includes any amendment or supplement of the Transaction Documents and the Prospectus, the draft or, if and once it has been notified to ESMA, the final version of the STS Notification pursuant to Article 27(1) of the Securitisation Regulation, the relevant notice in case the Securitisation ceases to meet the STS requirements or, where competent authorities have taken remedial or administrative actions, information on any other event which may trigger a change in the applicable Payment Priorities. Banco Montepio has been designated as the first contact point for investors and competent authorities for this purpose.

## TRANSACTION OVERVIEW

*The information in this section does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and related documents referred to herein. Prospective investors are advised to read carefully, and should rely solely on, the detailed information appearing elsewhere in this Prospectus and related documents referred to herein in making any investment decision. Capitalised terms used but not defined in this section shall have the meaning given to them elsewhere in this Prospectus.*

**Purchase of Receivables:** Under the terms of the Receivables Sale Agreement and pursuant to Article 1(3)(c) of the Securitisation Law, on the Closing Date the Originators will sell and assign to the Issuer and the Issuer will, subject to satisfaction of certain conditions and subject to the Eligibility Criteria, purchase from the Originators the Receivables Portfolio. For the avoidance of doubt, the Issuer shall not acquire any vehicles, equipment or any type of real property.

**Consideration for Purchase of the Receivables Portfolio:** In consideration for the Receivables sold and assigned pursuant to the Receivables Sale Agreement on the Closing Date, the Issuer will pay the Purchase Price Principal Component on the Closing Date to the Originators and will pay the relevant Purchase Price Interest Component on the First Interest Payment Date in accordance with item (q) of the Pre-Enforcement Interest Payment Priorities (or, if there are no sufficient monies to that effect, the payment of any shortfall will be made in the succeeding Interest Payment Dates).

**Eligibility Criteria:** The Receivables Portfolio shall comply with the Eligibility Criteria at the Portfolio Determination Date and at the Closing Date.

Any Substitute Receivables and each Receivables Contract and respective Obligor related to each Substitute Receivable shall comply with the Eligibility Criteria at the applicable Substitute Receivables Determination Date and at the applicable Substitution Date.

**Servicing of the Receivables:** Pursuant to the terms of the Receivables Servicing Agreement, the Servicers will agree to administer and service the Receivables assigned from time to time by the Originators to the Issuer on behalf of the Issuer and, in particular, to:

- (a) collect amounts due in respect thereof;
- (b) set interest rates applicable to the floating rate Receivables;
- (c) administer relationships with the Obligors;
- (d) undertake Enforcement Procedures in respect of any Obligors which may default on their obligations under the relevant Receivables.

Each Servicer will service the Receivables originated by itself in its capacity as Originator and shall have no obligations in relation to the Receivables originated by the other Originator.

**Servicer Reporting:** The Servicers are jointly required to prepare, in a pre-agreed form, and submit on the 8<sup>th</sup> (eighth) Lisbon Business Day of the month immediately following each



Calculation Date, to the Issuer, the Back-Up Servicer, the Transaction Manager and the Rating Agencies, the Monthly Servicers' Report which contains, *inter alia*, information as to the Receivables and Collections relating to the Calculation Period which ended prior to such report. The Monthly Servicers' Report shall form part of the Monthly Investor Report in a form acceptable to the Issuer, the Transaction Manager and the Common Representative to be made available by the Transaction Manager to, *inter alia*, the Issuer, the Common Representative and the Rating Agencies not less than 6 (six) Business Days prior to each Interest Payment Date.

**Provision of  
Information under the  
Securitisation  
Regulation:**

For the purposes of Article 7(2) of the Securitisation Regulation, the Designated Reporting Entity shall comply with the EU Disclosure Requirements and shall comply with Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) and (in relation only to such documents or information required to be disclosed prior to or within 15 (fifteen) days after the Closing Date) Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date) and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf. From the Closing Date, the Designated Reporting Entity will procure that the Transaction Manager prepares, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity), an Investor Report on the SR Reporting Date in relation to the three preceding Calculation Periods containing the information required under: (i) the ESMA Disclosure Templates and applicable ESMA regulatory technical standards published pursuant to Article 7(3) of the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 ("**RTS**") and the disclosure templates and regulatory technical standards published pursuant to Article 7(3) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date); and (ii) ESMA implementing the technical standards published pursuant to Article 7(4) of the Securitisation Regulation, with regard to the format and standardised templates for making available the information and details under the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 ("**ITS**") and the disclosure templates and regulatory technical standards published pursuant to Article 7(4) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date).

The Designated Reporting Entity will also procure from the Closing Date that the Servicers prepare a Loan-Level Report on each SR Reporting Date in respect of the relevant SR Reporting Period, containing the information required under the applicable RTS and ITS. The Transaction Manager shall have no responsibility for preparing any Loan-Level Report.

Banco Montepio as Originator and as Designated Reporting Entity, will be

responsible for compliance with Article 7 of the Securitisation Regulation for the purposes of Article 22(5) of the Securitisation Regulation. The Designated Reporting Entity will publish (or ensure the publication of) the Securitisation Regulation Reports (simultaneously with each other) on the Securitisation Repository in accordance with the requirements of Article 7 of the Securitisation Regulation.

**Proceeds Accounts:** All amounts received from an Obligor pursuant to a Receivable shall be credited by the Servicers to the relevant Proceeds Account within 1 (one) Business Day from receipt. The Proceeds Accounts are held by the Originators at the Proceeds Account Bank and will be operated by the Servicers in accordance with the terms of the Receivables Servicing Agreement.

On each Lisbon Business Day, the Servicers will direct the Proceeds Account Bank to transfer to the Payment Account the amount of all Collections credited to the relevant Proceeds Account up to the close of the previous Business Day.

**Payment Account:** On or about the Closing Date the Issuer will establish the Payment Account in its name at the Accounts Bank. The Payment Account will be operated by the Transaction Manager in accordance with the terms of the Accounts Agreement and the Transaction Management Agreement.

**Accounts Bank required ratings:** If the Accounts Bank no longer has the Minimum Ratings with DBRS and Fitch the Issuer shall (or the Transaction Manager upon written instruction received from the Issuer and acting on its behalf) within 60 (sixty) calendar days from such event either (i) transfer the Transaction Accounts (and the balances standing to the credit thereto including interest accrued thereon up to the date of transfer) to such other bank or banks with at least the Minimum Ratings, or (ii) procure a guarantee of the obligations of the Accounts Bank by another EU credit institution having the Minimum Ratings with DBRS and Fitch (provided that the Rating Agencies are notified of the identity of such other institution). Expenses and costs associated with the replacement of the Accounts Bank due to a downgrade of its rating with DBRS or Fitch below the Minimum Ratings or withdrawal of such rating, as referred above, will be borne by the Accounts Bank.

Without prejudice to the above right of the Issuer to appoint a replacement Accounts Bank pursuant to the Accounts Agreement, if the Issuer receives confirmation from the Rating Agencies (at the sole cost of the Accounts Bank) that notwithstanding any downgrade or withdrawal of the rating of the Accounts Bank, the rating of the Rated Notes will not be affected by such downgrade, the Accounts Bank may continue to act as Accounts Bank and the Issuer will not be obliged to procure the transfer of the Payment Account and/or enter into a guarantee with another bank as contemplated above.

**Payments from Payment Account on each Business Day:** On any Business Day (other than an Interest Payment Date) prior to the delivery of an Enforcement Notice, funds standing to the credit of the Payment Account may be applied by the Transaction Manager on behalf of the Issuer in or towards payment of (but in no order of priority) (i) to the relevant Originator any amount incorrectly paid or transferred to the Payment Account, identified as such by the Servicers through the Monthly Servicers' Report (any such payment, an "Incorrect

**Payment**”), and (ii) any tax due and payable to the Portuguese tax authorities.

**Reserve Account:** On or about the Closing Date, the Reserve Account will be established with the Accounts Bank in the name of the Issuer into which an amount equal to €3,429,000 (three million, four hundred and twenty nine thousand euros) that is equivalent to 1.0% (one point zero per cent.) of the sum of the Principal Amount Outstanding of the Rated Notes on the Closing Date (the “**Reserve Amount**”) and recorded in the Reserve Ledger.

**Use of Reserve Account:** Any amount standing to the credit of the Reserve Account and recorded in the Reserve Ledger will be available to be credited to the Payment Account to eliminate or reduce any shortfalls in respect to items (a), (b), (c), (d), (e), (h), (j) or (l) of the Pre-Enforcement Interest Payment Priorities on any Interest Payment Date.

On any Interest Payment Date, the excess of the Reserve Account credit balance over the Reserve Account Required Balance after giving effect to the Pre-Enforcement Interest Payment Priorities shall be debited from the Reserve Account and the Reserve Ledger and credited to the Payment Account by the Transaction Manager to form part of the Available Principal Distribution Amount to be applied as described under the Pre-Enforcement Payment Priorities.

After delivery of an Enforcement Notice, the Transaction Manager shall debit the monies standing to the credit balance of the Reserve Account to be credited to to the Payment Account, to form part of the Post-Enforcement Available Distribution Amount.

**Replenishment of the Reserve Account:** On each Interest Payment Date, to the extent that monies are available for that purpose, the relevant amounts shall be credited to the Reserve Account and recorded in the Reserve Ledger in accordance with the Pre-Enforcement Interest Payment Priorities such that the amount standing to the credit thereof (and recorded in the Reserve Ledger) equals the Reserve Account Required Balance.

**Reserve Ledger:** The Transaction Manager, on behalf of the Issuer, will establish in its books a Reserve Ledger pertaining to the Reserve Account, to be credited on the Closing Date with an amount equal to the Reserve Amount.

The Transaction Manager shall credit to the Reserve Ledger on each Interest Payment Date any amount credited to the Reserve Account in accordance with item *sixth* of the Pre-Enforcement Interest Payment Priorities.

**Principal Draw Amount:** In the event the Transaction Manager determines as at the Calculation Date immediately preceding an Interest Payment Date that a Payment Shortfall would otherwise exist on such Interest Payment Date after giving effect to the Pre-Enforcement Interest Payment Priorities and after debiting the Reserve Account and applying the relevant amounts, the Available Principal Distribution Amount shall be allocated, by the Transaction Manager, on such Interest Payment Date, in accordance with item (a) of the Pre-Enforcement Principal Payment Priorities, by order of priority, to (partially) reduce any shortfall in respect of the following items (the aggregate amount so allocated being the “Principal Draw Amount”), as follows:

- (i) any remaining amount due and unpaid under item (a) of the Pre-Enforcement Interest Payment Priorities;
- (ii) any remaining amount due and unpaid under item (b) of the Pre-Enforcement Interest Payment Priorities;
- (iii) any remaining amount due and unpaid under item (c) of the Pre-Enforcement Interest Payment Priorities;
- (iv) any remaining amount due and unpaid under item (d) of the Pre-Enforcement Interest Payment Priorities;
- (v) any remaining amount due and unpaid under item (e) of the Pre-Enforcement Interest Payment Priorities;
- (vi) if the Class B Notes is the Most Senior Class, any remaining amount due and unpaid under item (h) of the Pre-Enforcement Interest Payment Priorities;
- (vii) if the Class C Notes is the Most Senior Class, any remaining amount due and unpaid under item (j) of the Pre-Enforcement Interest Payment Priorities;
- (viii) if the Class D Notes is the Most Senior Class, any remaining amount due and unpaid under item (l) of the Pre-Enforcement Interest Payment Priorities.

**Principal Deficiency Ledgers:**

The Transaction Manager, on behalf of the Issuer, will establish in its books a principal deficiency ledger comprising five sub-ledgers (the “**Class A Principal Deficiency Ledger**”, the “**Class B Principal Deficiency Ledger**”, the “**Class C Principal Deficiency Ledger**”, the “**Class D Principal Deficiency Ledger**”, “**Class E Principal Deficiency Ledger**” and together the “**Principal Deficiency Ledgers**”) and, on each Interest Payment Date, the Transaction Manager shall record (i) any Deemed Principal Losses that have occurred in the related Calculation Period immediately preceding such Interest Payment Date and (ii) any Principal Draw Amount to be paid on such Interest Payment Date (each, a “**Principal Deficiency**”) by debiting the Principal Deficiency Ledger as set out below.

On each Calculation Date, the Principal Deficiency if any will first be debited from the Class E Principal Deficiency Ledger so long as the debit balance on the Class E Principal Deficiency Ledger is less than the Principal Amount Outstanding of the Class E Notes. Thereafter, any Principal Deficiency will be debited from the Class D Principal Deficiency Ledger so long as the debit balance on the Class D Principal Deficiency Ledger is less than the Principal Amount Outstanding of the Class D Notes. Thereafter, any Principal Deficiency will be debited from the Class C Principal Deficiency Ledger so long as the debit balance on the Class C Principal Deficiency Ledger is less than the Principal Amount Outstanding of the Class C Notes. Thereafter, any Principal Deficiency will be debited from the Class B Principal Deficiency Ledger so long as the debit balance on the Class B Principal Deficiency Ledger is less than the Principal Amount Outstanding of the Class B Notes. Thereafter, any Principal Deficiency will be debited from the Class A Principal Deficiency Ledger so long as the debit balance on the Class A Principal Deficiency Ledger is less than the Principal Amount Outstanding of the Class A Notes.

**Available Interest  
Distribution Amount:**

“**Available Interest Distribution Amount**” means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to the sum of:

- (a) any Interest Collection Proceeds received by the Issuer during the Calculation Period immediately preceding such Interest Payment Date (less the amount of any Incorrect Payments made which are attributable to interest); plus
- (b) where the proceeds or estimated proceeds of disposal or, on maturity, the maturity proceeds of any Authorised Investment received in relation to the Calculation Period immediately preceding such Interest Payment Date exceeds the original cost of such Authorised Investment, the amount of such excess together with interest thereon; plus
- (c) interest accrued and credited to the Transaction Accounts during the Calculation Period immediately preceding such Interest Payment Date; plus
- (d) any amounts to be received by the Issuer under the Cap Agreement on such Interest Payment Date, other than (i) Cap Collateral, (ii) any Replacement Cap Premium paid to the Issuer, (iii) any Cap Tax Credit Amounts, and (iv) any termination payment to be received by the Issuer from the Cap Counterparty upon any early termination of the Cap Transaction (each of which will not be available to the Issuer to make payments to its creditors generally but may only be applied in accordance with the Collateral Account Priority of Payments); plus
- (e) any Cap Collateral Account Surplus paid into the Payment Account in accordance with the Collateral Account Priority of Payments;
- (f) on the First Interest Payment Date, any excess of the Class A Notes Issuance Premium over the sum of Cap Premium and the Up-front Transaction Expenses; less
- (g) any amount paid, including any Third Party Expenses, during the Calculation Period immediately preceding such Interest Payment Date;

**Pre-Enforcement  
Interest Payment  
Priorities:**

Prior to the delivery of an Enforcement Notice, the Available Interest Distribution Amount will be applied by the Transaction Manager on any Interest Payment Date in making the following payments or provisions in the following order of priority (the “**Pre-Enforcement Interest Payment Priorities**”), but in each case only to the extent that all payments or provisions of a higher priority that fall due to be paid or provided for on such Interest Payment Date have been made in full:

- (a) *first*, in or towards payment *pari passu* and on a *pro rata* basis of the Issuer's liability to tax, in relation to this Transaction, if any;
- (b) *second*, in or towards payment *pari passu* and on a *pro rata* basis of the fees, Liabilities and expenses of the Common Representative, including the Common Representative Liabilities;
- (c) *third*, in or towards payment *pari passu* and on a *pro rata* basis of the Issuer

Expenses;

- (d) *fourth*, in or towards payment of the Servicing Fees to Banco Montepio and Montepio Crédito acting as Servicers;
- (e) *fifth*, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class A Notes;
- (f) *sixth*, in or towards replenishment of the Reserve Account balance recorded in the Reserve Ledger up to the Reserve Account Required Balance;
- (g) *seventh*, in or towards reduction of the debit balance on the Class A Principal Deficiency Ledger until such balance is equal to zero;
- (h) *eighth*, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class B Notes and thereafter any Deferred Interest Amount Arrears in respect of the Class B Notes;
- (i) *ninth*, in or towards reduction of the debit balance on the Class B Principal Deficiency Ledger until such balance is equal to zero;
- (j) *tenth*, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class C Notes, and thereafter any Deferred Interest Amount Arrears in respect of the Class C Notes;
- (k) *eleventh*, in or towards reduction of the debit balance on the Class C Principal Deficiency Ledger until such balance is equal to zero;
- (l) *twelfth*, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class D Notes, and thereafter any Deferred Interest Amount Arrears in respect of the Class D Notes;
- (m) *thirteenth*, in or towards reduction of the debit balance on the Class D Principal Deficiency Ledger until such balance is equal to zero;
- (n) *fourteenth*, to the extent that (i) the Class E Notes are the Most Senior Class of Notes or (ii) the debit balance the Class E Principal Deficiency Ledger does not exceed 50% of the Principal Amount Outstanding of the Class E Notes, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class E Notes, and thereafter any Deferred Interest Amount Arrears in respect of the Class E Notes;
- (o) *fifteenth*, in or towards reduction of the debit balance on the Class E Principal Deficiency Ledger until such balance is equal to zero;
- (p) *sixteenth*, to the extent that (i) the Class E Notes are not the Most Senior Class of Notes and (ii) the debit balance of the Class E Principal Deficiency Ledger exceeds 50% of the Principal Amount Outstanding of the Class E Notes, in or towards payment *pari passu* and on a *pro rata* basis of the Interest Amount in respect of the Class E Notes, and thereafter any Deferred Interest Amount Arrears in respect of the Class E Notes;
- (q) *seventeenth*, in or towards payment to each of the Originators of any unpaid balance of the relevant Purchase Price Interest Components;

- (r) *eighteenth*, in or towards payment of any amount payable to the Cap Counterparty in accordance with the terms of the Cap Agreement to the extent that the available collateral standing to the credit of the Collateral Account is insufficient to cover such amount in accordance with the Collateral Account Priority of Payments;
- (s) *nineteenth*, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions); and
- (t) *twentieth*, in or towards payment *pari passu* on a *pro rata* basis of any Class X Distribution Amount due and payable in respect of the Class X Notes,

provided that where on any Interest Payment Date the amount standing to the credit of the Reserve Account and recorded in the Reserve Ledger exceeds the Reserve Account Required Balance after giving effect to the Pre-Enforcement Interest Payment Priorities, the amount of such excess shall be debited from the Reserve Account and credited to the Payment Account as part of the Available Principal Distribution Amount.

**Available Principal  
Distribution Amount:**

means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to the sum of:

- (a) the amount of any Principal Collection Proceeds received by the Issuer during the Calculation Period immediately preceding such Interest Payment Date (less the amount of any Incorrect Payments made which are attributable to principal);
- (b) prior to an Enforcement Event, such amount of the Available Interest Distribution Amount credited to the Payment Account (if any) and which is applied by the Transaction Manager on such Interest Payment Date in reducing the debit balance on the Principal Deficiency Ledgers; plus
- (c) any excess of the Reserve Account credit balance over the Reserve Account Required Balance to be debited from the Reserve Account and credited to the Payment Account on such Interest Payment Date.

**Pre-Enforcement  
Principal Payment  
Priorities:**

Prior to the delivery of an Enforcement Notice, the Available Principal Distribution Amount determined in respect of the Calculation Period immediately preceding a relevant Interest Payment Date (or otherwise the specific amounts as set out below) will be applied by the Transaction Manager on such Interest Payment Date in making the following payments in the following order of priority (the “**Pre-Enforcement Principal Payment Priorities**”) but in each case only to the extent that all payments of a higher priority that fall due to be paid on such Interest Payment Date have been made in full:

- (a) *first*, in or towards payment of the Principal Draw Amount;
- (b) *second*, prior to the occurrence of a Subordination Event, in or towards

payment *pari passu* on a *pro rata* basis of the Pro-Rata Amortisation Ratio Amount of the Class A Notes to the Class A Noteholders, the Pro-Rata Amortisation Ratio Amount of the Class B Notes to the Class B Noteholders, the Pro-Rata Amortisation Ratio Amount of the Class C Notes to the Class C Noteholders, the Pro-Rata Amortisation Ratio Amount of the Class D Notes to the Class D Noteholders and the Pro-Rata Amortisation Ratio Amount of the Class E Notes to the Class E Noteholders;

- (c) *third*, after the occurrence of a Subordination Event, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes until all the Class A Notes have been redeemed in full;
- (d) *fourth*, after the occurrence of a Subordination Event, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class B Notes until all the Class B Notes have been redeemed in full;
- (e) *fifth*, after the occurrence of a Subordination Event, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class C Notes until all the Class C Notes have been redeemed in full;
- (f) *sixth*, after the occurrence of a Subordination Event, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class D Notes until all the Class D Notes have been redeemed in full; and
- (g) *seventh*, after the occurrence of a Subordination Event, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class E Notes until all the Class E Notes have been redeemed in full.

**Post-Enforcement  
Payment Priorities:**

Following the delivery of an Enforcement Notice, due to the occurrence of an Event of Default as described in Condition 12.1 (*Events of Default*), the Post-Enforcement Available Distribution Amount will be applied by the Transaction Manager (as agent of the Common Representative) or the Common Representative in making the following payments in the following order of priority (the “**Post-Enforcement Payment Priorities**”) but in each case only to the extent that all payments of a higher priority have been made in full:

- (a) *first*, in or towards payment *pari passu* and on a *pro rata* basis of the Issuer's liability to tax, in relation to this Transaction, if any;
- (b) *second*, in or towards payment *pari passu* and on a *pro rata* basis of fees, Liabilities and expenses of the Common Representative, including the Common Representative Liabilities;
- (c) *third*, any remuneration due and payable to any receiver of the Issuer and all costs, expenses and charges incurred by such receiver in connection to the Transaction;
- (d) *fourth*, in or towards payment *pari passu* and on a *pro rata* basis of the Issuer Expenses;
- (e) *fifth*, in or towards payment *pari passu* and on a *pro rata* basis of accrued interest on the Class A Notes;



- (f) *sixth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class A Notes until all the Class A Notes have been redeemed in full;
- (g) *seventh*, in or towards payment *pari passu* and on a *pro rata* basis of accrued interest on, and any Deferred Interest Amount Arrears in respect of, the Class B Notes;
- (h) *eighth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class B Notes until all the Class B Notes have been redeemed in full;
- (i) *ninth*, in or towards payment *pari passu* and on a *pro rata* basis of accrued interest on, and any Deferred Interest Amount Arrears in respect of, the Class C Notes;
- (j) *tenth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class C Notes until all the Class C Notes have been redeemed in full;
- (k) *eleventh*, in or towards payment *pari passu* and on a *pro rata* basis of accrued interest on, and any Deferred Interest Amount Arrears in respect of, the Class D Notes;
- (l) *twelfth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class D Notes until all the Class D Notes have been redeemed in full;
- (m) *thirteenth*, in or towards payment *pari passu* and on a *pro rata* basis of accrued interest on, and any Deferred Interest Amount Arrears in respect of, the Class E Notes;
- (n) *fourteenth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class E Notes until all the Class E Notes have been redeemed in full;
- (o) *fifteenth*, in or towards payment to each of the Originators of any unpaid balance of the relevant Purchase Price Interest Components;
- (p) *sixteenth*, in or towards payment of any amount payable to the Cap Counterparty in accordance with the terms of the Cap Agreement to the extent that the available collateral standing to the credit of the Collateral Account is insufficient to cover such amount in accordance with the Collateral Account Priority of Payments;
- (q) *seventeenth*, in or towards payment *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding on the Class X Notes (except for €1 (one euro)); and
- (r) *eighteenth*, in or towards the payment of any Class X Distribution Amount due and payable in respect of the Class X Notes.

**Statutory segregation  
for the Notes, right of**

The Notes will have the benefit of the statutory segregation provided for by Article 62 of the Securitisation Law which provides that the assets and liabilities

**recourse and Issuer Obligations:**

(*património autónomo*) in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer.

In accordance with the terms of Article 61(1), 62 and 63 of the Securitisation Law the right of recourse of the Noteholders is limited to the Transaction Assets. Accordingly, the obligations of the Issuer in relation to the Notes under the Transaction Documents are limited, in recourse in accordance with the Securitisation Law, to the Transaction Assets.

The Transaction Assets and all amounts deriving therefrom will not be available to creditors of the Issuer other than the Noteholders and the Transaction Creditors and may only be utilised by the Noteholders and the Transaction Creditors in accordance with the terms of the Transaction Documents, including the relevant Payment Priorities. Pursuant to Article 63(1) of the Securitisation Law, the Noteholders and the Transaction Creditors are also entitled to a statutory privilege over all the Transaction Assets. The rights of the Noteholders and the Transaction Creditors regarding payment of principal and interest under the Notes and payment of the obligations to the Transaction Creditors will, in respect of the Transaction Assets, rank senior to the rights of any other creditor of the Issuer, including any creditor of the Issuer in respect of any other series of notes issued by the Issuer. Both before and after any insolvency event in relation to the Issuer, the Transaction Assets will only be available for the purpose of satisfying the obligations of the Issuer to the Noteholders and the Transaction Creditors in accordance with the terms of the relevant Transaction Documents.

**Cap Transaction:**

On or about the Closing Date, the Issuer will enter into a cap transaction (the “**Cap Transaction**”) with the Cap Counterparty. Such Cap Transaction is governed by the ISDA 2002 Master Agreement (the “**ISDA Master Agreement**”), the Schedule thereto (the “**ISDA Schedule**”), the 1995 ISDA Credit Support Annex thereto (the “**Credit Support Annex**”) and a cap confirmation (the “**Cap Confirmation**”) and, together with the ISDA Master Agreement, the ISDA Schedule and the Credit Support Annex, the “**Cap Agreement**”). The Issuer will enter into the Cap Transaction in order to hedge its floating interest rate exposure in relation to the Rated Notes.

Under the Cap Transaction, the Cap Counterparty will be required to make a payment to the Issuer on each Interest Payment Date, in an amount if positive, equal to the product of:

- (a) the Notional Amount for the Calculation Period (as defined in the Cap Agreement) related to such Interest Payment Date;
- (b) the Floating Rate Day Count Fraction (as defined in the Cap Agreement); and
- (c) (i) in relation to the First Interest Payment Date, (a) the rate determined using straight-line interpolation by reference to one month EURIBOR and three month EURIBOR for the number of days in such Calculation Period minus (b) the Strike Rate; and (ii) on any other Interest Payment Date, (a) 1-month EURIBOR minus (b) the Strike Rate

The Cap Agreement shall be in force until the Interest Payment Date falling on 25

January 2035. See “**Overview of Certain Transaction Documents – Cap Transaction**”.

**Collateral Account:**

Notwithstanding anything to the contrary herein or in any Transaction Document, amounts standing to the credit of the Collateral Account will not be available to the Issuer to make payments to the Noteholders and the Transaction Creditors generally and will only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments.

In the event that the Cap Counterparty is required to transfer collateral to the Issuer in respect of its obligations under the Cap Agreement in accordance with the terms of the Credit Support Annex, such collateral will be credited to a Collateral Account together with any interest and distributions received by the Issuer in respect of that Cap Collateral, in each case, in accordance with the Credit Support Annex and the Accounts Agreement.

In addition, the following will be credited to the Collateral Account:

- (a) any termination payment received by the Issuer from the Cap Counterparty upon any early termination of the Cap Transaction;
- (b) any Replacement Cap Premium received by the Issuer from a replacement cap counterparty upon entry into a replacement cap agreement with a replacement cap counterparty; and
- (c) any amounts received by the Issuer in respect of Cap Tax Credit Amounts.

Any payments made from the Collateral Account shall be made in accordance with the Collateral Account Priority of Payments.

For the avoidance of doubt, no amount in the Collateral Account shall be available for distribution in accordance with the Payment Priorities other than any Cap Collateral Account Surplus.

**Collateral Account  
Priority of Payments:**

Notwithstanding anything to the contrary herein or in any the Transaction Document, any Cap Collateral (and any interest and distributions received in respect thereof), Replacement Cap Premium received by the Issuer from a replacement cap counterparty and any termination payment received by the Issuer from the Cap Counterparty may only be applied in accordance with the following provisions (the “**Collateral Account Priority of Payments**”):

- (a) on any date (whether or not such day is an Interest Payment Date and irrespective of the occurrence of an Event of Default) prior to the designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Agreement, solely in or towards payment or transfer to the Cap Counterparty of any Return Amounts, Interest Amounts and Distributions (each as defined in the Credit Support Annex), and any return of Cap Collateral to the Cap Counterparty upon any transfer of the Cap Counterparty’s obligations under the Cap Agreement to a replacement cap counterparty on any day (whether or not such day is an Interest Payment Date), in each case directly to the Cap Counterparty in

accordance with the terms of the Credit Support Annex;

- (b) upon or following the designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Agreement (and whether or not such day is a Payment Date), where (A) such Early Termination Date (as defined in the Cap Agreement) has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) and (B) the Issuer has entered into a replacement cap agreement in respect of the Cap Agreement on or within 90 days of the Early Termination Date (as such terms are defined in the Cap Agreement), on the later of the day on which such replacement cap agreement is entered into and the day on which such Replacement Cap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:
  - (i) *first*, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement cap agreement with the Issuer with respect to the Cap Agreement being novated or terminated;
  - (ii) *second*, in or towards payment of any amounts due to the outgoing Cap Counterparty in accordance with the Cap Agreement; and
  - (iii) *third*, the surplus (if any) (a “**Cap Collateral Account Surplus**”) on such day to be transferred to the Payment Account and deemed to form part of the Available Interest Distribution Amount;
- (c) upon or following the designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Agreement (and whether or not such day is an Interest Payment Date), where (A) such Early Termination Date (as defined in the Cap Agreement) has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) and (B) the Issuer has not, within 90 days of the Early Termination Date (as defined in the Cap Agreement), agreed to enter into a replacement cap agreement, on any day prescribed in accordance with the Cap Agreement (whether or not such day is an Interest Payment Date), in or towards payment of any amounts due to the outgoing Cap Counterparty in accordance with the Cap Agreement;
- (d) following the designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (b) and (c) above, on any day prescribed in accordance with the Cap Agreement (whether or not such day is an Interest Payment Date) in or towards payment of any amounts due to the outgoing Cap Counterparty in accordance with the Cap Agreement; and

(e) following payment of any amounts due pursuant to (c) and (d) above, if any amount remains standing to the credit of the Collateral Account, such amount may be applied on any day (whether or not such day is an Interest Payment Date) only in accordance with the following provisions:

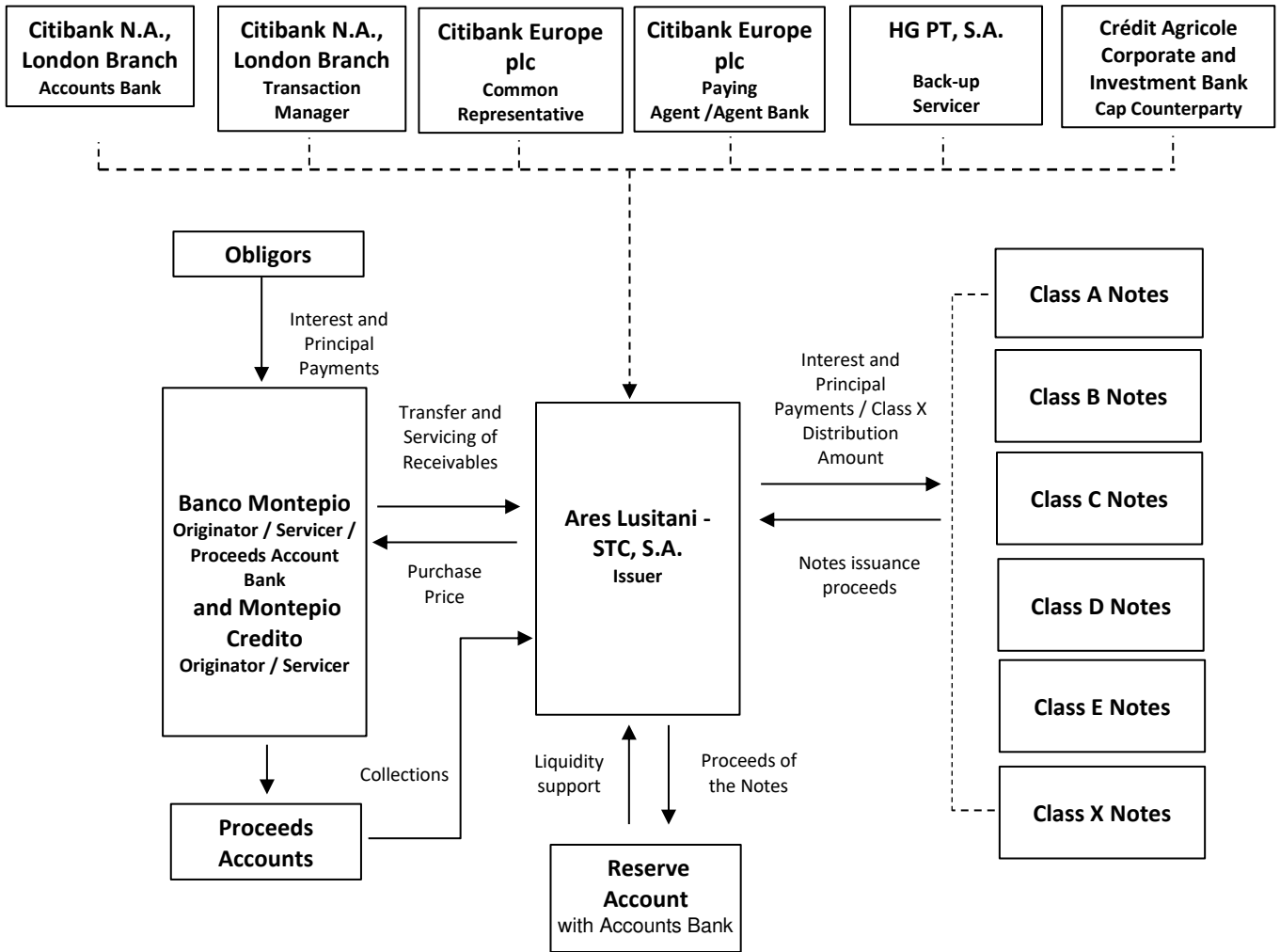
- (i) *first*, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement cap agreement with the Issuer with respect to the Cap Agreement being terminated; and
- (ii) second, the surplus (if any) (a “**Cap Collateral Account Surplus**”) remaining after payment of such Replacement Cap Premium to be transferred to the Payment Account and deemed to form part of the Available Interest Distribution Amount,

provided that if the Issuer has not entered into a replacement cap agreement with respect to the Cap Agreement being terminated on or prior to the earlier of:

- (i) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all the Rated Notes is expected to be reduced to zero (other than following the occurrence of an Event of Default pursuant to Condition 12 (*Events of Default and Enforcement*)); or
- (ii) the day on which an Enforcement Notice is given pursuant to Condition 12 (*Events of Default and Enforcement*),

then the aggregate amount in the Collateral Account on such day shall be transferred to the Payment Account as soon as reasonably practicable thereafter and deemed to constitute the Cap Collateral Account Surplus and to form part of the Available Interest Distribution Amount.

## TRANSACTION STRUCTURE



#### **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents in Portuguese language, which have been filed with the CMVM, shall be incorporated in, and form part of, this Prospectus:

- The independent statutory auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2019 and 31 December 2020
- The half-yearly financial statements of the Issuer reported as at 30 June 2021;

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent and are available at [www.cmvm.pt](http://www.cmvm.pt).

## OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS

The description of certain Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof. Noteholders may inspect a copy of the documents described below upon request at the specified office of each of the Common Representative and the Paying Agent.

### **Receivables Sale Agreement**

#### *Purchase of Receivables Portfolio*

The Originators have at present and expect to have in the future, Receivables owed to them under the Receivables Contracts. Each Receivable will be assigned together with the benefit of the Related Security. For the avoidance of doubt, the Issuer shall not acquire any vehicles, equipment or any type of property.

The Receivables Portfolio as at the Portfolio Determination Date will be assigned and transferred to the Issuer after selection for inclusion in the Receivables Portfolio without undue delay for the purposes of Article 20(11) of the Securitisation Regulation.

#### *Consideration for purchase of the Receivables Portfolio*

Under the terms of the Receivables Sale Agreement, the Originators will sell and assign to the Issuer and the Issuer will, subject to satisfaction of certain conditions and subject to the Eligibility Criteria, purchase Receivables from the Originators on the Closing Date.

The consideration for the Receivables sold and assigned pursuant to the Receivables Sale Agreement on Closing Date will be the Purchase Price.

On the Closing Date the Issuer shall pay to the Originators the Purchase Price Principal Component.

On the First Interest Payment Date the Purchase Price Interest Component in respect of the Receivables sold and assigned pursuant to the Receivables Sale Agreement on the Closing Date shall be paid to the Originators in accordance with item (q) of the Interest Payment Priorities. If there are no sufficient monies to that effect, the payment of any shortfall will be made in the succeeding Interest Payment Dates.

The Receivables Portfolio does not contain transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU, derivative instruments or securitisation positions.

#### *Effectiveness of the Assignment*

The sale and assignment of the Receivables Portfolio or any Substitute Receivables, as applicable, on the Closing Date or on any Substitution Date, together with the Related Security, as applicable, by the Originators to the Issuer in accordance with the terms of the Receivables Sale Agreement will be an effective transfer of the full, unencumbered benefit of and right, title and interest (present and future) to the Receivables Portfolio or any Substitute Receivables, as applicable, to the Issuer.

No further act, condition or thing will be required to be done in connection therewith to enable the Issuer to demand payment of the Receivables comprised therein from the Obligors to itself, or to enforce such right in the courts of Portugal, other than the notification to the relevant insurer as to the transfer of the benefit of insurance policies to the Issuer (if applicable), the registration (if applicable and to the extent permitted by law) of the sale and assignment of any Related Security to the Issuer at the relevant registry office, any formalities that need to be fulfilled in relation to the Related Security and the delivery to the relevant Obligor or Obligors of a Notification Event Notice.



### *Notification Event*

Following the occurrence of a Notification Event, each of the Originators shall, at the request of the Issuer and as soon as reasonably practicable, execute and deliver to the Issuer or to its order, at the request of the Issuer: (a) all title deeds, application forms and all other documents in each of the Originators' possession and which are necessary in order to register (if applicable) the transfer of the Receivables and any Related Security, if applicable, from the relevant Originator to the Issuer, all costs associated thereby to be borne by the relevant Originator, (b) any Notification Event Notices addressed to the relevant Obligor and copied to the Issuer in respect of the sale and assignment to the Issuer of each of the Receivables and (c) such other documents and provide such other assistance to the Issuer as is necessary in order to register (if applicable) the sale and assignment of the Receivables Portfolio to the benefit of the Issuer and notify the relevant Obligor. Where the Related Security is a vehicle, or any type of property, this shall not be assigned nor registered in relation therewith to the Issuer.

Following the occurrence of a Notification Event, where the Related Security consists on the retention of title or a mortgage in respect of a vehicle, such Related Security shall, to the extent permitted by law, be assigned and re-registered by the relevant Originator to a third-party designated for such purpose by the Issuer and such third party shall enter into an asset management agreement with the Issuer and the Servicers in order to regulate the management and disposal of the vehicle.

The Notification Event Notices will instruct the relevant Obligor, with effect from the date of receipt by the Obligor of such Notification Event Notices, to pay for all sums due and payable in respect of the relevant Receivables Contracts into an account designated by the Issuer. In the event that the Originators cannot or will not effect such actions, the Issuer is entitled under Portuguese law: (a) to have delivered to it any such documents as referred to above, (b) to complete any such application forms as referred to above and (c) to serve any such Notification Event Notices to the Obligor as referred to above.

No further act, condition or thing will be required to be done in connection with the sale and assignment of the Receivables Portfolio to enable the Issuer to require payment of the Receivables or enforcement of any such right in the courts of Portugal, other than the registration (if applicable) of the sale and assignment of any Related Security to the Issuer at the relevant registry office, any formalities that need to be fulfilled in relation to the Related Security and the delivery to the relevant Obligor or Obligor of a Notification Event Notice.

### *Representations and Warranties*

Each of the Originators will, under the Receivables Sale Agreement, in addition to other representations and warranties as to matters of fact and law (including as to matters relating to insolvency), make the following representations and warranties in favour of the Issuer on the Portfolio Determination Date and on Closing Date, in respect of the Receivables Portfolio, and on any Substitute Receivables Determination Date and Substitution Date in respect of the Substitute Receivables:

- (a) the sale and assignment of the Receivables Portfolio on the Closing Date and of each Substitute Receivables and their Related Security on each relevant Substitution Date, pursuant to the Receivables Sale Agreement:
  - (i) constitutes a valid and binding sale and assignment of credits pursuant to the Securitisation Law between the Originators and the Issuer,
  - (ii) transfers the legal and economic title to such Receivables Portfolio (and to any Collections in respect thereof) to the Issuer, without notice of such sale and assignment being served upon the relevant Obligor and so that such Receivables Portfolio (and any Collections in respect thereof) will not form part of the Originators' estate in liquidation, will be effective to transfer to the Issuer

full, unencumbered benefit of and right, title and interest (present or future) to the Receivables Portfolio (including any Collections and other rights in connection therewith, as well as all Related Security),

- (iii) No further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of the Receivables or the enforcement of any such right in the courts of Portugal, the registration (if applicable) of the sale and assignment of any related Receivable to the Issuer at the relevant registry office, any formalities that need to be fulfilled in relation to the Related Security and the delivery to the relevant Obligor or Obligors of a Notification Event Notice;
- (b) so far as it is aware, no Obligor has, in connection with the Receivables Contracts, asserted and/or no circumstances as at the Closing Date and the relevant Portfolio Determination Date or any Substitute Receivables Determination Date and Substitution Date, as applicable, exists as a result of which any Obligor would be entitled to assert, (i) any lien, counterclaim, right of rescission, set-off, retention, subordination, compensation or balance of accounts; or (ii) any defence to payment of any amount due or to become due or performance of any other obligation due under the relevant Receivables Contract except any assertion of a lien, counterclaim, right of rescission, set-off, retention, compensation, subordination or balance of accounts or a defence to payment or performance which is (i) invalid, so far as it is aware, having taken appropriate legal advice, or (ii) has been resolved prior to the Portfolio Determination Date or Substitute Receivables Determination Date (as applicable), or (iii) permitted under the terms of the relevant Receivables Contract;
- (c) each Receivable was, at the date of execution of the relevant Receivables Contract under which it arises, and is, as at the Portfolio Determination Date and the Closing Date, an Eligible Receivable;
- (d) each Substitute Receivable was, as at the date of execution of the relevant Receivables Contract under which it arises, and is, as at the relevant Substitute Receivables Determination Date and the relevant Substitution Date, an Eligible Receivable
- (e) each Receivables Contract pertaining to the Receivable was, as at its date of execution, and is, as at the Portfolio Determination Date and the Closing Date, or at the relevant Substitute Receivables Determination Date and the relevant Substitution Date, as applicable, an Eligible Receivables Contract;
- (f) each Obligor was, as at the date of execution of the Receivables Contract pertaining to the Receivable or the Substitute Receivable to which it is a party, and is, as at the relevant Portfolio Determination Date or Substitute Receivables Determination Date, as applicable, and as at the Closing Date or the relevant Substitution Date, as applicable, an Eligible Obligor;
- (g) each of the Originators' entry into and the execution of the Receivables Sale Agreement and the performance by it of its obligations thereunder will not conflict with or constitute a breach by it of its constitutive documents, any Portuguese law or any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets;
- (h) for the purpose of Article 243(2)(b) of the CRR, the Receivables meet at the time of their inclusion in the securitisation the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 100% (one hundred per cent.) on an individual exposure basis;
- (i) the Receivables have been created in compliance with all applicable laws, requirements of Bank of Portugal and regulations, as applicable, and is not in breach of Portuguese consumer legislation;
- (j) the Receivables are processed in terms that comply with the Data Protection Laws and all relevant

formalities in connection with the sale thereof have been obtained and are in full force and effect; and

- (k) any Collections received in its respect can be identified as being so attributable on the business day of receipt thereof.

In accordance with the terms of the Receivables Sale Agreement, each of the Originators will make certain representations and warranties in respect of the Receivables Portfolio and any Substitute Receivables, including statements to the following effect which together constitute the “**Eligibility Criteria**”:

(a) *Eligible Receivables*

Each of the Receivables arising under each Receivables Contract is an “**Eligible Receivable**”, meaning a receivable that complies with all of the following:

- (i) was originated in the ordinary course of business by an Originator pursuant to the relevant Originator’s underwriting standards and origination procedures, Lending Criteria and Credit and Collection Policies that are no less stringent than those applied by an Originator at the time of origination to similar exposures that are not included in the Receivables Portfolio, and the Originators were, at the time of the origination of such Receivable, a credit institutions, allowed to perform this activity under Decree-Law no. 298/92, of 31 December;
- (ii) to the best of the relevant Originator knowledge, is not the subject of any dispute, right of set-off, counterclaim, defence or claim existing or pending against the relevant Originator;
- (iii) is legally and beneficially solely owned by an Originator, is not subject, either totally or partially, to any lien, assignment, charge or pledge to any third parties or are otherwise in a condition that could be foreseen to affect the validity or the enforceability of the sale and assignment to the Issuer, free from any adverse claims in favour of any person other than the relevant Originator (including, without limitation, one which has not been, in part or in whole, pledged, mortgaged, charged, assigned, discounted, subrogated or seized or attached or transferred in any way and is otherwise free and clear of any liens or other encumbrances);
- (iv) is not subject to any restriction that would affect the origination, enforceability or assignability of such Receivable, is freely assignable without restriction pursuant to the terms of the relevant Receivables Contract and pursuant to the laws of the Portuguese Republic in particular, the Securitisation Law and the Securitisation Regulation;
- (v) is payable in monthly instalments;
- (vi) is neither a Defaulted Receivable nor a Delinquent Receivable and is not considered by the relevant Originator as being in default within the meaning of Article 178(1) of the CRR, as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of the CRR and by the European Banking Authority Guidelines on the application of the definition of default developed in accordance with Article 178(7) of the CRR;
- (vii) in relation to the Receivables respectively originated by each Originator, the relevant Originator has full recourse to the Obligor under the relevant Receivables Contract;
- (viii) can be segregated and identified for ownership purposes on and after the date of its sale and assignment;
- (ix) can be segregated and identified in the IT systems of their respective Originator;
- (x) is an amortising, interest bearing Receivable arising exclusively in the Originators’ ordinary course

of business with the related Eligible Obligor;

- (xi) is denominated in Euros;
- (xii) has its final Instalment Due Date falling on or before the date falling 36 (thirty six) months prior to the Final Legal Maturity Date;
- (xiii) constitutes an unconditional and irrevocable obligation of the relevant Eligible Obligor to pay the full sums of principal, interest and other amounts stated on the respective Instalment Due Dates thereof and is collectable in accordance with Article 587 paragraph 1 of the Portuguese Civil Code;
- (xiv) has not been refinanced or renegotiated and the related Receivables Contract of which has not been replaced, substituted or novated whether due to default on the part of the related Obligor or otherwise;
- (xv) if it is a fixed rate Receivable, accrues interest at a rate which is not lower than 2.0% (two per cent.);
- (xvi) if it is a floating rate Receivable, has a margin over Euribor which is not lower than 2.0% (two per cent.);
- (xvii) constitutes a legal, valid, binding and enforceable obligation of the related Obligor to pay all amounts due and payable or to become due and payable under such Receivable with full recourse to the relevant Obligor;
- (xviii) has a remaining term to maturity not exceeding 120 (one hundred and twenty) months;
- (xix) at least one instalment thereunder has been paid by the relevant Obligor;
- (xx) its payment is required to be made under the French amortisation system, under the terms of the relevant Receivables Contract;
- (xxi) on the Portfolio Determination Date, it is not under a Temporary Moratoria; and
- (xxii) the assessment of the Eligible Obligor's creditworthiness was conducted in accordance with the requirements the set out in Directive 2008/48/EC.

(b) *Eligible Receivables Contracts*

Each Receivables Contract is an "**Eligible Receivables Contract**" if it complies with all the following criteria:

- (i) has been duly executed by the relevant Obligor or Obligor and the relevant Originator and constitutes the legal, valid, binding and enforceable obligations of the relevant Obligor or Obligor and the relevant Originator with full recourse to the Obligor(s);
- (ii) on the Portfolio Determination Date, in respect of Receivables Contracts related to a Receivable included in the Receivables Portfolio or on the relevant Substitute Receivables Determination Date, in respect of Receivables Contracts related to the relevant Substitute Receivable, is not affected by any Temporary Moratoria or subject to a waiver or amendment in material aspects of its terms (including due to default of the relevant Obligor);
- (iii) is governed by and subject to the laws of Portugal;
- (iv) has been entered into in compliance with the applicable laws and regulations;
- (v) has been entered into in writing on the terms of the standard documentation of the relevant Originator without any modification or variation thereto other than as would be acceptable to a

Prudent Lender; and

(vi) is fully disbursed and is not a revolving credit agreement.

(c) *Eligible Obligors*

An “**Eligible Obligor**” is one that complies with all the following criteria:

- (i) to the best of the Originators’ knowledge and based on information available on the Central de Responsabilidades de Crédito of the Bank of Portugal, has not been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination of the relevant Receivable Contract and has not undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the date of assignment of the relevant Receivable to the Issuer;
- (ii) to the best of the Originators’ knowledge, at the time of origination of the relevant Receivables Contract, neither (i) appeared on a public credit registry of persons with an adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Originators nor (ii) had a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made was significantly higher than for comparable exposures held by the Originators which are not included in the Receivables Portfolio;
- (iii) the assessment of its creditworthiness was conducted in accordance with the requirements the set out in Directive 2008/48/EC;
- (iv) is a natural person resident in Portugal;
- (v) no recovery proceedings or court actions have been commenced against such Obligor in connection with the relevant Receivables Contract;
- (vi) is responsible for the performance of payments in respect of the relevant Receivables;
- (vii) complied with all applicable requirements of the Credit and Collection Policies on the date the relevant Receivables Contract was granted, and has not been subject to any investigation or proceedings in connection with money laundering; and
- (viii) is not an employee of either of the Originators.

Each of the Originators will also make the following representations and warranties in relation to compliance with its Lending Criteria:

- (i) Where the Related Security consists on the retention of title or a mortgage in respect of a motor vehicle, the motor vehicle was in all material aspects of the kind permitted under its Lending Criteria for new business in force at the time of origination;
- (ii) Prior to originating a Receivable, the nature and amount of such Receivable and the circumstances of the relevant Obligor satisfied its Lending Criteria in force and effect and applicable by the relevant Originator at the time of origination;
- (iii) The relevant Receivables were originated in accordance with the Lending Criteria applicable at the time they were originated; and
- (iv) Each of the Originators has applied to the relevant Receivables, the same sound and well-defined criteria for credit-granting which it applies to non-securitised receivables it has originated and that are similar to the Receivables. Each of the Originators has applied clearly established processes for approving and,

where relevant, amending, renewing and refinancing the Vehicle Loans and Consumer Loans, and has effective systems in place to apply those criteria and processes in order to ensure that its credit-granting practices are based on a thorough assessment of the Obligor's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting his obligations under the Vehicle Loans and/or the Consumer Loans.

- (v) None of the Receivables is a securitisation position (as defined in the Securitisation Regulation).

*Breach of Receivables Warranties*

If there is a breach of any of the Receivables Warranties and such breach is capable of remedy, the relevant Originator shall within 10 (ten) calendar days after having received written notice of such breach from the Issuer or from the Common Representative (as applicable), remedy such breach. In case the relevant Originator is aware of the breach, it shall notify the Issuer of such breach and remedy such breach within 10 (ten) calendar days.

If such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 10 (ten) calendar day period, the relevant Originator shall repurchase or cause a Third-Party Purchaser, to the extent permitted by the Securitisation Law, to repurchase the relevant Receivables in accordance with the terms of the Receivables Sale Agreement.

If there is a breach of any of the Originators' Representations and Warranties (without prejudice to, the rights in respect of breach of, a Receivables Warranty), the relevant Originator is under the obligation to pay a Compensation Payment to the Issuer in accordance with the terms of the Receivables Sale Agreement.

*Indemnity and/or consideration for re-assignment*

The consideration payable by the relevant Originator or a Third-Party Purchaser, as the case may be, to the Issuer for the re-assignment of any Receivable shall be equal to the Repurchase Price.

If a Receivable expressed to be included in the Receivables Portfolio has never existed or has ceased to exist so that it is not outstanding on the date on which it is due to be assigned or re-assigned, the relevant Originator shall, on demand, fully indemnify the Issuer against any and all Liabilities suffered by the Issuer by reason of the breach of the relevant Receivables Warranty relating to or otherwise affecting that given Receivable up to the amount paid by the Issuer for that Receivable plus an amount equal to accrued interest in respect of such amount (less any principal amounts already received by the Issuer in respect of that given Receivable which has ceased to exist, including, for the avoidance of doubt, any full repayment of a Receivable by the relevant Obligor).

Pursuant to the Receivables Sale Agreement, the relevant Originator may, instead of repurchasing a Receivable from the Issuer or indemnifying the Issuer in respect of a breach of a Representation and Warranty in respect of the Receivables, require the Issuer to accept as consideration for the re-assignment or indemnity payment, as the case may be, the sale and assignment of Substitute Receivables from such Originator subject to the terms of the Receivables Sale Agreement such that the Aggregate Principal Outstanding Balance of such Substitute Receivables shall be at least equal to the consideration in cash or indemnity payment that would have been payable by the relevant Originator to the Issuer. Such Substitute Receivables shall meet the Eligibility Criteria on the date of assignment to the Issuer, shall be the same loan category (Consumer Loan or Vehicle Loans, as the case may be) and shall not have a greater remaining term than the Receivable being replaced. The Purchase Price Interest Component in respect of any Substitute Receivables sold and assigned pursuant to the Receivables Sale Agreement on any Substitution Date shall be paid to the Originators in accordance with item (q) of the Interest Payment Priorities.

In the event that a Temporary Moratoria is granted in respect of any Receivables after the assignment of the relevant Receivable to the Issuer, the relevant Originator will (unless the exposure arising out of such Receivable has already been classified as stage 2 or 3 according to IFRS9 at the moment of the application of the moratorium) substitute or, if such substitution is not possible (due to the lack of eligible receivables available for substitution), repurchase such Receivable in accordance with the Receivables Sale Agreement.

The Originators do not have any discretionary rights of repurchase. The Originators' obligation to repurchase and/or substitute Receivables in accordance with the Receivables Sale Agreement does not constitute active portfolio management within the meaning of Article 20(7) of the Securitisation Regulation.

#### *Obligor Set-off*

Pursuant to the terms of the Receivables Sale Agreement, each of the Originators will pay to the relevant Proceeds Account the amount of any reduction in any amount payable by an Obligor in respect of any Assigned Rights against the Issuer, as a result of any exercise of any right of set-off, counterclaim or any other similar right or action by any Obligor against the Issuer which has arisen on or prior to the Closing Date (regarding Assigned Rights included in the Receivables Portfolio) in respect of any debt due or owing by the relevant Originator to such Obligor or alleged to be so due and owing.

#### *Undertakings for the EU Retained Interest and the UK Retained Interest*

Each of the Originators will undertake, in relation to Article 6(1) of the Securitisation Regulation, Article 6(1) of the UK Securitisation Regulation, the CRR Amendment Regulation and Bank of Portugal Notice 9/2010:

- (a) to retain, on an ongoing and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, the EU Retained Interest and the UK Retained Interest until the Principal Amount Outstanding of the Notes is reduced to €0 (zero euros);
- (b) to confirm to the Issuer and the Transaction Manager, on a monthly basis, that it continues to hold, the EU Retained Interest and the UK Retained Interest, with reference to the securitised exposures for which it is the Originator;
- (c) to provide notice to the Issuer, the Transaction Manager and the Common Representative as soon as practicable in the event it no longer holds the EU Retained Interest or the UK Retained Interest, with reference to the securitised exposures for which it is the Originator;
- (d) that there will be no arrangements pursuant to which the EU Retained Interest or the UK Retained Interest will decline over time materially faster than the Principal Outstanding Balance of the Receivables assigned to the Issuer;
- (e) not to sell, hedge or otherwise mitigate its credit exposure to the EU Retained Interest or the UK Retained Interest whilst any of the Notes are still outstanding; and
- (f) to provide, or procure that the Servicers shall provide to the Issuer, the Common Representative and the Transaction Manager such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the Securitisation Regulation, CRR Amendment Regulation and Bank of Portugal Notice 9/2010.

Each of the Originators will represent and warrant that as at the Closing Date there are no arrangements pursuant to which the EU Retained Interest or the UK Retained Interest will decline over time materially faster than the Principal Outstanding Balance of the Receivables assigned to the Issuer.

#### *Originators' obligations*

The Originators are severally but not jointly liable for any obligation resulting from the Receivables Sale

Agreement, meaning that an Originator is not, and shall not be, liable for any obligation imposed to the other Originator. The Issuer or any Transaction Party can only exercise its rights under the Transaction Documents against an Originator that has failed to meet its own obligations.

#### *Applicable law and jurisdiction*

The Receivables Sale Agreement and all non-contractual obligations arising from or connected with it will be governed by and construed in accordance with the laws of the Portuguese Republic. To the extent permitted by Portuguese law, the courts of Lisbon will have exclusive jurisdiction to settle any dispute that may arise in connection with the Receivables Sale Agreement.

### **Receivables Servicing Agreement**

#### *Servicing and Collection of Receivables*

Pursuant to the terms of the Receivables Servicing Agreement, the Issuer will appoint each Servicer to provide certain services relating to the servicing and collection of the Receivables originated by it.

The Servicers are duly licensed by the Bank of Portugal, as a savings bank (*caixa económica bancária*) in the case of Banco Montepio and as a credit financial institution (*instituição financeira de crédito*) in the case of Montepio Crédito, with registered office in Portugal. Each of the Servicers is an entity subject to prudential, capital and liquidity regulation in Portugal and they have regulatory authorisation and permissions which are relevant to the provision of servicing in relation to the Receivables and other receivables originated by the Originators which are not sold to the Issuer.

Each of the Servicers have significantly more than 5 (five) years of experience in the servicing of loans similar to those included in the Receivables Portfolio. Each of the Servicers' risk management policies, procedures and controls relating to the servicing of the Receivables Portfolio (1) are well documented and adequate, and (2) have been assessed by each of the Originators' risk management department and validated by each of the Originators' risk control committee.

Under the terms of the Receivables Servicing Agreement, each of the Servicers will agree to perform its obligations with all due care, skill and diligence and in good faith and as it would if it were the owner of the relevant Receivables acting as a prudent lender in administering the Receivables and in accordance with its Operating Procedures and enforcement policies as they apply from time to time. As such, each of the Servicers will agree to service the relevant Receivables in the same way as comparable receivables which are not included in the Receivables Portfolio.

Each Servicer will service the Receivables originated by itself in its capacity as Originator.

#### *Servicers' Duties*

The duties of each of the Servicers will be set out in the Receivables Servicing Agreement, and will include, but not be limited to:

- (a) servicing and administering the relevant Receivables;
- (b) complying with the Servicers' Operating Procedures and servicing the relevant Receivables in the same way as comparable loans which are not included in the Receivables Portfolio;
- (c) servicing and administering the cash amounts received in respect of the relevant Receivables, including transferring such amounts to the Payment Account on the following Business Day following the receipt of such amounts in the relevant Proceeds Account;
- (d) preparing periodic reports for submission to the Issuer and the Transaction Manager in relation to the



- Receivables Portfolio in an agreed form, including reports on delinquency and default rates;
- (e) collecting amounts due in respect of the relevant Receivables;
  - (f) setting interest rates applicable to the relevant floating rate Receivables in accordance with and subject to the terms of the Receivables Sale Agreement and the Receivables Servicing Agreement;
  - (g) administering relationships with the relevant Obligor; and
  - (h) in accordance with the Enforcement Procedures and the Credit and Collection Policies, take such action as may be determined by it to be necessary or desirable (including, if necessary, court proceedings) against any Obligor in relation to a Defaulted Receivable.

The Servicers shall jointly prepare and submit on the 8<sup>th</sup> (eighth) Lisbon Business Day of the month immediately following each Calculation Date, to the Issuer, the Back-Up Servicer, the Transaction Manager and the Rating Agencies, a Monthly Servicers' Report in the pre-agreed form containing aggregate information with respect to the Receivables and the Collections (including any Incorrect Payments and a summary of the Receivables Contracts subject to modification) relating to the Calculation Period which ended prior to such report being prepared. The Monthly Servicers' Report forms part of the Monthly Investor Report in a form acceptable to the Issuer, the Transaction Manager and the Common Representative and which shall be made available by the Transaction Manager to, *inter alia*, the Issuer, the Common Representative and the Rating Agencies not less than 6 (six) Business Days prior to each Interest Payment Date.

The Servicers are jointly required to prepare a Loan-Level Report on each SR Reporting Date in respect of the relevant SR Reporting Period, containing the information required under the applicable ESMA Disclosure Templates and RTS and ITS.

#### *Arrears Management*

When performing its Services, including the collection of proceeds and management of credits in arrears and/or forbearance in respect of the Receivables Portfolio, each of the Servicers agrees to comply with the Servicers' Operating Procedures which reflect the Credit and Collection Policies setting out the remedies and actions relating to delinquency and default of Obligor, debt restructuring, forgiveness, forbearance, payment holidays, losses, charge-offs and other asset-performance remedies and procedures for dealing with asset and collection recoveries. If necessary, and in accordance with the terms of the Receivables Servicing Agreement, the Servicers shall, in accordance with the Enforcement Procedures, take such action as may be determined by the Servicers to be necessary or desirable (including, if necessary, court proceedings) against any Obligor in relation to a Defaulted Receivable.

See section of the Prospectus headed "**Originators' Standard Business Practices, Servicing and Credit Assessment**" - "**Recovery processes and Arrears management approach**" for further information on Credit and Collection Policies.

#### *Sub-Contractor*

Each Servicer may appoint any of their respective subsidiaries or affiliates for the time being as its sub-contractor and may appoint any other person as its sub-contractors to carry out certain sub-contractible Services subject to certain conditions specified in the Receivables Servicing Agreement, including, but not limited to, the relevant Servicer retaining liability towards the Issuer for services performed by any sub-contractor. In certain circumstances the Issuer may request the Servicers to assign rights which the Servicers may have against a sub-contractor.

### *Amendments and Variations*

Each of the Servicers covenants, pursuant to clause 15.1. of the Receivables Servicing Agreement, that it will not agree to any amendment, variation or waiver of any Material Term of a Receivables unless (i) it is made while Enforcement Procedures are being undertaken in relation to the relevant Receivable (provided that such amendment or variation is made in accordance with the Credit and Collection Policies), (ii) it has otherwise been agreed by the parties to the Receivables Servicing Agreement or (iii) those variations or amendments are imposed by law.

To the extent that an amendment, variation or waiver is made in relation to a Material Term of a Delinquent Receivable (but not a Defaulted Receivable) while Enforcement Procedures are being undertaken and as a result of which a Receivable ceases to be a Delinquent Receivable without the Borrower having effectively paid all amounts in arrears thereunder prior to such amendment, variation or waiver being in effect, such Receivable will be deemed a Defaulted Receivable. For the avoidance of doubt, any such amendment, variation or waiver of any Material Term of a Receivable may only be made to the extent (i) it complies with the Enforcement Procedures, and the Credit and Collection Policies and (ii) it does not affect the validity, enforceability and collectability of the Receivable.

### *Disposal of Defaulted Receivables*

Each of the Servicers may, on behalf of the Issuer, prior to or after the beginning of the Enforcement Procedures, carry out the sale or other form of transfer of any Defaulted Receivable on behalf of the Issuer, as the Servicer may deem to correspond to the best servicing of the Receivables in question, to the extent that, cumulatively: (i) the transfer is made in the terms authorised by the Securitisation Law and its constitutive documents and in accordance with the Credit and Collection Policies, (ii) the transfer is made at arm's length, and (iii) the transfer is made in accordance with the Servicers' Operating Procedures and iv) the sale is to a third party that is not part of the Montepio Group.

### *Servicing Fee*

As consideration for the provision of the Services to the Issuer, each of the Servicers (or, if applicable, a Successor Servicer) will receive a Servicing Fee payable on a monthly basis in arrear by the Issuer on each Interest Payment Date, subject to the applicable Payment Priorities, at an annual rate of 0.25% (zero point twenty five per cent.) to be applied to the Aggregate Principal Outstanding Balance of the Receivables as at the 1<sup>st</sup> (first) day of the preceding Calculation Period.

### *Back-Up Servicer Fee*

The Issuer shall pay to the Back-up Servicer an upfront fee on the Closing Date, as consideration for the appointment of the Back-up Servicer. Prior to the delivery of a Servicer Event Notice the Issuer shall pay to the Back-up Servicer an annual fee monthly in arrear in accordance with the Payment Priorities.

### *Representations and Warranties*

Each of the Servicers will make certain representations and warranties in the Receivables Servicing Agreement, including (but not limited to) the following:

- (a) Each Servicer is an entity which is subject to prudential, capital and liquidity regulation in Portugal and it has regulatory authorisation and permissions which are relevant to the provision of servicing in relation to the Receivables Portfolio and other loans originated by each of the Originators which are not sold to the Issuer;
- (b) Each Servicer has significantly more than 5 (five) years of experience in servicing of loans similar to those

included in the Receivables Portfolio; and

- (c) Each Servicer's risk management policies, procedures and controls relating to the servicing of the Receivables Portfolio (1) are well documented and adequate and (2) have been assessed by the risk management department of each of the Originators, and validated by the risk control committee of each of the Originators.

The Back-Up Servicer will also make certain representations and warranties in the Receivables Servicing Agreement.

*Covenants of the Servicer and of the Back-up Servicer*

Each of the Servicers and the Back-Up Servicer will be required to make certain covenants in favour of the Issuer in accordance with the terms of the Receivables Servicing Agreement relating to itself and any sub-contractor and its entering into the relevant Transaction Documents to which it is a party.

*Servicer Event*

The following events will be "**Servicer Events**" under the Receivables Servicing Agreement, the occurrence of which will entitle the Issuer to serve a notice on the relevant Servicer (a "**Servicer Event Notice**") immediately or at any time after the occurrence of a Servicer Event:

- (a) *Non-payment*: default is made by a Servicer in ensuring the payment on the due date of any payment required to be made by a Servicer under the Receivables Servicing Agreement and such default continues unremedied for a period of 10 (ten) Business Days after the earlier of the relevant Servicer becoming aware of the default or receipt by a Servicer of written notice from the Issuer requiring the default to be remedied; or
- (b) *Breach of other obligations*: without prejudice to (a) above:
  - (i) default is made or delay occurs by a Servicer in the performance or observance of any of its other covenants and obligations under the Receivables Servicing Agreement; or
  - (ii) any of the Servicer Representations and Warranties proves to be untrue, incomplete or incorrect; or
  - (iii) any certification or statement made by a Servicer in any certificate or other document delivered pursuant to the Receivables Servicing Agreement proves to be untrue,

and in each case (A) such default or such warranty, certification or statement proving to be untrue, incomplete or incorrect is reasonably expected to have a Material Adverse Effect, and (B) (if such default is capable of remedy) such default continues unremedied for a period of 15 (fifteen) Business Days after the earlier of a Servicer becoming aware of such default and receipt by a Servicer of written notice from the Issuer requiring the same to be remedied; or

- (c) *Unlawfulness*: it is or it becomes unlawful, under Portuguese law, for a Servicer to perform or comply with any of its material obligations under the Receivables Servicing Agreement; or
- (d) *Force Majeure*: if a Servicer is prevented or severely hindered from complying with its obligations under the Receivables Servicing Agreement as a result of a Force Majeure Event; or
- (e) *Insolvency Event*: any Insolvency Event occurs in relation to a Servicer; or
- (f) *Material adverse change*: a material adverse change occurs in the financial condition of a Servicer since the date of the latest audited financial statements of the Servicer which, in the reasonable opinion of the Issuer, impairs due performance of the obligations of such Servicer under the Receivables Servicing

Agreement as and when the same fall due; or

- (g) *Withdrawal of the Servicer's authorisation to carry on its business*: if the Bank of Portugal intervenes under Title VIII of RGICSF into the regulatory affairs of a Servicer where such intervention could lead to the withdrawal by the Bank of Portugal of the Servicer's authorisation to carry on its business or otherwise withdraws the authorisation of the Servicer.

After receipt by a Servicer of a Servicer Event Notice but prior to the delivery of a notice terminating the appointment of such Servicer under the Receivables Servicing Agreement (the "**Servicer Termination Notice**") or after receipt by the Issuer of a Servicer Resignation Notice (as described below), the relevant Servicer shall, *inter alia*, and except to the extent prevented or prohibited by applicable law:

- (a) hold to the order of the Issuer the Receivables Records, the Servicer Records and related Transaction Documents in its possession in its capacity as Servicer;
- (b) hold to the order of the Issuer any monies then held by the relevant Servicer on behalf of the Issuer together with any other Receivables held by the Servicer on behalf of the Issuer;
- (c) other than as the Issuer may direct pursuant to the Receivables Servicing Agreement, continue to perform the Services (unless prevented by any applicable law or Force Majeure Event) until the Servicer Termination Date;
- (d) take such further action in accordance with the terms of the Receivables Servicing Agreement as the Issuer may reasonably direct in relation to the Servicers' obligations under the Receivables Servicing Agreement, including, if so requested, giving a Notification Event Notice to the Obligors no later than 30 (thirty) Business Days after the occurrence of a Notification Event and provide such assistance as referred in the Receivables Servicing Agreement as may be necessary to enable the Services to be performed by a Successor Servicer; and
- (e) stop taking any such action under the terms of the Receivables Servicing Agreement as the Issuer may reasonably direct, including, the collection of Receivables, communication with Obligors or dealing with the Receivables.

To the extent permitted by the Securitisation Law, at any time after the delivery of a Servicer Event Notice in accordance with the terms of the Receivables Servicing Agreement, the Issuer may deliver a Servicer Termination Notice to the Servicers (with a copy to the Back-Up Servicer and the Rating Agencies), the effect of which will be to terminate the relevant Servicer's appointment under the Receivables Servicing Agreement (but without affecting any accrued rights and Liabilities under this Agreement) from the Servicer Termination Date. In this case, the appointment of the Back-up Servicer shall be effective as of the date specified in the Servicer Event Notice.

The occurrence of a Servicer Event leading to the replacement of a Servicer or a Notification Event will not, of itself, constitute an Event of Default under the Conditions.

#### *Servicer Termination and Servicer Resignation*

The appointment of the Servicers will continue (unless otherwise terminated by the Issuer) until the Final Discharge Date. The Issuer may terminate the Servicers' appointment upon the occurrence of a Servicer Event and the delivery of a Servicer Termination Notice in accordance with the provisions of the Receivables Servicing Agreement, which shall give effectiveness to the appointment of the Back-up Servicer in accordance with the provisions of the Receivables Servicing Agreement. Notice of the appointment of the Successor Servicer shall be delivered by the Issuer to the Rating Agencies, the CMVM, the Bank of Portugal and to each of the other Transaction Parties.

To the extent permitted by the Securitisation Law, the Servicers may deliver a Servicer Resignation Notice to the

Issuer (with a copy to the Back-up Servicer, the Common Representative and the Rating Agencies), the effect of which shall give effectiveness to the appointment of the Back-up Servicer in accordance with the provisions of the Receivables Servicing Agreement and termination of the relevant Servicer's appointment under the Receivables Servicing Agreement at no cost to the Issuer (but without affecting any accrued rights and Liabilities under this Agreement), from the Servicer Resignation Date, provided that:

- (a) such Servicer Resignation Notice shall be given not less than 90 (ninety) calendar days prior to a proposed Servicer Resignation Date;
- (b) the relevant Servicer may not terminate its appointment under the Receivables Servicing Agreement without a justified reason; and
- (c) subject to the provisions pertaining to the appointment of the Back-Up Servicer, such termination, shall only be effective if a Successor Servicer is appointed in accordance with the terms of the Receivables Servicing Agreement, including after obtaining CMVM's prior approval. If such Successor Servicer has not been appointed by a proposed Servicer Resignation Date, the relevant Servicer's appointment under the Receivables Servicing Agreement will only terminate on the date of appointment of a Successor Servicer (in any case after CMVM's approval) and such date will be deemed a Servicer Resignation Date.

From the Servicer Termination Date or the Servicer Resignation Date, *inter alia*:

- (a) all authority and power of the retiring Servicer under the Receivables Servicing Agreement shall be terminated and shall be of no further effect;
- (b) the retiring Servicer shall no longer hold itself out in any way as the agent of the Issuer pursuant to the Receivables Servicing Agreement;
- (c) the rights and obligations of the retiring Servicer and any obligations of the Issuer and the Originators towards the retiring Servicer shall cease to exist but such termination shall be without prejudice to:
  - (i) any Liabilities or obligations of the retiring Servicer towards the Issuer or the Originators or any Successor Servicer incurred before the Servicer Termination Date or the Servicer Resignation Date;
  - (ii) any Liabilities or obligations of the Issuer or the Originators towards the retiring Servicer incurred before the Servicer Termination Date or the Servicer Resignation Date;
  - (iii) the retiring Servicer's obligation to deliver documents and materials in accordance with the Receivables Servicing Agreement; and
  - (iv) the duty not to hinder the safeguard of the Issuer's interests in the Receivables.

#### *Back-Up Servicer*

As from the Closing Date, the Back-up Servicer will be appointed by the Issuer, subject to the prior approval of the CMVM, to, on an unconditional basis, undertake to perform, on a warm basis, the Services under and in accordance with the Transaction Documents and Article 5 of the Securitisation Law and to be appointed as the Successor Servicer of the Servicer immediately upon the delivery of a Servicer Event Notice. Prior to the delivery of a Servicer Event Notice, the Back-up Servicer will be required to, while either of Banco Montepio and Montepio Crédito is still acting as Servicer:

- (a) establish preliminary procedures for the transfer of servicing functions and provide a summarised description of such preliminary procedures to the Issuer up to the first anniversary date of the signature of the Receivables Servicing Agreement; and
- (b) conduct initial mapping and periodic (on a yearly basis, up to each anniversary date of the signature of the Receivables Servicing Agreement) updates of the Servicers' data systems.

After the delivery of a Servicer Event Notice (without prejudice to the functions to be carried out by each of the

original Servicers until the delivery of a Servicer Termination Notice), the Back-up Servicer will be immediately required to perform the Services performed by the relevant retiring Servicer in accordance with the terms of all of the provisions of the Receivables Servicing Agreement and be bound by the rights and obligations of the Servicer under the Receivables Servicing Agreement towards the other parties to it (except clause 6.4 thereof) and including the Services set out in schedule 1 (*Services to be provided by the Servicer*) to the Receivables Servicing Agreement, provided that a transition period of up to 90 (ninety) calendar days as from the Servicer Termination Notice is observed for the Back-up Servicer to fully undertake such functions and discharge the corresponding duties.

#### *Back-Up Servicer Termination and Back-Up Servicer Resignation*

The Back-up Servicer may deliver a Back-up Servicer Resignation Notice to the Issuer (with a copy to the Servicers, the Common Representative and the Rating Agencies), the effect of which shall be to terminate its appointment under the Receivables Servicing Agreement at no cost to the Issuer (but without affecting any accrued rights and Liabilities under the Receivables Servicing Agreement), from the Back-up Servicer Resignation Date, provided that following requirements are cumulatively met:

- (a) such Back-up Servicer Resignation Notice shall be given not less than 90 (ninety) calendar days prior to a proposed Back-up Servicer Resignation Date; and
- (b) such termination shall only be effective if a Successor Back-up Servicer is appointed in accordance with the terms of the Receivables Servicing Agreement and after obtaining CMVM's prior approval. If such Successor Back-up Servicer has not been appointed by a proposed Back-up Servicer Resignation Date, the Back-up Servicer's appointment under the Receivables Servicing Agreement will only terminate on the date of appointment of a Successor Back-up Servicer (in any case after CMVM's approval) and such date will be deemed a Back-up Servicer Resignation Date.

#### *Payments*

Each Servicer will procure that all Collections to be received from Obligors in respect of the relevant Receivables are paid directly by the Obligors into the relevant Proceeds Account. The Servicers will direct the Proceeds Account Bank in accordance with the terms of the Receivables Servicing Agreement to transfer to the Payment Account on each Business Day any cleared funds related to the Collections received until the close of the immediately preceding Business Day except that the Servicers shall not, in respect of the relevant Proceeds Account, give any such direction if it would cause such Proceeds Account to become overdrawn.

#### *Servicers' obligations*

The Servicers are severally but not jointly liable for any obligation resulting from the Receivables Servicing Agreement, meaning that a Servicer is not, and shall not be, liable for any obligation imposed to the other Servicer. The Issuer or any Transaction Party can only exercise its rights under the Receivables Servicing Agreement against a Servicer that has failed to meet its own obligations.

#### *Applicable law and jurisdiction*

The Receivables Servicing Agreement and all non-contractual obligations arising from or connected with it will be governed by the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to settle any dispute that may arise in connection with the Receivables Servicing Agreement.

#### **Common Representative Appointment Agreement**

On or about the Closing Date, the Issuer and the Common Representative will enter into an agreement setting forth the Conditions of the Notes and providing for the appointment of the Common Representative as initial representative of the Holders for the Notes (the "**Common Representative Appointment Agreement**") pursuant

to Article 65 of the Securitisation Law and Articles 357, 358 and 359 of the Portuguese Companies Code”.

The Common Representative will represent and warrant that it qualifies for acting as common representative in accordance with Article 65(1) of the Securitisation Law.

Pursuant to the Common Representative Appointment Agreement, the Common Representative will agree to act as Common Representative of the Noteholders in accordance with the provisions set out therein and in the Conditions. The Common Representative shall have, among others, the power:

- (a) to exercise in the name and on behalf of the Noteholders all the rights, powers, authorities and discretions vested in the Noteholders or in it (in its capacity as the common representative of the Noteholders pursuant to Article 65 of the Securitisation Law and to Article 359 of the Portuguese Companies Code) at law, under the Common Representative Appointment Agreement or under any other Transaction Document to which the Common Representative is a party;
- (b) to start any action in the name and on behalf of the Noteholders in any proceedings, in accordance with the Noteholders’ instructions passed at a Meeting (including a Resolution approving the replacement of the Common Representative by a third party designated by the Noteholders through such Resolution to represent the Noteholders in such judicial proceedings);
- (c) to enforce or execute in the name and on behalf of the Noteholders any Resolution passed by a Meeting of the Noteholders;
- (d) to exercise, after the delivery of an Enforcement Notice, in its name and on behalf of the Issuer (but for the benefit of the Noteholders), the rights of the Issuer under the Transaction Documents (other than the Common Representative Appointment Agreement) pursuant to the terms of the Co-Ordination Agreement; and
- (e) to pursue the remedies available under the applicable law, the Conditions, the Common Representative Appointment Agreement or any other Transaction Document to enforce the rights under the Notes or the Common Representative Appointment Agreement of the Noteholders.

The rights and obligations of the Common Representative are set out in the Common Representative Appointment Agreement and include, but are not limited to:

- (a) calling for and relying upon an opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by or addressed to the Common Representative, the Issuer, a Paying Agent or any Transaction Creditor);
- (b) determining whether or not, as applicable, an Event of Default or a default in the performance by the Issuer or any Transaction Party of any obligation under the provisions of the Common Representative Appointment Agreement or contained in the Conditions or any other Transaction Document is capable of remedy and/or materially prejudicial to the interests of the Noteholders and the other Transaction Creditors;
- (c) determining whether any proposed modification to the Notes or the Transaction Documents is materially prejudicial to the interest of any of the Noteholders and any of the Transaction Creditors;
- (d) giving any consent required to be given in accordance with the terms of the Transaction Documents;
- (e) waiving certain breaches of the Conditions or the Transaction Documents without the consent or sanction of the Noteholders or any other Transaction Creditors; and
- (f) determining certain other matters specified in the Common Representative Appointment Agreement, including any questions in relation to any of the provisions therein.

The Common Representative may, at any time and from time to time, in its discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, without the consent or sanction of the Noteholders or any other Transaction Creditors, concur with the Issuer and any other relevant Transaction Creditor in authorising or waiving on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach by the Issuer of any of the covenants or provisions contained in the Common Representative Appointment Agreement, the Notes or any other Transaction Documents (other than in respect of a Reserved Matter or any provision of the Notes, the Common Representative Appointment Agreement or such other Transaction Document referred to in the definition of a Reserved Matter) which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that any such authorisation or waiver does not result in an adverse effect on the Ratings of the Rated Notes, and (ii) any of the Transaction Creditors, unless such Transaction Creditors have given their prior written consent to any such authorisation or waiver (except that the Common Representative may not and only the Noteholders may by Resolution determine that any Event of Default shall not be treated as such for the purposes of the Common Representative Appointment Agreement, the Notes or any of the other Transaction Documents), provided that notice thereof has been delivered to the Noteholders in accordance with Condition 18 (Notices) (only to the extent the Common Representative requires such notice to be given) and notified to the Rating Agencies by the Issuer.

In addition, the Common Representative may, at any time and from time to time, unless expressly directed not to do so by the holders of the Most Senior Class of Notes then outstanding, without the consent or sanction of the Noteholders or any other Transaction Creditor concur with the Issuer and any other relevant Transaction Creditor in making (“**Basic Terms Modification**”) (A) any modification to the Conditions, the Notes, the Common Representative Appointment Agreement or any other Transaction Documents in relation to which the Common Representative’s consent is required which (i) is not a Reserved Matter, and (ii) in the opinion of the Common Representative, will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that such modification does not result in an adverse effect on the Ratings of such Notes) and (ii) any of the Transaction Creditors, unless in the case of (ii), such Transaction Creditors have given their prior written consent to any such modification, or (B) any modification, to the Conditions or any other Transaction Documents in relation to which the Common Representative’s consent is required if, in the opinion of the Common Representative, such modification is of a formal, minor, administrative or technical nature, results from mandatory provisions of Portuguese law or is made to correct a manifest error or an error which, in the reasonable opinion of the Common Representative, is proven, or is necessary or desirable for the purpose of clarification and is not a Reserved Matter, provided that prior notice thereof shall be given by the Issuer to the Rating Agencies and, to the extent the Common Representative requires it, to the Noteholders in accordance with Condition 18 (Notices).

#### *Remuneration of the Common Representative*

The Issuer shall pay to the Common Representative remuneration for its services as Common Representative as from the date of the Common Representative Appointment Agreement, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Common Representative. Such remuneration shall accrue from day to day and be payable in advance and in accordance with the Payment Priorities until the powers, authorities and discretions of the Common Representative are discharged.

In the event of the occurrence of an Event of Default, the Issuer hereby agrees that the Common Representative shall be entitled to be paid as an Issuer Expense and in accordance with the corresponding Payment Priorities additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the



Common Representative considers it convenient or necessary or is requested by the Issuer to undertake duties which the Common Representative and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Common Representative under the Common Representative Appointment Agreement, the Issuer shall, in accordance with the applicable Payment Priorities, and considering such duties to be discharged, pay to the Common Representative such additional remuneration as shall be agreed between them (and which may be calculated by reference to the Common Representative's normal hourly rates in force from time to time).

#### *Retirement of the Common Representative*

The Common Representative may retire at any time upon giving not less than 2 (two) calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement (for the avoidance of any doubt, the Common Representative remains responsible for any action until the retirement is effective and any responsibility of the Common Representative for any action until the retirement is effective shall survive the termination). The retirement of the Common Representative shall not become effective until the appointment of a new Common Representative. In the event the Common Representative gives notice of its retirement under the Common Representative Appointment Agreement, the Issuer shall use its best endeavours to find a substitute common representative. If a new common representative has not been appointed within 30 (thirty) days of notice of retirement, the Common Representative may identify a suitable successor to be appointed by the Issuer and to be sanctioned by a Noteholders' Resolution. The Issuer or the Common Representative, as applicable, shall ensure that each substitute common representative enters into the same agreements to which the Common Representative is a party and is bound by the same terms and conditions to which the Common Representative is subject to therein.

#### *Substitution of the Common Representative*

The retirement or replacement of the Common Representative shall not give rise to any costs, fees and/or expenses payable to the retiring Common Representative (other than the costs, fees and expenses already incurred by the date on which the retirement of the Common Representative becomes effective).

The Noteholders may at any time, by means of resolutions passed in accordance with the relevant terms of the Conditions and the Common Representative Appointment Agreement remove the Common Representative and appoint a new Common Representative, provided 60 (sixty) calendar days prior notice is given to the Common Representative. In accordance with Article 65(3) of the Securitisation Law, the power of appointing new common representatives shall be vested in the Noteholders and no person shall be appointed who shall not previously have been approved by a Resolution. The removal of any Common Representative shall not become effective unless there shall be a Common Representative in office after such removal.

#### *Applicable law and jurisdiction*

The Common Representative Appointment Agreement and all non-contractual obligations arising from or connected with it will be governed by the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to settle any dispute in connection with the Common Representative Appointment Agreement.

### **Transaction Management Agreement**

#### *Transaction Manager Services*

Pursuant to the Transaction Management Agreement, the Issuer will appoint the Transaction Manager to carry out certain administrative tasks on behalf of the Issuer, including:

- (a) operating the Transaction Accounts, the Collateral Account and the Principal Deficiency Ledgers in such

a manner as to enable the Issuer to perform its financial obligations pursuant to the Notes and the Transaction Documents;

- (b) providing the Issuer and the Common Representative with certain cash management, calculation, notification and reporting information in relation to the Transaction Accounts, the Collateral Account and the Principal Deficiency Ledgers;
- (c) taking the necessary action and giving the necessary notices to ensure that Transaction Accounts, the Collateral Account and the Principal Deficiency Ledgers are credited or debited with the appropriate amounts in accordance with the Transaction Management Agreement;
- (d) taking all necessary action to ensure that all payments are made from the Transaction Accounts, the Collateral Account in accordance with the Transaction Management Agreement and the Conditions;
- (e) maintaining adequate records to reflect all transactions carried out by or in respect of the Transaction Accounts, the Collateral Account and the Principal Deficiency Ledgers;
- (f) investing the funds credited to the Transaction Accounts, the Collateral Account in Authorised Investments; and
- (g) preparing and delivering (i) the Investor Report on each SR Reporting Date in relation to the SR Reporting Period and (ii) the Monthly Investor Report not less than 6 (six) Business Days prior to each Interest Payment Date and making such Monthly Investor Report available to the Noteholders through the Transaction Manager's internet website currently located at <https://sf.citidirect.com/stfin/index.html>.

All references in this Prospectus to payments or other procedures to be made by the Issuer, notably with respect to the Payment Account, to the Reserve Account or to the Collateral Account, shall whenever the same fall within the scope of functions of the Transaction Manager under the Transaction Management Agreement, be understood as payments or procedures that shall be performed by the Transaction Manager on behalf of the Issuer.

#### *Investor Report*

The Transaction Manager has agreed pursuant to the terms of the Transaction Management Agreement to prepare and deliver to, *inter alios*, the Issuer and the Common Representative an Investor Report on the SR Reporting Date in relation to the immediately three preceding Calculation Periods containing inter alia the information required under the ESMA regulatory technical standards published pursuant to Article 7(3) of the Securitisation Regulation and Article 7(3) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation and pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date).

#### *Reserve Ledger*

The Transaction Manager shall create and maintain the Reserve Ledger as a record in the books of the Issuer in order that such ledgers may be operated in accordance with the terms of the applicable Payment Priorities and the Transaction Management Agreement.

The Transaction Manager will credit the Reserve Ledger on the Closing Date with an amount equal to the Reserve Amount.

The Transaction Manager shall credit to the Reserve Ledger on each Interest Payment Date the amount credited to the Reserve Account in accordance with item *sixth* of the Pre-Enforcement Interest Payment Priorities.

Funds will be debited and credited to the Reserve Ledger in accordance with the payment instructions of the Transaction Manager, acting on behalf of the Issuer, in accordance with the Transaction Management Agreement

and the Accounts Agreement.

*Remuneration*

Subject to and in accordance with the Pre-Enforcement Interest Payment Priorities and the Transaction Management Agreement, the Transaction Manager will receive a fee to be paid by the Issuer as an Issuer Expense in arrear on each Interest Payment Date in respect of the Calculation Period immediately preceding such Interest Payment Date.

*Termination*

The Transaction Management Agreement may be terminated by (a) the Transaction Manager if it has given not less than 60 (sixty) calendar days' prior written notice of its intention to terminate the Transaction Management Agreement to the Issuer and the Common Representative; or (b) the Issuer (with the prior written consent of the Common Representative) if it has given not less than 90 (ninety) calendar days' prior written notice of its intention to terminate the Transaction Management Agreement to the Transaction Manager; or (c) upon the delivery of an Enforcement Notice, by the Common Representative if it has given not less than 60 (sixty) calendar days' prior written notice of its intention to terminate the Transaction Management Agreement to the Transaction Manager (with a copy to the Issuer), provided that a successor Transaction Manager has been appointed in accordance with the provisions of the Transaction Management Agreement.

The Transaction Management Agreement may also be terminated upon the occurrence of a Transaction Manager Event. Any of the following events constitutes a "Transaction Manager Event" under the Transaction Management Agreement:

- (a) *Non-payment*: default by the Transaction Manager in ensuring the payment on the due date of any payment required to be made under the Transaction Management Agreement and such default continues unremedied for a period of 3 (three) Business Days after the earlier of (i) the Transaction Manager becoming aware of the default and (ii) receipt by the Transaction Manager of written notice from the Issuer or, after the occurrence of an Event of Default, the Common Representative requiring the default to be remedied; or
- (b) *Breach of other obligations*: without prejudice to paragraph (a) (*Non-payment*) above:
  - (i) default by the Transaction Manager in the performance or observance of any of its other covenants and obligations under any Transaction Documents to which it is a party; or
  - (ii) any warranty, representation, certification or statement made by the Transaction Manager in any Transaction Documents to which it is a party, certificate or other document delivered pursuant to any Transaction Documents to which it is a party proves to be untrue, incomplete or incorrect, when given,  
  
and, in each case, the Issuer or the Common Representative certifies that such default or such warranty, representation, certification or statement proving to be untrue, incomplete or incorrect could reasonably be expected to have a Material Adverse Effect in respect of the Transaction Accounts and (if such default is capable of remedy) such default continues unremedied for a period of 15 (fifteen) Business Days after the earlier of the Transaction Manager becoming aware of such default and receipt by the Transaction Manager of written notice from the Issuer or, after the occurrence of an Event of Default, the Common Representative requiring the same to be remedied;  
or
- (c) *Unlawfulness*: it is or will become unlawful for the Transaction Manager to perform or comply with any of its *obligations* under any Transaction Documents to which it is a party; or

- (d) *Force Majeure*: if the Transaction Manager is prevented or severely hindered for a period of 60 calendar days or more from complying with its obligations under any Transaction Documents to which it is a party as a result of a Force Majeure Event; or
- (e) *Insolvency Event*: any Insolvency Event occurs in relation to the Transaction Manager.

Should a Transaction Manager Event occur, the Issuer may, with the written consent of the Common Representative, or, after the occurrence of an Event of Default, the Common Representative may itself, deliver a Transaction Manager Event Notice to the Transaction Manager (with a copy to the Issuer or the Common Representative (as applicable)) immediately or at any time after the occurrence of a Transaction Manager Event.

After receipt by the Transaction Manager of a Transaction Manager Event Notice but prior to the delivery of a Transaction Manager Termination Notice, the Transaction Manager shall:

- (a) hold to the order of the Issuer or, upon the delivery of an Enforcement Notice, the Common Representative the Transaction Manager Records and the Transaction Documents;
- (b) hold to the order of the Issuer or, upon the delivery of an Enforcement Notice, the Common Representative any monies then held by the Transaction Manager on behalf of the Issuer together with any other assets of the Issuer;
- (c) other than as the Issuer or, upon the delivery of an Enforcement Notice, the Common Representative may direct pursuant to terms of the Transaction Management Agreement, continue to perform all of its Services (unless prevented by law) until the Transaction Manager Termination Date;
- (d) take such further action in accordance with the terms of the Transaction Management Agreement as the Issuer or the Common Representative may reasonably direct in relation to the Transaction Manager's obligations under the Transaction Management Agreement as may be necessary to enable its Services to be performed by a successor transaction manager; and
- (e) stop taking any such action under the terms of the Transaction Management Agreement as the Issuer or, upon the delivery of an Enforcement Notice, the Common Representative may reasonably direct.

In the event of the termination of the appointment of the Transaction Manager due to the occurrence of a Transaction Manager Event, the Issuer shall appoint a successor transaction manager with effect from the Transaction Manager Termination Date by entering into a replacement transaction management agreement with the successor transaction manager and the Common Representative in accordance with the provisions of the Transaction Management Agreement. The appointment of a successor transaction manager is subject to the condition that, *inter alia*, such substitute transaction manager has significant experience in providing the Services required to be provided by the Transaction Manager pursuant to the Transaction Management Agreement. The Issuer shall give notice to the Rating Agencies and to each of the other Transaction Parties of the appointment of any successor transaction manager. The appointment of the successor Transaction Manager will not be effective until the Rating Agencies are so notified.

At any time after the delivery of a Transaction Manager Event Notice, the Issuer may, with the written consent of the Common Representative, or the Common Representative may itself deliver a Transaction Manager Termination Notice to the Transaction Manager (with a copy to the Issuer or the Common Representative (as applicable)) the effect of which shall be to terminate the Transaction Manager's appointment under the Transaction Management Agreement from the Transaction Manager Termination Date referred to in such notice.

#### *Applicable law and jurisdiction*

The Transaction Management Agreement and all non-contractual obligations arising from or connected with it will be governed by the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to

settle any disputes that may arise in connection with the Transaction Management Agreement.

### **Accounts Agreement**

On or about the Closing Date, the Issuer, the Common Representative, the Accounts Bank and the Transaction Manager will enter into an Accounts Agreement pursuant to which the Issuer will open, on or prior to the Closing Date, the Transaction Accounts and the Collateral Account in its name at the Accounts Bank and the Accounts Bank agrees to (i) maintain, the Transaction Accounts and the Collateral Account which are held in the name of the Issuer and operated by the Transaction Manager on behalf of the Issuer (and, following receipt by the Accounts Bank of a notice from the Common Representative to the effect that the Common Representative has delivered an Enforcement Notice, the Common Representative), and (ii) provide the Issuer with certain services in connection with account handling of, and reporting requirements in relation to the monies from time to time standing to the credit of the Transaction Accounts. The Accounts Bank will pay interest on the amounts standing to the credit of the Payment Account and the Reserve Account to the extent permitted by applicable law. For the avoidance of doubt, the Transaction Accounts and the Collateral Account may bear negative interest rates.

The Accounts Bank will agree to comply with any directions given by the Transaction Manager in relation to the management of the Payment Account and the Reserve Account in accordance with the terms of the Accounts Agreement.

#### *Minimum ratings required*

The Accounts Bank is required to be rated at least the Minimum Ratings with DBRS and Fitch during any time when the relevant Transaction Account is held by the Accounts Bank. In the event that the Accounts Bank ceases to be rated at least the Minimum Ratings with DBRS or ceases to be rated at least the Minimum Ratings with Fitch, then, within 60 (sixty) calendar days of such event and at the cost of the Accounts Bank, the Issuer shall either (i) procure the transfer of the Transaction Accounts and Collateral Account (and the balances standing to the credit thereto) to such other bank rated at least the Minimum Ratings; or (ii) enter into a guarantee with another bank or banks rated at least the Minimum Ratings with DBRS and Fitch guaranteeing the obligations of the Accounts Bank under the Accounts Agreement (provided that the Rating Agencies are notified of the identity of such other bank).

Without prejudice to the right of the Issuer to appoint a replacement Accounts Bank as foreseen above, if the Issuer receives confirmation from the Rating Agencies (at the sole cost of the Issuer as an Issuer Expense) that notwithstanding the Accounts Bank no longer having the Minimum Ratings, the ratings of the Rated Notes will not be adversely affected by such downgrade, the Accounts Bank may continue to act as Accounts Bank pursuant to the Accounts Agreement and the Issuer will not be obliged to procure the transfer of the Accounts and/or enter into a guarantee with another bank as contemplated above.

#### *Termination and Resignation*

The Accounts Bank may resign its appointment upon not less than 30 (thirty) calendar days' notice to the Issuer (with a copy to the Common Representative and the Transaction Manager), provided that (i) if such resignation would otherwise take effect less than 30 (thirty) calendar days after the Final Legal Maturity Date or other date for redemption of the Notes or any Interest Payment Date in relation to the Notes, such resignation shall not take effect until the 30<sup>th</sup> (thirtieth) day following such date, and (ii) such resignation shall not take effect until a successor has been duly appointed in accordance with the terms of the Accounts Agreement and the Transaction Accounts and the Collateral Account (and the balances standing to the credit thereto including interest accrued thereon up to the date of transfer), as applicable, have been transferred to such successor.

The Issuer may (with the prior written approval of the Common Representative for which purpose the co-execution of the relevant termination document by the Common Representative shall suffice) revoke its

appointment of the Accounts Bank by not less than 30 (thirty) calendar days' notice to the Accounts Bank (with a copy to the Common Representative and the Transaction Manager). Such revocation shall not take effect until a successor, previously approved in writing by the Common Representative, has been duly appointed in accordance with the terms of the Accounts Agreement and the balances standing to the credit of the Transaction Accounts and the Collateral Account, including interest accrued thereon up to the date of transfer, is transferred to the accounts held with such successor.

The appointment of the Accounts Bank shall terminate if an Insolvency Event occurs in relation to the Accounts Bank or if the Accounts Bank is in breach of the Accounts Agreement, with such breach having a Material Adverse Effect. If the appointment of the Accounts Bank is terminated under this circumstance, the Issuer shall forthwith appoint a successor having the Minimum Ratings in accordance with the terms of the Accounts Agreement.

#### *Applicable law and jurisdiction*

The Accounts Agreements and all non-contractual obligations arising from or connected with it will be governed by English Law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Paying Agency Agreement**

Pursuant to the Paying Agency Agreement, the Issuer and, in case a Potential Event of Default or Event of Default occurs, the Common Representative will appoint the Agents (the Paying Agent and the Agent Bank) as their agents in relation to the Notes to perform various payments and other administrative functions in connection with the Notes and the other Transaction Documents as specified in the Paying Agency Agreement and in the Conditions. The obligations and duties of the Agents under the Paying Agency Agreement and the Conditions shall be several and not joint.

The Issuer may (with the prior written approval of the Common Representative and prior notice to the Rating Agencies) appoint a successor paying agent or agent bank and additional or successor paying agents and shall forthwith give notice of any such appointment to the continuing Agent, the Noteholders, the Rating Agencies and the Common Representative. If the Paying Agent or the Agent Bank gives notice of its resignation in accordance with the terms of the Paying Agency Agreement and no successor agent is appointed by the Issuer within the timeframes specified in the Paying Agency Agreement, the Paying Agent or the Agent Bank (as the case may be) may, following such consultation with the Issuer as is practicable in the circumstances, and with the prior written approval of the Common Representative and prior notice served by the Issuer to the Rating Agencies, appoint a successor agent and shall forthwith give notice of any such appointment to the Issuer, the remaining Agents, the Common Representative, the Rating Agencies and the Noteholders.

Any successor paying agent or agent bank and additional or successor paying agents appointed in accordance with the terms of the Paying Agency Agreement must be appointed prior to the termination of the appointment of the previous Agent and shall be a reputable and experienced financial institution capable of acting as a paying agent or agent bank (as applicable) pursuant to Interbolsa or other applicable regulations.

#### *Resignation, Revocation and Automatic Termination*

Any Agent may resign its appointment by giving not less than 60 (sixty) calendar days' notice to the Issuer (with a copy to the Common Representative and, in the case of an Agent other than the Paying Agent, to the Paying Agent), provided that (i) if such resignation would otherwise take effect less than 30 (thirty) calendar days before or after the Final Legal Maturity Date or other date for redemption of the Notes or any Interest Payment Date in relation to the Notes, it shall not take effect until the 30<sup>th</sup> (thirtieth) calendar day following such date, and (ii) such resignation shall not take effect until a successor has been duly appointed in accordance with the terms of the Paying Agency Agreement and notice of such appointment has been given to the Noteholders.

The Issuer may (with the prior written approval of the Common Representative) revoke the appointment of any Agent by giving not less than 60 (sixty) calendar days' notice to such Agent(s) (with a copy to the Common Representative and, in the case of an Agent other than the Paying Agent, to the Paying Agent), provided that such revocation shall not take effect until a successor has been duly appointed in accordance with the terms of the Paying Agency Agreement and notice of such appointment has been given to the Noteholders.

The appointment of any of the Agents shall also terminate forthwith if an Insolvency Event occurs in relation to such Agent. If the appointment of an Agent is terminated in accordance with this provision, the Issuer shall forthwith appoint a successor in accordance with the terms of the Paying Agency Agreement.

#### *Applicable law and jurisdiction*

The Paying Agency Agreement and all non-contractual obligations arising from or connected with it will be governed by the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to settle any dispute in connection with the Paying Agency Agreement.

### **Cap Transaction**

#### *Interest Rate Cap Transaction*

To provide a hedge against the potential interest rate exposure of the Issuer in relation to its floating rate obligations under the Rated Notes, on or about the Closing Date, the Issuer will enter into the Cap Transaction with Crédit Agricole Corporate and Investment Bank (the "**Cap Counterparty**") under a ISDA 2002 Master Agreement (the "**ISDA Master Agreement**"), together with a Schedule thereto (the "**ISDA Schedule**"), the 1995 ISDA Credit Support Annex thereto (the "**Credit Support Annex**") and a cap confirmation (the "**Cap Confirmation**") and, together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Cap Agreement**").

#### *Main features*

The Cap Counterparty will pay to the Issuer on each Interest Payment Date, an amount, if positive, equal to the product of:

- (a) the Notional Amount for the Calculation Period (as defined in the Cap Agreement) related to such Interest Payment Date;
- (b) the Floating Rate Day Count Fraction (as defined in the Cap Agreement); and
- (c) (i) in relation to the First Interest Payment Date, (a) the rate determined using straight-line interpolation by reference to one month EURIBOR and three month EURIBOR for the number of days in such Calculation Period minus (b) the Strike Rate; and (ii) on any other Interest Payment Date, (a) 1-month EURIBOR minus (b) the Strike Rate.

The Cap Agreement shall be in force until the Interest Payment Date falling on 25 January 2035.

The Cap Agreement includes a termination provision whereby, if at any time the reference rate in respect of the Rated Notes is changed and EURIBOR is different to the Floating Rate (as defined in the Cap Confirmation), a EURIBOR Modification Event (as defined in the ISDA Schedule) occurs. Following the occurrence of such EURIBOR Modification Event (as defined in the ISDA Schedule), the Issuer shall have the right to terminate the Cap Transaction.

The Cap Agreement includes ratings provisions according to which, upon the occurrence of a Ratings Event (as defined in the Cap Agreement), the Cap Counterparty shall transfer cash collateral to the Issuer, provide a DBRS Eligible Guarantee (as defined in the Cap Agreement) or a Fitch Eligible Guarantee (as defined in the Cap Agreement), as applicable, to the Issuer or transfer its rights and obligations as Cap Counterparty to an Eligible

Replacement (as defined in the Cap Agreement) as applicable. The Issuer will covenant in the Master Framework Agreement that it will use all reasonable endeavours to identify an Eligible Replacement (as defined in the Cap Agreement), if so required, and the Servicers will agree to assist the Issuer in finding an Eligible Replacement (as defined in the Cap Agreement), if so required.

In the event that the Cap Counterparty is required to transfer Cap Collateral to the Issuer, such Cap Collateral will be credited to the Collateral Account. Amounts standing to the credit of the Collateral Account (including any interest earned thereon) may only be applied in accordance with the provisions of the Collateral Account Priority of Payments.

#### *Applicable law and jurisdiction*

The Cap Agreement and any non-contractual obligation arising out of, or in connection with it are governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Co-ordination Agreement**

On the Closing Date, the Transaction Creditors and the Issuer will enter into the Co-ordination Agreement pursuant to which the parties (other than the Common Representative) will be required, subject to Portuguese law, to give certain information and notices to, and give due consideration to any request from or opinion of, the Common Representative in relation to certain matters regarding the Receivables Portfolio, the Originators and its obligations under the Receivables Sale Agreement, the Servicers and their obligations under the Receivables Servicing Agreement.

Pursuant to the terms of the Co-ordination Agreement, the Common Representative Appointment Agreement, the Conditions and the relevant provisions of the Securitisation Law, the Common Representative shall, following the delivery of an Enforcement Notice, act in the name and on behalf of the Issuer (for the benefit of the Noteholders) in connection with the Transaction Documents and in accordance with the Co-ordination Agreement.

In addition, pursuant to the Co-ordination Agreement, the Transaction Manager and the Common Representative will receive the benefit of the Receivables Warranties and other representations and warranties made by the Originators and the Servicers in the Receivables Sale Agreement and the Receivables Servicing Agreement respectively. The Issuer will authorise the Common Representative to exercise the rights provided for in the Co-ordination Agreement and the Originators and the Servicers will acknowledge such authorisation therein and the Originators and the Servicers, as applicable, shall undertake not to file any claims or take any actions against the Common Representative in order to obtain any compensation for any damages or liabilities which may be incurred as a result of the Common Representative so acting.

#### *Common Representative Consultation*

Under the terms of the Co-ordination Agreement, the Issuer and the Servicers, when deciding on certain specified matters and following the occurrence of certain specified events, must consult with and, to the extent permitted by law, give due and serious consideration to any request made by the Common Representative.

#### *Applicable law and jurisdiction*

The Co-ordination Agreement and all non-contractual obligations arising out of or in connection with it will be governed by the laws of the Portuguese Republic. The Courts of Lisbon will have exclusive jurisdiction to settle any dispute in connection with the Co-ordination Agreement.



## ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

### General

The effective schedule of repayment, the weighted average life (as defined below), yield, duration and final maturity of the Listed Notes depend on several factors, inter alia, the amount and timing of delinquencies and Receivables becoming Defaulted Receivables, the occurrence of prepayments from time to time, the occurrence of any Subordination Event, and whether the Notes are subject to any Optional Redemption in Whole and when.

Furthermore, the capacity of the Issuer to redeem in full the Notes on or before the Final Legal Maturity Date will be affected by inter alia the extent of delinquencies, Receivables becoming Defaulted Receivables, the occurrence of prepayments from time to time, the occurrence of any Subordination Event and whether the Notes are subject to any Optional Redemption in Whole and when.

In accordance with the Eligibility Criteria, the Receivables included in the Receivables Portfolio, as well as any Substitute Receivables, are not and will not be, as applicable, affected by Temporary Moratoria as at the Portfolio Determination Date or at the relevant Substitute Receivables Determination Date, as applicable. However, it cannot be excluded that after the Receivables have been assigned under the Receivables Sale Agreement they may be subject to further Temporary Moratoria, in which case the Originators will (unless the exposure arising out of such Receivable has already been classified as stage 2 or 3 according to IFRS9 at the moment of the application of the moratorium) substitute, repurchase or procure a third-party to repurchase such Receivables from the Issuer in accordance with the terms of the Receivables Sale Agreement (see risk factor **“Covid-19 Pandemic and Possible Similar Future Outbreaks”**). Such repurchases may affect the portfolio profile and the estimated weighted average lives of the Listed Notes.

### Weighted Average Lives of the Notes

The estimated weighted average life (“WAL”) of each Note refers to the calculation, on the basis of certain assumptions, of the average time period that will elapse from the date of issuance of a Note to the date of distribution to the noteholder of amounts distributed in reduction of principal of such Note to zero, weighted by the principal amount distributed to the noteholder over time.

The actual average lives of each class of the Listed Notes cannot be predicted as the actual rate at which the Receivables will be repaid, and a number of other relevant factors are unknown.

The model used for the purpose of calculating estimates of the WALs presented in this Prospectus relies upon an assumed constant per annum rate of prepayment (the “CPR”). The CPR is an assumed annual constant rate of payment of principal not anticipated by the scheduled amortisation of the portfolio which, when applied monthly, results in the estimated portfolio of the Receivables balance and allows calculating the monthly prepayments. The constant prepayment rates shown below are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Determinations of expected average lives of each the Listed Notes can nonetheless be made under certain assumptions regarding the characteristics of the Receivables in the Receivables Portfolio and the performance thereof. Based on the assumptions that:

- (a) The contractual amortisation schedule of the Receivables transferred to the Issuer on the Closing Date is identical to the contractual amortisation schedule of the final portfolio of Receivables as of 31<sup>st</sup> October 2021 which is assumed as follows:

Month	Principal Outstanding Balance (%)	Month	Principal Outstanding Balance (%)	Month	Principal Outstanding Balance (%)
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Oct-2021	100.00%	Mar-2025	41.98%	Aug-2028	8.19%
Nov-2021	98.46%	Apr-2025	40.82%	Sep-2028	7.80%
Dec-2021	96.90%	May-2025	39.66%	Oct-2028	7.42%
Jan-2022	95.34%	Jun-2025	38.52%	Nov-2028	7.06%
Feb-2022	93.79%	Jul-2025	37.39%	Dec-2028	6.71%
Mar-2022	92.23%	Aug-2025	36.29%	Jan-2029	6.36%
Apr-2022	90.68%	Sep-2025	35.20%	Feb-2029	6.02%
May-2022	89.13%	Oct-2025	34.14%	Mar-2029	5.69%
Jun-2022	87.60%	Nov-2025	33.09%	Apr-2029	5.37%
Jul-2022	86.07%	Dec-2025	32.06%	May-2029	5.06%
Aug-2022	84.55%	Jan-2026	31.04%	Jun-2029	4.76%
Sep-2022	83.03%	Feb-2026	30.03%	Jul-2029	4.46%
Oct-2022	81.52%	Mar-2026	29.04%	Aug-2029	4.18%
Nov-2022	80.01%	Apr-2026	28.07%	Sep-2029	3.90%
Dec-2022	78.51%	May-2026	27.12%	Oct-2029	3.63%
Jan-2023	77.02%	Jun-2026	26.19%	Nov-2029	3.37%
Feb-2023	75.54%	Jul-2026	25.29%	Dec-2029	3.11%
Mar-2023	74.05%	Aug-2026	24.40%	Jan-2030	2.86%
Apr-2023	72.58%	Sep-2026	23.53%	Feb-2030	2.62%
May-2023	71.12%	Oct-2026	22.68%	Mar-2030	2.38%
Jun-2023	69.67%	Nov-2026	21.84%	Apr-2030	2.16%
Jul-2023	68.23%	Dec-2026	21.01%	May-2030	1.93%
Aug-2023	66.80%	Jan-2027	20.19%	Jun-2030	1.71%
Sep-2023	65.38%	Feb-2027	19.38%	Jul-2030	1.51%
Oct-2023	63.97%	Mar-2027	18.58%	Aug-2030	1.31%
Nov-2023	62.57%	Apr-2027	17.80%	Sep-2030	1.13%
Dec-2023	61.19%	May-2027	17.02%	Oct-2030	0.97%
Jan-2024	59.81%	Jun-2027	16.27%	Nov-2030	0.82%
Feb-2024	58.45%	Jul-2027	15.53%	Dec-2030	0.68%
Mar-2024	57.09%	Aug-2027	14.82%	Jan-2031	0.55%
Apr-2024	55.76%	Sep-2027	14.13%	Feb-2031	0.43%
May-2024	54.43%	Oct-2027	13.47%	Mar-2031	0.33%
Jun-2024	53.12%	Nov-2027	12.83%	Apr-2031	0.23%
Jul-2024	51.83%	Dec-2027	12.21%	May-2031	0.15%
Aug-2024	50.55%	Jan-2028	11.62%	Jun-2031	0.09%
Sep-2024	49.29%	Feb-2028	11.06%	Jul-2031	0.04%
Oct-2024	48.04%	Mar-2028	10.51%	Aug-2031	0.01%
Nov-2024	46.80%	Apr-2028	10.00%	Sep-2031	0.00%
Dec-2024	45.58%	May-2028	9.51%	Oct-2031	0.00%
Jan-2025	44.37%	Jun-2028	9.04%	Nov-2031	0.00%
Feb-2025	43.17%	Jul-2028	8.60%	Dec-2031	0.00%

- (b) No Originator repurchases any Receivable assigned to the Issuer over the term of the Notes;
- (c) There are no delinquencies or Receivables becoming Defaulted Receivables, and the monthly instalments are received on the Instalment Due Date and prepayments occur at the respective CPR set forth in the table below;

- (d) Payments of interest due and payable under the Notes are received on the 25<sup>th</sup> day of each month, commencing in January 2022;
- (e) Payments of principal due and payable under the Notes are received on the 25<sup>th</sup> day of each month, commencing in January 2022;
- (f) Credit balances on the Transaction Accounts bear a 0% interest;
- (g) No Optional Redemption in Whole pursuant to Condition 8.8 (*Optional Redemption in Whole*) occurs except, where applicable, as a result of the Clean-Up Call Condition;
- (h) No Subordination Event occurs;
- (i) The Principal Amount Outstanding of the Class A on Closing Date is 80.0% (eighty per cent) of the Aggregate Principal Outstanding Balance of the Receivables at the Portfolio Determination Date; the Principal Amount Outstanding of the Class B on Closing Date is 5.8% (five point eight per cent) of the Aggregate Principal Outstanding Balance of the Receivables at the Portfolio Determination Date; the Principal Amount Outstanding of the Class C on Closing Date is 4.9% (four point nine per cent) of the Aggregate Principal Outstanding Balance of the Receivables at the Portfolio Determination Date; the Principal Amount Outstanding of the Class D on Closing Date is 5.4% (five point four per cent) of the Aggregate Principal Outstanding Balance of the Receivables at the Portfolio Determination Date; the Principal Amount Outstanding of the Class E on Closing Date is 4.9% (four point nine per cent) of the Aggregate Principal Outstanding Balance of the Receivables at the Portfolio Determination Date;
- (j) The Interest Collection Proceeds are deemed sufficient to cover all senior expenses and Interest Amounts on the Notes,
- (k) The WAL calculation is based on Actual/365;
- (l) the Notes are issued on 30 November 2021.

The actual characteristics and performance of the Receivables will differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and should not be relied upon.

Assumption (a) is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another.

The approximate average lives and principal payment windows of the Listed Notes, at various assumed rates of prepayment of the Receivables, would be as follows:

**Weighted Average Lives of the Notes assuming the Clean-Up Call Option is exercised by the Originators on the First Interest Payment Date on which the Clean-Up Call Condition is met**

Scenario (CPR)	0%	5.00%	7.25%	10.00%
<b><u>Class A</u></b>				
<b><i>Weighted Average Life (in years)</i></b>	3.20	2.82	2.67	2.49
<b><i>Expected Maturity</i></b>	Jun-2028	Nov-2027	Sep-2027	May-2027
<b><u>Class B</u></b>				

<b>Weighted Average Life (in years)</b>	3.20	2.82	2.67	2.49
<b>Expected Maturity</b>	Jun-2028	Nov-2027	Sep-2027	May-2027
<b>Class C</b>				
<b>Weighted Average Life (in years)</b>	3.20	2.82	2.67	2.49
<b>Expected Maturity</b>	Jun-2028	Nov-2027	Sep-2027	May-2027
<b>Class D</b>				
<b>Weighted Average Life (in years)</b>	3.20	2.82	2.67	2.49
<b>Expected Maturity</b>	Jun-2028	Nov-2027	Sep-2027	May-2027
<b>Class E</b>				
<b>Weighted Average Life (in years)</b>	3.20	2.82	2.67	2.49
<b>Expected Maturity</b>	Jun-2028	Nov-2027	Sep-2027	May-2027

**Weighted Average Lives of the Notes assuming the Clean-Up Call Option is never exercised by the Originators**

Scenario (CPR)	0%	5.00%	7.25%	10.00%
<b>Class A</b>				
<b>Weighted Average Life (in years)</b>	3.29	2.91	2.76	2.59
<b>Expected Maturity</b>	Jul-2030	Mar-2030	Jan-2030	Oct-2029
<b>Class B</b>				
<b>Weighted Average Life (in years)</b>	3.42	3.07	2.93	2.77
<b>Expected Maturity</b>	Oct-2030	Jul-2030	May-2030	Mar-2030
<b>Class C</b>				
<b>Weighted Average Life (in years)</b>	3.45	3.11	2.96	2.81
<b>Expected Maturity</b>	Feb-2031	Nov-2030	Oct-2030	Aug-2030
<b>Class D</b>				
<b>Weighted Average Life (in years)</b>	3.49	3.16	3.02	2.87

<b><i>Expected Maturity</i></b>	Oct-2031	Sep-2031	Oct-2031	Aug-2031
<b><u>Class E</u></b>				
<b><i>Weighted Average Life (in years)</i></b>	3.53	3.23	3.08	2.96
<b><i>Expected Maturity</i></b>	Oct-2031	Oct-2031	Oct-2031	Oct-2031

The WALs of each Class of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

The tables contained in the section entitled "***Estimated Weighted Average Lives of the Notes and Assumptions***" have been prepared by the Arrangers based on information provided by the Originators.

## USE OF PROCEEDS

The gross proceeds of the issue of the Notes will amount to €362,029,097.00. The net proceeds of the issue of the Notes will amount to €362,029,097.00.

On or about the Closing Date, the Issuer will apply the proceeds of the Notes as follows:

- (a) in or towards payment to the Originators of the Purchase Price Principal Component for the purpose of purchasing the Receivables Portfolio pursuant to the Receivables Sale Agreement;
- (b) in or towards funding of the Reserve Account up to the Reserve Amount; and
- (c) in or towards payment of the Cap Premium to the Cap Counterparty and payment of the Up-front Transaction Expenses;

provided that any excess of the Class A Notes Issuance Premium over the items referred to in paragraph (c), if any, shall form part of the Available Interest Distribution Amount to be applied on the First Interest Payment Date in accordance with the Pre-Enforcement Interest Payment Priorities.

The difference between the aggregate Principal Amount Outstanding of the Notes on the Closing Date and the sum of the Purchase Price Principal Component and the Reserve Amount shall form part of the Available Principal Distribution Amount to be applied on the First Interest Payment Date in accordance with the Pre-Enforcement Principal Payment Priorities.

The total expenses relating to the admission of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes to trading on Euronext Lisbon will amount to €12,600.00 (twelve thousand and six hundred euros).

## CHARACTERISTICS OF THE RECEIVABLES

The information set out below has been prepared on the basis of the final pool of the Receivables intended to be securitised as at 31 October 2021.

### The Receivables

Each Receivable arises under or in connection with a Consumer Loan or Vehicle Loan originated by any of the Originators.

The interest rate of the Receivables comprised in the Receivables Portfolio may be a variable rate of interest or a fixed rate of interest. The Receivables comprised in the Receivables Portfolio are fully amortising with monthly instalments of both principal and interest. The interest on the Receivables is payable monthly in arrear and calculated on the basis of a 360-day year at a variable rate or at a fixed rate.

### Characteristics of the Receivables Portfolio

The Receivables Portfolio as at the Portfolio Determination Date will have the aggregate characteristics indicated in Tables 1 to 16 below as at 31 October 2021.

The Receivables included in the Receivables Portfolio have the characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes. However, neither the Originators nor the Issuer warrant the solvency (credit standing) of any or all of the Obligor. For the avoidance of doubt, the Receivables Portfolio does not contain any Receivables in relation to which one or more instalments have not been paid by the respective Instalment Due Date.

Amounts are rounded to the nearest euro unit with €0.50 (fifty cents) being rounded upwards. This may give rise to certain rounding errors in the tables.

Only Montepio Crédito originates Vehicle Loans. All but 0.2% of the Receivables Contracts relating to Vehicle Loans provide for a retention of title in favour of Montepio Crédito or are secured in favour of Montepio Crédito by a mortgage over the asset Vehicle which is the object of such Receivable Contract. None of the Receivables originated by Banco Montepio included in the Receivables Portfolio benefit from any retention of title or car mortgages.

In addition, Obligor are generally required according to the Credit and Collection Policies to take protection payment insurance covering the risks of death and permanent invalidity (temporary disability and unemployment coverage is optional). In that regard, Banco Montepio and Montepio Crédito – acting as insurance agents – offer insurance policies from Lusitania, Companhia de Seguros, S.A., and/or Lusitania Vida, Companhia de Seguros de Vida, S.A., in the case of Banco Montepio, and currently, Metlife Europe d.a.c. – Portuguese Branch and Metlife Europe Insurance d.a.c. – Portuguese Branch, in case of Montepio Crédito. When entering into a Receivables Contract. The Obligor may either accept the insurance proposals of Banco Montepio's or Montepio Crédito's – acting as insurance agents – or obtain insurance from a third-party insurer and assign the rights in favour of Banco Montepio or Montepio Crédito, as applicable. In general, Banco Montepio and Montepio Crédito finance the insurance premium due and payable by the Obligor at the date of execution of the relevant Receivable Contract.

The payment protection insurance products offered by Banco Montepio are: **PPCI (Plano de Protecção ao Crédito Individual)**: Product that transfers to the Insurance Company the responsibilities of the obligor regarding the remaining payment of the capital financed (excluding taxes, commissions and instalments past due and unpaid and past due interest), in case of 1) death and absolute and definitive disability [Plan A]: If the obligor so elects payment of the reimbursement of the monthly instalment may also be covered during limited periods of time if one of the following events occurs: (a) temporary disability for work due to accident or illness – in which cases

the insurance company pays Banco Montepio the monthly instalments due for a maximum of 12 (twelve) consecutive months or 24 (twenty four) during the validity of the Receivables Contract; (b) involuntary loss of employment (only for obligors with employment agreement) – in which cases the insurance company pays Banco Montepio the monthly instalments due while the unemployment situation persists or the Receivables Contract is paid in full up to a maximum of 6 (six) consecutive months or 18 (eighteen) months during the validity of the Receivables Contract; and (c) hospitalization (for more than 7 (seven) days, (only for Obligors without employment agreement) – in which case the insurance company pays Banco Montepio the monthly instalment due or past due. Banco Montepio may substitute the PPCI by other credit protections such as financial pledge of deposits. In these cases there will be no insurance covering the above described events. Banco Montepio is the beneficiary of the PPCI Insurance Policies.

The payment protection insurance products offered by Montepio Crédito are: **CAP (*Seguro de Vida de Protecção de Crédito Auto*)**: Product that transfers to the insurance company the responsibilities of the obligor should the following events occur: (a) death – in which case the insurance company pays Montepio Crédito the outstanding debt in accordance with credit amortisation schedule excluding taxes, commissions and instalments past due and unpaid and past due interest with a maximum of €100.000 (one hundred thousand euros); (b) permanent and total physical disability for work – in which case the insurance company pays Montepio Crédito the outstanding debt in accordance with credit amortisation schedule excluding taxes and commissions and instalments past due and unpaid and past due interest with a maximum of €100.000 (one hundred thousand euros); on a voluntary basis, Obligors may also transfer to the insurance company the following risks (c) temporary total disability for generating income due to accident or illness, involuntary loss of employment (only for Obligors with employment agreement); and hospitalization (only for Obligors without employment agreement) – in which cases the insurance company pays Montepio Crédito the monthly instalments due excluding taxes, commissions and instalments past due and unpaid and past due interest up to €2.000 (two thousand euros)/month for a maximum of 12 (twelve) consecutive months/per event or 24 (twenty four) months/per series of events. Montepio Crédito is the beneficiary of the CAP Insurance Policies.



Principal Outstanding Balance	EUR 356,774,137.78
Number of Loans	39,704
Number of Obligor	38,882
Average Original Principal Balance	EUR 12,945.60
Average Principal Outstanding Balance	EUR 8,985.85
Average Original Term to Maturity	95 months
Average Current Term to Maturity	72 months
Weighted average fixed rate Receivables fixed interest rate	6.41%
Weighted average floating rate Receivables interest rate margin	6.96%
Weighted average fixed interest rate / interest rate margin	6.62%
Weighted average seasoning	2.00 years
Weighted average maturity term	5.98 years

## Receivables Portfolio stratification tables

<b>Table 1: Top 10 Borrowers</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
1	83,394.72	0.02%	2	0.005%
2	66,570.77	0.02%	1	0.003%
3	66,311.82	0.02%	1	0.003%
4	66,219.48	0.02%	1	0.003%
5	65,741.80	0.02%	2	0.005%
6	61,526.86	0.02%	1	0.003%
7	61,067.16	0.02%	1	0.003%
8	60,471.84	0.02%	1	0.003%
9	60,375.21	0.02%	2	0.005%
10	56,791.37	0.02%	2	0.005%
Remainder	356,125,666.75	99.82%	39,690	99.96%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 2: Loan Purpose</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
New auto	34,040,417.49	9.54%	2,611	6.58%
Used auto	184,945,315.33	51.84%	17,711	44.61%
Other	137,788,404.96	38.62%	19,382	48.82%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 3: Originator</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
Banco Montepio	150,695,863.84	42.24%	21,006	52.91%
Montepio Crédito	206,078,273.94	57.76%	18,698	47.09%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 4: Origination Channel</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
Branch	150,567,905.83	42.20%	20,923	52.70%
Online	1,690,553.61	0.47%	215	0.54%
Car Dealer	204,515,678.34	57.32%	18,566	46.76%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 5: Payment Frequency</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
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Monthly	356,774,137.78	100.00%	39,704	100.00%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 6: Amortisation Type</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
French amortisation	356,774,137.78	100.00%	39,704	100.00%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 7: Interest Rate Type</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
Fixed	215,188,104.97	60.31%	21,522	54.21%
Floating	141,586,032.81	39.69%	18,182	45.79%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 8: Interest Rate**

<b>Type</b>	<b>From</b>	<b>To</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
Fixed Rate	0	1.999999	0.00	0.00%	0	0.00%
Fixed Rate	2.000000	3.999999	4,541,232.94	1.27%	417	1.05%
Fixed Rate	4.000000	5.999999	83,635,745.25	23.44%	6,734	16.96%
Fixed Rate	6.000000	7.999999	96,525,193.29	27.05%	10,096	25.43%
Fixed Rate	8.000000	9.999999	30,089,570.95	8.43%	4,171	10.51%
Fixed Rate	10.000000	11.999999	396,362.54	0.11%	104	0.26%
Fixed Rate	12.000000	13.999999	0.00	0.00%	0	0.00%
Fixed Rate	14.000000	15.999999	0.00	0.00%	0	0.00%
Floating Margin	0	1.999999	0.00	0.00%	0	0.00%
Floating Margin	2.000000	3.999999	5,457,684.51	1.53%	687	1.73%
Floating Margin	4.000000	5.999999	19,910,385.79	5.58%	1,898	4.78%
Floating Margin	6.000000	7.999999	74,838,458.94	20.98%	8,607	21.68%
Floating Margin	8.000000	9.999999	40,836,211.05	11.45%	6,840	17.23%
Floating Margin	10.000000	11.999999	477,138.74	0.13%	132	0.33%

Floating Margin	12.000000	13.999999	66,153.78	0.02%	18	0.05%
Floating Margin	14.000000	15.999999	0.00	0.00%	0	0.00%
<b>Total</b>			<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 9: Original Principal Balance**

From	To	Original Principal Balance	% of Total	Loans	% of Total
0.00	4,999.99	13,670,147.67	2.66%	4,181	10.53%
5,000.00	9,999.99	76,380,026.63	14.86%	10,630	26.77%
10,000.00	14,999.99	138,145,087.32	26.88%	11,242	28.31%
15,000.00	19,999.99	132,650,730.32	25.81%	7,738	19.49%
20,000.00	24,999.99	75,474,510.68	14.68%	3,428	8.63%
25,000.00	29,999.99	38,055,512.57	7.40%	1,406	3.54%
>= 30,000.00		39,616,141.77	7.71%	1,079	2.72%
<b>Total</b>		<b>513,992,156.96</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 10: Principal Outstanding Balance**

From	To	Principal Outstanding Balance	% of Total	Loans	% of Total
0.00	4,999.99	35,500,979.58	9.95%	13,184	33.21%
5,000.00	9,999.99	84,422,688.10	23.66%	11,492	28.94%
10,000.00	14,999.99	101,944,737.22	28.57%	8,284	20.86%
15,000.00	19,999.99	72,898,171.55	20.43%	4,264	10.74%
20,000.00	24,999.99	34,067,607.23	9.55%	1,550	3.90%
25,000.00	29,999.99	16,390,459.37	4.59%	606	1.53%
>= 30,000.00		11,549,494.73	3.24%	324	0.82%
<b>Total</b>		<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 11: Original Term to Maturity (months)**

From	To	Principal Outstanding Balance	% of Total	Loans	% of Total
0	24	536,756.81	0.15%	391	0.98%
24	48	14,730,862.10	4.13%	4,044	10.19%
48	72	59,981,145.40	16.81%	10,692	26.93%
72	96	139,868,090.68	39.20%	14,275	35.95%
96	120	140,853,795.11	39.48%	10,247	25.81%
> 120		803,487.68	0.23%	55	0.14%
<b>Total</b>		<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 12: Current Term to Maturity (months)**

From	To	Principal Outstanding Balance	% of Total	Loans	% of Total
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0	24	16,651,090.23	4.67%	7,183	18.09%
24	48	61,299,118.69	17.18%	10,387	26.16%
48	72	95,663,640.83	26.81%	9,717	24.47%
72	96	100,244,021.69	28.10%	7,369	18.56%
96	120	82,916,266.34	23.24%	5,048	12.71%
<b>Total</b>		<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 13: Maturity Date**

From	To	Principal Outstanding Balance	% of Total	Loans	% of Total
01-Jan-21	31-Dec-22	5,081,662.81	1.42%	3,607	9.08%
01-Jan-23	31-Dec-24	41,450,865.59	11.62%	9,503	23.93%
01-Jan-25	31-Dec-26	82,529,017.28	23.13%	10,294	25.93%
01-Jan-27	31-Dec-28	118,908,257.81	33.33%	9,493	23.91%
01-Jan-29	31-Dec-30	68,982,369.48	19.34%	4,442	11.19%
01-Jan-31	31-Dec-32	39,821,964.81	11.16%	2,365	5.96%
<b>Total</b>		<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

**Table 14: Origination Date**

From	To	Principal Outstanding Balance	% of Total	Loans	% of Total
01-Jan-08	31-Dec-09	23,685.76	0.01%	1	0.00%
01-Jan-10	31-Dec-11	504.05	0.00%	1	0.00%
01-Jan-12	31-Dec-13	1,042,767.68	0.29%	282	0.71%
01-Jan-14	31-Dec-15	13,079,675.49	3.67%	2,695	6.79%
01-Jan-16	31-Dec-17	34,570,472.87	9.69%	6,048	15.23%
01-Jan-18	31-Dec-19	107,109,120.79	30.02%	12,691	31.96%
01-Jan-20	31-Dec-21	200,947,911.14	56.32%	17,986	45.30%
<b>Total</b>		<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

	Principal Outstanding Balance	% of Total	Loans	% of Total
<b>Table 15: Borrower Type</b>				
Employed	319,299,651.57	89.50%	34,802	87.65%
Self-Employed	8,871,975.68	2.49%	1,206	3.04%
Pensioner	19,940,937.26	5.59%	2,697	6.79%
Student	1,877,778.28	0.53%	229	0.58%
Domestic	5,231,344.75	1.47%	481	1.21%
Unemployed	1,552,450.24	0.44%	289	0.73%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

<b>Table 16: Geographic Region</b>	<b>Principal Outstanding Balance</b>	<b>% of Total</b>	<b>Loans</b>	<b>% of Total</b>
Alto Minho	5,094,711.24	1.43%	607	1.53%
Cávado	12,321,280.09	3.45%	1,388	3.50%
Ave	14,606,491.82	4.09%	1,612	4.06%
Área Metropolitana do Porto	65,736,702.07	18.43%	7,073	17.81%
Alto Tâmega	1,506,814.62	0.42%	163	0.41%
Tâmega e Sousa	15,333,771.12	4.30%	1,471	3.70%
Douro	4,109,798.77	1.15%	400	1.01%
Terras de Trás-os-Montes	2,795,723.84	0.78%	315	0.79%
Algarve	12,408,753.70	3.48%	1,524	3.84%
Oeste	18,679,130.80	5.24%	1,782	4.49%
Região de Aveiro	19,613,320.35	5.50%	2,229	5.61%
Região de Coimbra	28,236,994.36	7.91%	3,007	7.57%
Região de Leiria	12,627,334.31	3.54%	1,322	3.33%
Viseu Dão Lafões	5,514,173.11	1.55%	624	1.57%
Beira Baixa	3,010,538.48	0.84%	366	0.92%
Médio Tejo	6,972,958.09	1.95%	810	2.04%
Beiras e Serra da Estrela	5,307,646.76	1.49%	682	1.72%
Área Metropolitana de Lisboa	72,643,358.50	20.36%	8,633	21.74%
Alentejo Litoral	4,817,314.36	1.35%	432	1.09%
Baixo Alentejo	5,154,463.77	1.44%	536	1.35%
Lezíria do Tejo	12,367,850.15	3.47%	1,199	3.02%
Alto Alentejo	3,279,394.94	0.92%	379	0.95%
Alentejo Central	7,608,494.08	2.13%	805	2.03%
Região Autónoma dos Açores	10,087,047.49	2.83%	1,542	3.88%
Região Autónoma da Madeira	6,940,070.96	1.95%	803	2.02%
<b>Total</b>	<b>356,774,137.78</b>	<b>100.00%</b>	<b>39,704</b>	<b>100.00%</b>

### **Verification of data**

For the purposes of compliance with Article 22(2) of the Securitisation Regulation, the Originators have had a representative sample of the provisional pool of Receivables as at July 31 2021 externally verified by an appropriate and independent third party. Such verification was completed on or about 8 November 2021 with a confidence level of 95% (ninety-five per cent.). This independent third party has also performed agreed upon procedures in order to verify the conformity of the Receivables Portfolio to the Receivables Warranties and that the stratification tables disclosed in the prospectus in respect of the Receivables are accurate. The Originators have reviewed the reports of such independent third party and have not identified any significant adverse findings following such verification. The third party only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed.

### **Environmental performance of the Receivables**

The Originators do not collect information relating to the environmental performance of the Assets in the Receivables Portfolio at origination of each Receivable.

### **Other characteristics**

The Receivables are homogeneous for the purposes of Article 20(8) of the Securitisation Regulation, on the basis that all the Receivables in the Receivables Portfolio: (i) have been underwritten by the Originators in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential Obligor's credit risk; (ii) are entered into substantially on the terms of similar standard documentation for Vehicle Loans and Consumer Loans; (iii) are serviced by the Servicers pursuant to the Receivables Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from the loans; and (iv) form one asset category, namely credit facilities provided to Obligors with residence in Portugal for personal, family or household consumption purposes.

Any material change to the Lending Criteria after the date of the Receivables Sale Agreement which would affect the homogeneity (as determined in accordance with Article 20(8) of the Securitisation Regulation and Articles 1(a)(iii), (b), (c) and (d) and 2(4)(b) of Commission Delegated Regulation 2019/1851) of the Receivables Portfolio, or which would materially affect the overall credit risk or the expected average performance of the Receivables Portfolio, or any other material change to the Lending Criteria after the date of the Receivables Sale Agreement which is required to be disclosed under Article 20(10) of the Securitisation Regulation, will (to the extent such change affects the Receivables Portfolio from time to time) be notified (along with an explanation of the rationale for such changes being made) to the Common Representative and the Issuer by the relevant Originator without undue delay, and the Issuer shall then disclose it to the investors and to the Rating Agencies.

## ORIGINATORS' STANDARD BUSINESS PRACTICES, SERVICING AND CREDIT ASSESSMENT

### ***Consumer credit activities of Banco Montepio and Montepio Crédito***

Banco Montepio and Montepio Crédito are part of the same financial group. Although acting independently, both entities share the same guiding principles.

Both entities grant loans aimed at serving its individual customers' needs, ranging from financing the acquisition of car, home durable consumer goods and appliances and other personal expenses, although with different weightings between the two lenders.

Banco Montepio and Montepio Crédito maintain their focus on the quality of service provided to its customer base, along with the adoption of rigorous, ethical and transparent business practices. The aforementioned facilities are extended to customers/borrowers through Banco Montepio's branch network in Portugal or, in the case of Montepio Crédito, through its network of dealers.

### ***Product Characteristics***

Consumer loans are regulated under Portuguese legislation by Decree Law no. 133/2009, of 2 June, which transposed to Portuguese legislation the Directive no. 2008/48/CE, from the Parliament and the Council, dated 23 April, being further complemented by the Bank of Portugal regulations and recommendations for this specific type of loans (i.e. consumer loans).

Currently, consumer loans offered by Banco Montepio and Montepio Crédito have the following generic characteristics:

- A term between 3 (three) to 120 (one hundred and twenty) months (the maximum term may vary depending on the loan purpose);
- Financed amounts between 200 (two hundred) euros and 75.000 (seventy five thousand) euros;
- There is no obligation to make down payments;
- Contracts are denominated and paid in Euro;
- Credits are paid through monthly instalments (which include capital and interest);
- Property of the asset lies with the obligor but, in the case of Montepio Crédito, there is a retention title (*reserva de propriedade*) in favour of the lender;
- The bulk of origination is unsecured, although Montepio Crédito usually benefits from the retention of title (*reserva de propriedade*) of the financed vehicles. Depending on the borrower's inferred risk or operation specificities, the lenders may request additional guarantees (which never include mortgages or other rights on real estate). Further to personal guarantees, a wide range of guarantees can be accepted, namely the pledge of financial assets or auto mortgages;
- As a standard, borrowers will have to contract life insurance to cover the event of borrower's death or permanent disability. Insurance coverage can be extended to cover situations like unemployment or temporary disability. This coverage extension is recommended by the lenders, although being of voluntary adoption by the borrower;
- The lenders may act as agents and, in that capacity, place the insurance with insurance companies from their group or not. Insurance can be contracted independently;
- Rates can be floating or fixed;

### ***Origination and underwriting***

All of Banco Montepio's consumer loan business is originated at the branch level, as a result of direct contact with borrowers, where the underwriting process actually starts. No loans are originated through brokers. Even



though Banco Montepio requires all applications to be submitted at the branch level, an online portal is available as an additional tool for customers to contact the bank.

Montepio Crédito's business model is based mainly on indirect distribution through dealers/points of sale under established partnerships (more than 1,000 (one thousand) dealers currently). Additionally, direct distribution channels (call centre, CREDIRETO and Banco Montepio branches) explore cross-selling opportunities.

This two-prong approach allows to maximize the group's presence in the Portuguese consumer loan market.

Both entities rely on scoring models as a stepping stone of its underwriting procedures.

At Banco Montepio, the branch collects all information required in accordance with the legislation in force and internal credit guidelines. Further to a loan proposal and informative questionnaires (covering inter alia: name, date of birth, address and home ownership status, personal and professional phone number, e-mail, nationality, marital status, family size, job, monthly income, monthly financial responsibilities and expenses, nature of employment contract and tenure in job, address of the employer and banking relationships) filled-in and signed by the borrowers, the following documents must be provided by the applicants, inter alia: identity card and tax identification number (copy), proof of address (utility bill), proof of telephone number (bill), proof of income (for each of the last three months and also the most recent personal tax income statement submitted to the tax authorities), a blank promissory note (livrança for enforcement proceedings) signed by the obligor and co-obligors (if applicable) and pro forma invoice of asset being purchased/financed (when applicable and dependent on the loan typology).

All data collected is checked and entered into the "Credit Scoring System".

The Credit Scoring System contains pre-defined validation rules, constituting the first phase of the underwriting and lending policy. After validating the information, the branch submits the loan application to the risk analysis process to an independent credit risk analysis department that gathers and checks the information regarding income and liabilities. Additionally, the "Credit Scoring System" automatically cross checks for any incidents on internal and/or external databases and also checks credit policies/rules (i.e. income and responsibilities, DSTI ratio). Following the risk analysis process, the loan application is filtered through the credit decision process.

Decision is usually taken at the branch level. However, in cases of greater materiality or risk, the decision is collegially taken by the commercial departments and by the credit risk analysis department. Depending on the loan type and amount and the risk classification (scoring grade), the loan granting decision may have to be taken by the Executive Committee of the Board of Directors.

All applications rejected by the Credit Scoring Model must be submitted to the credit risk analysis department for validation prior to the final decision.

After approval and loan activation, the loan agreements and related documents are duly archived, both physically and digitally.

On what concerns Montepio Crédito, once a dealer agrees to a sale transaction with a client, and financing is required, all relevant information regarding the applicant(s), the terms and conditions of the loan and, in the case of a car loan, the characteristics of the vehicle are loaded into the system by filling a credit application form. The information may be loaded by the dealer using ATIV (a web based platform used by Montepio Crédito's dealers/points of sale under contractual partnerships) or by the Operations Division team upon receiving the required data from the partner (either using email or phone).

In order to process a credit application, Montepio Crédito collects the following information regarding the applicant(s), inter alia: name, date of birth, address and home ownership status, personal and professional phone number, e-mail, nationality, marital status, family size, job, monthly income, monthly financial responsibilities

and expenses, nature of employment contract and tenure in job, address of the employer and banking relationships.

In the case of Vehicle Loans, detailed information on the vehicle must be loaded in the credit application (such as make, model, registration, date of registration, inter alia). This information is used by the scoring model and decision engine, including the consistency check between the transaction price and the EUROTAX car values database.

After loading all relevant data into the system, the dealer or Montepio Crédito's Operations Division can proceed to the assessment of the credit application by running the scoring application and decision engine. This is an automatic process that automatically delivers a credit decision: approval (conditional upon exhibiting the required evidence for the inserted data), rejection or to be further assessed by a credit analyst.

If the final automatic decision requires further assessment by credit analysts, the decision engine assigns the credit application to the Credit Analysis Department. The applicable delegated level of decision is automatically assigned depending on the type of asset to be financed and the potential exposure of the applicant.

When a credit application is approved, following an automatic decision or a decision made by credit analysts, the set of documents related to the loan agreement is made available to the dealer/point of sale on the ATIV platform in order to be printed and signed by the applicant(s) and returned, together with all relevant evidence, to the Operations Division.

The credit application is then checked against the supporting documents for consistency verification and potential fraud detection by the Operations Division team. The following documents must be provided by the applicants, inter alia: identity card and tax identification number (copy), proof of address (utility bill), proof of telephone number (bill), proof of income (for each of last three months and also the most recent personal tax income statement submitted to the tax authorities), proof of IBAN provided (statement from the bank), bank statements (copy, if necessary), a blank promissory note (livrança for enforcement proceedings) signed by the obligor and co-obligors (if applicable), signed SEPA debit authorisation mandate, car insurance covering own damages (required in the leasing and rental), contract of life insurance (required in credit, as a standard), documents of the vehicle (in order to complete the registration property and the retention of title (reserva de propriedade) on behalf of Montepio Crédito) and pro forma invoice of the asset being purchased/financed (when applicable).

After all internal and legal checks are performed, if non-conformities are detected the credit application is rejected. For the applications that have successfully passed all due verifications, the loan is activated in the system, the Financial Division is instructed to proceed to the payment (to the dealer/point of sale) and the loan agreements and related documents are duly archived, both physically and digitally.

Loan proposal analysis for both entities have its focus on the following aspects:

- Prospective Borrower's financial standing;
- Prospective Borrower's risk level as defined through the scoring system;
- Need for additional guarantees;
- If applicable, level of collateralization of the operation;
- Compliance with the calculated exposure limits;
- Adequacy of transaction pricing to risk levels and expected return, respecting the minimum spreads / minimum rates defined in the respective internal regulations as well as the maximum rates as defined by Banco de Portugal;
- In the case of Montepio Crédito Vehicle Loans, the value of the vehicle and the dealer's classification.

The credit policy guidelines for both entities, defined in line with legislation in force and the group strategy, are updated on a regular basis, including the update and renewal of the basic intervention principles of the underwriting activity and respective preventive monitoring and recovery.

### ***External dealer evaluation***

Taking into account the reliance of Montepio Crédito on external agents as part of its origination processes, these are evaluated at inception, prior to establishing a contractual relationship between the agent (dealer) and Montepio Crédito, but also on an ongoing basis.

Montepio Crédito has a standard procedure for approving a new dealer. The Commercial Divisions identify potential new dealers and submit the entity for approval by the Risk Division. To the assessment of each potential partnership, the analysts consider financial data, creditworthiness information, and experience in business and reputational information, inter alia.

The risk performance per dealer is monitored by the Risk Division and the internal risk classification of each dealer is adjusted on an on-going basis. This risk classification is taken into consideration when processing credit applications by clients of each dealer.

For a new dealer, the performance of the initial originated loans is monitored closely by the Commercial Division and the Operational Division: regular personal visits and telephone calls to assess customer satisfaction.

Dealers performance is monitored and under-performance (loans with serious delinquencies or defaults) may determine the removal of the dealer from the approved list. The dealer's risk classification is updated periodically based on the performance of the originated portfolio.

### ***Servicing***

Both Banco Montepio and Montepio Credit are experienced servicers. Both entities manage the servicing of the loans on their respective portfolios and, additionally, have extensive experience performing as servicers and preparing all the related reports for Portuguese STC entities under the scope of multiple securitizations where they were originators for the securitized portfolios.

On what concerns collections, taking into account that Banco Montepio grants consumer loans to its clients through its branch network, there is a pre-requisite for all prospective borrowers to have a bank account with Banco Montepio. All collections from consumer loans granted by Banco Montepio to its clients are debited from the clients' deposit accounts with Banco Montepio. The collection process runs automatically on a daily basis. Within this automated collection process, Banco Montepio debits the collection amounts from the client bank account. If the client has enough funds and the collection is successful, a letter/receipt is automatically sent to the client. If the client does not have enough funds for a successful collection, in full or in part, the event is automatically reported to the branch that manages the client relationship and a reminder/letter is automatically issued to the borrower, giving notice of the non-payment and signaling the need for the past due amounts to be paid. For as long as a past due remains, the automatic collection process will try to debit of the past due amounts on a daily basis.

As Montepio Crédito is a specialized lender and, as such, is not authorized to receive deposits, the collections are debited through direct debit to the borrowers accounts with any given SEPA bank.

When Montepio Crédito grants loans, as a standard principle, obligors must sign an authorization to debit an active bank account, and all payments are made by electronic direct debit on a monthly basis. Montepio Crédito collects instalments on the 1<sup>st</sup>, 5<sup>th</sup>, 15<sup>th</sup> and 27<sup>th</sup> day of each month.

Instalments unpaid on the first debit attempt are sent for re-debit collection. The system applies each electronic payment received by electronic funds transfer to the respective instalments due, even if an older instalment

remains unpaid. Payments received by check or money order are applied manually to the oldest instalments yet unpaid.

As with Banco Montepio, a successful payment of a Montepio Crédito loan automatically triggers a letter/receipt sent to the client. Similarly, a non-payment triggers a reminder/letter automatically issued to the borrower, giving notice of the non-payment and signaling the need for the past due amounts to be paid.

Borrowers from both entities are entitled to partially or fully pre pay the loans (no limits applicable). Fees will apply in accordance with the applicable law (in the case of consumer loans, including vehicle loans to individuals, fees cannot be charged if the loan bears a floating interest rate).

**Arrears Procedures**

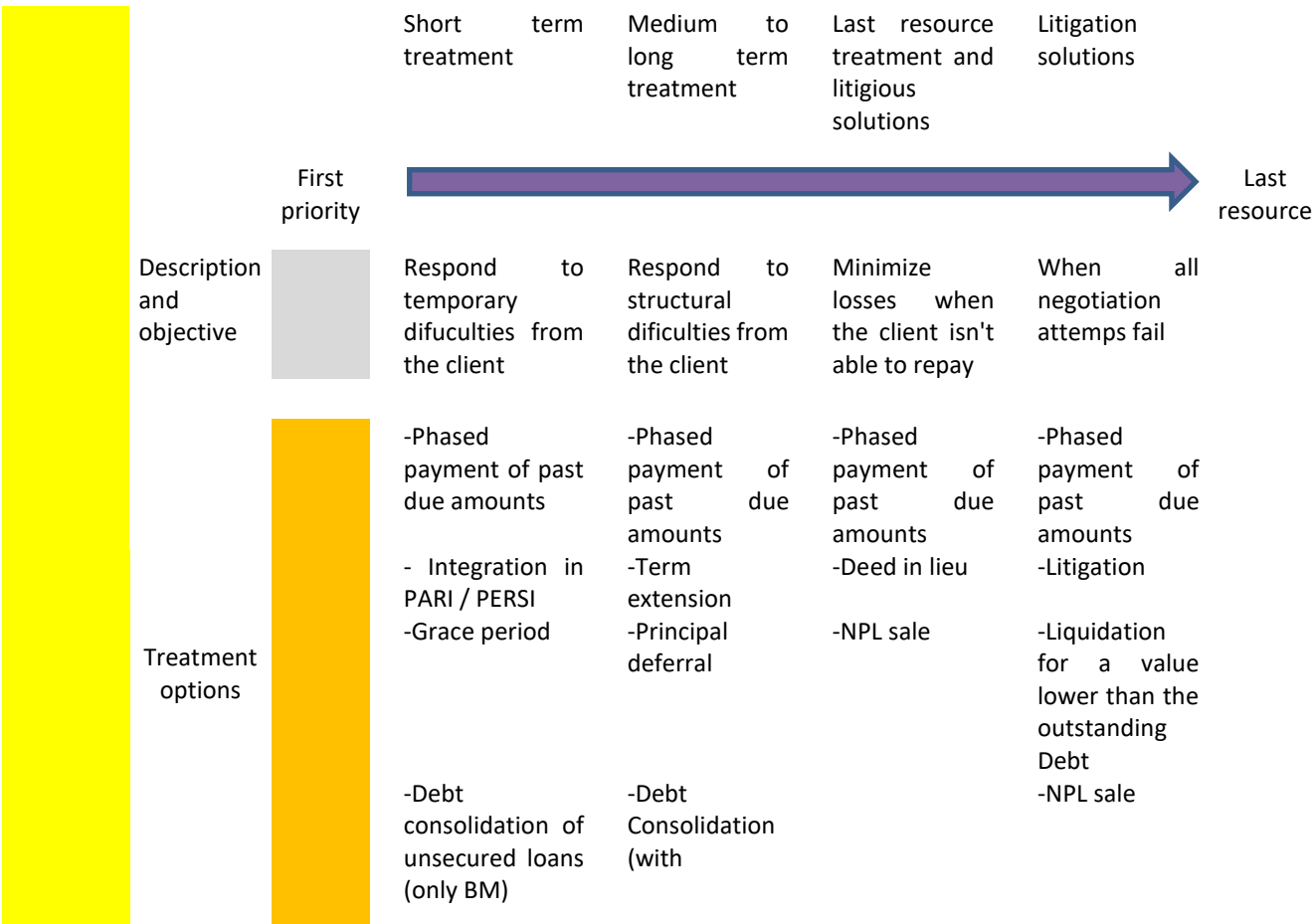
As it occurs with origination and underwriting, there is an alignment between Banco Montepio and Montepio Crédito recovery policies.

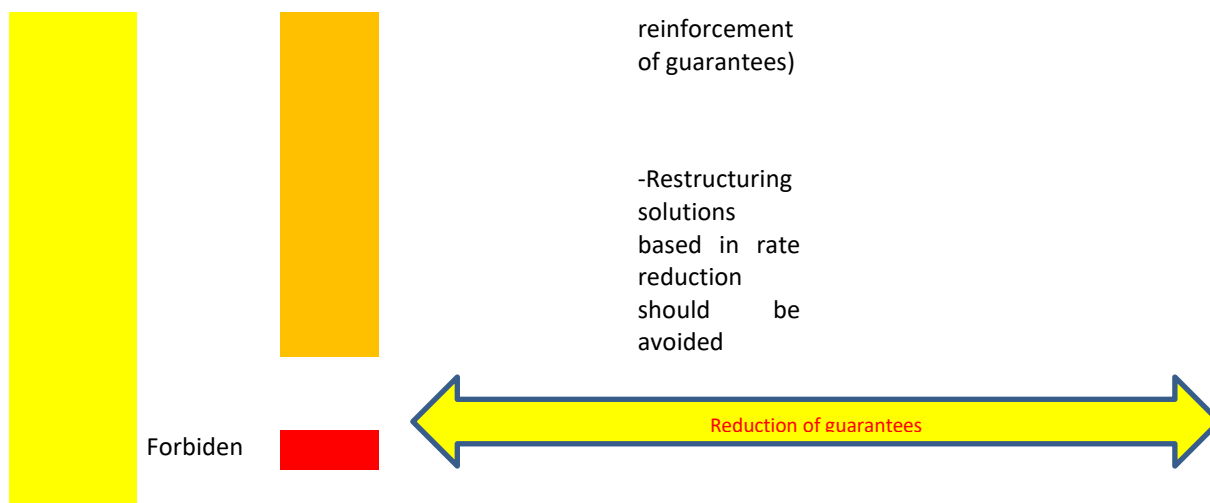
The preferred recovery procedure for both entities is performing the collections of the past due amounts. The efforts to collect past due amounts start immediately upon a non-successful scheduled collection.

Only after recurrent failure to collect past due amounts or consubstantiated lack of borrower capacity to meet its obligations credit restructuring is devised as acceptable.

Standard pre-defined “cure” measures to be implemented in order to reduce the recovery process cycle, and therefore enabling more cost effective “cure” strategies with less impact in the P&L have been inscribed in the two entities recovery policies.

Generically, the approach to delinquent loans is as follows:





Whenever Banco Montepio and Montepio Crédito have exposure to the same delinquent borrower, the recovery strategy will be formalized and jointly defined between the two entities, in order to minimize losses on a consolidated basis.

#### **Early collections**

Up until 60 (sixty) days in arrears or up until the second instalment in arrears, the collection process is managed by the lenders, at Banco Montepio, by the responsible commercial branch and, at Montepio Crédito, by the Collections Department team. During this period, the Banco Montepio and Montepio Crédito use automated and non-automated letters, SMSs, emails and phone calls to engage with delinquent borrowers and try to enact a successful early recovery solution.

In the case of consumer loans, it is required by law (Decree Law no. 227/2012, of 25 October, as amended from time to time) to start a special procedure with the borrower, after 30 days in arrears, in order to try to reach an out-of court agreement to remedy the delinquency and prevent default (“*PERSI - Procedimento Extrajudicial de Regularização de Situações de Incumprimento*”).

#### **External collections**

After 60 (sixty) days or two instalments in arrears, upon failure to cure the loan or reach a viable agreement with the borrower, consumer loans are assigned to specialized servicers. These specialized servicers will try to recover the delinquent positions, acting in line with the originators internal policies and guidelines. These specialized servicers remuneration is success fee based, where fees are linked to the amounts effectively recovered.

During this stage, collectors try to raise customer’s awareness for the advantages of preventing judicial litigation and achieving an amicable solution in order to avoid costs associated to a judicial claim.

In the specific case of Montepio Crédito’s vehicle loans, as inherent to the loan, as a standard procedure, there is retention of title (*reserva de propriedade*) of the vehicle in benefit of the lender, the collections’ teams try to amicably recover the vehicle and sell it in public auctions. The proceeds of the sale are directly used to repay the amounts in arrears and reduce the principal outstanding balance of the loan.

#### **Litigation**

Legal proceedings are usually not initiated before 180 (one hundred and eighty) elapse from the moment on which the Originators engage in conversations with the borrowers with a view to resolve the delinquency out of court and shall only be initiated if a solution is not reached within this period. Borrowers and guarantors are

preemptively informed of the lender's intention to advance toward the court litigation phase and a last try to reach a negotiated solution for delinquency is enacted.

With regards to consumer loans, in accordance with the applicable law (Decree-law no. 133/2009, of 2 June, the regulatory framework for Portuguese consumer loans), an early termination of the contract and subsequent start of court action is only permitted upon the existence of at least two consecutive instalments in arrears and when the total amount in arrears is at least 10% (ten per cent) of the total outstanding balance of the loan.

Litigation recovery process is fully outsourced to law firms that handle the legal process throughout all its phases. To the extent that the Originators' recovery policy and guidelines are followed, the external lawyers have discretion to act on behalf of Banco Montepio and Montepio Crédito. Some reserved matters are always subject to the decision of the internal teams. The internal recovery teams follow-up on outstanding litigation processes, participating on the negotiation of extrajudicial solutions and preparing the related opinions, proposals and implementation.

The external law firms have their fees linked to recovery performance (measured through time until recovery and amount recovered). Law firms are periodically evaluated according to quantitative and qualitative standards, which focus on SLA achievement (defined per type of legal process), technical quality of recovery strategy adopted and amount of debt recovered.

#### ***After-Court Collections***

Upon conclusion of the judicial procedures but when a debt remains legally outstanding (such as in cases where the end of court procedures is due to the nonexistence of assets to be attached), Banco Montepio and Montepio Crédito will procure, whenever possible, to collect the due amounts. Until the loan is fully repaid, it will be reported to Bank of Portugal's Central Credit Register as a defaulted loan associated to each of the borrowers and guarantors.

Also, in accordance with the applicable law, it's possible to re-open the judicial course if, in the meantime, there are assets entitled to be attached, such as salary, real estate or vehicles, inter alia.

#### ***Write-offs***

A write-off is defined as the accounting derecognition of a financial asset, such as consumer loans, or a part of it, whenever there is no reasonable expectation of recovery.

A loan is subject to write-off only after collection, execution and negotiation efforts, once exhausted, lead to the recognition that there is no further possibility of recovering due amounts and it is fully impaired.

#### ***Non Performance Loans ("NPL") sales***

NPL sales are one of the available measures inscribed in the lenders' credit recovery policies and that can be used to dispose of defaulted loans and ultimately manage this type of positions.

NPLs sales can be performed using secured or unsecured loans, on or off the balance, for which recovery is deemed to be lengthy, partial and for which it is reasonable to expect that a third party would be willing to perform its purchase at an adequate price.

Integration of delinquent positions in a portfolio segregated for the purpose of an NPL sale is evaluated taking into account:

- The internal recovery experience for similar credits;
- The impairment level of a given position and the prospective impact of its sale in P&L;
- Past due duration;
- Credit recovery phase and related expected recovery rate;

- Loan accounting value.

NPL sales are preferably made through competitive bid bilateral outright sales or under the securitization format.

## HISTORICAL PERFORMANCE DATA

The tables of this section were prepared on the basis of the internal records of the Originators and show historical performance of Vehicle Loan and Consumer Loan portfolios of the Originators for the period 2015-2021.

Actual performance may be influenced by a variety of economic, social, geographic and other factors beyond the control of the Originators. It may also be influenced by changes in the Originators' origination and servicing policies.

There can be no assurance that the future performance of the Receivables will be similar to the historical performance set out in the tables below.

Characteristics and product mix of the securitised portfolio at closing and over the term of the Notes may differ from the entire loans portfolio.

### Consumer Loans

**Table 1 – Cumulative default rate**

The total cumulative default rate for each quarterly vintage of origination, is calculated for each month falling after the said quarter of origination (included), as the ratio of:

- (i) the aggregate gross loss amounts recorded in respect of the said quarterly vintage of origination until the relevant month (included); and
- (ii) the aggregate amount originated corresponding to such quarterly vintage of origination.

Each column *n* relates the *n*th calendar month falling after the vintage quarter considered, e.g. column '1' refers to the first calendar month falling after the said vintage quarter.

Origination Quarter	Originated Amount (in €)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
2015Q1	38,345,068	0.00%	0.39%	0.41%	0.88%	0.95%	1.12%	1.24%	1.78%	2.06%	2.71%	3.00%	3.26%	3.45%	3.53%	3.60%	3.66%	3.90%	3.97%	4.12%	4.57%
2015Q2	41,930,365	0.05%	0.10%	0.16%	0.28%	0.33%	0.64%	0.72%	1.52%	1.64%	1.75%	1.91%	2.06%	2.13%	2.26%	2.40%	2.82%	2.92%	3.31%	3.39%	3.55%
2015Q3	35,586,179	0.00%	0.37%	0.37%	0.73%	0.87%	1.10%	1.18%	1.30%	1.58%	1.79%	1.90%	1.92%	2.19%	2.30%	2.59%	2.72%	2.76%	2.88%	2.97%	3.13%
2015Q4	34,632,040	0.00%	0.04%	0.06%	0.23%	1.03%	1.12%	1.31%	1.52%	1.67%	2.64%	2.76%	2.94%	3.06%	3.22%	3.30%	3.35%	3.44%	3.49%	3.79%	5.17%
2016Q1	36,860,597	0.00%	0.11%	0.17%	0.39%	0.40%	0.46%	0.58%	0.68%	0.86%	0.96%	1.05%	1.26%	1.29%	1.52%	1.62%	1.79%	1.86%	2.04%	2.08%	2.60%
2016Q2	47,206,219	0.00%	0.02%	0.61%	0.65%	1.25%	1.39%	1.49%	1.55%	1.79%	1.86%	1.94%	2.06%	2.24%	2.33%	2.71%	2.81%	3.16%	3.26%	3.52%	3.63%
2016Q3	37,166,781	0.01%	0.07%	0.11%	0.62%	0.70%	0.99%	1.39%	1.50%	1.79%	1.91%	1.95%	2.00%	2.18%	2.29%	2.44%	2.61%	2.72%	2.80%	2.92%	3.00%



<b>2016Q4</b>	32,786,024	0.01%	0.01%	0.16%	0.57%	0.67%	0.88%	1.05%	1.36%	1.50%	1.58%	1.64%	1.79%	1.86%	1.98%	2.01%	2.16%	2.31%	2.46%	2.55%	2.64%
<b>2017Q1</b>	32,779,456	0.47%	0.47%	0.50%	0.70%	0.85%	1.06%	1.32%	1.33%	1.94%	2.04%	2.12%	2.30%	2.37%	2.49%	2.79%	2.87%	2.88%	2.91%	3.01%	3.14%
<b>2017Q2</b>	23,496,744	0.00%	0.15%	0.28%	0.46%	0.59%	0.66%	0.71%	0.95%	1.11%	1.15%	1.32%	1.34%	1.43%	1.63%	1.79%	1.92%	2.01%	2.06%	2.20%	2.26%
<b>2017Q3</b>	26,106,570	0.10%	0.18%	0.57%	0.76%	0.86%	0.99%	1.08%	1.26%	1.35%	1.38%	1.52%	1.61%	1.71%	1.84%	1.91%	2.10%	2.20%	2.40%	2.41%	2.46%
<b>2017Q4</b>	27,128,595	0.02%	0.29%	0.30%	0.52%	0.92%	2.65%	2.98%	3.06%	3.41%	3.63%	3.80%	3.93%	4.12%	4.21%	4.34%	4.49%	4.56%	5.04%	5.08%	5.14%
<b>2018Q1</b>	27,028,147	0.00%	0.80%	0.80%	1.11%	1.43%	1.72%	1.96%	2.19%	2.36%	2.39%	2.55%	2.62%	2.66%	2.76%	2.78%	2.88%	3.04%	3.11%	3.31%	3.52%
<b>2018Q2</b>	29,242,572	0.00%	0.08%	0.08%	0.24%	0.34%	0.46%	0.50%	0.60%	0.63%	0.71%	0.84%	0.87%	1.07%	1.14%	1.17%	1.21%	1.30%	1.34%	1.43%	1.47%
<b>2018Q3</b>	22,740,393	0.00%	0.85%	0.85%	0.94%	1.06%	1.26%	1.96%	2.10%	2.15%	2.35%	2.55%	2.62%	2.79%	2.80%	2.87%	2.97%	3.00%	3.07%	3.43%	3.66%
<b>2018Q4</b>	23,493,631	0.00%	0.10%	0.10%	0.16%	0.26%	0.32%	0.33%	0.43%	0.55%	0.67%	0.74%	0.76%	0.92%	1.05%	1.14%	1.19%	1.32%	1.59%	1.71%	1.86%
<b>2019Q1</b>	24,975,047	0.00%	0.00%	0.39%	0.44%	0.51%	0.63%	0.67%	0.70%	0.85%	0.93%	0.95%	1.15%	1.30%	1.57%	1.66%	1.98%	1.99%	2.05%	2.15%	2.22%
<b>2019Q2</b>	23,265,709	0.00%	0.00%	0.09%	0.27%	0.46%	0.52%	0.77%	1.11%	1.24%	1.62%	2.11%	2.35%	2.69%	2.77%	2.82%	2.83%	3.06%	3.14%	3.25%	3.50%
<b>2019Q3</b>	27,283,312	0.00%	0.00%	0.02%	0.07%	0.44%	0.58%	0.88%	1.32%	1.56%	1.78%	1.96%	2.04%	2.16%	2.27%	2.65%	2.85%	3.07%	3.20%	3.37%	3.62%
<b>2019Q4</b>	28,672,732	0.00%	0.00%	0.00%	0.12%	0.60%	1.14%	1.43%	1.60%	1.97%	2.03%	2.15%	2.47%	2.68%	2.81%	3.07%	3.16%	3.35%	3.61%	3.73%	3.83%
<b>2020Q1</b>	28,202,879	0.00%	0.00%	0.00%	0.19%	0.37%	0.66%	0.80%	1.11%	1.30%	1.58%	1.84%	2.04%	2.35%	2.38%	2.61%	2.86%	3.20%	3.30%	3.56%	3.56%
<b>2020Q2</b>	22,382,884	0.00%	0.00%	0.00%	0.13%	0.28%	0.51%	1.76%	2.47%	2.66%	2.90%	3.25%	3.47%	3.65%	4.00%	4.14%	4.27%	4.57%			
<b>2020Q3</b>	31,327,802	0.00%	0.00%	0.00%	0.58%	0.80%	1.15%	1.32%	1.48%	1.63%	2.05%	2.18%	2.32%	2.48%	2.57%						
<b>2020Q4</b>	28,963,722	0.03%	0.32%	0.69%	1.02%	1.24%	1.37%	1.66%	1.86%	2.06%	2.25%	2.28%									
<b>2021Q1</b>	31,507,397	0.00%	0.00%	0.02%	0.23%	0.37%	0.76%	0.93%	0.95%												
<b>2021Q2</b>	32,478,452	0.00%	0.00%	0.11%	0.26%	0.41%															
<b>2021Q3</b>	31,241,331	0.00%	0.00%																		

<b>Origination Quarter</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>
<b>2015Q1</b>	4.79%	4.80%	4.95%	5.12%	5.22%	5.27%	5.48%	5.64%	5.74%	5.76%	5.84%	6.32%	6.41%	6.42%	6.58%	6.63%	6.63%	6.65%	6.73%	6.74%
<b>2015Q2</b>	3.90%	4.12%	4.15%	4.35%	4.49%	4.70%	4.79%	4.80%	4.96%	5.02%	5.08%	5.35%	5.49%	5.52%	5.53%	5.53%	5.64%	5.76%	5.77%	5.85%
<b>2015Q3</b>	3.28%	3.37%	3.41%	3.41%	3.48%	3.61%	3.69%	3.71%	3.81%	3.85%	3.90%	3.98%	4.06%	4.06%	4.28%	4.30%	4.37%	4.48%	4.48%	4.51%
<b>2015Q4</b>	5.45%	5.79%	5.88%	5.90%	5.93%	6.03%	6.17%	6.17%	6.20%	6.29%	6.31%	6.37%	6.38%	6.46%	6.54%	6.57%	6.57%	6.57%	6.59%	6.65%
<b>2016Q1</b>	2.64%	2.66%	2.71%	2.76%	2.82%	2.85%	3.09%	3.09%	3.10%	3.12%	3.15%	3.15%	3.28%	3.33%	3.93%	3.95%	3.97%	4.10%	4.15%	4.15%
<b>2016Q2</b>	3.74%	3.79%	3.83%	3.85%	3.91%	3.94%	4.01%	4.07%	4.14%	4.20%	4.25%	4.36%	4.42%	4.45%	4.59%	4.61%	4.67%	4.77%	4.83%	4.84%
<b>2016Q3</b>	3.04%	3.06%	3.12%	3.21%	3.27%	3.30%	3.40%	3.51%	3.61%	3.63%	3.64%	3.67%	3.69%	3.75%	3.82%	3.93%	3.97%	4.01%	4.05%	4.20%
<b>2016Q4</b>	2.69%	2.76%	2.79%	2.87%	2.91%	2.98%	3.04%	3.09%	3.12%	3.16%	3.19%	3.22%	3.31%	3.43%	3.51%	3.51%	3.64%	3.76%	3.94%	3.97%
<b>2017Q1</b>	3.15%	3.31%	3.36%	3.46%	3.55%	3.57%	3.72%	3.73%	3.76%	3.82%	3.86%	3.89%	3.93%	3.96%	4.00%	4.00%	4.03%	4.15%	4.21%	4.22%

<b>2017Q2</b>	2.27%	2.48%	2.50%	3.29%	3.47%	3.69%	3.69%	3.77%	3.87%	3.88%	3.95%	3.98%	4.02%	4.09%	4.21%	4.31%	4.33%	4.37%	4.40%	4.41%
<b>2017Q3</b>	2.61%	3.20%	3.23%	3.30%	3.32%	3.40%	3.40%	3.41%	3.44%	3.51%	3.70%	3.73%	3.83%	3.85%	3.86%	3.89%	3.89%	3.91%	3.92%	3.93%
<b>2017Q4</b>	5.37%	5.37%	5.41%	5.64%	5.73%	5.78%	5.93%	5.99%	6.05%	6.07%	6.17%	6.17%	6.19%	6.19%	6.19%	6.22%	6.22%	6.39%	6.48%	6.72%
<b>2018Q1</b>	3.56%	3.65%	3.71%	3.72%	3.93%	4.01%	4.05%	4.08%	4.16%	4.16%	4.18%	4.19%	4.19%	4.23%	4.34%	4.44%	4.63%	4.67%	4.79%	4.82%
<b>2018Q2</b>	1.52%	1.61%	1.68%	1.79%	1.91%	1.97%	2.05%	2.14%	2.15%	2.16%	2.26%	2.58%	2.61%	2.81%	2.88%	2.98%	3.00%	3.08%	3.09%	3.10%
<b>2018Q3</b>	3.94%	4.08%	4.19%	4.20%	4.23%	4.27%	4.34%	4.38%	4.55%	4.58%	4.65%	4.74%	4.92%	5.00%	5.00%	5.13%	5.14%	5.14%		
<b>2018Q4</b>	2.46%	2.46%	2.53%	2.58%	2.59%	2.65%	2.79%	2.84%	2.92%	3.15%	3.25%	3.45%	3.57%	3.65%	3.67%					
<b>2019Q1</b>	2.31%	2.34%	2.54%	2.68%	2.79%	2.90%	3.18%	3.21%	3.32%	3.41%	3.48%	3.52%								
<b>2019Q2</b>	3.51%	3.58%	3.75%	3.86%	4.17%	4.53%	4.69%	4.80%	4.83%											
<b>2019Q3</b>	4.04%	4.32%	4.56%	4.75%	4.89%	4.98%														
<b>2019Q4</b>	3.93%	4.06%	4.16%																	

<b>Origination Quarter</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>
<b>2015Q1</b>	6.93%	8.01%	8.32%	8.41%	8.42%	8.42%	8.54%	8.54%	8.74%	8.82%	8.85%	8.92%	8.96%	8.98%	8.98%	8.98%	9.03%	9.08%	9.08%	9.11%
<b>2015Q2</b>	5.87%	5.92%	5.93%	6.04%	6.04%	6.11%	6.14%	6.16%	6.20%	6.20%	6.22%	6.32%	6.34%	6.36%	6.36%	6.40%	6.40%	6.47%	6.47%	6.53%
<b>2015Q3</b>	4.52%	4.53%	4.53%	4.62%	4.68%	4.68%	4.75%	4.75%	4.77%	4.77%	4.78%	4.78%	4.84%	4.84%	4.84%	4.87%	4.87%	4.87%	5.01%	6.10%
<b>2015Q4</b>	6.71%	6.82%	6.82%	6.88%	6.95%	6.97%	7.00%	7.03%	7.03%	7.03%	7.14%	7.15%	7.21%	7.36%	7.37%	7.42%	7.44%	7.44%	7.44%	7.45%
<b>2016Q1</b>	4.23%	4.27%	4.34%	4.42%	4.43%	4.52%	4.56%	4.58%	4.67%	4.73%	5.82%	5.86%	5.89%	5.89%	5.89%	5.94%	5.94%	6.01%	6.02%	6.04%
<b>2016Q2</b>	4.84%	4.89%	4.96%	4.99%	5.02%	5.12%	5.12%	5.31%	5.35%	5.40%	5.41%	5.43%	5.44%	5.48%	5.50%	5.50%	5.51%	5.51%	5.51%	5.58%
<b>2016Q3</b>	4.25%	4.33%	4.41%	4.42%	4.46%	4.47%	4.48%	4.55%	4.58%	4.59%	4.63%	4.64%	4.66%	4.68%	4.68%	4.69%	4.69%	4.71%	4.73%	4.75%
<b>2016Q4</b>	4.06%	4.12%	4.17%	4.21%	4.21%	4.21%	4.21%	4.21%	4.24%	4.24%	4.35%	4.36%	4.36%	4.40%	4.48%	4.91%	4.93%	4.96%	4.96%	
<b>2017Q1</b>	4.25%	4.25%	4.25%	4.29%	4.34%	4.43%	4.45%	4.46%	4.50%	4.52%	4.57%	4.66%	4.73%	4.82%	4.82%	4.83%				
<b>2017Q2</b>	4.41%	4.46%	4.47%	4.51%	4.56%	4.62%	4.62%	4.65%	4.75%	4.85%	4.85%	4.88%	4.88%							
<b>2017Q3</b>	4.02%	4.16%	4.16%	4.21%	4.25%	4.25%	4.31%	4.32%	4.37%	4.37%										
<b>2017Q4</b>	6.72%	6.82%	6.96%	7.04%	7.16%	7.16%	7.24%													
<b>2018Q1</b>	4.83%	4.92%	4.97%	5.00%																
<b>2018Q2</b>	3.12%																			

<b>Origination Quarter</b>	<b>61</b>	<b>62</b>	<b>63</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>75</b>	<b>76</b>	<b>77</b>	<b>78</b>	<b>79</b>	<b>80</b>
<b>2015Q1</b>	9.15%	9.23%	9.37%	9.38%	9.42%	9.42%	9.42%	9.48%	9.49%	9.50%	9.50%	9.52%	9.65%	9.65%	9.65%	9.66%	9.84%	9.84%	9.84%	9.84%

<b>2015Q2</b>	6.54%	6.58%	6.61%	6.61%	6.61%	6.64%	6.64%	6.66%	6.66%	6.66%	6.67%	6.67%	6.69%	6.71%	6.71%	6.72%	6.72%
<b>2015Q3</b>	6.16%	6.16%	6.16%	6.17%	6.17%	6.17%	6.22%	6.22%	6.22%	6.26%	6.34%	6.35%	6.37%	6.38%			
<b>2015Q4</b>	7.47%	7.47%	7.50%	7.50%	7.50%	7.50%	7.50%	7.52%	7.52%	7.56%	7.58%						
<b>2016Q1</b>	6.09%	6.17%	6.24%	6.26%	6.58%	6.58%	6.63%	6.63%									
<b>2016Q2</b>	5.59%	5.65%	5.80%	5.80%	5.80%												
<b>2016Q3</b>	4.75%	4.75%															

**Table 2 – Cumulative recovery rate**

For each vintage quarter of defaults, the recovery rate is calculated for each month as the cumulative recovery amount received, in respect of loans defaulted during the vintage quarter considered, until the end of such month expressed as a percentage of the aggregate outstanding balance (at the time of default) of loans defaulted during the vintage quarter considered.

Each column *n* relates the *n*th calendar month falling after the vintage quarter considered, e.g. column ‘1’ refers to the first calendar month falling after the said vintage quarter.

<b>Default Quarter</b>	<b>Defaulted Amount (in €)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>2015Q1</b>	6,568,611	2.17%	10.22%	11.89%	13.60%	14.85%	18.03%	19.32%	19.80%	20.57%	20.96%	21.38%	21.82%	22.23%	24.30%	25.11%	25.78%	27.39%	27.63%	28.33%	28.55%
<b>2015Q2</b>	4,326,854	6.79%	7.83%	10.89%	12.48%	13.93%	14.47%	15.63%	17.45%	19.20%	19.86%	22.16%	26.21%	26.41%	26.77%	27.19%	27.78%	28.22%	28.33%	28.55%	29.35%
<b>2015Q3</b>	4,166,709	1.51%	5.31%	6.93%	8.18%	8.55%	10.01%	27.14%	28.31%	28.65%	28.91%	29.14%	29.43%	31.95%	33.01%	33.42%	34.05%	34.88%	35.49%	35.70%	35.95%
<b>2015Q4</b>	3,853,844	2.12%	5.00%	7.41%	8.64%	10.74%	14.15%	15.52%	19.69%	22.00%	22.28%	23.41%	26.45%	27.21%	27.89%	28.10%	29.52%	29.87%	30.12%	30.52%	30.72%
<b>2016Q1</b>	3,292,865	3.63%	5.63%	8.09%	12.16%	15.50%	18.63%	18.93%	19.41%	19.98%	20.83%	21.24%	22.30%	23.08%	24.30%	25.07%	27.96%	29.83%	30.69%	37.32%	39.27%
<b>2016Q2</b>	2,805,013	4.50%	6.54%	9.35%	10.99%	11.82%	12.58%	15.23%	18.54%	19.15%	20.33%	20.86%	23.07%	24.02%	32.09%	32.93%	35.06%	40.32%	42.64%	42.93%	44.34%
<b>2016Q3</b>	3,223,973	11.92%	12.91%	16.14%	27.48%	28.50%	29.55%	30.28%	32.59%	33.31%	33.90%	35.67%	39.45%	45.06%	45.23%	45.58%	46.79%	48.25%	48.59%	48.85%	48.95%
<b>2016Q4</b>	3,465,459	1.11%	6.98%	7.87%	8.95%	9.47%	11.07%	11.65%	13.33%	14.03%	15.01%	17.28%	29.11%	31.86%	32.53%	32.75%	38.68%	39.42%	40.18%	41.24%	42.03%
<b>2017Q1</b>	2,146,248	5.89%	8.53%	11.21%	13.84%	14.90%	17.12%	19.70%	20.41%	21.20%	22.13%	23.13%	23.92%	24.74%	25.96%	26.56%	26.88%	27.27%	27.33%	27.48%	29.78%
<b>2017Q2</b>	2,759,051	4.76%	9.17%	11.31%	12.51%	16.58%	18.47%	19.81%	21.38%	22.61%	24.23%	25.08%	26.89%	27.21%	28.09%	28.41%	28.95%	29.84%	31.46%	36.47%	37.26%
<b>2017Q3</b>	2,951,209	1.17%	2.08%	3.14%	4.02%	4.97%	5.54%	5.89%	7.46%	7.71%	8.52%	10.92%	15.71%	16.28%	16.92%	19.20%	21.79%	22.14%	22.37%	22.87%	23.90%
<b>2017Q4</b>	2,072,354	3.73%	5.30%	7.55%	8.37%	9.73%	12.16%	13.06%	13.72%	14.68%	15.21%	16.33%	18.16%	19.70%	20.29%	21.82%	22.14%	22.40%	27.61%	28.13%	29.51%
<b>2018Q1</b>	1,475,631	2.21%	4.55%	5.85%	7.22%	8.38%	9.75%	11.36%	15.34%	16.54%	21.93%	23.72%	24.63%	24.90%	29.45%	30.82%	32.37%	34.39%	34.68%	35.23%	35.42%
<b>2018Q2</b>	2,457,669	3.63%	6.54%	8.23%	10.08%	11.74%	14.19%	15.82%	16.67%	18.68%	20.26%	21.48%	28.18%	35.67%	37.79%	38.49%	41.20%	41.42%	41.61%	41.76%	43.91%
<b>2018Q3</b>	2,098,373	1.87%	4.79%	6.19%	8.77%	9.48%	10.51%	11.32%	12.53%	35.07%	38.81%	40.02%	40.62%	40.97%	41.23%	41.69%	42.04%	42.20%	42.70%	42.85%	42.95%

<b>2018Q4</b>	2,223,750	2.90%	4.21%	9.66%	10.62%	11.27%	13.21%	21.62%	24.50%	25.24%	26.06%	27.60%	29.74%	30.15%	30.25%	36.40%	36.55%	36.90%	38.47%	38.54%	38.60%
<b>2019Q1</b>	1,451,171	3.32%	5.59%	8.22%	9.35%	13.86%	17.57%	18.32%	19.25%	19.83%	20.57%	21.19%	23.88%	24.35%	27.35%	29.27%	30.06%	30.27%	30.76%	31.56%	32.03%
<b>2019Q2</b>	1,733,999	2.93%	5.39%	6.81%	8.05%	18.23%	26.86%	27.75%	29.97%	30.73%	33.67%	33.84%	36.09%	37.16%	37.36%	37.53%	37.62%	39.64%	40.02%	40.69%	41.12%
<b>2019Q3</b>	1,340,689	3.22%	6.58%	11.79%	15.92%	19.65%	21.36%	22.73%	24.34%	27.98%	28.77%	29.31%	31.99%	33.23%	35.84%	36.76%	37.07%	37.28%	37.51%	37.87%	37.97%
<b>2019Q4</b>	1,106,636	2.07%	3.82%	6.15%	6.85%	7.23%	9.30%	12.06%	14.32%	19.33%	20.21%	21.35%	22.49%	23.82%	24.34%	25.20%	25.85%	25.95%	26.76%	27.30%	27.73%
<b>2020Q1</b>	1,542,166	2.65%	6.69%	8.09%	9.37%	12.61%	13.20%	15.94%	18.80%	20.17%	20.63%	24.16%	24.50%	24.82%	24.93%	28.44%	29.85%	30.13%	30.87%	30.95%	31.02%
<b>2020Q2</b>	1,189,183	2.31%	3.44%	9.89%	10.48%	13.70%	16.70%	21.05%	21.61%	24.02%	24.67%	25.03%	25.91%	28.45%	29.98%	30.33%	30.73%	30.88%			
<b>2020Q3</b>	898,986	0.86%	2.01%	18.92%	19.66%	21.70%	25.77%	26.16%	26.50%	27.30%	29.33%	29.87%	30.75%	31.72%	31.85%						
<b>2020Q4</b>	1,248,279	3.81%	5.67%	9.95%	10.50%	10.53%	14.19%	15.72%	18.24%	19.90%	21.07%	21.15%									
<b>2021Q1</b>	2,795,919	1.37%	1.88%	7.39%	8.94%	11.46%	13.45%	14.31%	14.69%												
<b>2021Q2</b>	2,632,998	1.40%	4.10%	9.32%	10.78%	11.00%															
<b>2021Q3</b>	2,803,969	0.56%	0.75%																		

Default Quarter	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
<b>2015Q1</b>	30.91%	32.68%	32.88%	37.62%	42.31%	42.41%	43.37%	43.74%	44.12%	44.26%	49.94%	52.22%	54.58%	56.22%	57.06%	57.26%	57.38%	57.68%	57.84%	57.96%
<b>2015Q2</b>	29.86%	31.30%	31.76%	31.95%	32.04%	33.17%	33.75%	35.12%	35.73%	37.50%	37.73%	38.10%	38.33%	38.45%	38.66%	39.64%	39.82%	40.23%	42.79%	42.86%
<b>2015Q3</b>	35.97%	37.64%	37.86%	41.00%	42.86%	45.91%	50.45%	50.70%	50.82%	50.95%	51.05%	51.16%	51.19%	51.57%	53.58%	53.65%	54.18%	54.93%	55.06%	55.66%
<b>2015Q4</b>	31.35%	34.21%	37.51%	41.92%	42.55%	43.06%	43.24%	43.32%	43.61%	43.82%	43.93%	44.09%	44.17%	44.26%	45.33%	48.91%	49.78%	50.86%	50.92%	54.80%
<b>2016Q1</b>	41.21%	41.34%	41.77%	42.00%	42.07%	42.24%	42.51%	42.85%	43.60%	43.69%	43.81%	44.93%	45.04%	45.46%	45.58%	45.66%	46.29%	46.44%	47.30%	47.94%
<b>2016Q2</b>	44.74%	45.33%	45.49%	45.81%	46.04%	46.24%	46.35%	46.51%	47.67%	48.16%	48.18%	48.33%	49.39%	49.72%	49.94%	50.53%	52.38%	53.70%	53.83%	54.62%
<b>2016Q3</b>	49.07%	51.63%	52.22%	52.66%	52.87%	53.09%	56.63%	57.63%	57.80%	58.57%	58.74%	59.02%	59.74%	60.65%	62.57%	62.63%	62.90%	62.95%	63.04%	63.12%
<b>2016Q4</b>	42.15%	43.23%	44.82%	47.98%	51.42%	52.59%	53.91%	54.01%	54.08%	55.27%	55.86%	57.46%	57.49%	57.58%	57.63%	57.76%	57.89%	58.12%	58.44%	58.59%
<b>2017Q1</b>	30.63%	31.01%	31.26%	31.37%	32.11%	32.54%	33.50%	35.54%	38.03%	38.10%	38.34%	38.58%	38.81%	39.11%	39.34%	39.49%	40.22%	40.68%	41.00%	41.67%
<b>2017Q2</b>	38.11%	38.66%	38.88%	40.26%	41.03%	42.48%	42.94%	43.06%	43.88%	44.67%	44.81%	45.24%	45.36%	45.51%	46.15%	46.84%	47.81%	48.94%	50.97%	51.01%
<b>2017Q3</b>	25.15%	28.22%	28.78%	29.14%	29.33%	29.42%	29.51%	29.65%	29.75%	30.26%	30.34%	30.57%	31.77%	32.70%	32.72%	37.22%	37.31%	37.35%	37.90%	37.97%
<b>2017Q4</b>	29.69%	29.98%	30.11%	30.67%	31.37%	31.63%	32.11%	32.33%	33.36%	34.85%	36.05%	36.40%	36.86%	36.98%	39.13%	39.24%	39.44%	39.60%	39.68%	39.71%
<b>2018Q1</b>	35.71%	36.05%	36.39%	36.64%	36.75%	36.98%	37.12%	40.91%	41.01%	41.40%	41.58%	42.57%	43.50%	44.22%	44.50%	44.64%	45.40%	45.41%	46.05%	47.18%
<b>2018Q2</b>	44.59%	44.67%	45.32%	46.27%	46.47%	46.72%	46.86%	47.01%	49.55%	50.75%	51.69%	51.79%	51.89%	52.12%	52.21%	52.76%	52.99%	53.11%	53.20%	53.43%
<b>2018Q3</b>	43.07%	43.11%	43.46%	43.71%	43.75%	43.90%	45.13%	45.66%	45.70%	45.76%	45.77%	45.78%	47.45%	48.00%	48.03%	48.13%	48.18%	48.18%		
<b>2018Q4</b>	38.62%	38.68%	39.15%	41.98%	42.29%	43.71%	43.74%	43.89%	43.91%	43.98%	44.24%	44.40%	44.51%	44.52%	44.54%					
<b>2019Q1</b>	32.46%	33.35%	33.56%	33.62%	33.68%	33.71%	35.63%	35.74%	37.39%	37.49%	37.55%	37.62%								
<b>2019Q2</b>	41.17%	42.24%	42.41%	42.86%	42.91%	43.69%	43.82%	44.52%	44.82%											

<b>2019Q3</b>	38.33%	40.33%	41.40%	41.62%	41.68%	41.79%
<b>2019Q4</b>	28.32%	29.54%	29.71%			

Default Quarter	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
<b>2015Q1</b>	58.05%	58.59%	58.72%	62.63%	63.81%	64.17%	64.23%	64.46%	64.65%	64.68%	66.08%	66.92%	67.35%	67.42%	67.44%	67.44%	67.45%	67.58%	67.75%	67.77%
<b>2015Q2</b>	43.36%	44.03%	46.25%	46.92%	47.51%	47.57%	47.69%	48.90%	51.66%	53.38%	53.43%	53.47%	53.53%	53.57%	53.59%	53.64%	53.71%	53.73%	53.76%	54.95%
<b>2015Q3</b>	55.77%	55.81%	56.05%	56.30%	57.17%	57.75%	58.67%	58.69%	58.90%	59.25%	59.28%	59.33%	59.36%	59.37%	59.38%	59.39%	59.40%	59.40%	59.41%	59.42%
<b>2015Q4</b>	54.97%	59.39%	60.21%	60.91%	60.99%	61.13%	61.18%	61.21%	61.26%	61.35%	61.58%	61.60%	61.62%	61.69%	61.85%	61.91%	62.12%	62.32%	62.40%	62.59%
<b>2016Q1</b>	49.04%	49.25%	50.17%	50.23%	50.28%	50.33%	50.38%	50.42%	50.43%	50.47%	50.52%	50.65%	50.69%	50.74%	51.12%	51.16%	53.99%	54.01%	54.04%	54.21%
<b>2016Q2</b>	54.75%	54.83%	54.91%	55.01%	55.25%	55.39%	55.49%	55.70%	55.84%	56.03%	56.16%	56.61%	56.79%	56.94%	57.01%	57.18%	57.25%	57.31%	57.36%	57.90%
<b>2016Q3</b>	63.17%	63.33%	63.40%	63.57%	63.65%	63.73%	63.83%	63.87%	63.95%	63.98%	64.02%	64.06%	64.58%	64.59%	64.59%	64.59%	65.53%	65.67%	65.70%	65.75%
<b>2016Q4</b>	58.82%	58.96%	58.98%	59.24%	59.27%	59.32%	59.94%	59.96%	60.01%	60.05%	60.05%	60.06%	60.06%	60.08%	60.21%	60.49%	60.64%	60.98%	60.99%	
<b>2017Q1</b>	41.68%	41.81%	41.87%	42.00%	42.02%	44.46%	44.46%	44.49%	44.54%	44.56%	45.90%	45.97%	46.02%	46.36%	46.36%	46.39%				
<b>2017Q2</b>	51.03%	51.08%	51.32%	51.37%	51.64%	51.68%	51.68%	51.87%	52.02%	52.07%	52.52%	52.58%	52.60%							
<b>2017Q3</b>	38.03%	38.11%	38.14%	38.14%	38.16%	40.06%	40.08%	40.12%	40.21%	40.21%										
<b>2017Q4</b>	39.72%	40.10%	40.22%	40.31%	42.82%	42.87%	42.88%													
<b>2018Q1</b>	47.63%	47.74%	47.92%	48.07%																
<b>2018Q2</b>	53.44%																			

Default Quarter	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
<b>2015Q1</b>	67.78%	67.79%	67.85%	67.99%	68.00%	68.06%	68.11%	68.13%	68.14%	68.16%	68.17%	68.18%	68.19%	68.19%	68.44%	68.59%	68.60%	68.60%	68.61%	68.61%
<b>2015Q2</b>	55.17%	55.88%	55.91%	56.46%	56.46%	56.48%	56.49%	56.51%	56.53%	56.54%	56.55%	56.61%	56.75%	56.77%	56.85%	56.88%	56.90%			
<b>2015Q3</b>	59.47%	59.55%	59.62%	59.63%	59.72%	59.73%	59.74%	59.74%	59.79%	59.93%	60.54%	60.56%	60.58%	60.61%						
<b>2015Q4</b>	62.63%	63.00%	63.04%	63.06%	63.08%	63.51%	63.59%	64.00%	64.04%	64.06%	64.08%									
<b>2016Q1</b>	54.22%	54.23%	54.70%	54.96%	55.27%	55.51%	55.51%	55.51%												
<b>2016Q2</b>	58.01%	58.06%	58.12%	58.20%	58.26%															
<b>2016Q3</b>	65.75%	65.76%																		

**Table 3 – Dynamic delinquencies**

The following data displays for any given quarter the outstanding principal balance of performing receivables in each arrears bucket, all expressed as a percentage of the aggregate outstanding principal balance of performing receivables at the beginning of such quarter.

Quarter	Total Outstanding Balance (in €)	1-30 days past due	31-60 days past due	61-90 days past due
2015Q1	288,041,978	3.56%	1.65%	0.92%
2015Q2	309,582,949	3.06%	0.97%	0.90%
2015Q3	323,880,414	3.58%	1.09%	0.66%
2015Q4	336,910,622	3.06%	1.18%	0.65%
2016Q1	350,014,609	3.41%	1.83%	0.96%
2016Q2	370,781,618	3.03%	1.05%	0.71%
2016Q3	382,082,858	3.34%	1.10%	0.58%
2016Q4	387,636,415	2.70%	0.85%	0.46%
2017Q1	391,615,364	2.64%	1.16%	0.79%
2017Q2	387,438,799	2.75%	1.02%	0.62%
2017Q3	385,668,868	2.82%	0.84%	0.57%
2017Q4	376,328,588	3.05%	1.03%	0.42%
2018Q1	375,246,588	3.19%	1.19%	0.46%
2018Q2	376,994,952	2.36%	0.80%	0.44%
2018Q3	372,427,795	3.11%	0.85%	0.55%
2018Q4	359,309,905	2.55%	0.74%	0.46%
2019Q1	356,135,798	2.84%	0.97%	0.47%
2019Q2	348,783,680	2.77%	0.79%	0.38%
2019Q3	331,008,414	2.68%	0.75%	0.41%
2019Q4	330,924,158	2.57%	0.71%	0.36%
2020Q1	331,753,202	3.43%	0.89%	0.58%
2020Q2	328,820,250	1.62%	0.38%	0.62%
2020Q3	336,301,133	1.80%	0.34%	0.22%
2020Q4	341,806,298	1.66%	0.52%	0.28%
2021Q1	347,992,982	1.73%	0.40%	0.35%
2021Q2	350,688,712	1.99%	0.66%	0.25%

Quarter	Total Outstanding Balance (in €)	1-30 days past due	31-60 days past due	61-90 days past due
2021Q3	352,171,475	1.90%	0.60%	0.31%

**Table 4 – Prepayment rate**

The below table indicates:

- (i) for any given quarter the quarterly prepayment rate, recorded on the overall Consumer Loan portfolio of the Originators, calculated as the ratio of (i) the outstanding balance as at the beginning of that quarter of all loans prepaid during that quarter to (ii) the outstanding balance of loans as at the beginning of that quarter, and
- (ii) for any given quarter the annualised prepayment rate, recorded on the overall Consumer Loan portfolio of the Originators, calculated as the quarterly prepayment rate multiplied by 4.

Quarter	Total Outstanding (in €)	Quarterly Prepayment Rate	Annualised Prepayment Rate
2015Q1	288,041,978	2.08%	8.34%
2015Q2	309,582,949	1.63%	6.52%
2015Q3	323,880,414	1.69%	6.75%
2015Q4	336,910,622	2.25%	9.01%
2016Q1	350,014,609	2.36%	9.43%
2016Q2	370,781,618	2.18%	8.71%
2016Q3	382,082,858	1.79%	7.18%
2016Q4	387,636,415	1.96%	7.83%
2017Q1	391,615,364	2.04%	8.15%
2017Q2	387,438,799	2.17%	8.66%
2017Q3	385,668,868	2.49%	9.96%
2017Q4	376,328,588	2.22%	8.90%
2018Q1	375,246,588	2.05%	8.21%
2018Q2	376,994,952	2.02%	8.08%
2018Q3	372,427,795	2.09%	8.35%
2018Q4	359,309,905	2.21%	8.82%
2019Q1	356,135,798	2.26%	9.05%
2019Q2	348,783,680	2.41%	9.64%
2019Q3	331,008,414	2.79%	11.17%

Quarter	Total Outstanding (in €)	Quarterly Prepayment Rate	Annualised Prepayment Rate
2019Q4	330,924,158	2.27%	9.09%
2020Q1	331,753,202	1.99%	7.95%
2020Q2	328,820,250	2.16%	8.63%
2020Q3	336,301,133	2.38%	9.52%
2020Q4	341,806,298	2.44%	9.78%
2021Q1	347,992,982	2.65%	10.61%
2021Q2	350,688,712	1.64%	6.58%

## Vehicle Loans

**Table 5 – Cumulative default rate**

The total cumulative default rate for each quarterly vintage of origination, is calculated for each month falling after the said quarter of origination (included), as the ratio of:

- (i) the aggregate gross loss amounts recorded in respect of the said quarterly vintage of origination until the relevant month (included); and
- (ii) the aggregate amount originated corresponding to such quarterly vintage of origination.

Each column *n* relates the *n*th calendar month falling after the vintage quarter considered, e.g. column ‘1’ refers to the first month falling after the said vintage quarter.

Origination Quarter	Originated Amount (in €)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
2015Q1	12,333,809	0.00%	0.00%	0.00%	0.19%	0.36%	0.36%	0.44%	0.62%	0.62%	0.69%	0.85%	1.00%	1.03%	1.72%	1.72%	2.23%	2.28%	2.68%	2.68%	2.74%
2015Q2	12,717,064	0.00%	0.00%	0.00%	0.31%	0.31%	0.35%	0.50%	0.50%	0.50%	0.81%	0.81%	0.97%	1.36%	1.54%	1.54%	1.54%	1.71%	1.81%	1.89%	1.89%
2015Q3	16,095,491	0.00%	0.00%	0.00%	0.19%	0.19%	0.44%	0.56%	0.81%	1.07%	1.13%	1.33%	1.44%	1.44%	1.79%	2.21%	2.37%	2.49%	2.65%	2.65%	3.19%
2015Q4	19,282,878	0.00%	0.00%	0.00%	0.18%	0.49%	0.88%	0.94%	1.09%	1.23%	1.28%	1.59%	1.89%	1.93%	2.24%	2.25%	2.54%	2.94%	3.14%	3.23%	3.29%
2016Q1	12,805,480	0.00%	0.00%	0.00%	0.27%	0.40%	0.40%	0.40%	0.79%	1.03%	1.10%	1.25%	1.40%	1.97%	2.09%	2.09%	2.16%	2.36%	2.56%	2.59%	2.63%
2016Q2	16,240,000	0.00%	0.00%	0.00%	0.21%	0.29%	0.42%	0.70%	0.90%	0.93%	1.39%	1.61%	2.02%	2.35%	2.76%	2.85%	2.89%	3.30%	3.37%	3.50%	3.50%
2016Q3	15,724,552	0.00%	0.00%	0.00%	0.37%	0.47%	0.70%	0.78%	1.14%	1.74%	2.11%	2.41%	2.46%	2.69%	2.85%	3.33%	3.54%	3.77%	3.90%	4.11%	4.44%
2016Q4	18,361,188	0.00%	0.00%	0.00%	0.10%	0.61%	1.17%	1.50%	1.60%	1.60%	1.67%	1.74%	1.99%	2.09%	2.19%	2.26%	2.66%	2.78%	3.00%	3.12%	3.16%
2017Q1	15,886,037	0.00%	0.00%	0.00%	0.24%	0.35%	0.62%	0.76%	0.94%	1.17%	1.31%	1.84%	2.16%	2.23%	2.52%	2.83%	3.06%	3.27%	3.32%	3.32%	3.33%
2017Q2	20,792,927	0.00%	0.00%	0.00%	0.12%	0.45%	0.58%	0.90%	1.01%	1.01%	1.35%	1.41%	1.55%	1.71%	2.22%	2.34%	2.34%	2.45%	2.82%	2.97%	3.11%
2017Q3	19,385,385	0.00%	0.00%	0.00%	0.06%	0.27%	0.48%	0.99%	1.17%	1.48%	1.68%	1.71%	1.90%	2.21%	2.45%	2.60%	2.67%	2.67%	3.05%	3.16%	3.26%



<b>2017Q4</b>	23,348,341	0.00%	0.00%	0.00%	0.17%	0.41%	0.62%	0.83%	1.03%	1.03%	1.23%	1.54%	1.76%	2.20%	2.32%	2.32%	2.64%	2.66%	2.69%	2.75%	2.96%
<b>2018Q1</b>	18,409,892	0.00%	0.00%	0.00%	0.11%	0.11%	0.32%	0.32%	0.51%	0.56%	0.66%	0.87%	1.13%	1.32%	1.43%	1.63%	1.84%	1.91%	2.00%	2.16%	2.21%
<b>2018Q2</b>	21,840,313	0.00%	0.00%	0.00%	0.18%	0.25%	0.39%	0.52%	0.63%	0.72%	0.97%	1.33%	1.48%	1.56%	1.80%	1.94%	2.24%	2.44%	2.49%	2.51%	2.51%
<b>2018Q3</b>	19,171,958	0.00%	0.00%	0.00%	0.31%	0.36%	0.45%	0.48%	0.74%	1.11%	1.20%	1.23%	1.69%	2.14%	2.14%	2.25%	2.42%	2.49%	2.69%	2.78%	2.78%
<b>2018Q4</b>	21,155,015	0.00%	0.00%	0.00%	0.01%	0.20%	0.23%	0.45%	0.79%	0.79%	0.87%	1.11%	1.11%	1.46%	1.46%	1.61%	1.71%	1.73%	1.74%	1.74%	1.74%
<b>2019Q1</b>	16,325,921	0.00%	0.00%	0.00%	0.00%	0.08%	0.23%	0.36%	0.52%	0.60%	0.77%	0.82%	1.11%	1.28%	1.84%	1.84%	1.94%	1.94%	1.94%	1.94%	2.16%
<b>2019Q2</b>	20,224,902	0.00%	0.00%	0.00%	0.18%	0.18%	0.24%	0.24%	0.39%	0.39%	0.51%	0.51%	0.59%	0.93%	0.93%	1.08%	1.20%	1.42%	1.67%	1.81%	1.92%
<b>2019Q3</b>	18,630,374	0.00%	0.00%	0.00%	0.00%	0.15%	0.26%	0.26%	0.39%	0.54%	0.59%	0.68%	0.68%	0.75%	0.79%	0.82%	1.09%	1.09%	1.30%	1.43%	1.85%
<b>2019Q4</b>	17,317,669	0.00%	0.00%	0.00%	0.18%	0.26%	0.33%	0.57%	0.78%	0.78%	0.88%	0.91%	1.02%	1.47%	1.57%	1.71%	1.90%	2.34%	2.40%	2.40%	2.56%
<b>2020Q1</b>	15,449,477	0.00%	0.00%	0.12%	0.40%	1.19%	1.24%	1.31%	1.49%	1.79%	2.07%	2.27%	2.46%	2.58%	2.81%	2.89%	3.08%	3.08%	3.16%	3.16%	3.24%
<b>2020Q2</b>	14,063,365	0.00%	0.00%	0.00%	0.12%	0.56%	1.01%	1.62%	1.82%	1.82%	1.93%	2.16%	2.39%	2.94%	2.94%	3.34%	3.46%	3.46%			
<b>2020Q3</b>	29,174,729	0.00%	0.00%	0.00%	0.22%	0.38%	0.61%	0.61%	0.97%	1.13%	1.18%	1.44%	1.44%	1.67%	1.84%						
<b>2020Q4</b>	26,553,743	0.00%	0.00%	0.00%	0.57%	1.05%	1.20%	1.61%	2.04%	2.59%	2.70%	2.81%									
<b>2021Q1</b>	22,721,618	0.00%	0.00%	0.00%	0.68%	1.15%	1.57%	1.87%	2.04%												
<b>2021Q2</b>	32,141,763	0.00%	0.00%	0.06%	0.51%	0.70%															
<b>2021Q3</b>	26,608,795	0.00%	0.00%																		

<b>Origination Quarter</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>
<b>2015Q1</b>	2.87%	2.87%	3.05%	3.51%	3.87%	4.03%	4.03%	4.03%	4.03%	4.15%	4.33%	4.65%	4.65%	4.65%	4.65%	4.74%	4.82%	4.82%	4.88%	4.97%
<b>2015Q2</b>	1.89%	1.93%	2.05%	2.33%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.52%	2.57%	2.57%	2.57%	2.63%	2.67%	2.95%	2.95%	2.97%	3.15%
<b>2015Q3</b>	3.27%	3.41%	3.63%	3.73%	3.80%	3.93%	3.99%	4.06%	4.13%	4.20%	4.31%	4.69%	4.69%	4.75%	4.79%	4.85%	4.85%	4.89%	4.89%	4.96%
<b>2015Q4</b>	3.48%	3.48%	3.80%	3.95%	4.13%	4.22%	4.36%	4.40%	4.43%	4.61%	4.61%	4.61%	4.69%	4.69%	4.91%	4.94%	5.31%	5.39%	5.54%	5.63%
<b>2016Q1</b>	2.63%	2.76%	2.76%	3.21%	3.32%	3.43%	3.43%	3.44%	3.44%	3.50%	3.50%	3.66%	3.66%	3.81%	3.81%	4.00%	4.00%	4.00%	4.17%	4.22%
<b>2016Q2</b>	3.62%	3.75%	4.12%	4.58%	4.66%	4.66%	4.74%	4.97%	5.07%	5.12%	5.16%	5.29%	5.32%	5.69%	5.74%	5.83%	5.93%	6.00%	6.07%	6.21%
<b>2016Q3</b>	4.88%	5.13%	5.18%	5.22%	5.41%	5.41%	5.48%	5.53%	5.53%	5.57%	5.73%	6.00%	6.05%	6.05%	6.14%	6.25%	6.32%	6.32%	6.44%	6.44%
<b>2016Q4</b>	3.16%	3.24%	3.46%	3.61%	3.76%	3.78%	4.06%	4.17%	4.55%	4.69%	4.74%	4.83%	4.83%	4.83%	5.10%	5.19%	5.19%	5.19%	5.19%	5.25%
<b>2017Q1</b>	3.45%	3.45%	3.45%	3.50%	3.91%	3.94%	3.94%	4.05%	4.13%	4.19%	4.26%	4.34%	4.34%	4.42%	4.56%	4.56%	4.60%	4.60%	4.66%	4.73%
<b>2017Q2</b>	3.38%	3.54%	3.67%	3.91%	4.02%	4.17%	4.27%	4.35%	4.42%	4.42%	4.42%	4.42%	4.52%	4.61%	4.61%	4.61%	4.61%	4.61%	4.68%	4.68%
<b>2017Q3</b>	3.48%	3.75%	3.92%	3.92%	4.10%	4.17%	4.25%	4.25%	4.29%	4.36%	4.39%	4.53%	4.54%	4.55%	4.59%	4.74%	4.74%	4.74%	4.74%	4.85%
<b>2017Q4</b>	3.07%	3.13%	3.21%	3.25%	3.29%	3.37%	3.38%	3.40%	3.40%	3.40%	3.49%	3.49%	3.49%	3.54%	3.54%	3.54%	3.59%	3.62%	3.68%	3.71%
<b>2018Q1</b>	2.34%	2.46%	2.46%	2.59%	2.74%	2.98%	3.03%	3.26%	3.26%	3.34%	3.34%	3.40%	3.56%	3.66%	3.83%	3.97%	3.97%	4.01%	4.12%	4.31%
<b>2018Q2</b>	2.56%	2.63%	2.63%	2.88%	2.95%	3.10%	3.17%	3.17%	3.26%	3.26%	3.26%	3.37%	3.83%	3.83%	3.92%	4.06%	4.10%	4.12%	4.32%	4.73%

<b>2018Q3</b>	2.94%	3.18%	3.24%	3.34%	3.42%	3.51%	3.60%	3.60%	3.66%	3.66%	3.87%	3.92%	4.11%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
<b>2018Q4</b>	1.82%	1.82%	1.86%	2.01%	2.14%	2.14%	2.31%	2.38%	2.53%	2.59%	2.76%	2.76%	2.80%	2.87%	2.87%				
<b>2019Q1</b>	2.37%	2.37%	2.46%	2.46%	2.46%	2.46%	2.46%	2.65%	2.65%	2.71%	2.74%	2.85%							
<b>2019Q2</b>	2.02%	2.09%	2.37%	2.37%	2.59%	2.59%	2.83%	2.83%	2.83%										
<b>2019Q3</b>	2.12%	2.12%	2.12%	2.12%	2.20%	2.25%													
<b>2019Q4</b>	2.79%	2.90%	2.94%																

<b>Origination Quarter</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>
<b>2015Q1</b>	4.97%	5.51%	5.51%	5.61%	5.61%	5.68%	5.88%	5.88%	5.88%	5.97%	6.16%	6.21%	6.21%	6.23%	6.23%	6.23%	6.23%	6.23%	6.28%	6.28%
<b>2015Q2</b>	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.18%	3.31%	3.31%	3.31%	3.38%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.46%	3.46%
<b>2015Q3</b>	4.96%	4.96%	5.05%	5.10%	5.16%	5.34%	5.37%	5.49%	5.63%	5.65%	5.65%	5.65%	5.65%	5.73%	5.73%	5.80%	5.80%	5.80%	5.80%	5.80%
<b>2015Q4</b>	5.63%	5.73%	5.73%	5.84%	5.84%	5.84%	5.91%	5.91%	5.98%	5.98%	6.05%	6.07%	6.11%	6.11%	6.11%	6.14%	6.14%	6.14%	6.14%	6.16%
<b>2016Q1</b>	4.25%	4.25%	4.34%	4.44%	4.59%	4.59%	4.59%	4.62%	4.62%	4.68%	4.68%	4.68%	4.68%	4.85%	4.85%	4.86%	4.86%	4.86%	4.86%	4.86%
<b>2016Q2</b>	6.30%	6.30%	6.36%	6.36%	6.36%	6.45%	6.63%	6.71%	6.71%	6.72%	6.73%	6.73%	6.75%	6.80%	6.80%	6.84%	6.94%	6.94%	6.97%	6.97%
<b>2016Q3</b>	6.44%	6.49%	6.51%	6.51%	6.59%	6.59%	6.59%	6.59%	6.66%	6.79%	6.79%	6.79%	6.83%	6.83%	6.92%	6.92%	6.92%	6.92%	7.02%	7.05%
<b>2016Q4</b>	5.37%	5.45%	5.45%	5.61%	5.61%	5.66%	5.66%	5.66%	5.72%	5.72%	5.72%	5.81%	5.81%	5.82%	5.82%	5.87%	5.87%	5.87%	5.87%	
<b>2017Q1</b>	4.81%	4.84%	4.84%	4.84%	4.84%	4.84%	5.01%	5.01%	5.01%	5.01%	5.05%	5.17%	5.29%	5.29%	5.29%	5.29%				
<b>2017Q2</b>	4.71%	4.71%	4.88%	4.95%	5.08%	5.19%	5.19%	5.22%	5.33%	5.41%	5.42%	5.42%	5.42%							
<b>2017Q3</b>	4.85%	4.88%	4.97%	4.97%	5.01%	5.01%	5.14%	5.14%	5.14%	5.17%										
<b>2017Q4</b>	3.71%	3.79%	3.84%	3.90%	3.98%	4.04%	4.04%													
<b>2018Q1</b>	4.31%	4.31%	4.31%	4.31%																
<b>2018Q2</b>	4.73%																			

<b>Origination Quarter</b>	<b>61</b>	<b>62</b>	<b>63</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>75</b>	<b>76</b>	<b>77</b>	<b>78</b>	<b>79</b>	<b>80</b>
<b>2015Q1</b>	6.28%	6.32%	6.32%	6.32%	6.32%	6.32%	6.32%	6.32%	6.32%	6.38%	6.38%	6.46%	6.46%	6.46%	6.46%	6.46%	6.46%	6.46%	6.46%	6.46%
<b>2015Q2</b>	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.47%	3.47%	3.47%	3.47%	3.47%	3.50%	3.50%	3.50%	3.50%	3.50%			
<b>2015Q3</b>	5.80%	5.80%	5.80%	5.96%	5.96%	5.96%	5.96%	5.96%	5.96%	5.96%	6.02%	6.07%	6.07%	6.08%						
<b>2015Q4</b>	6.16%	6.16%	6.16%	6.16%	6.16%	6.16%	6.16%	6.16%	6.16%	6.16%										
<b>2016Q1</b>	4.86%	4.86%	4.86%	4.86%	4.86%	4.86%	4.86%	4.86%												
<b>2016Q2</b>	7.01%	7.01%	7.09%	7.09%	7.09%															

<b>2016Q3</b>	7.05%	7.05%
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**Table 6 – Cumulative recovery rate**

For each vintage quarter of defaults, the recovery rate is calculated for each month as the cumulative recovery amount received, in respect of loans defaulted during the vintage quarter considered, until the end of such month expressed as a percentage of the aggregate outstanding balance (at the time of default) of loans defaulted during the vintage quarter considered.

Each column *n* relates the *n*th calendar month falling after the vintage quarter considered, e.g. column ‘1’ refers to the first calendar month falling after the said vintage quarter.

<b>Default Quarter</b>	<b>Defaulted Amount (in €)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>2015Q1</b>	879,051	3.64%	5.65%	18.66%	27.34%	29.35%	33.83%	37.32%	40.32%	42.51%	44.44%	45.80%	47.21%	48.02%	49.39%	50.44%	51.68%	54.52%	55.14%	55.71%	57.76%
<b>2015Q2</b>	926,667	7.13%	10.97%	24.05%	29.41%	34.03%	37.19%	39.86%	42.52%	44.13%	45.72%	46.74%	48.94%	50.26%	51.78%	52.56%	55.93%	56.64%	59.55%	60.75%	61.60%
<b>2015Q3</b>	562,827	5.10%	7.35%	17.52%	20.16%	21.54%	23.36%	24.72%	27.24%	31.64%	34.40%	41.06%	47.06%	47.72%	48.48%	49.04%	49.62%	50.44%	50.83%	51.38%	52.09%
<b>2015Q4</b>	579,978	5.53%	7.53%	13.06%	20.41%	23.38%	28.72%	32.62%	34.38%	35.70%	40.57%	41.27%	44.86%	46.59%	47.34%	48.04%	48.89%	49.76%	50.55%	51.22%	52.64%
<b>2016Q1</b>	847,625	6.25%	11.52%	26.88%	32.91%	37.34%	41.75%	43.06%	44.68%	46.72%	47.49%	48.29%	49.91%	51.38%	56.63%	60.94%	63.12%	64.62%	66.31%	67.35%	68.20%
<b>2016Q2</b>	1,183,788	8.08%	13.19%	26.58%	32.37%	36.44%	38.95%	40.96%	43.50%	46.87%	49.32%	51.86%	54.71%	56.77%	57.96%	58.94%	60.35%	61.42%	62.01%	63.63%	64.88%
<b>2016Q3</b>	838,720	3.13%	6.21%	13.56%	18.32%	26.03%	30.78%	34.16%	36.50%	38.91%	41.29%	44.10%	47.62%	50.37%	55.23%	60.93%	66.05%	66.98%	68.12%	70.56%	72.91%
<b>2016Q4</b>	1,098,634	5.27%	7.32%	17.93%	22.51%	24.25%	29.04%	31.06%	34.58%	38.75%	41.97%	44.24%	45.92%	50.67%	52.68%	54.54%	55.26%	57.92%	59.18%	60.44%	61.78%
<b>2017Q1</b>	946,921	2.43%	8.06%	19.38%	28.53%	31.06%	36.21%	39.89%	47.15%	48.78%	53.48%	55.28%	57.59%	58.47%	61.17%	61.98%	62.72%	66.62%	69.39%	70.92%	71.97%
<b>2017Q2</b>	1,481,167	2.27%	3.73%	11.18%	15.30%	19.06%	20.93%	24.03%	27.72%	31.29%	36.55%	38.47%	40.07%	42.80%	45.05%	46.38%	50.48%	53.88%	55.60%	56.52%	57.21%
<b>2017Q3</b>	877,019	1.69%	5.69%	10.99%	17.03%	22.71%	24.96%	27.52%	29.41%	32.01%	34.33%	35.85%	37.31%	38.28%	40.68%	42.67%	43.50%	45.58%	46.31%	47.63%	48.74%
<b>2017Q4</b>	1,157,067	2.28%	6.64%	22.58%	26.18%	29.51%	32.11%	35.24%	36.88%	38.40%	42.16%	43.82%	45.25%	46.58%	47.97%	48.77%	50.30%	53.25%	53.90%	56.33%	58.40%
<b>2018Q1</b>	1,021,315	2.46%	4.83%	12.64%	20.43%	25.07%	27.83%	29.63%	34.62%	40.18%	42.03%	43.78%	46.15%	47.23%	48.03%	49.23%	50.06%	51.96%	52.68%	55.44%	57.75%
<b>2018Q2</b>	1,245,993	2.31%	4.45%	14.35%	23.52%	27.44%	28.97%	33.23%	39.37%	41.88%	45.77%	47.68%	49.58%	52.57%	55.15%	56.46%	56.88%	58.84%	61.31%	61.76%	62.14%
<b>2018Q3</b>	721,978	1.84%	3.24%	17.56%	23.97%	29.93%	32.91%	34.65%	36.54%	44.31%	44.90%	49.54%	50.48%	52.17%	53.64%	56.28%	58.54%	59.38%	61.14%	61.72%	65.23%
<b>2018Q4</b>	1,041,114	2.96%	4.92%	15.93%	28.95%	33.00%	35.98%	43.65%	46.01%	49.40%	51.64%	54.31%	57.46%	59.22%	62.12%	64.97%	65.47%	67.49%	67.97%	70.13%	70.61%
<b>2019Q1</b>	949,185	1.62%	3.43%	11.36%	16.14%	20.86%	29.01%	32.18%	34.76%	35.47%	39.39%	41.39%	46.05%	48.30%	48.83%	49.23%	50.88%	53.56%	54.70%	55.62%	57.46%
<b>2019Q2</b>	1,218,827	2.60%	4.10%	19.48%	28.91%	35.59%	41.54%	45.16%	48.12%	52.06%	54.90%	55.38%	57.33%	60.18%	60.63%	63.90%	64.66%	65.07%	67.51%	69.04%	70.95%
<b>2019Q3</b>	1,060,017	3.18%	5.48%	27.09%	35.73%	38.80%	47.25%	52.46%	55.20%	56.67%	58.79%	63.36%	68.72%	73.10%	73.73%	74.11%	75.92%	76.82%	77.22%	78.28%	78.42%
<b>2019Q4</b>	755,240	1.86%	2.60%	19.13%	27.04%	29.75%	35.52%	41.76%	44.92%	47.46%	48.66%	49.45%	50.28%	53.45%	57.65%	58.04%	58.52%	58.64%	62.82%	65.25%	65.75%

<b>2020Q1</b>	642,118	2.30%	3.14%	14.03%	23.65%	27.99%	35.52%	40.93%	46.79%	50.40%	51.31%	52.52%	55.30%	55.93%	56.17%	58.97%	62.52%	64.76%	65.52%	65.52%	65.72%
<b>2020Q2</b>	883,166	1.53%	3.36%	20.96%	31.70%	33.84%	38.43%	39.89%	41.68%	42.48%	42.88%	43.68%	45.22%	48.56%	49.24%	50.68%	55.71%	55.99%			
<b>2020Q3</b>	534,944	2.01%	5.10%	25.96%	34.30%	44.20%	49.79%	51.56%	52.11%	57.56%	58.77%	60.00%	60.77%	61.55%	61.70%						
<b>2020Q4</b>	906,565	1.60%	2.70%	12.05%	12.79%	13.15%	17.75%	22.51%	23.26%	27.67%	29.81%	30.09%									
<b>2021Q1</b>	1,421,316	1.22%	2.63%	11.18%	21.41%	27.14%	35.30%	36.17%	37.63%												
<b>2021Q2</b>	1,276,604	1.14%	4.27%	14.36%	24.65%	24.99%															
<b>2021Q3</b>	1,869,708	1.57%	1.68%																		

Default Quarter	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
<b>2015Q1</b>	58.41%	59.58%	60.60%	62.38%	63.50%	64.42%	65.13%	66.69%	69.38%	69.85%	71.05%	71.41%	71.88%	72.28%	72.73%	73.47%	73.97%	74.52%	74.98%	75.46%
<b>2015Q2</b>	62.17%	63.31%	64.04%	65.28%	66.44%	67.08%	67.91%	68.65%	69.59%	70.52%	71.04%	72.97%	73.88%	74.51%	75.05%	75.50%	77.24%	77.95%	78.45%	78.93%
<b>2015Q3</b>	53.17%	53.59%	54.17%	56.64%	57.30%	57.85%	58.62%	59.09%	59.91%	60.26%	61.47%	61.79%	63.22%	64.48%	64.95%	65.57%	66.51%	67.20%	67.81%	68.74%
<b>2015Q4</b>	53.46%	56.54%	56.84%	59.53%	60.17%	60.75%	61.56%	62.58%	63.36%	66.46%	66.86%	67.55%	69.63%	70.02%	70.92%	71.37%	71.88%	72.60%	73.04%	73.56%
<b>2016Q1</b>	68.91%	69.57%	70.26%	70.79%	71.36%	72.74%	74.24%	74.88%	75.48%	75.97%	77.34%	77.78%	78.16%	78.42%	78.69%	79.32%	80.13%	80.31%	83.79%	84.74%
<b>2016Q2</b>	67.31%	69.04%	69.65%	72.01%	72.81%	73.45%	74.59%	75.15%	75.85%	76.43%	77.51%	78.10%	78.68%	79.14%	80.55%	82.80%	83.85%	85.50%	86.83%	87.17%
<b>2016Q3</b>	74.96%	75.50%	76.71%	77.83%	78.42%	78.91%	79.29%	81.57%	82.24%	83.60%	84.47%	85.43%	86.80%	87.43%	87.78%	88.17%	88.61%	89.26%	89.53%	90.64%
<b>2016Q4</b>	62.94%	64.36%	65.53%	67.23%	67.77%	68.28%	69.10%	69.85%	70.22%	71.27%	72.37%	74.16%	75.42%	75.76%	76.69%	78.76%	79.25%	79.64%	79.92%	80.23%
<b>2017Q1</b>	72.54%	73.27%	73.66%	74.76%	75.17%	75.48%	76.55%	76.91%	77.29%	79.46%	80.48%	80.75%	81.68%	81.88%	83.37%	84.69%	85.02%	85.28%	86.53%	87.26%
<b>2017Q2</b>	58.50%	60.38%	60.87%	62.28%	63.13%	64.03%	65.24%	66.68%	67.72%	70.45%	73.34%	74.12%	76.22%	77.16%	77.85%	78.55%	78.91%	80.46%	80.85%	81.95%
<b>2017Q3</b>	50.40%	51.07%	52.82%	54.82%	57.62%	59.41%	61.62%	63.08%	65.25%	65.91%	66.90%	68.43%	68.65%	69.02%	69.37%	69.82%	70.84%	73.63%	74.96%	75.80%
<b>2017Q4</b>	59.55%	61.10%	64.05%	65.10%	66.10%	66.48%	67.74%	68.61%	69.59%	69.94%	71.68%	72.06%	72.36%	72.75%	75.00%	76.41%	78.26%	79.92%	80.29%	80.52%
<b>2018Q1</b>	59.93%	61.77%	62.55%	63.64%	64.82%	65.13%	65.39%	66.21%	67.41%	67.65%	67.83%	67.96%	70.09%	70.56%	72.70%	73.04%	73.32%	73.33%	73.92%	75.50%
<b>2018Q2</b>	62.61%	64.03%	64.24%	64.74%	65.49%	67.03%	69.77%	70.01%	70.37%	71.97%	73.00%	74.20%	74.92%	75.08%	75.59%	76.43%	77.51%	78.41%	78.61%	78.82%
<b>2018Q3</b>	67.07%	68.71%	69.65%	69.80%	69.88%	72.81%	73.63%	74.03%	74.55%	74.81%	78.76%	79.06%	79.18%	81.21%	81.63%	81.79%	82.20%	82.23%		
<b>2018Q4</b>	70.79%	71.66%	73.67%	74.94%	75.59%	76.58%	78.42%	78.66%	78.72%	80.15%	81.06%	82.83%	83.17%	83.31%	83.33%					
<b>2019Q1</b>	59.74%	60.79%	61.63%	62.08%	62.71%	62.79%	64.22%	65.68%	66.11%	67.58%	67.81%	68.24%								
<b>2019Q2</b>	71.28%	71.72%	71.88%	73.31%	73.77%	74.37%	75.57%	76.72%	76.83%											
<b>2019Q3</b>	78.76%	80.14%	81.65%	83.45%	83.55%	83.63%														
<b>2019Q4</b>	66.88%	67.15%	67.17%																	

Default Quarter	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
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<b>2015Q1</b>	75.91%	76.16%	76.50%	76.91%	77.28%	77.61%	77.77%	78.06%	78.44%	78.83%	79.40%	81.02%	82.02%	82.24%	82.64%	82.76%	82.95%	82.99%	83.12%	83.31%
<b>2015Q2</b>	79.36%	79.68%	80.22%	80.58%	81.11%	81.97%	82.38%	83.89%	84.12%	84.48%	85.08%	86.22%	87.40%	87.58%	87.80%	88.19%	88.79%	88.86%	88.96%	89.23%
<b>2015Q3</b>	69.72%	69.99%	70.33%	71.42%	71.71%	72.03%	72.37%	75.34%	79.04%	80.06%	80.52%	81.39%	82.38%	82.59%	83.45%	83.64%	83.91%	87.86%	88.03%	88.11%
<b>2015Q4</b>	73.99%	74.76%	75.56%	76.24%	76.59%	76.85%	77.24%	77.54%	77.76%	78.29%	78.65%	78.79%	79.09%	79.28%	83.28%	83.47%	83.77%	84.54%	84.81%	85.17%
<b>2016Q1</b>	85.04%	86.21%	87.06%	87.35%	87.61%	87.97%	88.68%	89.17%	89.51%	90.97%	91.16%	91.35%	91.54%	91.65%	91.80%	92.70%	92.90%	93.24%	93.67%	93.75%
<b>2016Q2</b>	87.44%	88.24%	88.58%	89.54%	89.87%	90.24%	90.84%	91.32%	91.73%	91.91%	92.40%	93.60%	93.90%	94.15%	94.41%	96.23%	96.27%	96.33%	96.40%	98.82%
<b>2016Q3</b>	91.00%	92.78%	93.58%	93.92%	94.26%	94.53%	94.63%	95.13%	95.37%	95.51%	95.69%	96.12%	96.39%	97.24%	97.36%	97.36%	99.16%	102.31%	102.43%	102.50%
<b>2016Q4</b>	80.44%	81.57%	82.85%	83.25%	83.52%	84.47%	87.71%	88.23%	89.69%	90.19%	90.31%	90.41%	90.50%	93.89%	94.53%	94.89%	95.18%	95.22%	95.26%	
<b>2017Q1</b>	87.45%	87.57%	87.68%	88.05%	88.46%	90.24%	90.31%	91.18%	91.27%	91.32%	92.91%	95.05%	95.30%	95.45%	95.52%	95.56%				
<b>2017Q2</b>	82.42%	82.89%	85.01%	86.29%	86.47%	86.65%	86.74%	89.21%	89.60%	89.78%	90.35%	90.52%	90.64%							
<b>2017Q3</b>	76.38%	77.32%	77.32%	77.44%	77.71%	80.30%	80.91%	81.09%	81.20%	81.40%										
<b>2017Q4</b>	80.67%	81.70%	81.97%	82.22%	82.53%	82.66%	82.72%													
<b>2018Q1</b>	75.76%	76.18%	76.35%	76.39%																
<b>2018Q2</b>	78.93%																			

Default Quarter	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
<b>2015Q1</b>	83.40%	86.64%	86.86%	86.95%	87.37%	87.77%	87.83%	89.07%	89.34%	89.48%	89.79%	89.79%	89.81%	89.81%	90.43%	92.10%	92.13%	92.16%	92.19%	92.20%
<b>2015Q2</b>	91.64%	91.68%	91.71%	91.77%	92.07%	92.58%	92.58%	92.91%	92.91%	92.93%	92.93%	94.10%	97.65%	97.67%	97.67%	97.72%	97.72%			
<b>2015Q3</b>	88.29%	88.37%	88.55%	88.75%	89.68%	90.15%	90.24%	90.36%	91.48%	95.43%	95.54%	95.65%	95.65%	95.69%						
<b>2015Q4</b>	86.95%	87.94%	89.24%	89.24%	89.27%	91.40%	92.16%	92.20%	92.23%	92.38%	92.38%									
<b>2016Q1</b>	94.39%	94.47%	95.92%	98.43%	98.54%	99.85%	101.08%	101.15%												
<b>2016Q2</b>	101.11%	101.47%	101.66%	101.69%	101.70%															
<b>2016Q3</b>	102.56%	102.57%																		

**Table 7 – Dynamic delinquencies**

The following data displays for any given quarter the outstanding principal balance of performing receivables in each arrears bucket, all expressed as a percentage of the aggregate outstanding principal balance of performing receivables at the beginning of such quarter.

Quarter	Total Outstanding Balance (in €)	1-30 days past due	31-60 days past due	61-90 days past due
<b>2015Q1</b>	53,861,544	3.53%	0.63%	0.13%

Quarter	Total Outstanding Balance (in €)	1-30 days past due	31-60 days past due	61-90 days past due
2015Q2	63,479,660	2.91%	0.65%	0.10%
2015Q3	75,530,062	3.45%	0.59%	0.12%
2015Q4	89,619,040	3.40%	0.82%	0.08%
2016Q1	97,216,934	5.03%	0.54%	0.41%
2016Q2	107,314,467	4.87%	1.00%	0.15%
2016Q3	116,184,959	4.58%	1.16%	0.32%
2016Q4	127,160,130	4.31%	0.81%	0.58%
2017Q1	134,495,037	4.55%	1.06%	0.72%
2017Q2	146,713,878	3.87%	1.11%	0.66%
2017Q3	156,530,299	4.07%	1.42%	0.45%
2017Q4	169,677,315	4.12%	1.04%	0.48%
2018Q1	176,805,643	4.34%	0.86%	0.65%
2018Q2	186,381,726	3.91%	1.20%	0.45%
2018Q3	193,432,268	3.98%	1.33%	0.55%
2018Q4	201,626,304	3.69%	0.90%	0.59%
2019Q1	204,719,873	3.18%	0.91%	0.66%
2019Q2	211,395,717	2.67%	1.67%	0.46%
2019Q3	216,168,966	2.89%	1.07%	0.43%
2019Q4	219,370,565	2.54%	0.72%	0.35%
2020Q1	220,737,082	3.01%	0.74%	0.59%
2020Q2	222,658,869	2.10%	0.60%	0.40%
2020Q3	238,263,845	2.52%	0.64%	0.35%
2020Q4	249,944,909	2.31%	0.80%	0.52%
2021Q1	257,704,353	2.62%	0.65%	0.43%
2021Q2	272,999,609	2.48%	0.76%	0.47%
2021Q3	283,001,458	3.16%	0.71%	0.39%

**Table 8 – Prepayment rate**

The below table indicates:

- (i) for any given quarter the quarterly prepayment rate, recorded on the overall Vehicle Loan portfolio of the Originators, calculated as the ratio of (i) the outstanding

balance as at the beginning of that quarter of all loans prepaid during that quarter to (ii) the outstanding balance of loans as at the beginning of that quarter, and  
(ii) for any given quarter the annualised prepayment rate, recorded on the overall Vehicle Loan portfolio of the Originators, calculated as the quarterly prepayment rate multiplied by 4.

Quarter	Total Outstanding (in €)	Quarterly Prepayment Rate	Annualised Prepayment Rate
2015Q1	53,861,544	0.77%	3.09%
2015Q2	63,479,660	0.78%	3.13%
2015Q3	75,530,062	0.81%	3.26%
2015Q4	89,619,040	0.53%	2.11%
2016Q1	97,216,934	0.90%	3.60%
2016Q2	107,314,467	1.09%	4.36%
2016Q3	116,184,959	1.24%	4.95%
2016Q4	127,160,130	1.46%	5.84%
2017Q1	134,495,037	1.17%	4.69%
2017Q2	146,713,878	1.61%	6.45%
2017Q3	156,530,299	1.64%	6.58%
2017Q4	169,677,315	1.80%	7.20%
2018Q1	176,805,643	1.93%	7.71%
2018Q2	186,381,726	1.37%	5.49%
2018Q3	193,432,268	0.67%	2.67%
2018Q4	201,626,304	1.29%	5.17%
2019Q1	204,719,873	1.54%	6.16%
2019Q2	211,395,717	1.42%	5.69%
2019Q3	216,168,966	1.46%	5.85%
2019Q4	219,370,565	1.47%	5.87%
2020Q1	220,737,082	0.80%	3.20%
2020Q2	222,658,869	1.39%	5.57%
2020Q3	238,263,845	1.48%	5.91%
2020Q4	249,944,909	0.98%	3.94%
2021Q1	257,704,353	1.60%	6.39%
2021Q2	272,999,609	0.84%	3.35%

## THE ISSUER

### ***Legal and commercial name of the Issuer***

The legal name of the Issuer is Ares Lusitani, STC, S.A. and the most frequent commercial name is Ares Lusitani.

### ***Incorporation, registration, legal form, head-office and contacts of the Issuer and legislation that governs the Issuer's activity***

The Issuer is a limited liability company by shares (*sociedade anónima*) registered and incorporated in Portugal on 9 February 2018 as a special purpose vehicle (known as “securitisation company”, “**STC**” or *sociedade de titularização de créditos*) for the purpose of issuing asset-backed securities under the Securitisation Law and has been duly authorised by the Portuguese Securities Markets Commission (Comissão do Mercado de Valores Mobiliários, the “**CMVM**”) through a resolution of the Board of Directors of the CMVM for an unlimited period of time and was given registration number 9217.

The website of the Issuer is on <https://areslusitani.pt/>. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus.

The Issuer is registered with the Commercial Registry Office of Lisbon under the sole commercial registration and taxpayer number 514 657 790.

The Legal Entity Identifier (LEI) code of the Issuer is 213800WQJDCAN4BC057.

The Issuer has no subsidiaries.

Since March 2021, the Issuer has ten employees. These employment contracts were entered into between employees and a “plurality of employers” (under Article 101 of the Portuguese Labour Code, approved by Law no. 7/2009, of 12 February, as amended). The Issuer was not appointed as the entity responsible for obligations arising from such contracts. HG PT, S.A. was appointed as the entity responsible for obligations arising from the contract entered into with one employee and Obvious Frequency, Lda. was appointed as the entity responsible for obligations arising from the remaining contracts.

The registered office of the Issuer is at Avenida José Malhoa, 27, 11º floor, 1070-156, Portugal, and the telephone number of the registered office +351 213 136 030.

The Issuer is directly held by Hipoges Iberia, S.L, which in turn is fully owned by Camps Servicer HoldCo S.a r.l. with 84% and others with a stake of 16%.

### ***Main activities***

The principal corporate purposes of the Issuer are set out in its articles of association (*Estatutos* or *Contrato de Sociedade*) and permit, *inter alia*, the purchase of a number of portfolios of assets from public and private entities and the issue of notes in series to fund the purchase of such assets and the entry into the relevant transaction documents to effect the necessary arrangements for such purchase and issuance including making appropriate filings with Portuguese regulatory bodies and any other competent authority and any relevant stock exchange.

### ***Corporate bodies***

#### ***Board of Directors***

The directors of the Issuer appointed for the term 2021/2023, their respective business addresses and their principal occupations outside of the Issuer are:



NAME	BUSINESS ADDRESS	PRINCIPAL OCCUPATIONS OUTSIDE OF THE ISSUER
CLAUDIO PANUNZIO (CHAIRMAN)	CALLE ALBACETE 3, 5.º, 28027 MADRID, ESPANHA	MANAGING DIRECTOR OF HIPOGES IBERIA, S.L
HUGO REINALDO CARVALHO VELEZ	AV. JOSÉ MALHOA, NO. 27 – 11TH FLOOR, 1070-156 LISBON	MANAGING DIRECTOR OF HIPOGES IBERIA, S.L

There are no potential conflicts of interest between any duties of the persons listed above to the Issuer and their private interests.

#### *Supervisory Board*

**The members of the supervisory board of the Issuer for the term 2021/2023 are as follows:**

NAME	FUNCTION	PRINCIPAL ACTIVITIES OUTSIDE OF THE ISSUER	BUSINESS ADDRESS
ANTÓNIO NOGUEIRA LEITE	CHAIRMAN	CHAIRMAN OF THE BOARD, EMBOPAR SGPS, S.A.; CHAIRMAN OF THE BOARD, SOCIEDADE PONTO VERDE, S.A.; CHAIRMAN OF THE SUPERVISORY BOARD, NEXPONOR, SICAFI, S.A.; SENIOR BOARD ADVISOR, HG PT, S.A.	AV. JOSÉ MALHOA Nº 27, 11º ANDAR, 1070-156 LISBOA
DUARTE MARIA DE ALMEIDA E VASCONCELOS CALHEIROS	MEMBER	VICE-PRESIDENT OF THE PORTUGUESE INSTITUTE OF CORPORATE GOVERNANCE; PRESIDENT OF THE EXECUTIVE COMMITTEE ON THE SUPERVISION OF THE CORPORATE GOVERNANCE CODE; PRESIDENT OF THE SUPERVISORY BOARD OF THE ASSOCIATION OF CORPORATE ISSUERS; VICE-PRESIDENT OF THE GENERAL MEETING OF REDITUS	AV. DA HOLANDA, 478 – 2765-228 ESTORIL
GONÇALO JORGE DOS REIS MARTINS	MEMBER	PARTNER OF PLMJ ADVOGADOS	AV. FONTES PEREIRA DE MELO, 43, 1050-119 LISBOA
RAQUEL SOFIA ALMEIDA SANTOS AZEVEDO	ALTERNATE MEMBER	PARTNER OF PLMJ ADVOGADOS	AV. FONTES PEREIRA DE MELO, 43

			1050 - 119 LISBOA
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The members of the Supervisory Board are appointed by the Shareholders General Meeting and the relevant term of office is of 3 (three) years.

*Independent and statutory auditor*

The Issuer's independent and statutory auditor (*revisor oficial de contas*) and external auditor for the year ended on 31 December 2019 and on 31 Decemeber 2020 was **Horwath & Associados, SROC, Lda.** ("**Horwath**"), which is registered with the Chartered Accountants Bar under number 186 (and registered auditor with CMVM under number 20161486) and is represented by Ms. Sónia Bulhões Costa Matos Lourosa, ROC no. 1128 and registered with CMVM under number 20160740. The registered office of is Edifício Scala - Rua de Vilar, nº 235, 2º, 4050-626 Porto, Portugal. Horwath has taxpayer number 506942155 .

Horwath was appointed by resolution of the Issuer's Shareholders General Meeting, dated 31 March 2021, and the relevant term of office is of 3 (three) years.

The auditor's report of the financial statements of 2019 contained the following emphasis, grounded on the world-wide impacts caused by the covid-19 pandemic: "As mentioned in note 18 of the Schedule, despite the uncertainty caused by the covid-19 pandemic that may impact the future prospects of new securitisation operations to be placed on the market during the financial year 2020, the management body considers that, given the corporate purpose of Ares Lusitani - STC, S.A., and given the contingency plan implemented, no relevant negative direct impacts resulting from the Covid-19 pandemic are expected to jeopardize the continuity of the Entity. Our opinion is not modified in relation to this matter".

*Chairman and Secretary of the Shareholders General Meeting and Secretary of the Company*

The chairman and secretary of the Issuer's shareholder general meeting are Mr. Bruno Rafael Alexandre Ferreira and Mr. Eduardo Alfaro Crespo, respectively, with office at Av. da Liberdade, 224, Edifício Eurolex, 1250-148 Lisboa.

The Issuer did not appoint a secretary of the company.

**Legislation governing the Issuer's activities**

The Issuer's activities are specifically governed by the Securitisation Law and supervised by the CMVM.

**Insolvency of the Issuer**

The Issuer is a special purpose vehicle and as such it is not permitted to carry out any activity other than the issue of securitisation notes and certain activities ancillary thereto, including, but not limited to, the borrowing of funds in order to ensure that securitisation notes have the necessary liquidity support and the entering into of documentation in connection with each such issue of securitisation notes.

Accordingly, the Issuer will not have any creditors other than the Portuguese Republic in respect of tax liabilities, if any, the Noteholders and the Transaction Creditors, third parties in relation to any Third Party Expenses, and noteholders and other creditors in relation to other series of securitisation notes issued or to be issued in the future by the Issuer from time to time.

The segregation principle imposed by the Securitisation Law and the related privileged nature of the noteholders' entitlements, on the one hand, together with the own funds requirements and the limited number of general creditors a securitisation company may have, on the other, makes the insolvency of the Issuer a remote possibility. In any case, under the terms of the Securitisation Law, such remote insolvency would not prevent the

Noteholders from enjoying privileged entitlements to the Transaction Assets.

### **Capital requirements**

The Securitisation Law imposes on the Issuer certain capitalisation requirements for supervisory purposes.

Additionally, apart from the minimum share capital, a securitisation company ("**STC**" or *sociedade de titularização de créditos*) must also meet certain own funds levels. Under Article 43 of the Securitisation Law (by reference to Article 19 of the Securitisation Law, which in turn refers to Article 71-M of Law no. 16/2015 of 24 February, as amended from time to time), STC own funds levels must at all times be equal to or higher than the highest of the following amounts: (1) the amount based on general fixed costs of the STC calculated in accordance with Article 97(1) to Article 97(3) of the CRR, (2) the minimum initial capital (*capital inicial mínimo*) of €125,000.00, and (3) the amount under (b) below.

If an STC's total net asset value exceeds €250,000,000.00 (as is the case of the Issuer on the date hereof), and without prejudice to the above paragraph, its own funds shall not be lower than the sum of the following (subject to a maximum amount of own funds hereunder of €10,000,000.00):

- (a) the Issuer's minimum initial capital (*capital inicial mínimo*) of €125,000,00; and
- (b) 0.02% (zero point zero two per cent.) of the amount in which the total net asset value exceeds €250,000,000.

If the STC benefits from a guarantee by a credit institution or insurance undertaking with head office in the EU of the same amount as the amount under (b) above, the amount required under (b) above may be reduced to 50% (fifty per cent.) for the purposes of calculating the STC's level of own funds.

An STC can use its own funds to pursue its activities. However, if at any time the STC's own funds fall below the percentages referred to above the STC must, within 3 (three) months, ensure that such percentages are met. CMVM will supervise the Issuer in order to ensure that it complies with the relevant capitalisation requirements.

The required level of capitalisation can be met, *inter alia*, through share capital, ancillary contributions (*prestações acessórias*) and reserves as adjusted by profit and losses, subject to the applicable legal requirements, including the CRR.

The entire authorised share capital of the Issuer corresponds to €250,000.00 (two hundred and fifty thousand) issued and fully paid ordinary shares of €1 (one euro) each.

### **The Shareholder**

All of the shares making up the share capital of the Issuer are held directly by the Hipoges Iberia SL, a Spanish limited liability company with the CIF ("*Certificado de Identificación*") B-85610228, which is the sole shareholder of the Issuer. There are not any special mechanisms in place to ensure that control is not abusively exercised. risk of control abuse is in any case mitigated by the provisions of the Securitisation Law and the remainder applicable legal and regulatory provisions and the supervision of the Issuer by the CMVM.

### **Capitalisation of the Issuer**

**As at 30 September 2021**

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### **Indebtedness**

Other Securitisation Transactions

€2.405.455.160,89

<b>Total Securitisation Transactions</b>	€2.405.455.160,89
Share capital (Authorised €250,000.00; Issued 250,000.00 shares with a par value of €5.00 each)	€250.000,00
Ancillary Capital Contributions	€0,00
Reserves and retained earnings	€747.231,28
Total capitalisation	€997.231,28

***Other Securities of the Issuer***

The Issuer has not issued any convertible or exchangeable securities/notes.

***Financial Statements***

Audited financial statements of the Issuer are published on an annual basis at [www.cmvm.pt](http://www.cmvm.pt) and at the Issuer website, and are certified by an auditor registered with the CMVM.

## BUSINESS OF BANCO MONTEPIO AND MONTEPIO CRÉDITO

### CAIXA ECONÓMICA MONTEPIO GERAL, CAIXA ECONÓMICA BANCÁRIA, S.A.

#### Introduction

##### *History and Formation*

In 1844, Montepio Geral – Associação Mutualista ("**MGAM**") created Caixa Económica de Lisboa with the aim of attracting small-scale savings and providing credit facilities. Caixa Económica de Lisboa was renamed as Caixa Económica Montepio Geral on 23 April 1991 and as Caixa Económica Montepio Geral, caixa económica bancária, S.A. on 14 September 2017.

MGAM is a private institution of social support (i.e. a mutual benefits association) whose principal purposes are to promote and develop initiatives designed to ensure the social protection and welfare of its 598,438 mutual members (as at 31 December 2020), their families and other beneficiaries nominated by them. The welfare schemes MGAM offers include pensions and other retirement benefits, disability benefits, death grants, guarantees of the payment of housing charges, life annuities, study schemes and other schemes for young people and a wide variety of collective schemes. It also has co-operation agreements with a variety of organisations in health and welfare. Other activities include the organisation of members' social functions, publication of a members' magazine, sponsorship of cultural, artistic and social events and the awarding of prizes and scholarships.

MGAM and its subsidiaries and affiliates (together, the "**Montepio Group**") offer a wide variety of banking, insurance and fund management products from Banco Montepio's branches throughout Portugal. Originally, Banco Montepio was run as a division of MGAM but, by the late 1930s, the two organisations had become separate legal entities.

Banco Montepio is a credit institution, authorised to operate as a savings bank (*caixa económica bancária*) to pursue all the businesses permitted to banks in Portugal. As at 31 December 2020, it ranked seventh in the Portuguese banking system on the basis of total net assets (source: *Associação Portuguesa de Bancos*). Despite the competition in the market, Banco Montepio has been able to preserve its overall market share (deposits and credit) in banking activity at 5.2% as of June 2021<sup>1</sup>

In 2010, MGAM acquired the whole of Finibanco-Holding, SGPS, S.A. through a friendly public takeover bid.

In order to take the necessary steps to achieve consolidation, on 31 March 2011, Banco Montepio acquired from MGAM, through a share purchase agreement, 100% of the share capital and of the voting rights of Finibanco-Holding, SGPS, S.A. (now Montepio Holding, SGPS, S.A.) and, indirectly, all of the share capital and the voting rights of Finibanco, S.A. (now Montepio Investimento, S.A.), as well as those of Finicrédito Instituição Financeira de Crédito, S.A. (now Montepio Crédito, Instituição Financeira de Crédito, S.A.) and those of Finivalor – Sociedade Gestora de Fundos Mobiliários, S.A. (now Montepio Valor – Sociedade Gestora de Organismos de Investimento Coletivo, S.A.).

On 14 September 2017, Banco Montepio completed a change in its legal status from a savings bank affiliated to MGAM into a full service savings bank (*caixa económica bancária*) incorporated as a public limited liability company (*Sociedade Anónima*), under the supervision of Banco de Portugal. Since then, Banco Montepio's total equity amounts to €2,420,000,000.00 and it is fully represented by common shares.

On 20 February 2019, Banco Montepio changed its brand name to "**Banco Montepio**" but its legal name remains the same (Caixa Económica Montepio Geral, caixa económica bancária, S.A.). By changing its brand name, Banco

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<sup>1</sup> Source: Bank of Portugal Monetary and Financial Statistics (Domestic Activity)

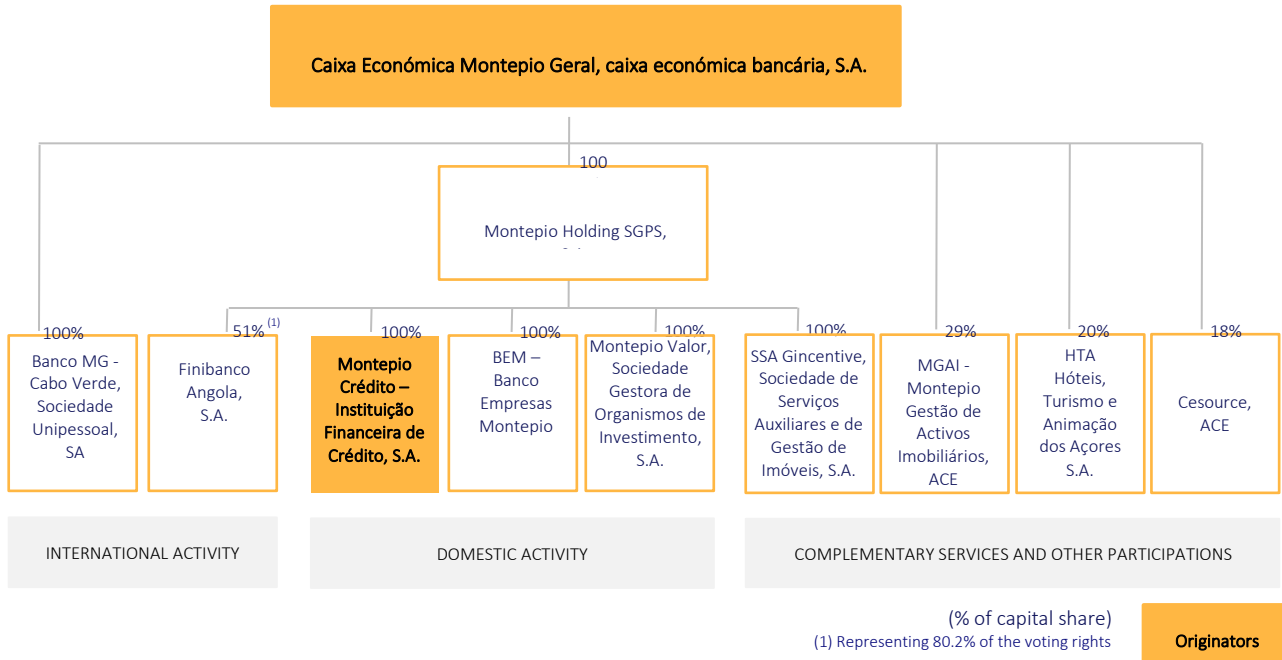
Montepio has sought to clarify to both the general public and its clients the distinction between Banco Montepio and MGAM, its main shareholder. In addition to the change of the brand name, Banco Montepio also changed its commercial logo and brand colours.

*Ownership structure*

On 30 June 2021 Banco Montepio had a total share capital of €2,420,000,000, the majority of which (99.99 per cent.) is owned by its founder Montepio Geral – Associação Mutualista.

Banco Montepio is managed in accordance with its Articles of Association and with the provisions of the Portuguese Companies Code (*Código das Sociedades Comerciais*). MGAM, as the majority holder of the bank's share capital (99.99 per cent.) is the majority holder of voting rights in Banco Montepio and its rights are governed by and subject to Banco Montepio's Articles of Association and Portuguese law.

Banco Montepio is integrated in the Banco Montepio Group as shown in the structure chart below:



These entities complement Banco Montepio's financial products and services and contribute via their earnings to the creation of value for its shareholders (primarily MGAM) ensuring high ethical standards and principles of social sustainability. Collectively, these entities not only offer a broad and diversified range of banking and financial products and services, but also contribute with their earnings to the shareholders' social and welfare related goals.

Banco Montepio Group consists, in addition to Banco Montepio (the savings bank on an individual basis), of 3 domestic entities: Montepio Crédito (the specialized credit company of the group), Montepio Investimento (the investment and corporate banking arm of the Group, which was rebranded to Banco Empresas Montepio) and Montepio Valor (an asset management company), all of them incorporated under Montepio Holding and fully owned by Banco Montepio. Still in the domestic market, Banco Montepio has a small qualified holding in HTA (a company in the Tourism sector) and Montepio Gestão de Ativos Imobiliários, ACE (a complementary group of companies that manages the group's real estate) whose accounts are consolidated by the equity method.

*Business Overview*

Banco Montepio operates as a universal bank offering a wide range of banking and financial products and

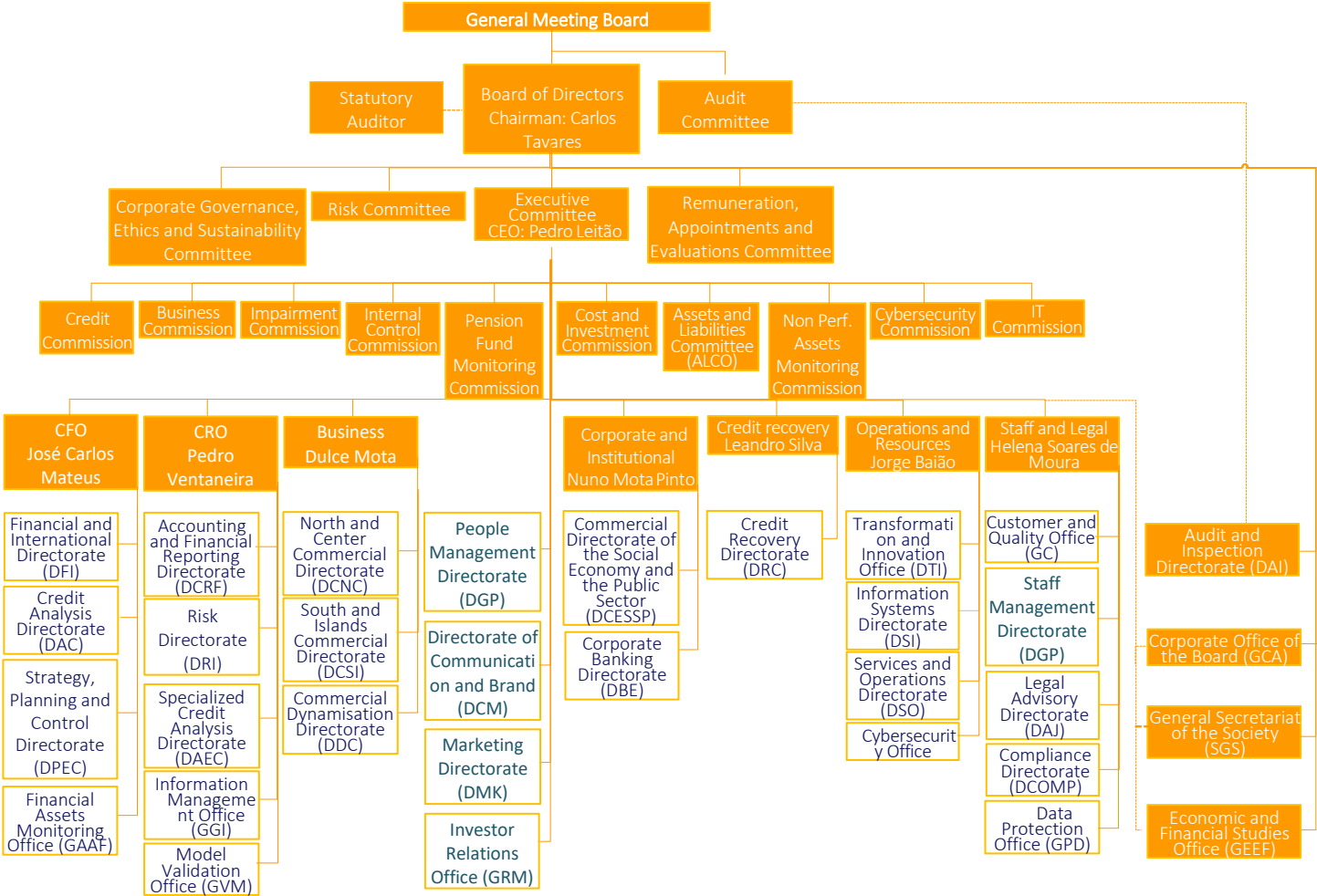
services, such as mutual, real estate and pension funds, insurance (life and non-life), investment management services and the provision of credit cards, aimed at catering to all its customers’ financial needs.

Banco Montepio has more than 5 (five) years of experience in the origination in Portugal and underwriting of loans similar to those included in the Receivables Portfolio.

Banco Montepio takes a major role in the implementation of the Banco Montepio Group’s business strategy. It operates as a universal bank, using its nationwide 278 branch network (as of June 2021) to offer a wide range of banking and financial products and services aimed at catering to all its customers’ financial needs.

With a €19.5Bn asset size, Banco Montepio is below the €30Bn threshold and therefore is directly supervised by Banco de Portugal and compliant with the EBA and ECB guidelines and the rules defined under the Single Supervisory Mechanism.

**Organisation**



**MONTEPIO CRÉDITO – INSTITUIÇÃO FINANCEIRA DE CRÉDITO, S.A.**

**Introduction**

*History and Formation*

Finicrédito was incorporated in 1992, as the consumer finance vehicle of Finindustria, S.A. In 1995, its target segment was “used vehicle financing” and branches were opened in Coimbra, Leiria and Lisbon. In 1997, Finicrédito decided to expand its activities to other consumer goods loans, to include white goods and office equipment. In 1999, the share capital was increased from 500 million escudos (EUR 2.5 million) to 800 million

escudos (EUR 4 million). In 1999 Finicrédito securitised EUR 46 million as part of the Aqua Finance No. 1 vehicle, together with its parent company Finibanco, SA. In that same year, it officially opened the branch in Faro.

In 2001, the share capital was increased and re-denominated in Euro, which increased to EUR 10 million. In 2002, to face the business growth, Finicrédito raised again its share capital from EUR 10 million to EUR 14 million.

In August 2003, there was a new securitisation transaction (Aqua Finance No. 2). This transaction raised an amount of EUR 175 million, with the possibility of revolving up to EUR 250 million. In that same year, Finicrédito – SFAC, S.A. becomes Finicrédito - Instituição Financeira de Crédito, S.A. With the conversion for IFIC, Finicrédito has increased its business volume, widening its activity to new areas such as financial leases.

In 2004, the share capital was increased from EUR 14 to EUR 20 million. The transaction's capital Aqua Finance n.2 was reinforced in the amount of EUR 50 million.

At the end of 2005, the merger by incorporation of Leasecar, S.A into Finicrédito was completed.

Leasecar (previously with a minority shareholding of 20 per cent.) was wholly purchased by Finibanco in 1993 in order to broaden the Group's product offering. The share capital of Finicrédito was increased from EUR 20 to EUR 30 million.

In 2008, the company approved a new business model based on new products and services, such as the financing of equipment for various professional areas, like health, renewable energy, transports.

At the same time, Finicrédito outlined a strategic plan to implement in several areas, namely in business policies, risk and control and credit management.

In 2009, Finicrédito begins to offer a new product, the operational lease. In that year a new securitisation deal (Aqua Finance No. 3) was structured. This transaction amounted to EUR 207 million.

Finicrédito became part of Montepio Group in 2010 as a fully owned subsidiary via the purchase of Finibanco holding company.

In January, 2013 Finicrédito changed its business name to Montepio Crédito – Instituição Financeira de Crédito, S.A.

Montepio Crédito is a credit institution subject to the supervision of the Bank of Portugal. Its purpose is focused on the operational activities which are allowed to banks, with the exception of the acceptance of deposits.

In addition to adopting a new brand and new logo, the institution took the opportunity to revise its strategy and its positioning in the market. Previously focused on the auto market, Montepio Crédito now has broader business lines and finances solutions for companies.

In 2016, Montepio Crédito performed a strategic review of the consumer loan business together with Banco Montepio, focused on the following main areas: promotion of operational leases for individuals through Montepio's branch network, promotion of new services of added value for customers as a complement of a credit/loan and consolidation of personal loan and revolving credit model (credit card for individuals).

In 2018, the company approved an operational restructuring plan based on three strategic pillars: operational efficiency, digital transformation and liaison with Banco Montepio. In that same year, the clean-up call option for Aqua NPL No.1 was exercised.

In 2019, Montepio Crédito received the APCER ISO 9001 Process Quality Certification.

#### *Ownership structure*

Montepio Crédito is wholly owned by Montepio Holding, SGPS, SA, a company wholly owned by Banco Montepio, the parent company of Banco Montepio group. As of 31 December 2020, Montepio Crédito had total assets of



EUR 614 million and total own funds of EUR 57 million.

*Business Overview*

Montepio Crédito has more than 5 (five) years of experience in the origination in Portugal and underwriting of loans similar to those included in the Receivables Portfolio.

Montepio Crédito offers a wide range of financial products and services:

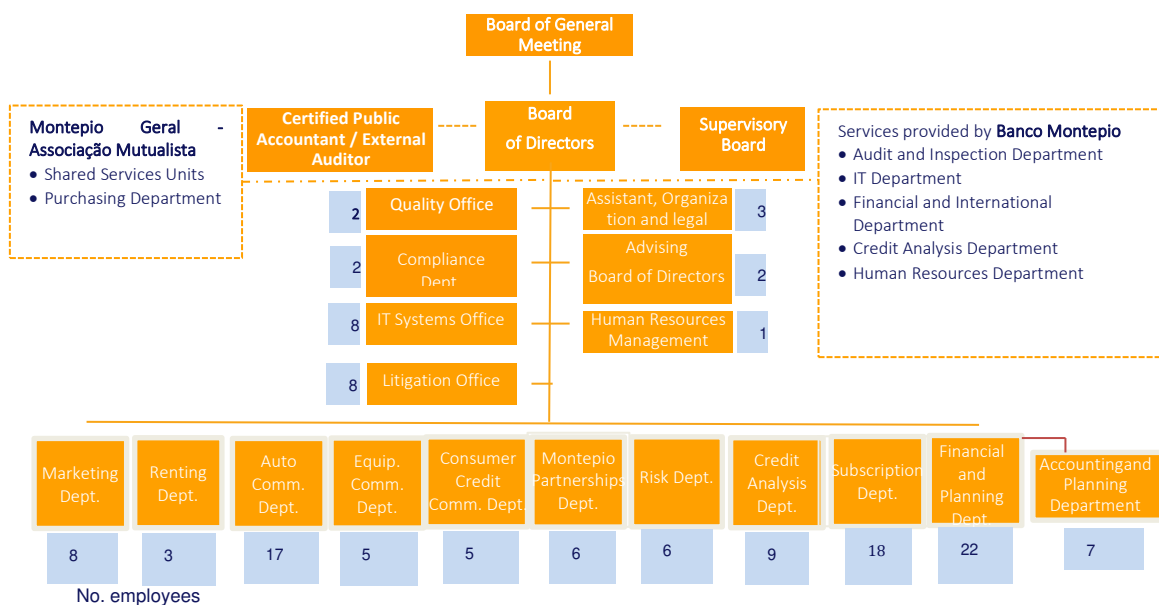
- Loans to finance the acquisition of new and used vehicles, for individuals and companies, mainly originated under the partnerships established with car dealers;
- Loans for the acquisition of other consumer goods and services, originated under the partnership with retailers;
- Personal loans;
- Financial leases (Leasing), for individuals and companies, including cars, trucks and other equipment;
- Operational leases (Renting), for individual and companies – cars and trucks;
- Long Term Rental (LTR);
- Credit cards – Private label credit cards in partnership with a Mercedes car dealer;
- Stock financing for car dealers with established partnership.

Car loans to individuals is the most relevant product on Montepio Crédito’s activity, representing more than fifty per cent of total loan book.

Montepio Crédito also offers complementary services to the financing activity, of which placement of insurance policies is the most relevant (life insurance and other credit protection policies).

*Organization*

As of 31 December 2020, Montepio Crédito had a total of 132 employees distributed across the following departments



### **THE ACCOUNTS BANK**

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

## SELECTED ASPECTS OF LAWS OF THE PORTUGUESE REPUBLIC RELEVANT TO THE RECEIVABLES AND THE TRANSFER OF THE RECEIVABLES

### Securitisation Legal Framework

#### *General*

Decree-Law no. 453/99, of 5 November, as amended by Decree-Law no. 82/2002, of 5 April, Decree-Law no. 303/2003, of 5 December, Decree-Law no. 52/2006, of 15 March, Decree-Law no. 211-A/2008, of 3 November, and as amended and restated by Law no. 69/2019, of 28 August and amended by Decree-Law no. 144/2019, of 23 September (“**Securitisation Law**”) has implemented a specific securitisation legal framework in Portugal, which contains the process for the assignment of credits for securitisation purposes. The Securitisation Law regulates, *inter alia*: (i) the establishment and activity of Portuguese securitisation special purpose entities (“**SSPE**”) (i.e. entities capable of acquiring credits from originators for securitisation purposes), (ii) the type of credits that may be securitised and (iii) the entities which may assign credits for securitisation purposes. It expressly implements the Securitisation Regulation and the concept of STS Securitisation into Portuguese law.

Some of the most important aspects of the Securitisation Law include:

- (a) the establishment of special rules facilitating the assignment of credits in the context of securitisation transactions;
- (b) the types of entities (referred to as originators) which may assign their credits pursuant to the Securitisation Law;
- (c) the types of credits that may be assigned for non-STS securitisation purposes and the legal eligibility criteria that they have to comply with (bearing in mind the Securitisation Regulation sets these out for STS securitisation purposes);
- (d) the creation of two different types of SSPE: (i) credit securitisation funds (*Fundos de Titularização de Créditos* – “**FTC**”) and (ii) credit securitisation companies (*Sociedades de Titularização de Créditos* – “**STC**”).

#### *Securitisation Tax Law*

Decree-Law no. 219/2001, of 4 August, as amended by Law no. 109-B/2001, of 27 December, Decree-Law no. 303/2003, of 5 December, by Law no. 107-B/2003, of 31 December, and by Law no. 53-A/2006, of 29 December and Decree-Law no. 53/2020, of 11 August (“**Securitisation Tax Law**”) established the tax regime applicable to the securitisation of credits implemented under the Securitisation Law. The Securitisation Tax Law allows for a neutral fiscal treatment of securitisation vehicles as well as tax exemptions regarding the amounts paid by securitisation vehicles to non-resident entities without a permanent establishment in Portuguese territory. In addition, Article 4(1) of the Securitisation Tax Law, Circular no. 4/2014 and the Order issued by the Secretary of State for Tax Affairs, dated July 14, 2014, in connection with tax ruling no. 7949/2014 disclosed by Tax Authorities, foresee that the income tax exemptions foreseen in Decree-law no. 193/2005, of 7 November may also be applicable on the Notes in the context of Securitisation Transactions if the requirements (including the evidence of non-residence status) set out in Decree-law no. 193/2005, of 7 November are met. As a rule, a final withholding tax of 35% (thirty-five per cent.) will become due in the event that such non-resident entity is domiciled in a country or territory included in the list of countries pursuant to Ministerial Order no. 150/2004, of 13 February, as amended from time to time, with which Portugal does not have a double tax treaty or a tax information exchange agreement in force. A final withholding tax of 35% (thirty-five per cent.) also becomes due if investment income payment is made to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties.

For a more detailed description of the Portuguese taxation framework, please see the section headed "**Taxation**".

### **STC Securitisation Companies**

STCs are established for the exclusive purpose of carrying out securitisation transactions in accordance with the Securitisation Law. The following is a description of the main features of an STC.

#### **Corporate Structure**

STCs are commercial companies (*sociedades anónimas*) incorporated with limited liability, having a minimum initial capital (*capital inicial mínimo*) of €125,000. The shares in STCs can be held by one or more shareholders. STCs are subject to the supervision of the CMVM and their incorporation is subject to the prior authorisation of the CMVM. STCs are subject to ownership requirements. A prospective shareholder must obtain authorisation from the CMVM for the establishment of an STC. CMVM authorisation depends upon the verification of certain conditions as set out in Article 17-D of the Securitisation Law. These include (i) requirements related to minimum initial capital, share capital structure, and own funds, among others, as set out in Article 17 and in Article 19 of the Securitisation Law (applicable to STCs *ex vi* article 40(2) of the Securitisation Law), and (ii) compliance with soundness and prudence requirements applicable to qualified shareholders, management and supervisory bodies as set out in Articles 17-H and 17-I of the Securitisation Law (applicable to STCs *ex vi* articles 41(1) and 42(1) of the Securitisation Law).

The acquisition of qualifying holding in shares of an STC is to be transferred to another shareholder or shareholders is not subject to prior authorisation of the CMVM. The assessment of the suitability of the new shareholders may occur after the transfer of qualifying holding in shares of an STC and the assessment of the holders of qualifying holdings may take place at any time and not necessarily at the moment subsequent to the communication of qualifying holdings as provided for in no. 3 of Article 17-I of the Securitisation Law, applicable to STCs *ex vi* Article 42 of the Securitisation Law.

#### **Regulatory Compliance**

To ensure the sound and prudent management of STCs, the Securitisation Law provides that the members of the board of directors and the members of the board of auditors meet high standards of professional qualification and personal reputation.

The members of the board of directors and the members of the board of auditors must be registered with the CMVM.

#### **Corporate Object**

STCs can only be incorporated for carrying out one or more securitisation transactions by means of the acquisition, management and transfer of receivables and the issue of securitisation notes for payment of the purchase price for the acquired receivables.

An STC may primarily finance its activities with its own funds and by issuing notes.

Without prejudice to the above, pursuant to the Securitisation Law, STCs are permitted to carry out certain financial activities, but only to the extent that such financial activities are (i) ancillary to the issuance of the securitisation notes, and (ii) aimed at ensuring that the appropriate levels of liquidity funds are available to the STC.

#### **Types of credits which may be securitised and types of assignors**

The Securitisation Law sets out details of the types of credits that may be securitised for non-STS securitisation purposes and specific legal eligibility criteria requirements which have to be met in order to allow such credits

to be securitised. For STS securitisation purposes, these requirements are set out in the Securitisation Regulation.

The Securitisation Law allows a wide range of entities (referred to as originators) to assign their credits for securitisation purposes, including the Portuguese Republic, public entities, credit institutions, financial companies, insurance companies, pension funds, pension fund management companies and other corporate entities whose accounts have been audited for the last 3 (three) years by an auditor registered with the CMVM).

### **Assignment of credits**

Under the Securitisation Law, the sale of credits for securitisation is carried out by way of assignment of credits (*cessão de créditos*). In this context, the following should be noted:

#### **(a) Notice to Debtors**

In general, and as provided in the Portuguese Civil Code (*Código Civil*), an assignment of credits is effective against the relevant debtor after notification of assignment is made to such debtor or in cases where the assignment is accepted by the debtor. The Portuguese Civil Code does not require any specific formality for such notification to be made to the debtor.

An exception to this general rule applies when the assignment of credits is made under the Securitisation Law, as the assignment will become effective *vis-à-vis* the respective debtors, once it is effective between the assignor and assignee, if the assignor is either the Portuguese State, the Social Security, a credit institution, a financial company, an insurance company, a pension fund or pension fund manager. Additionally, the CMVM may authorise the extension of the aforementioned rule in certain duly justified cases, when the entity that has a relationship with the debtors is also the servicer of the credits. In those cases, there is no requirement to notify the relevant debtor since such assignment is effective in relation to any third party from the moment it becomes effective between assignor and assignee.

Accordingly, in the situation set out in the preceding paragraph, any payments made by the debtor to its original creditor after an assignment of credits made pursuant to the Securitisation Law will effectively belong to the assignee who may, at any time and even in the context of the insolvency of the assignor (subject to subset c) (*Assignment and Insolvency*) below), claim such payments from the assignor.

#### **(b) Assignment Formalities**

There are no specific formality requirements for an assignment of credits under the Securitisation Law. A written private agreement between the parties is sufficient for a valid assignment to occur (including the assignment of loans with underlying mortgages or other guarantees subject to registration under Portuguese law). Transfer by means of a public deed is not required.

However, to perfect an assignment of Related Security that is subject to registration at a public registry as is the case of retention of titles to and mortgages over vehicles (*hipotecas sobre veículos automóveis*), the assignment must be followed by the corresponding registration (as described in the paragraph below) of the transfer of the Related Security. For registration purposes, the parties' signatures to the above referred written private agreement must be confirmed (*reconhecidas presencialmente*) by notary, lawyer or by the respective parties' corporate secretaries (*secretários de sociedade*). The assignment of any security which is subject to registration is only effective against third parties acting in good faith further to registration of such assignment with the competent registry by or on behalf of the assignee. The Issuer is entitled under the Securitisation Law to carry out such registration. No such registration will be made until the occurrence of a Notification Event. For the avoidance of doubt, no vehicle, equipment or any type of property, shall be assigned nor registered in relation therewith to the Issuer.

The Securitisation Law provides for the assignment of credits to be effective between the parties upon

execution of the relevant assignment agreement. This means that in the event of insolvency of the assignor prior to registration of the assignment of credits where the assignment of credits becomes effective between the parties upon execution of the relevant assignment agreement, the credits will not form part of the insolvent estate of the assignor (subject to subset c) (*Assignment and Insolvency*) below), even if the assignee may have to claim its entitlement to the assigned credits before a competent court.

(c) Assignment and Insolvency

Unless an assignment of credits is effected in bad faith or entails wilful misconduct with a view to hampering the interests of creditors that fulfil the criteria set in Articles 610 and 612 of the Portuguese Civil Code (*impugnação pauliana*), such assignment under the Securitisation Law cannot be challenged for the benefit of the assignor's insolvency estate and any payments made to the assignor in respect of credits assigned prior to a declaration of insolvency will not form part of the assignor's insolvency estate even when the term of the credits falls after the date of declaration of insolvency of the assignor. In addition, any amounts held by the servicer as a result of its collection of payments in respect of the credits assigned under the Securitisation Law will not form part of the servicer's insolvency estate.

**Risk of Set-off by Obligors**

(a) General

The Securitisation Law does not contain any specific provisions in respect of set-off. Accordingly, Articles 847 to 856 of the Portuguese Civil Code are applicable. The Securitisation Law has an impact on set-off risk to the extent that, by virtue of establishing that the assignment of credits by the Portuguese State, the Social Security, a credit institution, a financial company, an insurance company, a pension fund or a pension fund manager is effective against the debtor on the date of assignment of such credits without notification to the debtor being required, it effectively prevents a debtor from exercising any right of set-off against an assignee if such right did not exist against the assignor prior to the date of assignment.

(b) Set-off on insolvency

Under Article 99 of the Code for the Insolvency and Recovery of Companies (*Código da Insolvência e da Recuperação de Empresas*), implemented by Decree-Law no. 53/2004, of 18 March (as amended), applicable to insolvency proceedings commenced on or after 15 September 2004, a debtor will only be able to exercise any right of set-off against a creditor after a declaration of insolvency of such creditor provided that, prior to the declaration of insolvency, (i) such set-off right existed, and (ii) the circumstances allowing set-off as described in Article 847 of the Portuguese Civil Code were met.

**Relationship with Obligors**

Where the assignor of the credits is a credit institution, a financial company, an insurance company, a pension fund or a pension fund manager, the Securitisation Law establishes an obligation that the assignor must enter into a servicing agreement with the assignee for the servicing of the respective credits, simultaneously with the execution of the respective sale agreement. Notwithstanding, in certain duly justified cases, the CMVM may authorise the servicing of these credits to be made by a different entity from the assignor.

**Retention of Title**

Some of the Receivables have the benefit of retention of title (*reserva de propriedade*). Under Portuguese Law it is debatable whether a retention of title (*reserva de propriedade*) is a form of collateral. In Portugal, it is market practice for lenders to grant a vehicle loan with the benefit of a retention of title (*reserva de propriedade*) of the vehicle. Consequently, provided that the lender has registered the vehicle in its name and, in such capacity, registered the retention of title in its name, immediately prior to the acquisition registration in the borrower's

name, the lender has a property right over the vehicle until the loan is entirely repaid, and shall thus have the right to, in case the loan is not fully paid, take possession of the vehicle in case of default by the borrower. After full payment of the vehicle, the relevant borrower shall request the extinction of the retention of title by presenting at the Portuguese Register and Notary Institute a requirement to register the vehicle (Requerimento de Registo Automóvel) and the document issued by the lender evidencing the repayment of the loan in full.

In light of the above, in the case of Vehicle Loans with the benefit of a retention of title (*reserva de propriedade*), the retention of title over the vehicle will not be transferred and re-registered, but will instead remain registered in the name of the lender, without prejudice to the transfer of the entitlement to rights and benefits resulting therefrom to the extent permitted by law. Once the loan is fully repaid, the lender shall be bound to issue a document evidencing the payment of all contractual obligations which should allow the relevant Obligor to have the full and unencumbered title over the vehicle.

In the event of the insolvency of the lender, and under the Portuguese Securitisation Law, the benefit of the retention of title, together with other rights aimed at ensuring the repayment of the assigned receivables, would not form part of the Originator's general insolvency estate. Under the Portuguese Securitisation Law, the Related Security would not be included in insolvency estate of the lender and would be exclusively allocated to ensuring any payments due under the securitisation transaction. Only once all payments due thereunder have been fully satisfied, the remaining amounts and assets may be allocated to the satisfaction of other credit entitlements by other creditors of the lender.

#### **Data Protection Laws**

The legal framework on data protection applicable in Portugal includes, namely but not limited, the GDPR and the Data Protection Law that enforces the GDPR, due to GDPR opening clauses that allow the Member State to maintain or introduce more specific provisions to adapt the application of certain rules of the GDPR.

The GDPR has a far-reaching scope and, besides few exceptions (such as household purposes), it applies each time information relating to **Data Subject** who is in the EU is processed by a controller or a processor established in the EU (or not, if certain conditions are in place) and also to the free movement of such data. Since the key concepts of personal data and processing are broad, the GDPR is triggered each time data from such Data Subjects is at stake (either by collecting, recording, storing, consulting, using, disclosing or other operations).

The GDPR imposes an accountability principle, and the compliance onus is placed on data controllers and data processors, that must be able to demonstrate their compliance with the GDPR, i.e. the GDPR aims to foster self-regulation and accountability by organisations.

To process personal data lawfully, at least one of the conditions established by the GDPR must be met (*e.g.* Data Subject consent, compliance with legal obligations to which the data controller is subject, performance of a contract which the Data Subject is party or in order to take steps at the request of the Data Subject prior to entering into a contract, the pursuit of legitimate interests of the data controller, provided said interest is not overridden by the data subject's rights, in the specific case at stake (a legitimate interests assessment, i.e. a balance of interests test, must be carried out, and documented, so as to demonstrate that the data controllers' legitimate interest applies, in order to provide an audit trail of its decisions and justification for processing on the basis of legitimate interests)).

Under general market practice, the assignment of credits to a third party would fall under the legitimate interest condition, since debtor consent is expressly noted as unnecessary under Portuguese civil law. In this context and as a result of the applicable legal framework, debtors would need only to be informed as to the terms of the transfer of their personal data (namely but not limited, the purposes of the transfer to the buyer, the identity and the contact details of the new data controller and the rights of the Data Subject (to request from the

Controller access to and rectification or erasure of personal data or restriction of processing concerning the Data Subject or object to processing as well as the right to data portability). This notification, providing information on the personal data processing terms, should be carried out prior to the transfer taking place.

Should potential purchasers wish to access personal data before a given transaction being completed (i.e. during the negotiation stage), in principle – and despite the necessity of analysing each case’s particulars – Data Subject consent is required, since in principle none of the other lawful conditions to process personal data apply.

Furthermore, should a given transaction be concluded with an entity located outside Portugal, different requirements might apply, depending on whether the purchaser (or entities processing personal data on behalf of the seller) are located within or outside the European Economic Area or a country subject to an adequacy decision issued by the European Commission. Moreover, specific formalities may apply before the local data protection authority, depending on the jurisdiction at stake and the specific circumstances.

In this respect, the transfer of personal data to an entity located outside the European Economic Area or an entity that is not subject to an adequacy decision issued by the European Commission is subject to the adoption of appropriate safeguards by the data controller and the processor. These safeguards may, in some circumstances, be subject to specific authorisation from a supervisory authority (in the case of Portugal, from Portuguese CNPD (“Comissão Nacional de Proteção de Dados”). Following the recent Court of Justice of the European Union’s (CJEU) judgment C-311-18 (“**Schrems II**”), the level of personal data protection in third countries must be at least equivalent to the one guaranteed in the EEA, and personal data exporters (either controllers or processors) must carry out an assessment prior to the transfer. Should the assessment reveal that the third country legislation impinges on the effectiveness of the appropriate safeguards, the data exporter must adopt supplementary measures in order to guarantee an essentially equivalent level of protection.

In this context, in June 2021, the European Commission approved new Standard Contractual Clauses which may be used for international personal data transfers to non-EU Member-States, and which replace the original SCCs adopted under the 1998 European Data Protection Directive, replaced by the GDPR. The new Standard Contractual Clauses include new provisions directed at supplemental security measures and additional assessments for cross-border personal data transfers. Also in June 2021, the EU issued an adequacy decision for personal data transfers to the UK following the completion of Brexit (meaning, transfers of personal data to the UK may take place, as the UK currently ensures an adequate level of protection).

Data controllers and processors may implement any of the following safeguards, without the need for any specific authorisation from a data protection authority: (i) a legally binding and enforceable instrument between public authorities or bodies, (ii) binding corporate rules, (iii) standard data protection clauses adopted by the Commission, (iv) standard data protection clauses adopted by a supervisory authority and approved by the Commission, (v) an approved code of conduct and (vi) an approved certification mechanism.

Subject to the authorisation of the supervisory authority, the appropriate safeguards may also be provided for, in particular, by (i) contractual clauses between the controller or processor and the controller, processor or the recipient of the personal data in the third country and (ii) provisions to be inserted into administrative arrangements between public authorities or bodies which include enforceable and effective Data Subject rights.

Note that, should any data processors be employed specifically in the context of given transaction (for example, in the context of IT services), it is necessary to ensure that a written contract is entered into with these entities, stating, among other mandatory references under the terms of the GDPR, that the processor shall process the personal data in the context of the execution of its services, on behalf of controller and exclusively for the services agreed by the parties. The processor undertakes to implement appropriate technical and organisational measures in such a manner that processing will meet the requirements of the GDPR and ensure the protection of the rights of the Data Subjects, in particular implementing an appropriate level of data security to protect



personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed, and against all other unlawful forms of processing.

### **Temporary measures to tackle the pandemic caused by coronavirus SARS-CoV-2 and COVID-19**

On 26 March 2020, the Portuguese Government approved Decree-Law no. 10-J/2020 which establishes a temporary legal moratorium on certain financing agreements with a view to protect the liquidity of companies and families (as amended from time to time, the "**Temporary Legal Moratorium**"). This regime entered into force on 27 March 2020 and, following the approval of Decree-Law no. 26/2020 on 16 June 2020, will remain in force until 30 September 2021 and includes the following temporary moratorium measures: (i) prohibition of revocation, in whole or in part, of credit lines and loans, in the amounts contracted, from 27 March 2020 until 30 September 2021, (ii) extension, for a period equal to the term of the measure, of credits with payment of principal at the end of the contract, together with all its associated elements, including interest, guarantees, namely those provided by the way of insurance or securities, (iii) suspension, during the period of the measure, in relation to credits with partial instalments or other cash amounts payable, of payments of principal, rents and interest in such period. Under the Temporary Legal Moratorium, the contractual payment plan is automatically extended, for a period equal to the suspension period, so that there are no charges other than the variability of the reference interest rate underlying the contract, and all the elements associated with the contracts, including guarantees, are also extended.

The Temporary Legal Moratorium is aimed at a wide scope of beneficiaries, including companies, sole traders natural persons and other legal persons, subject to certain requirements. In this context, companies and sole traders may benefit from this regime if, cumulatively: a) are headquartered and carry on their economic activity in Portugal; b) are not companies operating in the financial sector or, in alternative, qualify as micro, small and medium-sized enterprises in accordance with the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises; c) are not, on 18 March 2020, in default or in failure of payment obligations for more than 90 (ninety) days, or if they are, they do not meet the materiality criteria laid down in regulation, and are not in a situation of insolvency or suspension or cessation of payments, or are already under enforcement by any of the financial institutions covered; and d) have their situation regularised with the Tax and Customs Authority and Social Security Services (debts constituted in March 2020 are not relevant until 30 April 2020), if applicable. Natural persons that cumulatively fulfil the following conditions may also benefit from this regime: (i) with respect to mortgage loans and student loans (ii) who fulfil the conditions referred to in subparagraphs c) and d) above and (iii) are in one of the following situations in accordance with the applicable legal requirements: a situation of prophylactic isolation or illness; are caring for children or grandchildren; had their normal working period reduced or their employment contract suspended due to a crisis in the respective business; are unemployed and registered as such with the Institute for Employment and Professional Training (*Instituto do Emprego e Formação Profissional, I. P.*); are eligible for extraordinary support to reduce the economic activity of self-employed workers; are workers from entities whose establishment or activity has been determined to close during the period of the state of emergency or public disaster; or suffered a reduction in the aggregate global income of the respective household of at least 20% (twenty per cent.).

On 2 April 2020, the European Banking Authority ("**EBA**") published a guidance on the criteria to be fulfilled by legislative and non-legislative moratoria applied before 30 June 2020 (EBA/GL/2020/02). The EBA clarified that payment moratoria do not trigger classification as forbearance or distressed restructuring if the measures taken are based on the applicable national law or on an industry/sector-wide private initiative agreed and applied broadly by the relevant credit institutions, without prejudice to the institutions continuous monitoring of the borrowers' credit quality, identifying exposures to borrowers who may face longer-term financial difficulties. Any such exposures should be classified in accordance with existing regulation.

Following publication of the EBA's guidelines, the members of the Portuguese Banking Association (*Associação Portuguesa de Bancos* ("APB")), including Banco Montepio, signed, on 16 April 2020, an interbank protocol establishing harmonised general conditions for private initiative moratoria (the "**APB Private Moratorium**"), *inter alia*, on non-mortgage loans (e.g. personal or vehicle loans), available on the website [https://bo.apb.pt/content/files/Moratria\\_geral\\_de\\_iniciativa\\_privada\\_de\\_Credito\\_no\\_Hipotecio\\_23.pdf](https://bo.apb.pt/content/files/Moratria_geral_de_iniciativa_privada_de_Credito_no_Hipotecio_23.pdf).)

While the APB Private Moratorium is no longer in force, similar private moratoria may be approved during the course of 2021.

In addition to the foregoing, on 10 April 2020, the Portuguese Association of Specialized Credit Institutions (*Associação de Instituições de Crédito Especializado* ("ASFAC")) approved a private moratorium applicable to vehicle loans, following European Banking Authority's guidelines (EBA/GL/2020/02) (available on the website of ASFAC: [https://www.asfac.pt/comunicado/12/moratoria\\_privada\\_da\\_asfac](https://www.asfac.pt/comunicado/12/moratoria_privada_da_asfac)), with the backing of the Bank of Portugal (the "**ASFAC Private Moratorium**" and together with the Temporary Legal Moratorium, the APB Private Moratorium, and/or any additional and similar moratoria or payment holidays approved by law or granted by a Servicer on its own initiative to tackle the pandemic caused by coronavirus SARS-CoV-2 and COVID-19, as applicable, the "**Temporary Moratoria**"). While the ASFAC Private Moratorium is no longer in force, similar private moratoria may be approved during the course of 2021.

The Temporary Moratoria are aimed at protecting obligors from negative effects that might otherwise occur as the temporary measures hereunder do not give rise to: a) breach of contract; b) triggering of early repayment clauses; c) suspension of interest due during the extension period, which will be capitalised on the value of the loan by reference to the time at which they are due at the rate in force and d) ineffectiveness or termination of guarantees granted in connection with the credit, including insurance, sureties and guarantees.

Cases covered by the Temporary Moratoria shall be reported to the Central Credit Register (*Central de Responsabilidades de Crédito*) and in the event of a declaration of insolvency or submission to Special Revitalisation Proceedings or Extrajudicial Company Recovery Scheme of the beneficiary, the institutions may exercise all their rights, in accordance with the applicable legislation.

Without prejudice to the foregoing, in accordance with the Eligibility Criteria, the Receivables included in the Receivables Portfolio are not affected by Temporary Moratoria as at the Portfolio Determination Date.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES CLEARED THROUGH INTERBOLSA

### General

Interbolsa manages a centralised system (*sistema centralizado*) composed by interconnected securities accounts, through which such securities (and related rights) are held and transferred, and which allows Interbolsa to control at all times the amount of securities so held and transferred. Issuers of securities, financial intermediaries, the Bank of Portugal and Interbolsa, as the controlling entity, all participate in such centralised system.

The centralised securities system of Interbolsa provides for all the procedures required for the exercise of ownership rights inherent to the notes held through Interbolsa.

In relation to each issue of securities, Interbolsa's centralised system comprises, *inter alia*, (i) the issue account, opened by the relevant issuer in the centralised system and which reflects the full amount of issued securities; and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa's centralised system, and which reflect the securities held by such participant on behalf of its customers in accordance with its individual securities accounts.

Securities held through Interbolsa will be attributed an International Securities Identification Number ("**ISIN**") code through the codification system of Interbolsa and will be accepted for clearing through LCH. Clearnet, S.A. as well as through the clearing systems operated by Euroclear and Clearstream, Luxembourg and settled by Interbolsa's settlement system. Under the procedures of Interbolsa's settlement system, the settlement of trades executed through Euronext Lisbon takes place on the 3<sup>rd</sup> (third) Business Day after the trade date and is provisional until the financial settlement that takes place at the TARGET 2 on the settlement date.

### **Form of the Notes**

The Notes will be in dematerialised book-entry (*forma escritural*) and nominative (*nominativas*) form and title to the Notes will be evidenced by book entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of the Notes held through Interbolsa.

The Notes will be registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by each Interbolsa Participant on behalf of the Holders of the Notes. Such control accounts reflect at all times the aggregate of Notes held in the individual securities accounts opened by the Holders of the Notes with each of the Interbolsa Participants. The expression "**Interbolsa Participant**" means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and Clearstream, Luxembourg.

Each person shown in the records of an Interbolsa Participant as having an interest in the Notes shall be treated as the holder of the principal amount of the Notes recorded therein.

### **Payment of principal, interest and Class X Distribution Amount in respect of Notes**

Whilst the Notes are held through Interbolsa, payment of principal, interest and any other amounts due in respect of the Notes will be (a) credited, according to the procedures and regulations of Interbolsa, to TARGET 2 payment current-accounts held in the payment system of TARGET 2 by the Interbolsa Participants whose control accounts with Interbolsa are credited with such Notes and thereafter (b) credited by such Interbolsa Participants from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer must provide Interbolsa with a prior notice of all payments in relation to the Notes and all necessary information for that purpose. In particular, such notice must contain:

- (a) the identity of the Paying Agent responsible for the relevant payment; and
- (b) a statement of acceptance of such responsibility by the Paying Agent.

The Paying Agent must notify Interbolsa of the amounts to be settled and Interbolsa calculates the amounts to be transferred to each Interbolsa Participant on the basis of the balances of the accounts of the relevant Interbolsa Participants.

In the case of a partial payment, the amount held in the current account of the Paying Agent with the TARGET2 must be apportioned pro-rata between the accounts of the Interbolsa Participants. After a payment has been processed, following the information sent by Interbolsa to the TARGET2 whether in full or in part, such entity will confirm that fact to Interbolsa.

***Transfer of the Notes***

Notes held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Notes. No owner of a Note will be able to transfer such Note, except in accordance with Portuguese Law and the applicable procedures of Interbolsa.

## TERMS AND CONDITIONS OF THE NOTES

### 1. General

- 1.1 The Issuer has agreed to issue the Notes subject to the Transaction Documents and these Conditions.
- 1.2 The Paying Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.3 Certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions.
- 1.4 The Noteholders are bound by the terms of the Common Representative Appointment Agreement and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.5 Copies of the Transaction Documents are available for inspection on <https://eurodw.eu/>.

### 2. Definitions

In these Conditions, the defined terms have the meanings set out in Condition 20 (*Definitions*) and are subject to the principles of interpretation and construction set out in Paragraph 2 (*Principles of Interpretation and Construction*) of Schedule 1 (*Master Definitions Schedule*) of the Master Framework Agreement.

### 3. Form, Denomination and Title

#### 3.1 Form and Denomination of the Notes

The Notes are in dematerialised book-entry (*escritural*) and nominative (*nominativa*) form in the denomination of €100,000 each in the case of the Listed Notes and €100 each in the case of the Class X Notes. Title to the Notes will pass by registration in the corresponding securities account.

#### 3.2 Title

The registered holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Title to the Notes will pass by registration in the corresponding individual securities account held with Interbolsa Participants. Proof of such registration is made by means of a certificate of ownership. References herein to the “holders” of Notes or Noteholders are references to the persons in whose names such Notes are so registered in the securities account with the relevant Interbolsa Participant.

### 4. Status and Ranking

#### 4.1 Status

The Notes constitute direct limited recourse secured obligations of the Issuer and benefit from the statutory segregation provided for in the Securitisation Law.

#### 4.2 Ranking

The Notes in each Class will rank *pari passu* without preference or priority amongst themselves. The ranking between each Class varies throughout the course of the Transaction in accordance with the relevant Payment Priorities.

#### 4.3 Obligations of the Issuer only

The Notes are obligations solely of the Issuer limited to the Transaction Assets included in the segregated

portfolio of Receivables allocated to this Transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to Article 62(5) of the Securitisation Law) and without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, managers or shareholders and are not obligations of, or guaranteed by, any of the other Transaction Parties.

#### **4.4 Payment Priorities**

On any Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply the Available Interest Distribution Amount in accordance with the Pre-Enforcement Interest Payment Priorities and the Available Principal Distribution Amount in accordance with the Pre-Enforcement Principal Payment Priorities. On any Interest Payment Date after the delivery of an Enforcement Notice, the Issuer will apply the Post-Enforcement Available Distribution Amount in accordance with the Post-Enforcement Payment Priorities.

### **5. Statutory Segregation**

#### **5.1 Segregation under the Securitisation Law**

The Notes and any Issuer Obligations have the benefit of the statutory segregation under the Securitisation Law.

#### **5.2 Restrictions on Disposal of Transaction Assets**

The Common Representative shall only be entitled to (acting in the name and on behalf of the Issuer) dispose or instruct the Issuer to dispose of the Transaction Assets upon the delivery by the Common Representative of an Enforcement Notice in accordance with Condition 12 (*Events of Default and Enforcement*) and subject to the provisions of Condition 12.5 (*Proceedings*). If an Enforcement Notice has been delivered by the Common Representative, the Common Representative will only be entitled to (acting in the name and on behalf of the Issuer) dispose or instruct the Issuer to dispose of the Transaction Assets to a Portuguese securitisation fund (FTC) or to another Portuguese securitisation company (STC), to the Originators or to credit institutions or financial companies authorised to grant credit on a professional basis in accordance with the Securitisation Law. No provisions shall require the automatic liquidation of the Receivables Portfolio pursuant to Article 21(4)(d) of the Securitisation Regulation.

### **6. Issuer Covenants**

So long as any Note remains outstanding, the Issuer shall comply with all the covenants of the Issuer, as set out in the Transaction Documents, including but not limited to those covenants set out in Schedule 4 (*Issuer Covenants*) to the Master Framework Agreement.

### **7. Interest and Class X Distribution Amount**

#### **7.1 Accrual**

Each Class A Note, Class B Note, Class C Note, Class D Note and Class E Note issued on the Closing Date bears interest on its Principal Amount Outstanding from the Closing Date until the Final Maturity Date, for each Interest Period, at the Euro Interbank Offered Rate ("**EURIBOR**") for one-month euro deposits (or, in the case of the first Interest Period, at a rate equal to the interpolation of the EURIBOR for one to three-month euro deposits), plus, in relation to the Class A Notes, a margin of 0.70% (zero point seventy per cent.), in relation to the Class B Notes, a margin of 1.35% (one point thirty five per cent.), in relation to the Class C Notes, a margin of 2.25% (two point twenty five per cent.) and in relation to the Class D Notes, a margin of 4.25% (four point twenty five per cent.), subject to a floor of 0% (zero per cent.). The Class E Notes will bear interest for each Interest Period up to the Final Legal Maturity Date, to the extent

that they have not been previously redeemed, at an annual rate of 6.40% (six point forty per cent.). The Class X Notes will not bear interest but will be entitled to the Class X Distribution Amount (if any), to the extent of available funds and subject to the Pre-Enforcement Interest Payment Priorities.

#### **7.2 Cessation of Interest**

Each Note of each Class shall cease to bear interest (and the Class X Notes shall cease to bear an entitlement to the Class X Distribution Amount) from its due date for final redemption unless, upon due presentation, payment of the principal is improperly withheld or refused, in which case, it will continue to bear interest (and the Class X Notes will continue to entitle its corresponding noteholder to the Class X Distribution Amount) in accordance with this Condition (both before and after enforcement) until whichever is the earlier of:

- (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (B) the day which is 7 (seven) days after the date on which the Paying Agent or the Common Representative has notified the Noteholders of such Class that it has received all sums due in respect of the Notes of such Class up to such 7<sup>th</sup> (seventh) day, except to the extent that there is any subsequent default in payment.

#### **7.3 Calculation Period of less than 1 (one) year**

Whenever it is necessary to compute an amount of interest in respect of any Note for a period of less than a full year, such interest shall be calculated on the basis of the applicable Day Count Fraction.

#### **7.4 Interest Payments**

Interest on each Class A Note, Class B Note, Class C Note, Class D Note and Class E Note and any Deferred Interest Amount Arrears thereon are payable in euro in arrear on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Interest Payment Date but so that such Interest Amount will be paid before such Deferred Interest Amount Arrears, in accordance with Conditions 7.14 (*Deferral of Interest Amounts in Arrears*) to 7.16 (*Priority of Payment of Interest and Deferred Interest*).

#### **7.5 Class X Distribution Amount Payments**

Payment of any Class X Distribution Amount in relation to the Class X Notes is payable in euro in arrear on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Class X Distribution Amount calculated as at the Calculation Date immediately preceding such Interest Payment Date.

#### **7.6 Calculation of Interest Amount**

Upon or as soon as practicable after each Interest Determination Date, the Agent Bank, on behalf of the Issuer, shall calculate the Interest Amount payable on each Note for the related Interest Period. For the avoidance of any doubt, the Interest Amount payable on each Note for the related Interest Period will be equal to zero (as the applicable Note Rate will be floored to 0% (zero per cent.)) whenever the Interest Amount calculated by the Agent Bank with respect to such Interest Payment Date is less than zero.

#### **7.7 Calculation of Class X Distribution Amount**

On the Calculation Date immediately preceding each Interest Payment Date, the Transaction Manager on behalf of the Issuer shall calculate the Class X Distribution Amount payable on each Class X Note on such

Interest Payment Date.

**7.8 Notification of Note Rate, Interest Amount and Interest Payment Date**

As soon as practicable after each Interest Determination Date, the Agent Bank will cause:

- (a) the Note Rate for the related Interest Period;
- (b) the Interest Amount for each of the Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class E Notes for the related Interest Period; and
- (c) the Interest Payment Date in relation to the related Interest Period,

to be notified to the Issuer, the Transaction Manager, the Common Representative, the Paying Agent, and, for so long as the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes are listed on any stock exchange, the Paying Agent, if so required by the rules of such stock exchange, shall notify the Note Rate, the Interest Amount and the Interest Payment Date to such stock exchange no later than the 1<sup>st</sup> (first) day of the related Interest Period or such other applicable deadline, provided the Paying Agent has been timely notified of the Note Rate, the Interest Amount and the Interest Payment Date, respectively, by the Agent Bank.

**7.9 Notification of Class X Distribution Amount**

As soon as practicable after calculating such amount in accordance with Condition 7.7 (*Calculation of Class X Distribution Amount*), the Transaction Manager will cause the Class X Distribution Amount to be notified to the Issuer, the Common Representative, the Paying Agent and the Agent Bank.

**7.10 Publication of Note Rate, Interest Amount and Interest Payment Date or Class X Distribution Amount**

As soon as practicable after each Interest Determination Date or after receiving a notification of the Class X Distribution Amount in accordance with Condition 7.9 (*Notification of Class X Distribution Amount*), the Agent Bank on behalf of the Issuer will cause such Note Rate, Interest Amount and Interest Payment Date or such Class X Distribution Amount to be published in accordance with Condition 18 (*Notices*).

**7.11 Amendments to Publications**

The Interest Amount for each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Distribution Amount and the Interest Payment Date so published or notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

**7.12 Calculation by Common Representative**

If the Agent Bank does not at any time for any reason determine the Interest Amount for each of the Listed Notes in accordance with this Condition 7 (*Interest and Class X Distribution Amount*), or if the Transaction Manager does not determine the Class X Distribution Amount in accordance with this Condition 7 (*Interest and Class X Distribution Amount*), the Common Representative may (but without any liability accruing to the Common Representative as a result):

- (i) calculate the Interest Amount for that Class of Notes or the Class X Distribution Amount in the manner specified in this Condition and/or;
- (ii) appoint a third-party to calculate the Interest Amount for each of the Listed Notes or the Class X Distribution Amount in the manner specified in this Condition, provided, however, that, the rationale to arrive at the aforementioned rate must always be disclosed to the Common Representative by such third-party.



### 7.13 Notification of Deferred Interest Amount Arrears

If the Transaction Manager on behalf of the Issuer determines that even following the application of the Principal Distribution Amount in accordance with item *first* of the Pre-Enforcement Principal Payment Priorities, any Deferred Interest Amount Arrears will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given by the Issuer or on its behalf in accordance with Condition 18 (*Notices*), specifying the amount of the Deferred Interest Amount Arrears in respect of the relevant Class of Notes to be deferred on such following Interest Payment Date, which may be done through the Monthly Investor Report.

### 7.14 Deferral of Interest Amounts in Arrears

If on any Interest Payment Date (other than the Final Legal Maturity Date) prior to the delivery of an Enforcement Notice and in respect of any Class of Notes other than the Most Senior Class of Notes, there is any Interest Amount in Arrears, payment of such amounts shall be deferred to the next Interest Payment Date and any amounts so deferred shall not accrue interest. Any residual shortfall can be further deferred to the next following Interest Payment Dates if in each such Interest Payment Date the available funds are not sufficient to fully eliminate the arrears in accordance with the applicable Payment Priorities.

### 7.15 Notification of Availability for Payment

The Issuer shall cause notice of the availability for payment of any Deferred Interest Amount Arrears in respect of a Class of Notes (and any payment date thereof) to be published in accordance with Condition 18 (*Notices*), which may be done through the Monthly Investor Report.

### 7.16 Priority of Payment of Interest and Deferred Interest

The Issuer shall pay the Interest Amount due and payable on any Interest Payment Date prior to any Deferred Interest Amount Arrears payable on such Interest Payment Date.

## 8. Redemption and Purchase

### 8.1 Final Legal Maturity Date

Unless previously redeemed and cancelled as provided in this Condition, the Issuer shall redeem the Notes of each Class at its Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount, if applicable) on the Interest Payment Date falling on 25 January 2035 (the “**Final Legal Maturity Date**”). If as a result of the Issuer having insufficient amounts of Available Principal Distribution Amount or Available Interest Distribution Amount, any of the Notes cannot be redeemed in full or interest (and, in the case of the Class X Notes, the Class X Distribution Amount) due paid in full in respect of such Note, the amount of any principal and/or interest (and, in the case of the Class X Notes, the Class X Distribution Amount) then unpaid shall be cancelled and no further amounts shall be due in respect of the Notes by the Issuer.

### 8.2 Mandatory Redemption in Part before a Subordination Event

On each Interest Payment Date prior to the occurrence of a Subordination Event, the Issuer shall repay each Class of Notes, *pari passu* and on a *pro rata* basis, for the relevant Pro-Rata Amortisation Ratio Amount in accordance with the Pre-Enforcement Principal Payment Priorities.

### 8.3 Mandatory Redemption in Part after a Subordination Event

On each Interest Payment Date after the occurrence of a Subordination Event, the Issuer will apply the remaining part of the Available Principal Distribution Amount available for this purpose on such Interest Payment Date in accordance with the Pre-Enforcement Principal Payment Priorities in or towards the

redemption in part of the Class A Notes, until all the Class A Notes have been redeemed in full and thereafter in or towards the redemption in part of the Class B Notes until all the Class B Notes have been redeemed in full and thereafter in or towards the redemption in part of the Class C Notes until all the Class C Notes have been redeemed in full and thereafter in or towards the redemption in part of the Class D Notes until all the Class D Notes have been redeemed in full and thereafter in or towards the redemption in part of the Class E Notes until all the Class E Notes have been redeemed in full.

#### **8.4 Mandatory Redemption in Part of the Class X Notes**

On each Interest Payment Date, the Issuer will cause any Available Interest Distribution Amount available for this purpose on such Interest Payment Date to be applied in or towards the redemption in part of the Principal Amount Outstanding of the Class X Notes (except for €1 (one euro), which will be redeemed on the Final Legal Maturity Date or the date on which an early redemption occurs in accordance with the Conditions).

#### **8.5 Calculation of Note Principal Payments and Principal Amount Outstanding**

On each Calculation Date, the Transaction Manager shall calculate on behalf of the Issuer:

- a) the aggregate of any Note Principal Payments due in relation to each Class on the Interest Payment Date immediately succeeding the relevant Calculation Date; and
- b) the Principal Amount Outstanding of each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such Class).

#### **8.6 Calculations Final and Binding**

Each calculation by or on behalf of the Issuer of any Note Principal Payment or the Class X Distribution Amount or the Principal Amount Outstanding of a Note of each Class shall in each case (in the absence of any Breach of Duty) be final and binding on all persons.

#### **8.7 Common Representative to Determine Amounts in case of Issuer Default**

If the Issuer does not at any time for any reason calculate (or cause the Transaction Manager to calculate) any Note Principal Payment or the Class X Distribution Amount (if any) or the Principal Amount Outstanding in relation to each Class in accordance with this Condition 8 (*Redemption and Purchase*), such amounts may be calculated by a third-party duly appointed by the Common Representative for this purpose (without any liability accruing to the Common Representative as a result and such expenses to be charged to the Issuer), and each such calculation shall be deemed to have been made by the Issuer, provided however that such third party must always disclose to the Common Representative the rationale used to arrive at the aforementioned amounts.

#### **8.8 Optional Redemption in Whole**

The Issuer shall redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount, if applicable) on any Interest Payment Date, upon the occurrence of (a) Regulatory Change or (b) a Clean-Up Call Condition, in each case, subject to the following:

- (a) the Originators having delivered a Call Option Event Notice, as applicable, not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Issuer, the Common Representative, the Paying Agent and the Noteholders in accordance with the Notices Condition; and
- (b) together with giving any such notice, the Originators shall have provided to the Issuer and to the

Common Representative a certificate signed by two directors of each Originator to the effect that each will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to acquire the relevant Receivables on the relevant Interest Payment Date,

- (c) the Issuer shall have provided to the Common Representative a certificate signed by one director of the Issuer to the effect that, taking into account the Post-Enforcement Priority of Payments, it will have the funds (including, but not limited to, the proceeds from the Repurchase Price) on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Rated Notes together with all accrued interest thereon pursuant to this Condition and meet its payment obligations of a higher priority under the Post-Enforcement Payment Priorities; and
- (d) that each of the Originators accepts to acquire the Receivables Portfolio originated by itself on the relevant Interest Payment Date at the relevant Repurchase Price,

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Notes other than the Rated Notes at their Principal Amount Outstanding together with accrued interest, such Notes shall be redeemed in full and all the claims of the Noteholders holding the Class E Notes and/or the Class X Notes then outstanding for any shortfall in the Principal Amount Outstanding of such Class E Notes and/or the Class X Notes together with accrued interest and the Class X Distribution Amount shall be extinguished.

#### 8.9 **Optional Redemption in Whole for Taxation Reasons**

If a Tax Change Event occurs and is continuing on or after the Closing Date, the Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding (together with accrued interest and any Class X Distribution Amount, if applicable) on any Interest Payment Date following the occurrence of such Tax Change Event, subject to the following:

- (a) that the Issuer has given not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Common Representative, the Transaction Manager, the Paying Agent and the Noteholders in accordance with Condition 18 (*Notices*) of its intention to redeem all (but not some only) of the Notes in each Class;
- (b) that prior to giving any such notice, the Issuer has provided to the Common Representative (and, in relation to the following item (a), also to the Paying Agent):
  - (i) a legal opinion (in form and substance satisfactory to the Issuer and the Common Representative) from a firm of lawyers in the Issuer's jurisdiction (approved in writing by the Common Representative), confirming the occurrence of the relevant Tax Change Event;
  - (ii) a certificate signed by one director of the Issuer to the effect that, taking into account the Post-Enforcement Priority of Payments, it will have the funds (including, but not limited to, the proceeds from the disposal of the Receivables) on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes together with all accrued interest thereon pursuant to this Condition and meet its payment obligations of a higher priority under the Post-Enforcement Payment Priorities; and
- (c) that the sale of the Receivables Portfolio will be carried out in compliance with Article 45(1) of the Securitisation Law;
- (d) that the following actions shall take place:
  - (i) the Issuer shall notify the Originators of its intention to sell the Receivables Portfolio by

written notice at least 45 (forty five) calendar day(s) prior to the scheduled date of such sale and will first offer the Receivable Portfolio to the Originators at Repurchase Price;

- (ii) the Originators shall within a period of 20 (twenty) days after receipt of such notice inform whether they wish to repurchase the Receivable Portfolio at the Repurchase Price; after such period of 20 (twenty) calendar days, if the Originators have not indicated that each of them wishes to repurchase the Receivables Portfolio originated by itself at the Repurchase Price, the Issuer shall have the right to sell the Receivables Portfolio to any third party at any price

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Notes other than the Rated Notes at their Principal Amount Outstanding, such Notes shall be redeemed in full and all the claims of the Noteholders holding such Class of Notes then outstanding for any shortfall in the Principal Amount Outstanding of such Class of Notes shall be extinguished.

#### **8.10 Conclusiveness of Certificates and Legal Opinions**

Any certificate or legal opinion given by or on behalf of the Issuer or to the Issuer pursuant to this Condition 8 (*Redemption and Purchase*) may be relied upon by the Common Representative or the Issuer (as applicable) without further investigation and shall be conclusive and binding on the Noteholders and on the Transaction Creditors. All certificates required to be signed by the Issuer will be signed by the Issuer's directors without personal liability.

#### **8.11 Notice of calculation**

The Issuer will cause the Transaction Manager to notify the Common Representative and the Agents of a Note Principal Payment and the Principal Amount Outstanding in relation to each Class of Notes immediately after calculation and, for so long as the Listed Notes are listed on the Stock Exchange, the Stock Exchange will immediately cause details of each calculation of a Note Principal Payment and a Principal Amount Outstanding in relation to each Class of Notes to be published in accordance with the Notices Condition by not later than 5 (five) Business Days prior to each Interest Payment Date, through the publication of the Investor Report.

#### **8.12 Notice of no Note Principal Payment**

If no Note Principal Payment is due to be made on the Notes in relation to any Class on any Interest Payment Date, a notice to this effect will be given to the Noteholders in accordance with the Notices Condition by not later than 5 (five) Business Days prior to such Interest Payment Date.

#### **8.13 Notice Irrevocable**

Any such notice as is referred to in this Condition 8 (*Redemption and Purchase*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding or and in an amount equal to the Note Principal Payment calculated as at the related Calculation Date if effected pursuant to Conditions 8.2 (*Mandatory Redemption in Part before a Subordination Event*) and 8.3 (*Mandatory Redemption in Part after a Subordination Event*) and 8.4 (*Mandatory Redemption in Part of the Class X Notes*).

#### **8.14 No Purchase**

The Issuer may not at any time purchase any of the Notes.

#### **8.15 Cancellation**

All Notes so redeemed shall be cancelled and may not be reissued or resold.

## 9. Limited Recourse

Each of the Noteholders will be deemed to have agreed with the Issuer that notwithstanding any other provisions of these Conditions or the Transaction Documents, all obligations of the Issuer to the Noteholders, including, without limitation, the Issuer Obligations, are limited in recourse as set out below:

- (a) it will have a claim only in respect of the Transaction Assets and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its contributed capital;
- (b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Transaction Assets, net of any sums which are payable by the Issuer in accordance with the applicable Payment Priorities in priority to or *pari passu* with sums payable to such Noteholder in accordance with the applicable Payment Priorities; and
- (c) on the Final Legal Maturity Date or upon the Common Representative giving written notice to the Noteholders or any of the Transaction Creditors that it has determined in its sole opinion, following the Servicers having certified to the Common Representative, that there is no reasonable likelihood of there being any further realisations in respect of the Transaction Assets (other than the Transaction Accounts) and the Transaction Manager having informed the Common Representative that there is no reasonable likelihood of there being any further realisations in respect of the Transaction Accounts which would be available to pay in full the amounts outstanding under the Transaction Documents and the Notes owing to such Transaction Creditors and Noteholders, then such Transaction Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

## 10. Payments

### 10.1 Principal, Interest and Class X Distribution Amount

Payments of principal, interest and the Class X Distribution Amount (when applicable) in respect of the Notes may only be made in euro. Payment in respect of the Notes of principal, interest and the Class X Distribution Amount will, in accordance with the applicable rules and procedures of Interbolsa, be (a) credited by the Paying Agent (acting on behalf of the Issuer) to the TARGET2 relevant current accounts of the Interbolsa Participants (whose control accounts with Interbolsa are credited with such Notes) and (b) thereafter credited by such Interbolsa Participants from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

### 10.2 Payments subject to Fiscal Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged by the Issuer to the Noteholders in respect of such payments.

### 10.3 Payments on Business Days

If the due date for payment of any amount in respect of any Notes is not a business day, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in the

place of presentation on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay

#### **10.4 Business Days**

In this Condition 10 (Payments), "Business Day" means any day on which banks are open for presentation and payment of bearer debt securities and for dealings in euro in such place of presentation and, in the case of payment by transfer to an account in euro, as referred to above, on which dealings in euro may be carried in Lisbon, Dublin and London, and in such place of presentation and in which the TARGET 2 System is open.

#### **10.5 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Paying Agent or the Common Representative shall (in the absence of any gross negligence, wilful default, fraud or manifest error) be binding on the Issuer and all Noteholders and (in the absence of any gross negligence, wilful default or fraud) no liability to the Common Representative or the Noteholders shall attach to the Agents, or the Common Representative in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 10 (*Payments*).

### **11. Taxation**

#### **11.1 Payments Free of Tax**

All payments of principal, interest and the Class X Distribution Amount in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by Portugal or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer, the Common Representative or the Paying Agent shall be entitled to withhold or deduct the required amount for or on account of tax from such payment and shall account to the relevant Tax Authorities for the amount so withheld or deducted.

#### **11.2 No Payment of Additional Amounts**

Neither the Common Representative, the Issuer nor the Paying Agent will be obliged to pay any additional amounts to Noteholders in respect of any Tax Deduction made under Condition 11.1 (*Payments Free of Tax*) above.

#### **11.3 Tax Jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Conditions to the Portuguese Republic or to Portugal shall be construed as references to the Portuguese Republic or to Portugal and/or such other jurisdiction.

#### **11.4 Tax Deduction not Event of Default**

Notwithstanding that the Common Representative, the Issuer or any of the Paying Agent is required to make a Tax Deduction in accordance with Condition 11.1 (*Payments Free of Tax*) this shall not constitute an Event of Default.

## 12. Events of Default and Enforcement

### 12.1 Events of Default

Subject to the other provisions of this Condition 12 (*Events of Default and Enforcement*), the following shall be events of default in respect of the Notes (each an “**Event of Default**”):

- (a) *Non-payment*: the Issuer fails to pay in full (i) the amount of interest due and payable on the Most Senior Class of Notes and such default remains unremedied for 5 (five) Business Days, or (ii) any amount of interest or principal remaining due in respect of any class of the Notes on the Final Legal Maturity Date; or
- (b) *Breach of other monetary obligations*: the Issuer defaults in the performance or observance of any of its other monetary obligations under or in respect of the Notes or the Common Representative Appointment Agreement and such default remains unremedied for 5 (five) Business Days;
- (c) *Breach of other non-monetary obligations*: the Issuer defaults in the performance or observance of any of its non-monetary obligations under or in respect of the Notes or the Common Representative Appointment Agreement and (i) such default is, in the opinion of the Common Representative, incapable of remedy, or (ii) being a default which is, in the opinion of the Common Representative, capable of remedy, remains unremedied for 30 (thirty) calendar days or such longer period as the Common Representative may agree after the Common Representative has given written notice thereof to the Issuer; or
- (d) *Issuer Insolvency*: an Insolvency Event occurs with respect to the Issuer, or
- (e) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Common Representative Appointment Agreement.

If an Event of Default occurs, the Issuer shall so inform the Noteholders in accordance with Condition 18 (*Notices*).

### 12.2 Delivery of Enforcement Notice

If an Event of Default occurs and is continuing, the Common Representative may at its discretion and shall:

- (a) if so requested in writing by the holders of at least 25% (twenty-five per cent.) of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; or
- (b) if so directed by an Extraordinary Resolution passed by the Noteholders;

deliver a notice (the “**Enforcement Notice**”) to the Issuer.

### 12.3 Conditions to Delivery of Enforcement Notice

Notwithstanding Condition 12.2 (*Delivery of Enforcement Notice*) above, the Common Representative shall not be obliged to deliver an Enforcement Notice unless:

- (a) in the case of the occurrence of any of the events mentioned in Condition 12.1(b) (*Breach of other obligations*) above, the Common Representative shall have certified in writing that the occurrence of such event is in its opinion materially prejudicial to the interests of the Noteholders, subject to Condition 12.6 (*Directions to the Common Representative*) and the Common Representative may obtain such directions from Noteholders and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by doing so; and
- (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all

Liabilities to which it may thereby become liable or which it may incur by so doing.

#### **12.4 Consequences of Delivery of Enforcement Notice**

Upon the delivery of an Enforcement Notice the Notes of each Class shall become immediately due and payable in accordance with the Post-Enforcement Payment Priorities without further action or formality at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest Amount Arrears (or, in the case of the Class X Notes, the Class X Distribution Amount).

#### **12.5 Proceedings**

After the occurrence of an Event of Default, the Common Representative may at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights under the Notes and the Common Representative Appointment Agreement in respect of the Notes of each Class and under the other Transaction Documents, in any case acting to serve the best interests of the Noteholders as a Class, but it shall not be bound to do so unless it is:

- (a) so requested in writing by the holders of at least 25% (twenty-five per cent.) of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; or
- (b) so directed by an Extraordinary Resolution of the Noteholders;

and in any such case, only if it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

#### **12.6 Directions to the Common Representative**

Without prejudice to Condition 12.5 (*Proceedings*), the Common Representative shall not be bound to take any action described in Condition 12.5 (*Proceedings*) and may take such action without having regard to the effect of such action on individual Noteholders or any other Transaction Creditor. The Common Representative shall have regard to the Noteholders of each Class as a Class and, for the purposes of exercising its rights, powers, duties or discretions, the Common Representative, to the extent permitted by Portuguese law, shall have regard only to the Most Senior Class of Notes then outstanding, provided that so long as any of the then Most Senior Class of Notes are outstanding, the Common Representative shall not, and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

- a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of all the Classes of Notes ranking senior to such other Class; or
- b) (if the Common Representative is not of that opinion) such action of each Class is sanctioned by a Resolution of the Noteholders of the Class or Classes of the Notes ranking senior to such other Class.

### **13. Common Representative and Agents**

#### **13.1 Common Representative's Right to Indemnity**

Under the Transaction Documents, the Common Representative is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed of its costs and expenses in priority to the claims of the Noteholders and the other Transaction Creditors. The Common Representative shall not be required to do anything which would require it to risk or expend its own funds. In addition, the Common Representative is entitled to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents and/or any of their subsidiary or associated companies and to act as common representative for the holders of any other securities issued



by or relating to the Issuer without accounting for any profit and to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such role. For the avoidance of doubt, the Common Representative will not be obliged to enforce the provisions of the Common Representative Appointment Agreement unless it is directed to do so by the Noteholders and unless it is indemnified and/or secured and/or pre-funded to its satisfaction.

### **13.2 Common Representative not Responsible for Loss or for Monitoring**

The Common Representative will not be responsible for any loss, expense or liability which may be suffered as a result of the Transaction Assets or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicers or by any person on behalf of the Common Representative. The Common Representative shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents, and the Common Representative shall assume, until it has actual knowledge to the contrary, that such persons are properly performing their duties.

The Common Representative shall have no responsibility (other than arising from its wilful default, gross negligence or fraud) in relation to the legality, validity, sufficiency, adequacy and enforceability of the Transaction Documents.

The Common Representative will not be responsible for any loss, expense or liability which may be suffered as a result of any assets or any deeds or documents of title thereto, being uninsured or inadequately insured.

### **13.3 Regard to Classes of Noteholders**

In the exercise of its powers and discretions under these Conditions and the Common Representative Appointment Agreement and the other Transaction Documents, the Common Representative will have regard to the interests of each Class of Noteholders as a Class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

In any circumstances in which, in the opinion of the Common Representative, there is any conflict, actual or potential, between the Noteholders' interests and those of the Transaction Creditors, the Common Representative shall have regard only to the interests of the Noteholders and no other Transaction Creditor shall have any claim against the Common Representative for so doing.

To the extent permitted by Portuguese law, and whenever there is any conflict between the interests of the Classes of Noteholders, the Common Representative shall have regard to the Most Senior Class of Notes.

When the Notes are no longer outstanding and, in its opinion, there is an actual or potential conflict between the interests of the Transaction Creditors, have regard to the interests of that Transaction Creditor which is, or those Transaction Creditors which are most senior in the applicable Payment Priorities and which claim is still outstanding thereunder and no other Transaction Creditor shall have any claim against the Common Representative for so doing. If there are 2 (two) or more Transaction Creditors who rank *pari passu* in the applicable Payment Priorities, then the Common Representative shall look at the interests of such Transaction Creditors equally.

### **13.4 Agents Solely Agents of Issuer (and in certain circumstances of Common Representative)**

In acting under the Paying Agency Agreement and in connection with the Notes, the Paying Agent acts

solely as agent of the Issuer and (to the extent provided therein) the Common Representative and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

#### **13.5 Initial Agents**

The Issuer reserves the right (with the prior written approval of the Common Representative) to vary or terminate the appointment of any Agent and to appoint a successor paying agent or agent bank and additional or successor paying agent at any time, having given not less than 30 (thirty) days' notice to such Agent and to the Common Representative.

### **14. Meetings of Noteholders**

#### **14.1 Convening**

For the purpose of compliance with requirements provided under Article 21(10) of the Securitisation Regulation, the Common Representative Appointment Agreement contains Provisions for Meetings of Noteholders for convening separate or combined Meetings of Noteholders of any Class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Common Representative Appointment Agreement and the circumstances in which modifications may be made if sanctioned by a Resolution.

#### **14.2 Request from Noteholders**

A Meeting of Noteholders of a particular Class or Classes may be convened by the Common Representative or, if the Common Representative has not yet been appointed or refuses to convene the Meeting, by the Chairman of the Shareholders' General Meeting of the Issuer at any time and must be convened by the Common Representative (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class holding not less than 5% (five per cent.) of the Aggregate Principal Amount Outstanding of the outstanding Notes of that Class or Classes.

#### **14.3 Quorum**

The quorum at any Meeting convened to vote on:

- (a) a Resolution not regarding a Reserved Matter, relating to a Meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing at least 1/5 (one fifth) of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;
- (b) an Extraordinary Resolution regarding to items (a) to (d), (f) to (i) of the definition of a Reserved Matter, relating to a Meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing at least 50% (fifty per cent.) of the Principal Amount Outstanding of the Notes then outstanding so held or represented or in such Class or Classes or, at any adjourned Meeting, any person holding or representing such Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented; or
- (c) an Extraordinary Resolution regarding to item (e) of the definition of Reserved Matter, will be all Noteholders of the Notes then outstanding.

#### **14.4 Majorities**

The majorities required to pass a Resolution at any Meeting convened in accordance with these rules shall be:

- a) if in respect to a Resolution not regarding a Reserved Matter, the majority of the votes cast at the relevant Meeting; or
- b) if in respect to an Extraordinary Resolution regarding matters in items (a) to (d), (f) to (i) of the definition of a Reserved Matter, at least 50% (fifty per cent.) of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class or Classes or, at any adjourned second Meeting by at least two thirds of the votes cast at the relevant Meeting and, if in respect of matters in item (e) of the definition of Reserved Matter, a unanimous Resolution by all Noteholders.

#### 14.5 **Separate and Combined Meetings**

The Common Representative Appointment Agreement provides that (subject to Condition 14.6 (*Relationship between Classes*)):

- (a) a Resolution which in the opinion of the Common Representative affects the Notes of only one Class shall be transacted at a separate Meeting of the Noteholders of that Class;
- (b) a Resolution which in the opinion of the Common Representative affects the Noteholders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes may be transacted either at separate Meetings of the Noteholders of each such Class or at a single Meeting of the Noteholders of all such Classes of Notes as the Common Representative shall determine in its absolute discretion; and
- (c) a Resolution which in the opinion of the Common Representative affects the Noteholders of more than one Class and gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

#### 14.6 **Relationship between Classes**

In relation to each Class of Notes:

- (a) no Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by a Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other Classes);
- (b) no Resolution or other resolution (as applicable) to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by a Resolution or other resolution (as applicable) of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class) unless the Common Representative considers that none of the holders of each of the other Classes of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction;
- (c) any Resolution passed at a Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Common Representative Appointment Agreement shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and, except in the case of a Meeting relating to a Reserved Matter, any Resolution passed at a Meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes; and
- (d) a resolution involving the appointment or removal of the Common Representative must be approved by the holders of each and all Class of Notes then outstanding.

#### 14.7 **Written Resolutions**

A Written Resolution shall take effect in the same terms as a Resolution or an Extraordinary Resolution.

### 15. **Modification and Waiver**

#### 15.1 **Modification**

The Common Representative may, at any time and from time to time, unless expressly directed not to do so by a sole holder of the Most Senior Class of Notes then outstanding, , without the consent or sanction of the Noteholders or any other Transaction Creditor concur with the Issuer and any other relevant Transaction Creditor in making ("**Basic Terms Modification**"):

- (a) any modification to these Conditions, the Common Representative Appointment Agreement or the other Transaction Documents in relation to which the Common Representative's consent is required which, in the opinion of the Common Representative will not be materially prejudicial to the interests of the (i) holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that such modification does not result in an adverse effect on the Ratings of such Notes); and (ii) any of the Transaction Creditors, unless, in the case of (ii), such Transaction Creditors have given their prior written consent to any such modification;
- (b) any modification to other Transaction Documents in relation to which the Common Representative's consent is required if, in the opinion of the Common Representative, such modification is of a formal, minor, administrative or technical nature, results from mandatory provisions of Portuguese law or is made to correct a manifest error or an error which, in the reasonable opinion of the Common Representative, is proven, or is necessary or desirable for the purpose of clarification and is not a Reserved Matter,

The prior written consent of the Cap Counterparty is required to modify or supplement any provision of the Transaction Documents or the Conditions if, in the reasonable opinion of the Cap Counterparty, such modification or supplement would (A) constitute a Basic Terms Modification, (B) modify or supplement paragraph 18 of Schedule 1 to the Transaction Management Agreement or any definitions referred to therein, or (C) adversely affect any of the following:

- (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Cap Counterparty under the Conditions or any Transaction Document;
- (ii) the Issuer's ability to make such payments or deliveries to the Cap Counterparty;
- (iii) the ranking of the Cap Counterparty under any of the Priorities of Payment or the Collateral Account Priority of Payments;
- (iv) the maturity of the Notes;
- (v) the payment date under the Notes;
- (vi) voting rights in respect of the Notes;
- (vii) currency of payments under the Notes,
- (viii) altering any requirement (including pursuant to this condition 15.1) to obtain the Cap Counterparty's prior consent (written or otherwise) in respect of any matter;
- (ix) any amendment to Condition 8 (*Redemption and Purchase*) of the Conditions or any additional redemption rights in respect of the Rated Notes; or

(x) the definition of “Basic Terms Modification”.

The Issuer shall notify the Cap Counterparty in writing of any proposed modification or supplement to any provisions of the Transaction Documents or the Terms and Conditions of the Notes that may (A) constitute a Basic Terms Modification, (B) modify or supplement paragraph 18 of Schedule 1 to the Transaction Management Agreement or any definitions referred to therein, or (C) affect any of the other items listed in the previous paragraph at least 21 days (exclusive of the day on which the notice is given and of the day that the modification or supplement is intended to be effected, such period the “**Cap Counterparty Modification Notice Period**”) prior to such modification or supplement being effected, notwithstanding any other provision of the Transaction Documents or the Conditions. The Cap Counterparty shall notify the Common Representative and the Issuer as soon as reasonably practicable in writing as to whether it consents to the proposed modification or supplement. If the Issuer and the Common Representative receive notification (the “**Notification**”) from the Cap Counterparty that the Cap Counterparty has determined that the modification and/or supplement would not adversely affect any of the items listed in the previous paragraph or that the Cap Counterparty otherwise consents to such modification and/or supplement, as applicable, such modification and/or supplement may take effect at any time from and including the date of receipt of the Notification. If the Issuer and the Common Representative do not receive any such determination or a Notification by the expiry of the Cap Counterparty Modification Notice Period, the Cap Counterparty shall be deemed to have consented to such modification or supplement. If the Cap Counterparty has not received notice in accordance with this paragraph, the proposed modification or supplement shall not be effective.

The Issuer shall send prior notice of any such modification to the Rating Agencies and, to the extent the Common Representative requires it, notice thereof shall be delivered to the Noteholders in accordance with Condition 18 (*Notices*).

The Common Representative may seek and obtain guidance from Portuguese legal advisors whenever reasonable doubts arise as to whether, under Portuguese law, including the Portuguese Companies Code (Article 355) and the Securitisation Law (Article 65), an amendment to any of the Transaction Documents or to the Conditions should be considered a Reserved Matter and be so treated.

Any modification agreed with the Issuer by the Common Representative following the approval of, and in compliance with, a Resolution will discharge the Common Representative from any and all liability whatsoever that may arise to the Noteholders from such action and the Common Representative may not be held liable for the consequences of any such modification.

## 15.2 **Additional Right of Modification**

Notwithstanding the provisions of Condition 15.1 (*Modification*), and subject to the provisions of Portuguese law, the Common Representative shall be obliged, without any consent or sanction of the Noteholders or any of the other Transaction Creditors, to concur with the Issuer in making any modification to the Conditions (other than modifications to the Transaction Documents which as a result of such modification would result in any Transaction Creditor being further contractually subordinated to any other Transaction Creditor than would otherwise have been the case prior to such amendment in which case the consent of such Transaction Creditor shall be required), the Notes or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

(a) in order to enable the Issuer to comply with any requirements which apply to it under EMIR or MIFID II (as applicable), or other mandatory obligations under applicable law or mandatory instructions issued by a competent authority, subject to receipt by the Common Representative of

- a certificate issued by the Issuer or the Servicers on behalf of the Issuer certifying to the Common Representative the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR or MIFID II (as applicable) or other mandatory obligations under applicable law or mandatory instructions issued by a competent authority and have been drafted solely to that effect and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing (such modification being previously notified by the Issuer to the Rating Agencies);
- (b) in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of the FATCA provisions of the U.S. Hiring Incentives to Restore Employment or any regulations or notices made thereunder, including (to the extent necessary) the entry into by the Issuer, or the termination of, an agreement with the United States Internal Revenue Service (the “IRS”) to provide for an exemption to withhold for or on account of any tax imposed in accordance with FATCA provided, in each case, the Servicers certify on behalf of the Issuer to the Common Representative that such amendment is being made subject to and in accordance with this paragraph (upon which certification the Common Representative will be entitled to conclusively rely without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, without any liability);
- (c) in order to allow the Issuer to open additional accounts with an additional accounts bank or to move the Transaction Accounts to be held with an alternative accounts bank with the Minimum Ratings, provided that the Servicers on behalf of the Issuer have certified to the Common Representative that (i) such action would not have an adverse effect on the then current ratings of some or all of the Rated Notes and (ii) if a new accounts bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Accounts Agreement provided further that if the Servicers determine that it is not practicable to agree terms substantially similar to those set out in the Accounts Agreement with such replacement financial institution or institutions and the Servicers on behalf of the Issuer certify in writing to the Common Representative that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement accounts bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act), provided that the Rating Agencies have been previously notified of the replacement agreement;
- (d) for the purpose of complying with any changes in the requirements of (i) Article 6 of the Securitisation Regulation and Article 6 of the UK Securitisation Regulation, including as a result of the adoption of regulatory technical standards in relation to the Securitisation Regulation and UK Securitisation Regulation, (ii) the CRR Amendment Regulation or (iii) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies have been previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing;

- (e) for the purpose of enabling the Notes to comply with the requirements of the Securitisation Regulation, including for the purpose of making the Transaction compliant with as a simple, transparent and standardised securitisation requirements, and any related regulatory technical standards authorised under the Securitisation Regulation provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies are previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing;
- (f) to make such changes as are necessary to facilitate the transfer of the Cap Agreement to a replacement cap counterparty, in each case in circumstances where the Cap Counterparty does not satisfy the applicable rating requirement or has breached its terms of appointment and subject to such replacement cap counterparty satisfying the applicable requirements in the Transaction Documents including, without limitation, the applicable rating requirement, or, in case of replacement of the Cap Counterparty, where the changes have been requested by the replacement cap counterparty, or are necessary or desirable in view of the then applicable laws and regulations and/or market practices, provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies are previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing; and
- (g) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that in relation to any amendment under this paragraph g):
  - (i) the Servicers (on behalf of the Issuer) certify in writing to the Common Representative that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria (for such purpose the Issuer may request and fully rely on a certificate to be provided by the Servicers); and
  - (ii) in the case of any modification to a Transaction Document proposed by any of the Servicers, the Cap Counterparty or the Accounts Bank, in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
    - (A) each of the Servicers, the Cap Counterparty and/or the Accounts Bank, as the case may be, certify in writing to the Issuer and the Common Representative that such modification is necessary for the purposes described in paragraph (g)(ii)(x) and/or (y) above;
    - (B) either:
      1. the Servicers obtain from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Common Representative that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies, following a written information to the Rating Agencies of the

proposed modification) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing some or all of the Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Common Representative; or

2. the Servicers certify in writing to the Issuer and the Common Representative that the Rating Agencies have been informed of the proposed modification in writing and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency or (y) such Rating Agency placing any of the Rated Notes on rating watch negative (or equivalent);
- (iii) the party giving rise to the relevant modification shall pay all costs and expenses (including legal fees) incurred by the Issuer and the Common Representative or any other Transaction Party in connection with such modification.

The certificate to be provided by the Issuer, the Originator, the Servicer, the Accounts Bank, and /or the relevant Transaction Party, as the case may be, pursuant to this Condition shall be a "Modification Certificate", provided that:

- (1) at least 30 (thirty) calendar days' prior written notice of any such proposed modification has been given to the Common Representative;
- (2) the Modification Certificate in relation to such modification shall be provided to the Common Representative, with a copy to the Issuer, both at the time the Common Representative is notified of the proposed modification and on the date that such modification takes effect;
- (3) the consent of each Transaction Creditor which is party to the relevant Transaction Document or whose ranking in any Payment Priorities is affected has been obtained; and
- (4) the Issuer certifies in writing to the Common Representative (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 (thirty) calendar days' notice to the Noteholders of each class of the proposed modification in accordance with Condition 18 (*Notices*), and Noteholders representing at least 10% (ten per cent.) of the Aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have not contacted the Common Representative in writing (within such notification period notifying the Common Representative that such Noteholders do not consent to the modification (upon which notification, the Common Representative shall promptly notify the Issuer accordingly).

For the avoidance of doubt, the Common Representative shall be entitled to rely upon such Modification Certificate without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, without any liability.

If Noteholders representing at least 10% (ten per cent.) of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have notified the Common



Representative in writing within the notification period referred to above that they do not consent to the modification (for which purpose the Common Representative shall immediately inform the Issuer of any such contacts received), then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class Outstanding is passed in favour of such modification in accordance with Condition 14 (Meetings of Noteholders).

Objections made in writing must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

(h) for the purpose of changing the base rate in respect of the Rated Notes from EURIBOR to an alternative base rate (any such rate, an "**Alternate Base Rate**") (such modification being previously notified by the Issuer to the Rating Agencies) and make such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change ("**Base Rate Modification**"), provided that the Servicers (on their behalf and on behalf of the relevant Transaction Party, as the case may be) certified to the Common Representative in writing that:

(A) such Base Rate Modification is being undertaken due to:

- (1) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (2) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
- (3) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
- (4) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (5) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Rated Notes;
- (6) public statement by the supervisor of the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (7) the reasonable expectation of the Servicers that any of the events specified in sub-paragraphs (1), (2), (3), (4), (5) or (6) will occur or exist within 6 (six) months of the proposed effective date of such Base Rate Modification (each such event referred to in sub-paragraphs (1) to (6) is a "Benchmark Event"); and

(B) such Alternate Base Rate is:

- (1) a base rate published, endorsed, approved or recognised by the Bank of Portugal, any regulator in Portugal or the European Union or any stock exchange on which the Rated Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

- (2) a base rate utilised in a material number of publicly listed new issues of Euro-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or
  - (3) a base rate utilised in a publicly listed new issue of Euro-denominated asset backed floating rate notes where the originator of the relevant assets is an Originator; or
  - (4) such other base rate as the Servicers reasonably determine (and reasonably justifies to the Common Representative); and
- (C) such other related amendments are necessary or advisable to facilitate such change. (the certificate to be provided by the Servicers (on their behalf and/or on behalf of the relevant Transaction Party, as the case may be) pursuant to this Condition being a “**Modification Certificate**”), provided that:
- (1) at least 30 (thirty) calendar days' prior written notice of any such proposed modification has been given to the Common Representative;
  - (2) the Modification Certificate in relation to such modification shall be provided to the Common Representative, with a copy to the Issuer, both at the time the Common Representative is notified of the proposed modification and on the date that such modification takes effect;
  - (3) the consent of each Transaction Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained; and
  - (4) the Issuer (or the Servicers on its behalf) certifies in writing to the Common Representative (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 (thirty) calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 18 (*Notices*), and Noteholders representing at least 10% (ten per cent.) of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Common Representative in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Common Representative that such Noteholders do not consent to the modification (upon which notification, the Common Representative shall promptly notify the Issuer accordingly).

For the avoidance of doubt, the Common Representative shall be entitled to rely upon such Modification Certificate without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, without any liability.

If Noteholders representing at least 10% (ten per cent.) of the Aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Common Representative in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 14 (*Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Common Representative's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

### 15.3 **Common Representative actions**

Notwithstanding anything to the contrary in Condition 15.2 (*Additional Right of Modification*) or any Transaction Document:

- a) when implementing any modification pursuant to Condition 15.2 (*Additional Right of Modification*) (save to the extent the Common Representative considers that the proposed modification would constitute a Basic Terms Modification), the Common Representative shall deem that the proposed modification is in the best interests of the Noteholders and any other Transaction Creditor or any other person and shall not be liable to the Noteholders, any other Transaction Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may actually be materially prejudicial to the interests of any such person; and
- b) the Common Representative shall not be obliged to agree to any modification which, in the sole opinion of the Common Representative would have the effect of (i) exposing the Common Representative to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Common Representative in the Transaction Documents and/or these Conditions. In this case, the Common Representative shall promptly provide a written justification to the Issuer on the application of (i) and/or (ii) above, and shall, unless the Issuer otherwise accepts, convene for a Meeting of Noteholders to resolve on any such proposed modification.

### 15.4 **Enforceability and notification**

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- a) so long as any of the Rated Notes rated by the Rating Agencies remains outstanding, each Rating Agency, which notification shall be made by the Servicers on behalf of the Issuer;
- b) the Transaction Creditors, as provided for in the Master Framework Agreement; and
- c) the Noteholders in accordance with Condition 18 (*Notices*).

### 15.5 **Costs**

For the sake of clarity, any costs incurred or to be incurred by the Issuer or another Transaction Party (but to be borne by the Issuer) in connection with any actions to be taken under this Condition 15 (*Modification and Waiver*) shall be Issuer Expenses.

### 15.6 **Waiver**

The Common Representative may, at any time and from time to time, in its discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, without the consent or sanction of the Noteholders or any other Transaction Creditors, concur with the Issuer and any other relevant Transaction Creditor in authorising or waiving on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach by the Issuer of any of the covenants or provisions contained in the Common Representative Appointment Agreement, the Notes or any other Transaction Documents (other than in respect of a Reserved Matter or any provision of the Notes, the Common Representative Appointment Agreement or such other Transaction Document referred to in the definition of a Reserved

Matter) which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that any such authorisation or waiver does not result in an adverse effect on the Ratings of the Rated Notes) and (ii) any of the Transaction Creditors, unless such Transaction Creditors have given their prior written consent to any such authorisation or waiver (except that the Common Representative may not and only the Noteholders may by Resolution determine that any Event of Default shall not be treated as such for the purposes of the Common Representative Appointment Agreement, the Notes or any of the other Transaction Documents, provided that notice thereof has been delivered to the Noteholders in accordance with Condition 18 (Notices) (only to the extent the Common Representative requires such notice to be given) and). Any such waiver shall be previously notified to the Rating Agencies.

#### **15.7 Restriction on Power to Waive**

The Common Representative shall not exercise any powers conferred upon it by Condition 15.6 (*Waiver*) in contravention of any of the restrictions set out therein or any express direction by a Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 50% (fifty per cent.) in Aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding, but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of Notes then outstanding has, by Resolution, so authorised such proposed breach or breach.

Any waiver or modification agreed with the Issuer by the Common Representative following the approval of, and in compliance with, a Resolution will discharge the Common Representative from any and all liability whatsoever that may arise to the Noteholders from such action and the Common Representative may not be held liable for the consequences of any such waiver or modification.

#### **15.8 Notification**

Unless the Common Representative otherwise agrees, the Issuer shall cause any such consent, authorisation, waiver, modification or determination to be notified to the Noteholders (if required by these Conditions or by law), the other relevant Transaction Creditors and the Rating Agencies in accordance with Condition 18 (*Notices*) and the relevant Transaction Documents, as soon as practicable after it has been made.

#### **15.9 Binding Nature**

Any consent, authorisation, waiver, determination or modification referred to and in accordance with Condition 15.1 (*Modification*), 15.2 (*Additional Right of Modification*) or Condition 15.6 (*Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

### **16. No Action by Noteholders or any other Transaction Party**

16.1 The Noteholders may be restricted from proceeding individually against the Issuer and the Transaction Assets or otherwise seek to enforce the Issuer's obligations, where such action or actions, taken on an individual basis, contravene a Resolution of the Noteholders.

16.2 Furthermore, and to the extent permitted by Portuguese Law, only the Common Representative may pursue the remedies available under the general law or under the Common Representative Appointment Agreement against the Issuer and the Transaction Assets and, other than as permitted in this Condition,

no Transaction Creditor shall be entitled to proceed directly against the Issuer and the Transaction Assets or otherwise seek to enforce the Issuer's obligations. In particular, each Transaction Creditor agrees with and acknowledges to each of the Issuer and the Common Representative, and the Common Representative agrees with and acknowledges to the Issuer that:

- (a) none of the Transaction Creditors other than the Common Representative (or any person on their behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Common Representative to take any proceedings against the Issuer unless the Common Representative, having become bound to serve an Enforcement Notice or having been requested in writing or directed by a Resolution of the Noteholders in accordance with Condition 12.5 (*Proceedings*) to take any other action to enforce their rights under the Notes and the Common Representative Appointment Agreement or under any other Transaction Documents (each, a "**Common Representative Action**"), fails to do so within 30 (thirty) days of becoming so bound or of having been so requested or directed and that failure is continuing (in which case each of the Noteholders and the Transaction Creditors shall (subject to Condition 16.2(c)) be entitled to take any such steps and proceedings as it shall deem necessary in respect of the Issuer);
- (b) none of the Transaction Creditors other than the Common Representative (nor any person on their behalf) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Transaction Parties unless the Common Representative, having become bound to take a Common Representative Action, fails to do so within 30 (thirty) days of becoming so bound and that failure is continuing (in which case each of the Noteholders and the Transaction Creditors shall be entitled to take any such steps and proceedings as it shall deem necessary in respect of the Issuer);
- (c) until the date falling 2 (two) years after the Final Discharge Date none of the Transaction Creditors nor any person on their behalf (including the Common Representative) shall initiate or join any person in initiating any Insolvency Event or the appointment of any insolvency official in relation to the Issuer; and
- (d) none of the Transaction Creditors shall be entitled to take or join in the taking of any steps or proceedings which would result in the Payment Priorities not being observed.

## **17. Prescription**

Claims for principal in respect of the Notes shall become void 20 (twenty) years after the appropriate Relevant Date. Claims for interest and any Class X Distribution Amount shall become void five (5) years after the appropriate Relevant Date.

## **18. Notices**

### **18.1 Valid Notices**

Any notice to Noteholders shall only be validly given if such notice is published on CMVM's website. Additionally, such notice may be either:

- (a) published on a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Common Representative and as has been notified to the Noteholders in accordance with the Notices Condition; or
- (b) published via Interbolsa, Euroclear and Clearstream Luxembourg in accordance with their procedures for the publication of notices.

## 18.2 Date of Publication

Any notices so published shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which the publication was made.

## 18.3 Other Methods

The Common Representative shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange (if any) on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Common Representative shall require.

## 19. Governing Law and Jurisdiction

### 19.1 Governing Law

The Common Representative Appointment Agreement, the Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Portuguese law.

### 19.2 Jurisdiction

The courts of Lisbon are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes may be brought in such courts.

## 20. Definitions

“**€STR**” means the euro short-term rate of the ECB;

“**Accounts Agreement**” means the agreement so named to be entered into on or about the Closing Date between the Issuer, the Accounts Bank, the Transaction Manager and the Common Representative;

“**Accounts Bank**” means Citibank N.A., London Branch in accordance with the terms of the Accounts Agreement;

“**Accounts Bank Information**” means the information in the section of this Prospectus headed “**The Accounts Bank**” relating to Citibank N.A., London Branch and over which Citibank N.A., London Branch accepts responsibility;

“**Agent Bank**” means Citibank Europe plc, in its capacity as the agent bank in respect of the Notes in accordance with the Paying Agency Agreement;

“**Agents**” means the Agent Bank and the Paying Agent and “**Agent**” means any one of them;

“**Aggregate Principal Amount Outstanding**” means, on any day of calculation, the aggregate of the Principal Amount Outstanding of all Classes of Notes on such day;

“**Aggregate Principal Outstanding Balance**” means, with respect to specified Receivables on any day of calculation, the aggregate amount of the Principal Outstanding Balance of all such Receivables on such day;

“**Alternate Base Rate**” means the base interest rate in respect of the Rated Notes alternative to EURIBOR;

“**APB Private Moratorium**” means the payment holiday resulting from the interbank protocol executed

by the members of the Portuguese Banking Association (*Associação Portuguesa de Bancos* (“**APB**”)), including Banco Montepio, on 16 April 2020, as amended, establishing harmonised general conditions for private initiative moratoria, *inter alia*, on non-mortgage loans (e.g. personal or vehicle loans);

“**ASFAC Private Moratorium**” means the payment holiday approved by the Portuguese Association of Specialized Credit Institutions (*Associação de Instituições de Crédito Especializado* (ASFAC)) on 10 April 2020, to which Montepio Crédito has adhered;

“**Asset**” means new or used vehicles or any other type of property related to a Receivables Contract;

“**Assigned Rights**” means all Receivables and the Related Security included in the Receivables Portfolio, sold and assigned to the Issuer by the Originators in accordance with the terms of the Receivables Sale Agreement;

“**Authorised Investments**” means (i) bank deposits in euros (ii) money market funds within the meaning of Regulation (EU) 2017/1131, of the European Parliament and the Council, of 14 June 2017, and (iii) short-term public or private debt securities admitted to trading on a regulated market, which shall not consist, either directly or indirectly, of asset-backed securities or credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives, in accordance with article 77-A of the Instruction (*Instrução*) of the Bank of Portugal 3/2015, with a minimum credit risk rating or equivalent assigned by credit rating agencies registered with ESMA, that fulfil the following criteria, subject in any case to compliance with the applicable Portuguese laws and regulations for authorised investments by securitisation companies:

(a) with respect to Fitch:

- (i) to the extent such Authorised Investment is a bank deposit in euros, the Fitch rating of the bank holding the deposit should be a long-term rating of at least A- or a Fitch short-term rating of at least F1, or
- (ii) to the extent such Authorised Investment is a money market fund within the meaning of Regulation (EU) 2017/1131, of the European Parliament and the Council, of 14 June 2017, a ‘AAAmmf’ rating from Fitch or, in the absence of a Fitch rating, a rating at the highest level from at least one other internationally recognised and regulatory approved rating agency, where the rating addresses the dual objective of preservation of capital and timely liquidity, or
- (iii) to the extent such Authorised Investment is a security, its maturity shall not exceed 30 (thirty) calendar and shall have a Fitch long-term rating of at least A- or a short-term rating of at least F1; and

(b) with respect to DBRS:

- (i) to the extent such Authorised Investment has a maturity not exceeding 30 (thirty) calendar days: a minimum rating of A or R-1 (low);
- (ii) to the extent such Authorised Investment has a maturity exceeding 30 (thirty) calendar days, but not exceeding 90 (ninety) calendar days: a minimum rating of AA (low) or R-1 (middle);
- (iii) to the extent such Authorised Investment has a maturity exceeding 90 (ninety) calendar days, but not exceeding 180 (one hundred and eighty) calendar days: a minimum rating of AA or R-1 (high);

- (iv) Authorised Investments should mature no later than 1 (one) Business Day before the date when the funds from the investments are required, taking into account any grace period that might apply to the relevant instrument;
- (v) Authorised Investments should be denominated and payable in a specified currency such that no exchange rate risk is introduced to the transaction; and
- (vi) Authorised Investments should return invested principal at maturity.

**“Available Interest Distribution Amount”** means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to the sum of:

- (a) any Interest Collection Proceeds received by the Issuer during the Calculation Period immediately preceding such Interest Payment Date (less the amount of any Incorrect Payments made which are attributable to interest); plus
- (b) where the proceeds or estimated proceeds of disposal or, on maturity, the maturity proceeds of any Authorised Investment received in relation to the Calculation Period immediately preceding such Interest Payment Date exceeds the original cost of such Authorised Investment, the amount of such excess together with interest thereon; plus
- (c) interest accrued and credited to the Transaction Accounts during the Calculation Period immediately preceding such Interest Payment Date; plus
- (d) any amounts received by the Issuer under the Cap Agreement on such Interest Payment Date, other than (i) Cap Collateral, (ii) any Replacement Cap Premium paid to the Issuer, (iii) any Cap Tax Credit Amounts, and (iv) any termination payment received by the Issuer from the Cap Counterparty (each of which will not be available to the Issuer to make payments to its creditors generally but may only be applied in accordance with the Collateral Account Priority of Payments); plus
- (e) any Cap Collateral Account Surplus paid into the Payment Account in accordance with the Collateral Account Priority of Payments;
- (f) on the First Interest Payment Date, any excess of the Class A Notes Issuance Premium over the sum of Cap Premium and the Up-front Transaction Expenses; less
- (g) any amount paid, including any Third Party Expenses, during the Calculation Period immediately preceding such Interest Payment Date;

**“Available Principal Distribution Amount”** means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to the sum of:

- (a) the amount of any Principal Collections Proceeds received by the Issuer during the Calculation Period immediately preceding such Interest Payment Date (less the amount of any Incorrect Payments made which are attributable to principal);
- (b) on the First Interest Payment Date, the difference between the aggregate Principal Amount Outstanding of the Notes on the Closing Date and the sum of the Purchase Price Principal Component and the Reserve Amount;
- (c) prior to an Enforcement Event, such amount of the Available Interest Distribution Amount as is credited to the Payment Account (if any) and which is applied by the Transaction Manager on such



Interest Payment Date in reducing the debit balance on the Principal Deficiency Ledgers; plus

- (d) any excess of the Reserve Account credit balance over the Reserve Account Required Balance to be debited from the Reserve Account and credited to the Payment Account on such Interest Payment Date.

**“Back-Up Servicer”** means HG PT, S.A. or its successors in title or assignees or any replacement back-up servicer appointed from time to time;

**“Back-up Servicer’s Representations and Warranties”** means the representations and warranties given by the Back-up Servicer as set out in the Receivables Servicing Agreement;

**“Back-up Servicer Resignation Date”** means the date specified in a Back-up Servicer Resignation Notice;

**“Back-up Servicer Resignation Notice”** means a notice delivered to the Issuer by the Back-up Servicer to terminate the Back-up Servicer’s appointment pursuant to the Receivables Servicing Agreement;

**“Back-up Servicer Termination Date”** means the date specified in a Back-up Servicer Termination Notice;

**“Back-up Servicer Termination Notice”** means a notice delivered to the Back-up Servicer by the Issuer in accordance with the terms of Clause 34 (Termination on delivery of Back-up Servicer Termination Notice) of the Receivables Servicing Agreement;

**“Back-Up Servicer Fee”** means the following amounts that the Issuer shall pay to the Back-up Servicer:

1. an upfront fee of €20,000 (twenty thousand euros), on the Closing Date, as consideration for the appointment of the Back-up Servicer;
2. prior to the delivery of a Servicer Event Notice, an annual fee of €25,000 (twenty five thousand euros), monthly in arrear in accordance with the Payment Priorities;
3. after the delivery of a Servicer Event Notice and as consideration for the provision to it of the relevant Services, and on each Interest Payment Date, the sum of:
  - (a) a fee of 0.15 per cent. per annum, calculated over the Aggregate Principal Outstanding Balance of the relevant Receivables which are neither Delinquent Receivables nor Defaulted Receivables, as of the preceding Calculation Date, to be paid monthly in arrear in accordance with Payment Priorities;
  - (b) a fee of 0.15 per cent. per annum, calculated over the Aggregate Principal Outstanding Balance of Delinquent Receivables, as of the preceding Calculation Date, to be paid monthly in arrear in accordance with Payment Priorities plus a fee of 5 per cent. of all relevant Collections collected by the Back-up Servicer during the preceding Calculation Period in respect of Delinquent Receivables;
  - (c) a fee of 0.15 per cent. per annum, calculated over the Aggregate Principal Outstanding Balance of Defaulted Receivables up to 180 days in arrear, as of the preceding Calculation Date, to be paid monthly in arrear in accordance with Payment Priorities plus a fee of 10 per cent. of all relevant Collections collected by the Backup Servicer during the preceding Calculation Period in respect of Defaulted Receivables up to 180 days in arrear;

- (d) a fee of €80 per Obligor plus 3.5 per cent of relevant Collections in respect of Defaulted Receivables over 180 days with Related Security collected by the Back-up Servicer during the preceding Calculation Period; and
- (e) a fee of €80 per Obligor plus 15 per cent of relevant Collections in respect of Defaulted Receivables over 180 days with no Related Security collected by the Back-up Servicer during the preceding Calculation Period.

“**Banco Montepio**” means Caixa Económica Montepio Geral, caixa económica bancária, S.A.;

“**Base Rate Modification**” means the change of base rate in respect of the Rated Notes from EURIBOR to an Alternate Base Rate in accordance with Condition 15.2 (*Additional Right of Modification*), paragraph g);

“**Basic Terms Modification**” means a modification made by the Common Representative in accordance with Condition 15.1 (*Modification*);

“**Benchmarks Regulation**” means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;

“**Breach of Duty**” means, in relation to any person, a wilful default, fraud, illegal dealing, gross negligence;

“**BRRD**” means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms;

“**BRRD2**” means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

“**Business Day**” means:

- (i) for the purpose of payments under the Notes, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (“**TARGET 2**”) is open for the settlement of payments in euro (a “**TARGET 2 Settlement Day**”) or, if such TARGET 2 Settlement Day is not a day on which banks are open for business in Lisbon, London and Dublin the next succeeding TARGET 2 Settlement Day on which banks are open for business in Lisbon, London and Dublin; and
- (ii) for any other purpose, any day on which banks are open for business in Lisbon, London and Dublin.

“**Calculation Date**” means the first day of each calendar month, the first Calculation Date (after the Closing Date) being 1<sup>st</sup> January 2022;

“**Calculation Period**” means each period running from (and including) each Calculation Date to (but excluding) the next Calculation Date, except for the first Calculation Period which shall be the period running from (and including) the Portfolio Determination Date to (but excluding) 1<sup>st</sup> January 2022;

“**Call Option**” means the right (but not the obligation) of the Originators to repurchase all (but not part) of the Receivables Portfolio which shall arise upon occurrence of a Call Option Event and which may be exercised by the Originators on any Interest Payment Date falling after such occurrence;

“**Call Option Event**” means the occurrence of any of the following events: (a) a Regulatory Change Event has occurred; or (b) the Clean-Up Call Condition is met;

**“Call Option Event Notice”** means (i) a Regulatory Change Notice or (ii) a Clean-Up Call Notice;

**“Cap Agreement”** means collectively the ISDA Master Agreement, the Schedule, the Credit Support Annex and the Cap Confirmation to be entered into between the Issuer and the Cap Counterparty on or about the Closing Date;

**“Cap Collateral”** means any collateral transferred by the Cap Counterparty to the Issuer in respect of its obligations under the Cap Agreement in accordance with the terms of the Credit Support Annex, including collateral posted following a Ratings Event (as defined in the Cap Agreement) or as a result of complying with any swap clearing organisation rules regulatory requirement or other such regulation, rule or requirement (and any interest and/or distributions earned thereon);

**“Cap Collateral Account Surplus”** has the meaning ascribed to it in the Transaction Management Agreement;

**“Cap Confirmation”** means the cap confirmation to be entered into by the Issuer and the Cap Counterparty under the Cap Agreement;

**“Cap Counterparty”** means Crédit Agricole Corporate and Investment Bank, in its capacity as cap counterparty, or its permitted successors or assigns from time to time or any other person for the time being acting as Cap Counterparty pursuant to the Cap Agreement;

**“Cap Premium”** means the premium amount payable by the Issuer to the Cap Counterparty in respect of the Cap Transaction on or about the Closing Date, pursuant to the Cap Agreement;

**“Cap Tax Credit Amount”** means any tax credit payable by the Issuer to the Cap Counterparty pursuant to the Cap Agreement;

**“Cap Transaction”** means the cap transaction to be entered into by and between the Issuer and the Cap Counterparty under the Cap Agreement for purposes of hedging the Issuer’s floating interest rate exposure in relation to the Rated Notes;

**“Capital Requirements Directive”** or **“CRD IV”** means Directive 2013/36/EU, of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;

**“Capital Requirements Regulation”** or **“CRR”** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 as amended from time to time, as supplemented by Commission Delegated Regulation (EU) No. 625/2014, and including any regulatory technical standards and any implementing technical standards issued by the European Banking Authority or any successor body, from time to time;

**“CET1 Ratio”** means the capital ratio calculated in accordance with the Capital Requirements Regulation;

**“Chairman”** means, in relation to any Meeting, the individual who takes the chair in accordance with Paragraph 5 (Chairman) of the Provisions for Meetings of Noteholders of Schedule 2 (Provisions for Meetings of the Noteholders) of the Common Representative Appointment Agreement;

**“Class”** means Class A, Class B, Class C, Class D, Class E or Class X, as the context may require, and **“Classes”** shall be construed accordingly;

**“Class A Notes”** means the €285,400,000 Class A Floating Rate Notes due 2035 issued by the Issuer on the

Closing Date;

**“Class A Principal Deficiency Ledger”** means the principal deficiency sub-ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement in respect of the Class A Notes;

**“Class A Notes Issuance Premium”** means the difference between the issue price and the notional amount of the Class A Notes;

**“Class B Notes”** means the €20,700,000 Class B Floating Rate Notes due 2035 issued by the Issuer on the Closing Date;

**“Class B Principal Deficiency Ledger”** means the principal deficiency sub-ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement in respect of the Class B Notes;

**“Class C Notes”** means the €17,500,000 Class C Floating Rate Notes due 2035 issued by the Issuer on the Closing Date;

**“Class C Principal Deficiency Ledger”** means the principal deficiency sub-ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement in respect of the Class C Notes;

**“Class D Notes”** means the €19,300,000 Class D Floating Rate Notes due 2035 issued by the Issuer on the Closing Date;

**“Class D Principal Deficiency Ledger”** means the principal deficiency sub-ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement in respect of the Class D Notes;

**“Class E Notes”** means the €17,400,000 Class E Fixed Rate Notes due 2035 issued by the Issuer on the Closing Date;

**“Class E Principal Deficiency Ledger”** means the principal deficiency sub-ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement in respect of the Class E Notes;

**“Class X Distribution Amount”** means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager to be paid from the Available Interest Distribution Amount on such Interest Payment Date and which shall be equal to the Available Interest Distribution Amount less the aggregate of the amounts to be applied by the Transaction Manager in respect of payments of a higher priority set forth in the Pre-Enforcement Interest Payment Priorities, or, after the delivery of an Enforcement Notice, the amount calculated by the Transaction Manager to be paid from the Post-Enforcement Available Distribution Amount and which shall be equal to the Post-Enforcement Available Distribution Amount less the aggregate of the amounts to be applied by the Transaction Manager (as agent of the Common Representative) or the Common Representative in respect of payments of a higher priority set forth in the Post-Enforcement Payment Priorities. This amount will only be payable to the extent that funds are available to the Issuer for that purpose under the Pre-Enforcement Interest Payment Priorities or the Post-Enforcement Payment Priorities, as applicable;

**“Class X Notes”** means the €1,000 Class X Notes due 2035 issued by the Issuer on the Closing Date;

**“Class X Notes Purchaser”** means each of the Originators;

**“Clearstream, Luxembourg”** means Clearstream Banking, société anonyme, Luxembourg;

**"Clean-Up Call Date"** means the date on which the Issuer redeems the Notes in accordance with Condition 8.8 (*Optional Redemption in Whole*);

**"Clean-Up Call Condition"** means that when, on immediately preceding any Calculation Date, the Aggregate Principal Outstanding Balance of the Receivables, is less than 10% (ten per cent.) of the Aggregate Principal Outstanding Balance of the Receivables on the Portfolio Determination Date, (as detailed in Condition 8.8 (*Optional Redemption in Whole*);

**"Clean-Up Call Notice"** means a written notice which is delivered by the Originator to the Issuer, the Paying Agent and the Noteholders in accordance with Condition 18 (Notices) to inform the Issuer that it is exercising the Clean-Up Call Option;

**"Clean-Up Call Option"** means, upon the occurrence of a Clean-Up Call Condition, the right of the Originators to repurchase the Receivables Portfolio;

**"Closing Date"** means 6 December 2021;

**"CMVM"** means *Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission;

**"CNPD"** means *Comissão Nacional de Proteção de Dados*, the Portuguese Data Protection Commission;

**"Collateral Account"** means an account in the name of the Issuer to deposit amounts due as collateral under the Cap Agreement;

**"Collateral Account Priority of Payments"** means the provisions relating to the order of payment of priorities set out in Paragraph 18 (*Collateral Account Priority of Payments*) to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

**"Collections"** means, as appropriate, all Principal Collection Proceeds and all Interest Collection Proceeds;

**"Common Representative"** means Citibank Europe plc, having its registered office at 1 North Wall Quay, IFSC, Dublin 1, Ireland, in its capacity as initial representative of the Noteholders pursuant to the Portuguese Companies Code and Article 65 of the Securitisation Law and in accordance with the Conditions of the Notes and the terms of the Common Representative Appointment Agreement, and any replacement common representative or common representative appointed from time to time under the Common Representative Appointment Agreement;

**"Common Representative Action"** means any action to be taken by the Common Representative as requested in writing or directed by a Resolution of the Noteholders in accordance with Condition 12.5 (*Proceedings*) to enforce the rights of the Noteholders under the Notes and the Common Representative Appointment Agreement or under any other Transaction Documents;

**"Common Representative Appointment Agreement"** means the agreement so named to be entered into on or about the Closing Date by and between the Issuer and the Common Representative;

**"Common Representative Liabilities"** means any liabilities due and payable by the Issuer to the Common Representative in accordance with the terms of the Common Representative Appointment Agreement together with interest payable in accordance with the terms of the Common Representative Appointment Agreement accrued in the immediately preceding Calculation Period;

**"Compensation Payment"** means the amount of any loss (other than to the extent that such losses have resulted from breach of any duty by the Issuer), including properly incurred and duly evidenced costs and expenses of legal counsel and court fees, suffered or incurred by the Issuer as a result of a breach of any of the Originators' Representations and Warranties other than the Receivables Warranties and, for this

purpose, “loss” shall mean any direct loss as a result of the relevant breach of the Originators’ Representations and Warranties but shall not include any amount attributable to any indirect or consequential loss suffered by the Issuer, the determination of such amount being subject to the provisions contained in Clause 15.1 (*Compensation Payment*) of the Receivables Sale Agreement;

“**Completion of Enforcement Procedures**” means the completion of the Enforcement Procedures upon the Servicers having reasonably considered that continuation of the Enforcement Procedures is no longer cost-effective having regard to the amounts likely to be recovered by such further action;

“**Conditions**” means the terms and conditions of the Notes in, or substantially in, the form set out in Schedule 1 (*Terms and Conditions of the Notes*) to the Common Representative Appointment Agreement as any of them may from time to time be modified in accordance with the Common Representative Appointment Agreement and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly;

“**Co-ordination Agreement**” means the agreement so named to be entered into on or about the Closing Date by and between, *inter alia*, the Issuer, the Originators, the Transaction Manager, the Agent Bank, the Accounts Bank, the Paying Agent, the Servicers, the Back-Up Servicer and the Common Representative;

“**Consumer Loans**” means any consumer loan (*crédito aos consumidores*), other than a Vehicle Loan, as determined by Decree-Law no. 133/2009, of 2<sup>nd</sup> June 2009;

“**CPI**” means credit protection insurance;

“**CRA III**” means Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013 amending the CRA Regulation;

“**CRA III RTS**” means Commission Delegated Regulation (EU) 2015/3, of 30 September 2014;

“**CRA Regulation**” means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended;

“**CRD V**” means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;

“**Credit and Collection Policies**” means the credit and collection policies of the Originators as described in the “*Originators’ Standard Business Practices, Servicing and Credit Assessment*” section of this Prospectus and such other credit and collection policies of the Originators as may be applicable from time to time subject to the conditions set out in the Receivables Servicing Agreement;

“**Credit Support Annex**” means the 1995 ISDA Credit Support Annex supplementing and forming part of the Cap Agreement;

“**CRR Amendment Regulation**” means Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms;

“**CRR II**” means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the Capital Requirements Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements;

“**CRS**” means the Common Reporting Standard approved by the OECD in July 2014 or the status of affiliate partner of Certified Residential Specialist in the United States of America, as applicable;

“**Cumulative Default Ratio**” means the aggregate Deemed Principal Losses that have occurred since the Portfolio Determination Date divided by the Aggregate Principal Outstanding Balance of the Receivables on the Portfolio Determination Date;

“**CVM**” means the Portuguese securities depository system (*Central de Valores Mobiliários*) operated and managed by Interbolsa;

“**DBRS**” means (i) for the purpose of identifying the DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH and any successor to this rating activity and (ii) in any other case, any entity that is part of DBRS Morningstar;

“**Data Protection Law**” means Law no. 58/2019, of 8 August;

“**Data Protection Laws**” means the Data Protection Law and the GDPR;

“**Day Count Fraction**” means, in respect of an Interest Period, the actual number of days in such period divided by 360 (three-hundred and sixty);

“**Deemed Principal Loss**” means, in relation to any Receivable on any given Calculation Date, if a Receivable becomes a Defaulted Receivable during the Calculation Period preceding such Calculation Date, the amount equal to 100% (one hundred per cent.) of the Principal Outstanding Balance of such Receivable determined as at the last day of such Calculation Period;

“**Defaulted Receivable**” means, at any time:

- (a) any Receivable in respect of which the Obligor is past due more than 90 (ninety) days on any credit obligation; or
- (b) any Receivable in respect of which the relevant Servicer, in accordance with the Servicers’ Operating Procedures, considers the relevant Obligor to be unlikely to pay the instalments under the Receivables Contract as they fall due, and any Receivable in respect of which any Material Term has been amended pursuant to the second paragraph of clause 15.1. of the Receivables Servicing Agreement,

provided that, for the avoidance of doubt, a Receivable that has become a Defaulted Receivable will remain a Defaulted Receivable even if none of the circumstances set forth under item (a) and (b) continue to apply in respect of such Receivable.

“**Deferred Interest Amount Arrears**” means, in respect of each of the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes on any Interest Payment Date, any Interest Amount which has been deferred pursuant to Condition 7.14 (*Deferral of Interest Amounts in Arrears*);

“**Delinquent Receivable**” means, on any day, any Receivable which is past due but which is not a Defaulted Receivable;

“**Designated Reporting Entity**” means the Banco Montepio as the entity responsible for compliance with the requirements of Article 7 of the Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards, Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) and (in relation only to such documents or information required to be disclosed prior to or within 15 (fifteen) days after the Closing Date) Article 5(1)(f) of the UK Securitisation Regulation (as in effect at the Closing Date);

“**Determination Date**” means the Portfolio Determination Date or a Substitute Receivables Portfolio Determination Date;

“**Disclosure Requirements**” means the requirements in Article 7 of the Securitisation Regulation together with any guidance published in relation thereto by ESMA, including any regulatory and/or implementing technical standards and the requirements set out in Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) and (in relation only to such documents or information required to be disclosed prior to or within 15 (fifteen) days after the Closing Date) Article 5(1)(f) of the Securitisation Regulation (as in effect at the Closing Date);

“**ECB**” means the European Central Bank;

“**EEA**” means the European Economic Area;

“**Eligibility Criteria**” means the criteria set out in Part A (*Eligible Receivables*), Part B (*Eligible Receivables Contracts*) and Part C (*Eligible Obligors*) to Schedule 1 (*Eligibility Criteria*) of the Receivables Sale Agreement;

“**Eligible Obligor**” means an Obligor who satisfy the criteria set out in Part C (*Eligible Obligors*) to Schedule 1 (*Eligibility Criteria*) of the Receivables Sale Agreement;

“**Eligible Receivable**” means a Receivable that satisfies the criteria set out in Part A (*Eligible Receivables*) to Schedule 1 (*Eligibility Criteria*) of the Receivables Sale Agreement;

“**Eligible Receivables Contract**” means a Receivables Contract that satisfies the criteria set out in Part B (*Eligible Receivables Contracts*) to Schedule 1 (*Eligibility Criteria*) of the Receivables Sale Agreement;

“**EMIR**” means Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012, as amended;

“**EMMI**” means the European Money Markets Institute;

“**Encumbrance**” means:

- (a) a mortgage, charge, pledge, lien or other encumbrance or personal guarantee securing any obligation of any person or granting any security to a third party; or
- (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect; or
- (d) any other type of guarantee;

“**Enforcement Notice**” means a notice delivered by the Common Representative to the Issuer in accordance with Condition 12 (*Events of Default and Enforcement*) which declares the Notes to be immediately due and payable;

“**Enforcement Procedures**” means the exercise of rights and remedies (including enforcement of security) against an Obligor in respect of the Obligor’s obligations arising from any Receivable in accordance with the procedures described in the Servicers’ Operating Procedures which, for the avoidance of doubt, shall also include PARI (*Plano de ação para o risco de incumprimento*) and PERSI (*Procedimento extrajudicial de regularização de situações de incumprimento*);

“**EONIA**” means the Euro Overnight Index Average;



“**ESMA**” means the European Securities and Markets Authority;

“**ESMA Disclosure Templates**” means the regulatory and implementing technical standards, including the standardised templates, required by ESMA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements pursuant to the RTS and ITS;

“**EU Member States**” means the Member States of the European Union;

“**EU Retained Interest**” means, in relation to the Notes, the retention on an ongoing basis by the Originators of a material net economic interest of not less than 5% (five per cent.) in the securitisation, as required by Article 6(1) of the Securitisation Regulation;

“**EU Retention Requirements**” means Article 6 of the Securitisation Regulation;

“**EUR**”, “**Euro**”, “**euro**” or “**€**” means the lawful currency of the EU Member States participating in the Economic and Monetary Union as contemplated by the Treaty establishing the European Communities as amended by, *inter alia*, the Treaty on European Union;

“**EURIBOR**” means the Euro Reference Rate;

“**Euro Reference Rate**” means, on any Interest Determination Date, the rate determined by reference to the Euro Screen Rate on such date, or if, on such date, the Euro Screen Rate is unavailable:

- (a) the Rounded Arithmetic Mean of the offered quotations, as at or about 11:00 (eleven) a.m. (Brussels time) on that date, of the Reference Banks to leading banks for Eurozone interbank market for euro deposits for the Relevant Period in the Representative Amount, determined by the Agent Bank after request of the principal Eurozone office of each of the Reference Banks; or
- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Rounded Arithmetic Mean of the rates quoted, as at or about 11:00 (eleven) a.m. (Brussels time) on such Interest Determination Date, by leading banks in the Eurozone for loans in euros for the Relevant Period in the Representative Amount to leading European banks, determined by the Agent Bank after request of the principal office in the principal financial centre of the relevant Participating Member State of each such leading European bank;

“**Euro Screen Rate**” means, in relation to an Interest Determination Date, the offered quotations for euro deposits for the Relevant Period by reference to the Screen as at or about 11:00 (eleven) a.m. (Brussels time) on that date;

“**Euroclear**” means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

“**Euronext**” means Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.;

“**Euronext Lisbon**” means Euronext Lisbon, a regulated market managed by Euronext;

“**Eurosystem**” means the monetary authority of the euro area, which comprises the ECB and the national central banks of the EU Member States whose currency is the euro;

“**Eurosystem Eligible Collateral**” means collateral which is eligible for Eurosystem monetary policy and intra-day operations by the Eurosystem;

“**Event of Default**” has the meaning given to it in Condition 12 (*Events of Default and Enforcement*);

**“Extraordinary Resolution”** means a resolution in respect of a Reserved Matter passed at a Meeting duly convened and approved by the required majority;

**“FATCA”** means the U.S. Foreign Account Compliance Act;

**“FGD”** means the Deposit Guarantee Fund (*Fundo de Garantia de Depósito*);

**“Final Discharge Date”** means the date on which the Common Representative is satisfied that all of the Issuer Obligations and/or all other monies and other liabilities due or owing by the Issuer in connection with the Notes have been paid or discharged in full;

**“Final Legal Maturity Date”** means the Interest Payment Date falling on 25 January 2035;

**“First Interest Payment Date”** means 25 January 2022;

**“Fitch”** means Fitch Ratings Ireland Limited or any legitimate successor thereto;

**“Force Majeure Event”** means an event beyond the reasonable control of the person affected, including, without limitation, general strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood and/or storm, pandemic, epidemic or other disease outbreak, alert, contingency or catastrophe situations, state of emergency and other circumstances affecting the supply of goods or services;

**“FSMA”** means the Financial Services Market Act 2000;

**“FTC”** means Securitisation Fund (*Fundo de Titularização de Crédito*);

**“FTT”** means the common financial transaction tax proposed by the European Commission on 14 February 2013;

**“GDPR”** means European Regulation No. 2016/679 of the European Parliament and of the Council of 27 April 2016 (the General Data Protection Regulation);

**“Holders of the Notes”** or **“Noteholders”** means the persons who, for the time being, are the holders of the Notes in accordance with Condition 3.2 (*Title*);

**“Horwath”** means Horwath & Associados, SROC, Lda.;

**“IGA”** means the Model 1 intergovernmental agreement entered into by and between the United States and Portugal;

**“IMF”** means the International Monetary Fund;

**“Incorrect Payment”** means a payment incorrectly paid or transferred to the Payment Account, identified as such by a Servicer through the Monthly Servicers’ Report and confirmed as such by the Transaction Manager;

**“Initial Principal Amount”** means, in relation to any Note, the Principal Amount Outstanding of such Note as at the Closing Date;

**“Insolvency Event”** means:

- (a) in respect of a natural person or entity:
  - (i) the initiation of, or consent to, any Insolvency Proceedings by such person or entity; or
  - (ii) the initiation of Insolvency Proceedings against such person or entity and such proceedings are not contested in good faith on appropriate legal advice; or

- (iii) the application (and such application is not contested in good faith on appropriate legal advice) to any court for, or the making by any court of, an insolvency or an administration order against such person or entity; or
  - (iv) the enforcement of, or any attempt to enforce (and such attempt is not contested in good faith on appropriate legal advice) any security over the whole or a material part of the assets and revenues of such person or entity; or
  - (v) any distress, execution, attachment or similar process (and such process, if contestable, is not contested in good faith on appropriate legal advice) being levied or enforced or imposed upon or against any material part of the assets or revenues of such person or entity; or
  - (vi) the appointment by any court of a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager or other similar official in respect of all (or substantially all) of the assets of such person or entity generally; or
  - (vii) the making of an arrangement, composition or reorganisation with the creditors of such person or entity;
- (b) in respect of the Originators and/or the Servicers, to the extent not already covered by paragraphs (a)(i) to (a)(vii) above, the suspension of payments, the commencing of any recovery or insolvency proceedings against any of the Originators or the Servicers, under Decree-Law no. 298/92, of 31 December, Decree-Law no. 199/2006, of 25 October, under Decree-Law no. 53/2004, of 18 March (if applicable) and the bankruptcy provisions applicable under Law no. 5/2015 (each one as amended from time to time);

**“Insolvency Proceedings”** means:

- (a) the presentation of any petition for the bankruptcy or insolvency of a natural person or entity (whether such petition is presented by such person or entity or another party); or
- (b) the winding-up, dissolution or administration of an entity,

and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person or entity is ordinarily resident or incorporated (as the case may be) or of any jurisdiction in which such person or entity may be liable to such proceedings;

**“Instalment Due Date”** means, in relation to any Receivable and any amount due thereunder, the date on which such amount is payable under the relevant Receivables Contract;

**“Insurance Distribution Directive”** means Directive (EU) 2016/97 of the European Parliament and of the Council, of 20 January 2016;

**“Insurance Policies”** means the insurance policies taken out by Obligors in respect of Receivables (including payment protection insurance policies) and, if applicable, the related Asset, and any other insurance contracts of similar effect in replacement, addition or substitution thereof from time to time, and **“Insurance Policy”** means any one of those insurance policies;

**“Interbolsa”** means Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., having its registered office at Avenida da Boavista, 3433, 4100-138 Porto, Portugal;

**“Interbolsa Participant”** means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and

Clearstream, Luxembourg;

**“Interest Amount”** means, in respect of a Note for any Interest Period, the amount of interest calculated on the immediately preceding Interest Determination Date in respect of such Note for such Interest Period by multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date immediately succeeding such Interest Determination Date by the relevant Note Rate and multiplying the amount so calculated by the relevant Day Count Fraction and rounding the resulting figure to the nearest €0.01 (one cent of euro);

**“Interest Collections Proceeds”** means:

- (a) any amount of interest received by the Servicers in respect of the Receivables as from the relevant Determination Date;
- (b) any insurance-related amounts in respect of the Receivables received which are attributable to interest;
- (c) all Liquidation Proceeds and any other amounts recovered in respect of Defaulted Receivables;
- (d) all Repurchase Proceeds received and allocated to interest; and
- (e) any indemnification paid by the Originators to the Issuer pursuant to the Receivables Sale Agreement allocated to interest in respect of the transfer of any Receivable or any Substitute Receivables which did not comply with the Eligibility Criteria;

**“Interest Determination Date”** means each day which is 2 (two) Business Days prior to an Interest Payment Date and, in relation to an Interest Period, the **“Related Interest Determination Date”** means the Interest Determination Date immediately preceding the commencement of such Interest Period, save that the Interest Determination Date in respect of the first Interest Period shall be 2 (two) Business Days prior to the Closing Date;

**“Interest Payment Date”** means the 25<sup>th</sup> day of each month in each year or, provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day;

**“Interest Period”** means each period from (and including) an Interest Payment Date (or the Closing Date) to (but excluding) the next (or First) Interest Payment Date and, in relation to an Interest Determination Date, the **“related Interest Period”** means the Interest Period next commencing after such Interest Determination Date;

**“Investor Report”** means a report so named to be prepared by the Transaction Manager under Paragraph 26.2 to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

**“Investor’s Currency”** means the principal currency or currency unit denomination of an investor’s financial activities other than Euro;

**“IRS”** means the United States Internal Revenue Service;

**“ISDA Master Agreement”** the ISDA 2002 Master Agreement entered into by and between the Issuer and the Cap Counterparty under the Cap Agreement;

**“ISDA Schedule”** means the Schedule to the ISDA Master Agreement to be entered into between the Issuer and the Cap Counterparty under the Cap Agreement;

**“ISIN”** means the International Securities Identification Number;

**“Issuer”** means Ares Lusitani - STC, S.A., a limited liability company (sociedade anónima) incorporated

under the laws of Portugal as a securitisation company (sociedade de titularização de créditos) with its head office at Avenida José Malhoa, 27, 11<sup>th</sup> floor, 1070-156 Lisbon, Portugal, with a share capital of €250,000.00, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 514 657 790;

**“Issuer Covenants”** means the covenants of the Issuer set out in Schedule 4 (*Issuer Covenants*) of the Master Framework Agreement;

**“Issuer Expenses”** means any fees, liabilities and expenses, in relation to this Transaction, payable by the Issuer to the following parties (or any successor thereto): the Servicers (other than the fees payable to Banco Montepio and Montepio Crédito), the Back-up Servicer (including the Back-up Servicing Fees), the Transaction Manager, the Paying Agent, the Accounts Bank, the Agent Bank, the Cap Counterparty (including the Cap Tax Credit Amount), the Common Representative (or any appointee or delegate of the Common Representative), the Rating Agencies and any Third Party Expenses that would be paid or provided for by the Issuer on the next Interest Payment Date, including the Issuer Transaction Revenues and any other costs incurred by the Issuer in connection with exercising or complying with its rights and duties under the Transaction Documents and any other agreement or document entered into from time to time by the Issuer pursuant thereto, including the Related Expenses and any amount to be paid in connection with the Securitisation Repository;

**“Issuer Obligations”** means all the legal obligations of the Issuer which are or may become due from time to time, owing or payable by the Issuer to each, some or any of the Noteholders or the other Transaction Creditors under the Transaction Documents;

**“Issuer Transaction Revenues”** means the amounts agreed between the Issuer and the Originators, payable to the Issuer on each Interest Payment Date, including the fees payable to the Issuer, as follows: an on-going annual management fee corresponding to 0.0125% of the Principal Amount Outstanding (payable on the Closing Date and on each anniversary of the Closing Date onwards) subject to a minimum total yearly amount of €35,000.00 (thirty-five thousand euros), together with any VAT if applicable, payable to the Issuer as an Issuer Expense;

**“ITS”** means Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE;

**“Joint Arrangers”** means Crédit Agricole Corporate and Investment Bank and Stormharbour Securities LLP in their capacity as joint arrangers of the Transaction;

**“Joint Lead Managers”** means Crédit Agricole Corporate and Investment Bank and Stormharbour Securities LLP in their capacity as joint lead managers of the Transaction;

**“LCR Regulation”** means Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No .575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions;

**“Lending Criteria”** means the credit granting policies and procedures applied from time to time by the Originators in originating loans and receivables as described in the **“Originators’ Standard Business Practices, Servicing and Credit Assessment”** section of this Prospectus as may be applicable from time to time;

**“Liabilities”** means, in respect of any person, any losses, liabilities, damages, costs, awards, expenses (including properly incurred legal fees) and penalties incurred by that person together with any VAT

thereon;

“**LIBOR**” means the London Interbank Offered Rate;

“**Lisbon Business Day**” means any day which, cumulatively, is a TARGET Day and a day on which banks are open for business in Lisbon;

“**Listed Notes**” means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

“**Liquidation Proceeds**” means, in relation to a Receivable, the net proceeds of realisation of its Related Security, including proceeds arising from the sale or other disposition of other collateral or property of the related Obligor or any other party directly or indirectly liable for payments on the Receivable and available to be applied thereon;

“**Loan-Level Report**” means a so named quarterly report prepared by the Servicers under Paragraph 21 (*Loan-Level Report*) of Part 8 (*Provision of Information*) to Schedule 1 (*Services to be provided by the Servicer*) of the Receivables Servicing Agreement;

“**Master Execution Agreement**” means the agreement so named to be entered into on or about the Closing Date by and between the Transaction Parties;

“**Master Framework Agreement**” means the agreement so named to be entered into on or about the Closing Date by and between the Transaction Parties;

“**Material Adverse Effect**” means, as the context may require:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
  - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party;
  - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents;
- (c) in the context of the Assigned Rights, a material adverse effect on the interests of the Issuer or the Common Representative in the Transaction Assets;

“**Material Term**” means, in respect of any Receivables Contract, any provision thereunder relating to: (i) the maturity date (other than the extension of the maturity date for a period not exceeding 1 (one) month) and/or contractual amortisation schedule of the Receivables Contract, (ii) the spread over the index used to determine the rate of interest thereunder or the fixed rate of interest, (iii) the currency of such Receivable, or (iv) the index used to determine the interest rate;

“**Meeting**” means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment);

“**MiFID II**” means Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014;

“**Minimum Ratings**” means, in respect of any entity:

- (a) in the case of Fitch, a long term deposit rating of at least “A-” or a short term deposit rating of at least “F1”, if available; otherwise, a long term issuer default rating of at least “A-” and/or a short-term issuer default rating of at least “F1”; and

- (b) in the case of DBRS, a minimum institution rating of “A”, being the institution rating the higher of (a) a rating one notch below the institution’s long-term critical obligations rating; (b) the institution’s issuer rating or long-term senior unsecured debt rating; or (c) the institution’s long-term deposit rating; or
- (c) such other ratings as may be agreed by the relevant Rating Agency from time to time as is consistent with the then current rating of the Rated Notes;

“**Modification Certificate**” means the certificate to be provided by the Servicers (on its behalf and/or on behalf of the relevant Transaction Party, as the case may be) pursuant to Condition 15.2 (*Additional Right of Modification*), paragraph g);

“**Montepio Crédito**” means Montepio Crédito - Instituição Financeira de Crédito, S.A.;

“**Montepio Group**” means the Originators and its subsidiaries and affiliates.

“**Monthly Investor Report**” means a report so named to be prepared by the Transaction Manager under Paragraph 27 (*Monthly Investor Report*) to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

“**Monthly Servicers’ Report**” means a report so named to be prepared jointly by the Servicers under Paragraph 20 (*Monthly Servicer’s Report*) of Part 8 (*Provision of Information*) to Schedule 1 (*Services to be provided by the Servicer*) of the Receivables Servicing Agreement and containing, *inter alia*, information as to the Receivables and Collections relating to the Calculation Period which ended immediately prior to such report;

“**Most Senior Class**” means the Class A Notes, whilst they remain outstanding and, thereafter, the Class B Notes, whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding, and, thereafter, the Class D Notes, whilst they remain outstanding, and, thereafter, the Class E Notes, whilst they remain outstanding, and, thereafter, the Class X Notes whilst they remain outstanding;

“**Non-Defaulted Receivable**” means, at any time, any Receivable which is not a Defaulted Receivable; “**Note Principal Payment**” means any payment made or to be made by the Issuer in accordance with Conditions 8.2 (*Mandatory Redemption in Part before a Subordination Event*), 8.3 (*Mandatory Redemption in Part after a Subordination Event*) and 8.4 (*Mandatory Redemption in Part of the Class X Notes*);

“**Note Rate**” means, for each Interest Period:

- (a) the Euro Reference Rate determined as at the immediately preceding Interest Determination Date plus, in relation to the Class A Notes, a margin of 0.70% (zero point seventy per cent.), in relation to the Class B Notes, a margin of 1.35% (one point thirty five per cent.), in relation to the Class C Notes, a margin of 2.25% (two point twenty five per cent.) and, in relation to the Class D Notes, a margin of 4.25% (four point twenty five per cent.), subject to a floor of 0% (zero per cent); and
- (b) in respect of the Class E Notes, the rate of interest corresponding to an annual fixed rate of 6.40% (six point forty per cent.);

“**Notes**” means, upon the relevant issue, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes;

“**Notification Event**” means, as set out in Part A (*Notification Events*) to Schedule 4 (*Notification Events*) of the Receivables Sale Agreement:

- (a) the delivery by the Common Representative to the Issuer of an Enforcement Notice in accordance

with the Conditions;

- (b) the occurrence of an Insolvency Event in respect of any of the Originators;
- (c) the occurrence of a severe deterioration in the credit quality standard of any of the Originators where, if so determined by any of the Originators, as at any date, its CET1 Ratio falls below 5% (five per cent.) and it is not remedied within 6 (six) calendar months;
- (d) a material breach of contractual obligations by the Originators where such breach remains unremedied for a period of 30 (thirty) calendar days following the earlier of (i) the relevant Originator becoming aware of such breach or (ii) the relevant Originator receiving notice from the Issuer of the occurrence of such breach;
- (e) the termination of the appointment of Banco Montepio or Montepio Crédito as Servicers in accordance with the terms of the Receivables Servicing Agreement; and/or
- (f) if either of the Originators is required under the laws of Portugal to deliver a Notification Event Notice,

provided that for (c) and (d) the Issuer may request and rely upon a noteholders' resolution by the Noteholders of the Most Senior Class of Notes then outstanding deciding if a certain event qualifies as the occurrence of (c) or (d) for the purpose of corresponding to a Notification Event;

**"Notification Event Notice"** means a notice substantially in the form set out in Part B (*Form of Notification Event Notice*) to Schedule 4 (*Notification Events*) of the Receivables Sale Agreement;

**"Notional Amount"** means the notional amount (as defined in the Cap Confirmation) of the Cap Transaction, which shall be determined, in respect of each Calculation Period (as defined in the Cap Agreement), by reference to the contractual amortisation schedule of the fixed rate Receivables as of 31 October 2021 and which is appended to the Cap Confirmation;

**"Obligor"** means, in relation to a Receivables Contract and the relevant Receivable, the individual or individuals who are party to such contract and obliged to make one or more payments in respect of such Receivables or any guarantor of such individual or individuals and **"Obligors"** means such individuals in respect of such Receivable;

**"OECD"** means the Organisation for Economic Co-operation and Development;

**"Originators"** means Banco Montepio and Montepio Crédito;

**"Originators' Information"** means the information in this Prospectus relating to Banco Montepio and Montepio Crédito in their capacities as Originators and Servicers, the description of their rights and obligations in respect of, and all information relating to, the Receivables, the Receivables Sale Agreement, the Receivables Servicing Agreement and all information relating to the Receivables Portfolio, in the sections of this Prospectus headed **"Characteristics of the Receivables"**, **"Originators' Standard Business Practices, Servicing and Credit Assessment"**, **"Business of Banco Montepio and Montepio Crédito"** and **"Historical Data"** and over which Banco Montepio and Montepio Crédito accept responsibility;

**"Originators' Representations and Warranties"** means all statements made by the Originators in Schedule 2 (*Originators' Representations and Warranties*) to the Receivables Sale Agreement, and **"Originator's Representation and Warranty"** means any of them;

**"Paying Agency Agreement"** means the agreement so named dated on or about the Closing Date between the Issuer, the Agents, the Common Representative and the Transaction Manager;



**“Paying Agent”** means Citibank Europe plc, having its registered office at 1 North Wall Quay, IFSC, Dublin 1, Ireland, as paying agent in respect of the Notes under the Paying Agency Agreement, together with any successor or additional paying agent appointed from time to time in connection with the Notes;

**“Payment Account”** means the account opened in the name of the Issuer with the Accounts Bank (or such other bank to which the Payment Account may be transferred) into which Collections are transferred by the Servicer;

**“Payment Priorities”** means the Pre-Enforcement Interest Payment Priorities, the Pre-Enforcement Principal Payment Priorities and the Post-Enforcement Payment Priorities, as the case may be;

**“Payment Shortfall”** means, as at any Interest Payment Date, an amount equal to the greater of:

- (a) 0 (zero); and
- (b) the aggregate of the amounts required to pay or provide in full on such Interest Payment Date for items of the Pre-Enforcement Interest Payment Priorities (a) to (d) and (e) as well as item (h), (j) or (l), as applicable (only to the extent that these are the relevant Class of Notes is Most Senior Class of Notes then outstanding) less the sum of (i) the amount of the Available Interest Distribution Amount calculated in respect of such Interest Period and (ii) such amount allowed to be debited from the Reserve Account to cover items (a) to (d), (e), (h), (j) and (l) of the Pre-Enforcement Interest Payment Priorities;

**“PCS”** means Prime Collateralised Securities (PCS) EU sas;

**“PCS Website”** means <https://pcsmarket.org/sts-verification-transactions-search/>;

**“Permitted Encumbrance”** means any Encumbrance permitted to be created in accordance with a Transaction Document or the Securitisation Law;

**“Portfolio Determination Date”** means 31 October 2021;

**“Portuguese Civil Code”** means the Civil Code (*Código Civil*), approved by Decree-Law no. 47344/66 of 25 November 1966, as amended from time to time;

**“Portuguese Companies Code”** means the Portuguese Companies Code (*Código das Sociedades Comerciais*), approved by Decree-Law no. 262/86 of 2 September 1986, as amended;

**“Portuguese Constitution”** means the Constitution of the Portuguese Republic (*Constituição da República Portuguesa*), as amended;

**“Portuguese CRS Law”** means Decree-Law no. 64/2016, of 11 October, as amended by Law no. 98/2017 of 24 August and, more recently, by Law no. 17/2019 of 14 February;

**“Portuguese Securities Code”** means the Portuguese Securities Code (*Código dos Valores Mobiliários*), approved by Decree-Law no. 486/99, of 13 November, republished by Law no. 35/2018, as amended more recently, by Decree-Law no. 144/2019, of 23 September;

**“Post-Enforcement Available Distribution Amount”** means the sum of (a) the Available Interest Distribution Amount, (b) the Available Principal Distribution Amount and (without double-counting) (c) any amounts obtained from the liquidation of the remaining Receivables or any other Transaction Assets;

**“Post-Enforcement Payment Priorities”** means the provisions relating to the order of payment priorities set out in Paragraph 16 (*Payments from Payment Account – Post-Enforcement Payment Priorities*) to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

**“Potential Event of Default”** means any event which may become (with the passage of time, the giving of

notice, the making of any determination or any combination thereof) an Event of Default;

**“Pre-Enforcement Interest Payment Priorities”** means the provisions relating to the order of payment priorities set out in Paragraph 14 (*Payments from Payment Account on an Interest Payment Date - Pre-Enforcement Interest Payment Priorities*) to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

**“Pre-Enforcement Payment Priorities”** means the Pre-Enforcement Interest Payment Priorities and the Pre-Enforcement Principal Payment Priorities, as the case may be;

**“Pre-Enforcement Principal Payment Priorities”** means the provisions relating to the order of payment priorities set out in Paragraph 15 (*Payments from Payment Account on an Interest Payment Date - Pre-Enforcement Principal Payment Priorities*) to Schedule 1 (*Duties and Obligations of Transaction Manager*) of the Transaction Management Agreement;

**“PRIIPs Regulation”** means Regulation (EU) No. 1286/2014 of the European Parliament and of the Council, of 26 November 2014, as amended;

**“Principal Amount Outstanding”** means, on any day:

- (a) in relation to a Note, at any time the principal amount of that Note as at the Closing Date less the aggregate amount of the principal payments made on such Note up to (and including) that day; and
- (b) in relation to a Class, the aggregate of the amount in (a) in respect of all Notes outstanding in such Class;

**“Principal Collection Proceeds”** means:

- (i) all amounts of principal received in respect of any Receivable from the relevant Portfolio Determination Date, including repayments and prepayments of principal thereunder and similar charges allocated to principal; and
- (ii) any insurance-related amounts in respect of the Receivables received which are attributable to principal;
- (iii) all Repurchase Proceeds allocated to principal;
- (iv) any indemnification paid by the Originator to the Issuer pursuant to the Receivables Sale Agreement allocated to principal in respect of the transfer of any Receivable or any Substitute Receivables which did not comply with the Eligibility Criteria.

**“Principal Deficiency”** means, in relation to an Interest Payment Date, the Deemed Principal Losses that have occurred in the Calculation Period immediately preceding such Interest Payment Date and any Principal Draw Amount that is to be made on such Interest Payment Date;

**“Principal Deficiency Ledgers”** means the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger and the Class E Principal Deficiency Ledger;

**“Principal Draw Amount”** means, in relation to any Interest Payment Date, in the event of a Payment Shortfall, the Available Principal Distribution Amount allocated, by the Transaction Manager, on such Interest Payment Date, in accordance with item (a) of the Pre-Enforcement Principal Payment Priority, by order of priority and until the amounts due under each of the items (a) to (d), (e), (h), (j) and (l) of the Pre-Enforcement Interest Payment Priorities item is fully paid or provisioned, to (partially) pay or provision

for the reduction of any payment shortfall in such items, to (partially) reduce any shortfall in respect of the following items, as follows:

- (i) any remaining amount due and unpaid under item (a) of the Pre-Enforcement Interest Payment Priorities;
- (ii) any remaining amount due and unpaid under item (b) of the Pre-Enforcement Interest Payment Priorities;
- (iii) any remaining amount due and unpaid under item (c) of the Pre-Enforcement Interest Payment Priorities;
- (iv) any remaining amount due and unpaid under item (d) of the Pre-Enforcement Interest Payment Priorities;
- (v) any remaining amount due and unpaid under item (e) of the Pre-Enforcement Interest Payment Priorities;
- (vi) if the Class B Notes is the Most Senior Class, any remaining amount due and unpaid under item (h) of the Pre-Enforcement Interest Payment Priorities;
- (vii) if the Class C Notes is the Most Senior Class, any remaining amount due and unpaid under item (j) of the Pre-Enforcement Interest Payment Priorities;
- (viii) if the Class D Notes is the Most Senior Class, any remaining amount due and unpaid under item (l) of the Pre-Enforcement Interest Payment Priorities;

**“Principal Outstanding Balance”** means, in relation to any Receivable and on any date, the aggregate of:

- (a) the principal amount advanced to the Obligor; plus
- (b) any other disbursement, legal expense, fee, charge or premium capitalised; less
- (c) any repayments of the above amounts.

**“Pro-Rata Amortisation Ratio”** means, in respect of each Class of Listed Notes, the percentage that results from the following ratio, calculated for each Interest Period using the balances after the application of the Pre-Enforcement Interest Payment Priorities but before the application of the Pre-Enforcement Principal Payment Priorities:

- (a) the Principal Amount Outstanding of such Class of Notes minus any debit balance of the Principal Deficiency Ledger of such Class of Notes, divided by;
- (b) the sum of the Aggregate Principal Amount Outstandings of the Listed Notes minus the aggregate debit balances of the Principal Deficiency Ledgers of the Listed Notes;

**“Pro-Rata Amortisation Ratio Amount”** means on any Interest Payment Date and in respect of any Class of Listed Notes, the part of the Available Principal Distribution Amount remaining after payment of the *first* item of the Pre-Enforcement Principal Payment Priorities if applicable, multiplied by the Pro-Rata Amortisation Ratio of the relevant Class of Notes;

**“Proceeds Accounts”** means the accounts held by each of the Originators at the Proceeds Account Bank into which the Servicers will procure that all Collections received from the Obligors will be paid or, with the prior written consent of the Issuer, such other account or accounts as may for the time being be in addition thereto or substituted therefore and designated as a Proceeds Account and **“Proceeds Account”** means any of them;

**“Proceeds Account Bank”** means Banco Montepio in its capacity as the credit institution at which the Proceeds Accounts are opened on Closing Date and any other credit institution in which a Proceeds Account may be opened from time to time;

**“Prospectus”** means this Prospectus dated 30 November 2021 prepared by the Issuer in connection with the issue of the Notes and the listing of the Listed Notes;

**“Prospectus Delegated Regulation”** means Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004;

**“Prospectus Regulation”** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

**“Provisions for Meetings of Noteholders”** means the provisions contained in Schedule 2 (*Provisions for Meetings of Noteholders*) of the Common Representative Appointment Agreement;

**“Prudent Lender”** means a reasonably prudent lender;

**“Purchase Price”** means, in respect of the Receivables assigned to the Issuer on Closing Date, the sum of the Purchase Price Principal Component and the relevant Purchase Price Interest Component;

**“Purchase Price Interest Component”** means the consideration due by the Issuer to the Originators for interest accrued:

- (a) as at the Portfolio Determination Date of €1,017,926.18 (one million, seventeen thousand, nine hundred and twenty six euros and eighteen cents) in respect of the Receivables sold and assigned pursuant to the Receivables Sale Agreement on the Closing Date; and
- (b) as at the relevant Substitute Receivables Determination Date in respect of any Substitute Receivables sold and assigned pursuant to the Receivables Sale Agreement,

which shall be paid to the Originators in accordance with the Payment Priorities;

**“Purchase Price Principal Component”** means, the principal part of the consideration due by the Issuer to the Originators in respect of the Receivables assigned to the Issuer on Closing Date and which equals the Aggregate Principal Outstanding Balance of the Receivables as of the Portfolio Determination Date;

**“Rated Notes”** means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;

**“Rating Agencies”** means Fitch and DBRS;

**“Receivable”** means any and all rights, title and claims of the Originators against an Obligor arising under or in connection with a Receivables Contract (including interest, principal and any recovery proceeds and any other monetary obligations of the Obligor in respect of the Receivables Contracts) and sold and assigned by the Originators to the Issuer under the Receivables Sale Agreement;

**“Receivables Contract”** means a Consumer Loan or a Vehicle Loan which has been entered into by and between any of the Originators and an Obligor;

**“Receivables Portfolio”** means the portfolio of Receivables and their Related Security, if applicable, which are to be sold and assigned by the Originators to the Issuer on the Closing Date, in accordance with the Receivables Sale Agreement and the Substitute Receivables (if any);

**“Receivables Records”** means, in respect of any Receivables and its Related Security, if applicable, the original and/or copies of all contracts, other documents, books, records and other information maintained by the Originators and/or the Servicers with respect to such Receivable and the related Obligor, including, without limitation, the relevant Receivables Contract and all correspondence with the relevant Obligor;

**“Receivables Sale Agreement”** means the agreement so named to be entered into on or about the Closing Date by and between the Originators and the Issuer;

**“Receivables Servicing Agreement”** means the agreement so named to be entered into on or about the Closing Date by and between the Issuer, the Servicers and the Back-up Servicer;

**“Receivables Warranty”** means each statement of each of the Originators contained in Part C (*Receivables Warranties*) to Schedule 2 (*Originators’ Representations and Warranties*) of the Receivables Sale Agreement and **“Receivables Warranties”** means all of those statements;

**“Reference Banks”** means four leading banks active in the Eurozone Interbank Market selected by the Agent Bank after consultation with the Issuer from time to time;

**“Regulatory Change Event”** means the occurrence of any of the following:

- a. any enactment or implementation of, or supplement or amendment to, or change in any applicable law, policy, rule, guideline or regulation of any competent international, European or national body (including the European Central Bank, the Prudential Regulation Authority or any other competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline, which becomes effective on or after Closing Date;
- b. a notification by or other communication from an applicable regulatory or supervisory authority (including the European Central Bank, the Prudential Regulation Authority or any other competent international, European or national regulatory or supervisory authority) is received by the Originators with respect to the Transaction or with regard to any law, regulation, rule, policy or guideline, in force at the Closing Date or which becomes effective on or after that date; or
- c. a change in or the adoption of any new law, rule, direction, guidance or regulation which requires the manner in which the Originators are retaining a material net economic interest of not less than five (5) per cent. in the Transaction (the **“Retained Exposures”**) to be restructured after the Closing Date or which would otherwise result in the manner in which the Retained Exposures to become non-compliant in relation to a Noteholder or which would otherwise have an adverse effect on the ability of the Originators to comply with Article 6 (*Risk retention*) of the Securitisation Regulation; which, in either cases, results in, or would in the reasonable opinion of the Originators result in, a Material Adverse Effect on the rate of return on capital of the Originators or materially increasing the cost or materially reducing the benefit for the Originators of the Transaction.

For avoidance of doubt, the declaration of a Regulatory Change Event will not be prevented or excluded by the fact that, prior to the Closing Date:

- a. the event constituting any such Regulatory Change Event was:
  - (i) announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by Portugal or the European Union (or any national or European body); or

- (ii) incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Closing Date; or
  - (iii) expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Change Event;
- b. the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than this Transaction. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the rate of return on capital of the Originators or an increase of the cost or reduction of benefits to the Originators of the Transaction immediately after the Closing Date.

**“Regulatory Change Notice”** means a written notice which is delivered by the Originators to the Issuer informing they are envisaging to exercise its Regulatory Change Option on an Interest Payment Date;

**“Regulatory Change Option”** means the option which may be exercised the Originators upon the occurrence of a Regulatory Change Event, to require the Issuer to redeem of all (but not some only) of the Notes following a Regulatory Change Event, in accordance with the Condition 8.8 (*Optional Redemption in Whole*);

**“Related Expenses”** means in respect of the Servicers (or the Back-Up Servicer), any all documented costs and expenses reasonably incurred on an arm’s length basis by Third Parties and charged to the Servicer in connection with the Services in the ordinary course of business in connection with the Receivables (excluding any overhead and /or operational costs of the Servicer or the Back-Up Servicer), including without limitation:

- (a) properly incurred legal fees and other costs and expenses of any actions to the exercise rights relating to the Receivables;
- (b) storage costs (if any) regarding the Receivables documentation;
- (c) mailing costs;
- (d) property valuation costs if related to evaluation of properties of Obligors within the scope of enforcement proceedings;
- (e) banking fees and direct debit related expenses;

incurred by each Servicer (or the Back-up Servicer) in such capacity or on behalf of the Issuer pursuant to the Receivables Servicing Agreement, together with any VAT thereon;

**“Related Security”** means, with respect to a Receivable:

- (a) all ownership interests, liens, security interests, mortgages over vehicles (*hipotecas sobre vehículos automóveis*), charges or encumbrances, or other rights or claims, of the Originators on any property from time to time (including, but not limited to, the Assets), if any, purporting to secure payment of such Receivable, whether pursuant to the Receivables Contracts related to such Receivable or otherwise, together with all financing statements signed by the Obligor describing any collateral security securing such Receivables;
- (b) all guarantees, any and all credit rights of the Originators arising from Insurance Policies, promissory notes (*livranças*) and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Receivables Contracts related to such Receivable or otherwise;
- (c) all contracts, other documents, books, records and other information (including, without limitation, computer programmes, tapes, discs, data processing software and related property and rights) maintained by the Originators and the Servicers with respect to such Receivable and the

related Obligors for such Receivable;

- (d) all proceeds at any time howsoever arising out of the resale, redemption or other disposal of (net of collection costs), or dealing with, or judgements relating to, any of the foregoing, any debts represented thereby, and all rights of action against any person in connection therewith; and
- (e) if the Originator benefits from a retention of title (*reserva de propriedade*) to the Asset financed by the Receivables Contract or acquires or accedes to ownership of any asset of the relevant Obligor as a means of securing payments due in respect of the relevant Receivables, the right to all rights and benefits of the relevant Originator thereto, to the extent legally possible, including any proceeds arising upon a sale or disposal of the relevant Asset, up to an amount equal to the aggregate amount due and unpaid under the Receivable secured by such Asset;

**“Relevant Date”** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) calendar days after the date on which notice is duly given to the Noteholders in accordance with Condition 18 (*Notices*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

**“Relevant Period”** means, in relation to an Interest Determination Date, the length in months of the related Interest Period;

**“Replacement Cap Premium”** means the amount payable by the Issuer to any replacement cap counterparty or by any replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement;

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**“Repurchase Price”** means:

- (a) in respect of any Receivable other than a Defaulted Receivable or a Delinquent Receivable, an amount equal to the aggregate of:
  - (i) its Principal Outstanding Balance as at the immediately preceding Calculation Date of such Receivable plus accrued interest outstanding as at such date;
  - (ii) an amount equal to all other amounts due in respect of the relevant Receivable and its related Receivables Contract; and
  - (iii) the costs and expenses of the Issuer properly incurred and duly documented in relation to such repurchase,
- (b) in respect of any Defaulted Receivable or a Delinquent Receivable, its Principal Outstanding Balance, accrued interest and fees due on the immediately preceding Calculation Date minus an amount equal to any IFRS 9 provisioned amount for such Receivable as at the immediately preceding Calculation Date;

**“Repurchase Proceeds”** means such amounts as are due to the Issuer pursuant to the re-assignment or assignment of certain Receivables by the Issuer to an Originator or to a Third-Party Purchaser pursuant to the Receivables Sale Agreement;

**“Reserve Account”** means the account opened in the name of the Issuer with the Accounts Bank (or such

other bank to which such account may be transferred) into which an amount equal to the Reserve Amount will be credited on the Closing Date;

**“Reserve Account Required Balance”** means:

- (a) as at the Closing Date, the Reserve Amount;
- (b) on any Interest Payment Date falling after the Closing Date, the higher of the following amounts:
  - (i) 1.0% (one point zero per cent.) of the sum of the Principal Amount Outstanding of the Rated Notes on the Determination Date immediately prior to the relevant Interest Payment Date; and
  - (ii) 0.5% (zero point five per cent.) of the Principal Outstanding Balance of the Receivables as at the Closing Date.

provided that the Reserve Account Required Balance shall be zero on any Interest Payment Date falling after the earliest of:

- (i) the delivery of an Enforcement Notice;
- (ii) the Interest Payment Date on which the Rated Notes are paid in full;
- (iii) the Interest Payment Date on which the Aggregate Principal Outstanding Balance of the Non-Defaulted Receivables is €0 (zero euros), but the Rated Notes and the Class E Notes have not been redeemed in full; and
- (iv) the Final Legal Maturity Date;

**“Reserve Amount”** means an amount equal to €3,429,000 (three million, four hundred and twenty nine thousand euros) that is equivalent to 1.0% (one point zero per cent.) of the sum of the Principal Outstanding of the Rated Notes on the Portfolio Determination Date to be paid on the Closing Date into the Reserve Account;

**“Reserve Ledger”** means a ledger pertaining to the Reserve Account to be credited with an amount equal to the Reserve Amount on the Closing Date;

**“Reserved Matter”** means any proposal:

- (a) to amend the Conditions such that the position of the Noteholders as creditors will be changed, notably to change any date fixed for payment of principal or interest (or the Class X Distribution Amount) in respect of the Notes of any Class, to reduce the amount of principal or interest (or the Class X Distribution Amount) due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (b) to the extent that it is legally admissible, to effect the exchange, conversion or substitution of the Notes, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to alter the payment priorities of interest (or the Class X Distribution Amount) or principal in respect of the Notes;
- (e) to amend the Conditions such that the Noteholders will be burdened with additional costs;



- (f) to amend the Conditions, otherwise than under subparagraph (e) and excluding any amendments under Condition 15.2 (*Additional Right of Modification*);
- (g) to determine the Common Representative's remuneration;
- (h) to appoint or remove the Common Representative; or
- (i) to amend this definition;

**"Resolution"** means a resolution passed at a Meeting duly convened and held in accordance with the quorums of the Provisions for Meetings of Noteholders;

**"Retired Receivable"** means a Receivable included in the Receivables Portfolio which, within the limits from time to time authorised under the Securitisation Law and in accordance with the terms of the Receivables Sale Agreement and Receivables Servicing Agreement, ceases to be owned by the Issuer following the repurchase thereof by an Originator or the purchase thereof by any Third-Party Purchaser;

**"RGICSF"** means the Portuguese Legal Framework of Credit Institutions and Financial Companies established by Decree-Law no. 298/92, of 31 December, as amended from time to time;

**"Risk Retention U.S. Persons"** has the meaning given to it in the U.S. Risk Retention Rules;

**"Rounded Arithmetic Mean"** means the arithmetic mean (rounded, if necessary, to the nearest 0.0001, 0.00005 being rounded upwards);

**"RTS"** means Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE;

**"Screen"** means, the display as quoted on Reuters Screen EURIBOR1 Page; or

- (a) such other page as may replace Reuters Screen EURIBOR1 Page on that service for the purpose of displaying such information; or
- (b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Common Representative) as may replace such services;

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Securitisation Law"** means Decree-Law no. 453/99 of 5 November, as amended by Decree-Law no. 82/2002 of 5 April, by Decree-Law no. 303/2003 of 5 December, by Decree-Law no. 52/2006 of 15 March, by Decree-Law no. 211-A/2008 of 3 November, amended and restated by Law no. 69/2019 of 28 August and amended by Decree-Law no. 144/2019, of 23 September;

**"Securitisation Regulation"** means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009, (EU) No. 648/2012 and (EU) No. 2021/557, and its relevant technical standards;

**"Securitisation Repository"** means European DataWarehouse GmbH based in Germany approved by ESMA, on 25 June 2021 and effective on 30 June 2021, as a securitisation repository;

**"Securitisation Regulation Reports"** means the Loan-Level Report together with the Investor Report;

**“Securitisation Tax Law”** means the Portuguese tax legal framework enacted in Portugal on 4 August 2001 through Decree-Law no. 219/2001, of 4 August, as amended by Law no. 109-B/2001, of 27 December, Decree-Law no. 303/2003, of 5 December, Law no. 107-B/2003, of 31 December and Law no. 53-A/2006, of 29 December;

**“Servicers”** means Banco Montepio and Montepio Crédito in their capacity as servicers pursuant to the Receivables Servicing Agreement, or their successors in title or assignees, in case any of them ceases to be a Servicer, any Successor Servicer. For the avoidance of doubt, this definition does not include the Back-Up Servicer, before the delivery of a Servicer Termination Notice;

**“Servicer Event”** means any of the events described under Clause 23 (*Servicer Events*) of Section F (*Termination of Servicer’s Appointment*) of the Receivables Servicing Agreement;

**“Servicer Event Notice”** means a notice delivered by the Issuer to relevant Servicers immediately or at any time after the occurrence of a Servicer Event pursuant to Clause 23 (*Servicer Events*) of Section F (*Termination of Servicer’s and Back-up Servicer Appointment*) of the Receivables Servicing Agreement;

**“Servicer Records”** means the original and/or any certified copies of all documents and records, in whatever form or medium, relating to the Services, including all information maintained in electronic form (including computer tapes, files and discs) relating to the Services;

**“Servicer Resignation Date”** means the date specified in a Servicer Resignation Notice;

**“Servicer Resignation Notice”** means a notice delivered to the Issuer by a Servicer to terminate the Servicer’s appointment pursuant to the Receivables Servicing Agreement;

**“Servicer Termination Date”** means the date specified in a Servicer Termination Notice (or such later date as may be notified by the Issuer prior to the expiry of such date);

**“Servicer Termination Notice”** means a notice to a Servicer by the Issuer in accordance with the terms of Clause 26 (*Termination on delivery of Servicer Termination Notice*) of the Receivables Servicing Agreement;

**“Servicers’ Operating Procedures”** means the Servicers’ operating procedures as set out in Schedule 7 (*Servicers’ Operating Procedures*) of the Receivables Servicing Agreement (as amended, varied or supplemented from time to time in accordance with the Receivables Servicing Agreement), applicable to Banco Montepio and Montepio Crédito, of the Receivables Servicing Agreement (as amended, varied or supplemented from time to time in accordance with the Receivables Servicing Agreement) and/or the Back-up Servicer’s operating procedures as set out in Schedule 8 (*Back-up Servicer’s Operating Procedures*) of the Receivables Servicing Agreement (as amended, varied or supplemented from time to time in accordance with the Receivables Servicing Agreement), applicable to the Back-up Servicer, after its appointment as Servicer;

**“Services”** means (a) the services to be provided by the Transaction Manager pursuant to the Transaction Management Agreement, or (b) certain services which the Servicers must provide pursuant to the Receivables Servicing Agreement, as applicable;

**“Servicing Fee”** means an amount equal to 0.25% per annum of the Aggregate Principal Outstanding Balance of the Receivables, as at the 1<sup>st</sup> (first) day of the preceding Calculation Period and payable by the Issuer to each of the Servicers and/or, if applicable, to a Successor Servicer (excluding, for the avoidance of doubt, the Back-up Servicer), in accordance with the Receivables Servicing Agreement, on each Interest Payment Date;

**“Solvency II Implementing Rules”** means Commission Delegated Regulation (EU) 2015/35, of 10 October

2014;

**“SR Reporting Date”** means the 25th (twenty fifth) day of each of January, April, July and October in each year or, provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day;

**“SR Reporting Notification”** means any notification made by the Designated Reporting Entity to the Servicers (unless the Designated Reporting Entity is also the Servicer), the Transaction Manager and the Issuer of any publication or amendments by ESMA or any relevant regulatory or competent authority to any applicable ESMA Disclosure Templates or applicable RTS;

**“SSPE”** means securitisation special purpose entities, entities capable of acquiring credits from originators for securitisation purposes;

**“Standardised Approach”** means the method of calculation applied by an institution for the calculation of risk-weighted exposure amounts for a securitisation position in accordance with chapter 2 of the CRR;

**“STC”** means securitisation company (*Sociedade de Titularização de Créditos*);

**“Stock Exchange”** means Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A;

**“Strike Rate”** means the rate with reference to which the Floating Amounts (as defined in the Cap Agreement) payable by the Cap Counterparty under the Cap Transaction are calculated, being 3.0% (three point zero per cent);

**“STS Assessment”** means, together with the STS Verification, the verification of compliance of the Notes with the relevant provisions of Article 243 of the CRR;

**“STS Criteria”** means the requirements set out in Articles 19 to 22 of the Securitisation Regulation;

**“STS Notification”** means the notification to be submitted to ESMA in accordance with Article 27 of the Securitisation Regulation, that the STS Criteria have been satisfied with respect to the Notes;

**“STS Securitisation”** means a securitisation transaction to be designated simple, transparent and standardised in accordance with the provisions of the Securitisation Regulation;

**“STS Verification”** means the assessment of the compliance of the Notes with the requirements of Articles 19 to 22 of the Securitisation Regulation to be verified by PCS as a verification agent authorised under Article 28 of the Securitisation Regulation;

**“Subordination Event”** means, in respect of any Calculation Date prior to the Final Legal Maturity Date or the early redemption of the Notes, the occurrence of any of the following:

- (a) an Insolvency Event occurs in respect of the Originators; or
- (b) the Cumulative Default Ratio, at the immediately preceding Calculation Date, is equal to or higher than:
  - (i) up to (and including) the third Interest Payment Date: 1.45% (one point forty five per cent.);
  - (ii) from (and excluding) the third Interest Payment Date to (and including) the sixth Interest Payment Date: 2.35% (two point thirty five per cent.);
  - (iii) from (and excluding) the sixth Interest Payment Date to (and including) the ninth Interest Payment Date: 3.25 % (three point twenty five per cent.);
  - (iv) from (and excluding) the ninth Interest Payment Date to (and including) the twelfth Interest Payment Date: 4.15% (four point fifteen per cent.);

- (v) from (and excluding) the twelfth Interest Payment Date to (and including) the fifteenth Interest Payment Date: 5.05% (five point zero five per cent.);
- (vi) from (and excluding) the fifteenth Interest Payment Date to (and including) the eighteenth Interest Payment Date: 5.95% (five point ninety five per cent.);
- (vii) from (and excluding) the eighteenth Interest Payment Date to (and including) the twenty first Interest Payment Date: 6.85% (six point eighty five per cent.);
- (viii) from (and excluding) the twenty first Interest Payment Date onwards: 7.75% (seven point seventy five per cent.); or
- (c) the debit balance on the Class E Principal Deficiency Ledger, at the immediately preceding Calculation Date, is higher than 0% (zero per cent.) of the Aggregate Principal Amount Outstanding of the Listed Notes on the Closing Date;
- (d) an Originator defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is a party (unless such default is remedied within 5 (five) Business Days);
- (e) a Servicer Event occurs;
- (f) a Ratings Event (as defined in the Cap Agreement) occurs and none of the remedies provided for in the Cap Agreement are put in place within the terms required thereunder; or
- (g) the Clean-Up Call Condition is met.

**"Subscription Agreement"** means the agreement so named entered into between the Issuer, the Joint Arrangers, the Joint Lead Managers and the Originators, on or about the Closing Date;

**"Substitute Receivable"** means, in respect of a Retired Receivable, a Receivable which is substituted into the Receivables Portfolio to replace such Retired Receivable in accordance with the terms of the Receivables Sale Agreement and Receivables Servicing Agreement;

**"Substitute Receivables Determination Date"** means the date on which the Principal Outstanding Balance of the relevant Substitute Receivable was determined for the purpose of its substitution into the Receivables Portfolio;

**"Substitution Date"** means the date on which a Substitute Receivable is assigned by an Originator to the Issuer under Clause 4.3 (*Assignment of Substitute Receivables*) of the Receivables Sale Agreement which shall fall on the date stipulated in Clause 11.2. (c) of the Receivables Sale Agreement (*Consequences of breach*);

**"Successor Servicer"** means an entity appointed as such pursuant to the Receivables Servicing Agreement;

**"TARGET 2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"TARGET 2 Settlement Day"** means any day on which TARGET 2 is open for the settlement of payments in euro;

**"Tax"** shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of Portugal or any sub-division of it or by any authority in it having power to tax, and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

**“Tax Authority”** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

**“Tax Change Event”** means any event in which the Issuer is or becomes at any time required by law to deduct or withhold, in respect of any payment under any of the Notes, current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes;

**“Tax Deduction”** means any deduction or withholding on account of Tax;

**“Temporary Legal Moratorium”** means Decree-Law no. 10-J/2020 which establishes a temporary legal moratorium on certain financing agreements with a view to protect the liquidity of companies and families, as amended from time to time;

**“Temporary Moratoria”** means the Temporary Legal Moratorium, the ASFAC Private Moratorium, the APB Private Moratorium and/or any additional and similar moratoria or payment holidays approved by law or granted by the Servicers on its own initiative acting diligently pursuant to the Receivables Servicing Agreement to tackle the pandemic caused by coronavirus SARS-CoV-2 and COVID-19, as applicable and “Moratorium” means each of them;

**“Third Party Expenses”** means any amounts due and payable by the Issuer to third parties (not being Transaction Creditors) in respect of the Notes or the Transaction Documents, if such amounts have been so identified by the Issuer, including any liabilities payable in connection with:

- (a) the purchase or disposal by the Issuer of the Notes;
- (b) the purchase or disposal of any Authorised Investments;
- (c) any filing or registration of any Transaction Documents;
- (d) any law or any direction from a regulatory authority with whose directions the Issuer is accustomed to complying with;
- (e) any legal or audit or other professional advisory fees (including without limitation Rating Agencies’ fees);
- (f) any advertising, publication, communication and printing expenses, including postage and telephone charges;
- (g) the admission to trading of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes to Euronext Lisbon and any expenses with the CVM in connection with the registration and maintenance of the Notes;
- (h) any other amounts then due and payable to the Joint Lead Managers, the Joint Arrangers, the Notes Purchaser or the Originators under or in connection with the Subscription Agreement and named as Issuer Expenses therein and not otherwise covered by the definition of Issuer Expenses; and
- (i) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents, including any costs for the replacement of Transaction Parties (where the relevant costs are not agreed to be borne by the relevant retiring or successor transaction party);

**“Third-Party Purchaser”** means a party indicated by an Originator to repurchase a Receivable under Clause 11 (*Breach of Receivables Warranties*) or Clause 12 (*Re-assignment*) of the Receivables Sale Agreement;

**“Transaction”** means the securitisation transaction envisaged under this Prospectus;

**“Transaction Accounts”** means the Payment Account and the Reserve Account opened in the name of the Issuer with the Accounts Bank, or such other accounts as may, with the prior written consent of the Common Representative, be designated as such accounts;

**“Transaction Assets”** means the specific pool of assets (*patrimonio autónomo*) of the Issuer which collateralises the Issuer Obligations, including the Receivables, the Related Security, the Collections, the Transaction Accounts, the Issuer’s rights in respect of the Transaction Documents and any other right and/or benefit either contractual or statutory relating thereto purchased or received by the Issuer in connection with the Notes;

**“Transaction Creditors”** means the Common Representative (in its capacity as creditor of the Issuer), the Noteholders, the Agent Bank, the Paying Agent, the Transaction Manager, the Cap Counterparty, the Accounts Bank, the Servicers and the Back-Up Servicer;

**“Transaction Documents”** means the Receivables Sale Agreement, the Receivables Servicing Agreement, the Master Framework Agreement, the Prospectus, the Class X Notes Purchase Agreement, the Common Representative Appointment Agreement, the Notes, the Conditions, the Transaction Management Agreement, the Paying Agency Agreement, the Accounts Agreement, the Co-ordination Agreement, the Master Execution Agreement, the Cap Agreement and any other agreement or document entered into from time to time by the Issuer pursuant thereto;

**“Transaction Management Agreement”** means the agreement so named to be entered into on or about the Closing Date by and between the Issuer, the Transaction Manager and the Common Representative;

**“Transaction Manager”** means Citibank N.A., London Branch, in its capacity as transaction manager in accordance with the terms of the Transaction Management Agreement, or its successors in title or assignees or any replacement transaction manager appointed from time to time;

**“Transaction Manager Event”** means any of the events specified in Clause 12 (*Transaction Manager Event*) of the Transaction Management Agreement;

**“Transaction Manager Event Notice”** means a notice to the Transaction Manager from the Issuer or the Common Representative advising the Transaction Manager of the occurrence of a Transaction Manager Event;

**“Transaction Manager Records”** means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services, including all computer tapes, files and discs relating to the Services;

**“Transaction Manager Termination Date”** means the date specified in a Transaction Manager Termination Notice (or such later date as may be notified by the Issuer or the Common Representative (as applicable) prior to the expiry of such date) pursuant to Clause 16 (*Termination on Delivery of Transaction Manager Termination Notice*) of the Transaction Management Agreement or in a notice delivered pursuant to Clause 14 (*Termination of Appointment by Consent*) of the Transaction Management Agreement;

**“Transaction Manager Termination Notice”** means a notice to the Transaction Manager from the Issuer or the Common Representative delivered in accordance with the terms of Clause 16 (*Termination on*

*Delivery of Transaction Manager Termination Notice*) of the Transaction Management Agreement;

**“Transaction Parties”** means all of the parties to the Transaction Documents, and **“Transaction Party”** means any one of them;

**“Treaty”** has the meaning given to it in this Prospectus;

**“Up-front Transaction Expenses”** means any fees and expenses, in relation to this Transaction, payable by the Issuer on or about the Closing Date corresponding to €120,330.90 (one hundred and twenty thousand and three hundred and thirty euros and ninety cents);

**“UK”** means the United Kingdom;

**“UK Retained Interest”** means, in relation to the Notes, the retention on an ongoing basis by the Originators of a material net economic interest of not less than 5% (five per cent.) in the securitisation, as required by Article 6(1) of the UK Securitisation Regulation (as effect on the Closing Date);

**“UK Securitisation Regulation”** means Regulation (EU) No. 2017/2402 dated 12 December 2017, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the Securitisation Regulation or amending the Securitisation Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom);

**“U.S. Risk Retention Rules”** means the Final Rules promulgated under section 15G of the U.S. Exchange Act of 1934, as amended;

**“VAT”** means value added tax provided for in the Portuguese Value Added Tax Code approved by Decree-Law no. 394-B/84, of 26 December, as amended from time to time, and any other tax of a similar fiscal nature whether imposed in the Portuguese Republic (instead of or in addition to value added tax) or elsewhere from time to time;

**“Vehicle Loan”** means a consumer loan (*crédito aos consumidores*), as determined by Decree-Law no. 133/2009, of 2<sup>nd</sup> June 2009, originated by Montepio Crédito and granted to finance the purchase of a motor vehicle by the Obligor and disbursed directly to the relevant vendor;

**“Volcker Rule”** means Section 619 of the Dodd-Frank Act together with its implementing regulations;

**“Written Resolution”** means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for the Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

## TAXATION

The following is a summary of the current Portuguese withholding tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments of principal and interest in respect of, and transfers of, the Notes. The statements do not deal with other Portuguese tax aspects regarding the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. Noteholders who may be liable to taxation in jurisdictions other than Portugal in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). In particular, Noteholders should be aware that they may be liable to taxation under the laws of Portugal and of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Portugal.

The reference to “**interest**” and “**capital gains**” in the paragraphs below mean “**interest**” and “**capital gains**” as understood in Portuguese tax law. The statements below do not take any account of any different definitions of “**interest**” or “**capital gains**” which may prevail under any other law or which may be created by the Conditions or any related documentation.

The Transaction qualifies as a securitisation transaction (*operação de titularização de créditos*) for the purposes of the Securitisation Law. Portuguese tax-related issues for transactions which qualify as securitisation transactions under the Securitisation Law are generally governed by Decree-Law no. 219/2001, of 4 August, as amended by Law no. 109-B/2001, of 27 December, by Decree-Law no. 303/2003, of 5 December, by Law no. 107-B/2003, of 31 December, and by Law no. 53-A/2006, of 29 December and Decree-Law no. 53/2020 of 8 August (the “**Securitisation Tax Law**”). Under Article 4(1) of Securitisation Tax Law and further to the confirmation by the Portuguese Tax Authorities pursuant to Circular no. 4/2014 and the Order issued by the Secretary of State for Tax Affairs, dated July 14, 2014, in connection with tax ruling no. 7949/2014 disclosed by tax authorities, the tax regime applicable on debt securities in general, foreseen in Decree-law no. 193/2005, of 7 November, also applies on income generated by the holding or the transfer of notes issued under the securitisation transactions.

### **Noteholders’ Income Tax**

Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to the Portuguese tax regime established for debt securities (*obrigações*). Any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents for tax purposes and do not have a permanent establishment in Portugal to which the income is attributable will be, as a rule, exempt from Portuguese income tax under Decree-Law no. 193/2005. Pursuant to Decree-law no. 193/2005, of 7 November, investment income paid, as well as capital gains derived from a sale or other disposition of the Notes, to non-Portuguese resident Noteholders will be exempt from Portuguese income tax provided the debt securities are integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal, or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-law no. 193/2005, of 7 November, and the beneficiaries are:

- (a) central banks or governmental agencies; or



- (b) international bodies recognised by the Portuguese State; or
- (c) entities resident in countries or jurisdictions with whom Portugal has a double tax treaty in force or a tax information exchange agreement in force; or
- (d) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order (*Portaria*) no. 150/2004, of 13 February, as amended from time to time.

For purposes of application at source of this tax exemption regime, Decree-law no. 193/2005, of 7 November requires completion of certain procedures aimed at verifying the non-resident status of the Noteholder and the provision of information to that effect. Accordingly, to benefit from this tax exemption regime, a Noteholder is required to hold the Notes through an account with one of the following entities:

- (a) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;
- (b) an indirect registered entity, which, although not assuming the role of the “direct registered entities”, is a client of the latter; or
- (c) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

#### **Domestic Cleared Notes – held through a direct registered entity**

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the beneficiary, to be provided by the Noteholder to the direct registered entity prior to the relevant date for payment of investment income and to the transfer of Notes, as follows:

- (a) if the beneficiary is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary, and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (b) if the beneficiary is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary, and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (c) if the beneficiary is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it must provide (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence,

domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

- (d) other investors will be required to prove of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The beneficiary must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the 3 (three) years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following 3 (three) months. The Beneficiary must inform the direct registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

#### **Internationally Cleared Notes – held through an entity managing an international clearing system**

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

- (a) Entities with residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income would be imputable and which are non-exempt and subject to withholding;
- (b) Entities which have residence in a country, territory or region with a more favourable tax regime, included in the Portuguese “blacklist” (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004, as amended from time to time) and which are non-exempt and subject to withholding;
- (c) Entities with residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income would be imputable, and which are exempt or not subject to withholding;
- (d) Other entities which do not have residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

- (a) Name and address;
- (b) Tax identification number (if applicable);
- (c) Identification and quantity of the securities held; and
- (d) Amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was

withheld, a special refund procedure is available under the special regime approved by Decree-Law no. 193/2005, as amended from time to time. The refund claim is to be submitted to the direct register entity of the Notes within 6 (six) months from the date the withholding took place. For these purposes a specific tax form was approved and may be available at [www.portaldasfinancas.gov.pt](http://www.portaldasfinancas.gov.pt).

The refund of withholding tax after the above six-month period is to be claimed from the Portuguese tax authorities within 2 (two) years, starting from the term of the year in which the withholding took place.

The non-evidence of the status from which depends the application of the exemption in the terms set forth above, at the date of the obligation to withhold tax on the income derived from the Notes, will imply Portuguese withholding tax on the interest payments at the applicable tax rates, as described below.

Interest and other types of investment income obtained by non-resident legal persons without a Portuguese permanent establishment to which the income is attributable is subject to withholding tax at a rate of 25% (twenty-five per cent.) when it becomes due and payable or upon transfer of the Notes (in this latter case, on the interest accrued since the last date on which the investment income became due and payable), which is the final tax on that income. If the interest and other types of investment income are obtained by non-resident individuals without a Portuguese permanent establishment to which the income is attributable said income is subject to withholding tax at a rate of 28% (twenty-eight per cent.), which is the final tax on that income.

A withholding tax rate of 35% (thirty-five per cent.) applies in case of investment income payments to individuals or legal persons resident in the countries and territories included in the Portuguese “blacklist” listed in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time. Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35% (thirty-five per cent.), unless the relevant beneficial owner(s) of the income is/are identified, in which case, the withholding tax rates applicable to such beneficial owner(s) will apply.

However, under the double taxation conventions entered into by Portugal which are in full force and effect on the date of this Prospectus, the withholding tax rate may be reduced to 15% (fifteen per cent.), 12% (twelve per cent.), 10% (ten per cent.) or 5% (five per cent.), depending on the applicable convention and provided that the relevant formalities and procedures are met. In order to benefit from such reduction, non-resident Noteholders shall comply with certain requirements established by the Portuguese Tax Authorities, aimed at verifying the non-resident status and entitlement to the respective tax treaty benefits (through submission of tax forms 21 RFI or 22 RFI, depending on whether the reduction applies at source or through refund together with a valid tax certificate evidencing that the income beneficiary: (i) is resident in the relevant tax year, and (ii) is subject to tax therein. This documentation evidence is valid for a maximum of one-year period counting as from issuance date).

Interest derived from the Notes and capital gains and losses obtained by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the interest or capital gains or losses are attributable are included in their taxable income and are subject to corporate income tax at a rate of (i) 21% (twenty-one per cent.) or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17% (seventeen per cent.) for taxable profits up to €25,000 and 21% (twenty-one per cent.) on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5% (one point five per cent.) of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3% (three per cent.) on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5% (five per cent.) on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 9% (nine per cent.) on the part of the taxable profits that exceeds €35,000,000.

As a general rule, withholding tax at a rate of 25% (twenty-five per cent.) applies on interest derived from the

Notes, which is deemed to be a payment on account of the final tax due. Financial institutions resident in Portugal (or branches of foreign financial institutions located herein), pension funds, retirement and/or education savings funds, venture capital funds and collective investment undertakings incorporated under the laws of Portugal and certain exempt entities are not subject to Portuguese withholding tax. However, where the interest is paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties a 35% (thirty-five per cent.) withholding tax rate applies, unless the relevant beneficial owner(s) of the income is/are identified, in which case, the general rule shall apply.

Interest and other types of investment income obtained on Notes by a Portuguese resident individual is subject to individual income tax. If the payment of interest or other investment income is made available to Portuguese resident individuals, withholding tax applies at a rate of 28% (twenty-eight per cent.) which is the final tax on that income, unless the individual elects to include such income in his taxable income, subject to tax at progressive rates of up to 48% (forty-eight per cent.). In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5% (two point five per cent.) on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5% (five per cent.) on the remaining part (if any) of the taxable income exceeding €250,000.

Interest on the Notes paid to accounts opened in the name of one or several accountholders acting on behalf of third entities which are not disclosed is subject to withholding tax at a flat rate of 35% (thirty-five per cent.), except where the beneficial owners of such income are disclosed, in which case the general rule shall apply.

Capital gains obtained with the transfer of the Notes by Portuguese tax resident individuals are taxed at a special rate of 28% (twenty-eight per cent.) levied on the positive difference between such gains and gains and losses on other securities unless the individual elects to include such income in his taxable income, subject to tax at progressive rates of up to 48% (forty-eight per cent.). In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5% (two point five per cent.) on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5% (five per cent.) on the remaining part (if any) of the taxable income exceeding €250,000.

Payments of principal on Notes are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any remuneration component.

#### **Stamp Tax**

An exemption from stamp tax will apply to the assignment for securitisation purposes of the Receivables by the Assignor to the Issuer and on the commissions paid by the Issuer to the Servicer pursuant to the Securitisation Tax Law.

#### **Value Added Tax**

An exemption from VAT will apply to the servicing activities referred to in the Securitisation Tax Law.

#### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign pass thru payments) to persons that fail to meet certain certification, reporting or related requirements. Certain issuers, custodians and other entities, may qualify as a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions.

The United States has entered into a Model 1 intergovernmental agreement with Portugal. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required

to withhold under FATCA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is 6 (six) months after the date on which final regulations defining foreign pass thru payments are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Portugal has implemented, through Law no. 82-B/2014, of 31 December, as amended by Law no. 98/2017, of 24 August, the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA.

Through Decree-Law no. 64/2016, of 11 October, as amended by Law no. 98/2017, of 24 August the Portuguese government approved the complementary regulation required to comply with FATCA. Under this legislation, foreign financial institutions (as defined in Decree-Law no. 64/2016, of 11 October) are required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the United States Internal Revenue Service.

As defined in Decree-Law no. 64/2016, of 11 October, (i) “foreign financial institutions” means a *Foreign Financial Institution* as defined in the applicable U.S. Treasury Regulations, including *inter alia* Portuguese financial institutions; and (ii) “Portuguese financial institutions” means any financial institution with head office or effective management in the Portuguese territory, excluding its branches outside of Portugal and including Portuguese branches of financial institutions with head office outside of Portugal.

The deadline for the financial institutions to report to the Portuguese tax authorities the mentioned information regarding each year is 31 July of the following year.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

#### **Administrative cooperation in the field of taxation**

Under Council Directive 2014/107/EU, of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Directive 2014/107/EU, of 9 December 2014, regarding the mandatory automatic exchange of information in the field of taxation was implemented into Portuguese law through Decree-Law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017, of 24 August 2017, and Law no. 17/2019, of 14 February. Law no. 17/2019, of 14

February 2019 introduced the regime for the automatic exchange of financial information to be carried out by financial institutions to the Portuguese Tax Authority (until July 31, with reference to the previous year) with respect to accounts held by holders or beneficiaries resident in the Portuguese territory with a balance or value that exceeds €50,000 (assessed at the end of each civil year).

In addition, information regarding the registration of financial institutions, as well as the procedures to comply with the reporting obligations arising from Decree-Law no. 64/2016, of 11 October 2016, as amended from time to time, and the applicable forms were approved.

In any case investors should consult their own tax advisers to obtain a more detailed explanation of this regime and how it may individually affect them.

**The proposed financial transaction tax (“FTT”) may apply to certain dealings in the Notes**

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (for the purposes of this section, the “Participating Member States”). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope if introduced in the form proposed on 14 February 2013 and could apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the 14 February 2013 proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. Additional EU Member States may decide to participate, although certain Member States have expressed strong objections to the proposal. The FTT proposal may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

### General

The Joint Lead Managers have, upon the terms and subject to the satisfaction of certain conditions contained in the Subscription Agreement, agreed to subscribe (severally and not jointly) and, on a best effort basis, to place the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in compliance and in accordance with the selling restrictions.

In certain circumstances part of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E may be purchased by the Originators on the Closing Date.

Each of the Originators has also agreed, upon the terms and subject to the conditions contained in the Class X Notes Purchase Agreement, to subscribe and pay for 100% (one hundred per cent.) of the Class X Notes at their Initial Principal Amount. Each of the Joint Lead Managers is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the Closing Date.

Pursuant to the Subscription Agreement, each of Banco Montepio and Montepio Crédito as Originators, will undertake, *inter alios*, to the Joint Arrangers and the Joint Lead Managers that (a) it will acquire and retain on an ongoing basis and *pro-rata* basis, with reference to the securitised exposures for which it is the Originator, the EU Retained Interest and the UK Retained Interest, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date; (b) whilst any of the Notes remain outstanding, it will not sell, hedge or otherwise mitigate its credit exposure to the EU Retained Interest or the UK Retained Interest; (c) there will be no arrangements pursuant to which the EU Retained Interest or the UK Retained Interest will decline over time materially faster than the Principal Outstanding Balance of the Receivables assigned to the Issuer; (d) it will confirm to the Issuer and the Transaction Manager, on a monthly basis, that it continues to hold the EU Retained Interest and the UK Retained Interest with reference to the securitised exposures for which it is the Originator; and (e) it will provide notice to the Issuer, the Common Representative and the Transaction Manager as soon as practicable in the event it no longer holds the EU Retained Interest or the UK Retained Interest.

Such retention requirement will be satisfied by the Originators retaining, from the Closing Date, in accordance with Article 6(3)(c) of the Securitisation Regulation or Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date), respectively, randomly selected exposures, equivalent to not less than 5% (five per cent.) of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been included in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date.

### Prohibition of Sales to EEA Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point 11 of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014 (the “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council, of January 2016 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point 10 of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) no. 1286/2014 of the European Parliament and of the Council, of 26 November 2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any

retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### **Prohibition Of Sales To Uk Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the PRIIPs Regulation.

The Class A Notes, the Class B Notes, the Class C Notes, Class D Notes and the Class E Notes are intended to be admitted to trading on a regulated market, although the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK.

#### **United States of America**

The Notes have not been, and will not be, registered under the US Securities Act 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

**Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.** The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such instrument and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

In addition, until 40 (forty) days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### **United Kingdom**

In relation to the Notes, each of the Joint Lead Managers have further represented to and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be



communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services Market Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **Portugal**

Each of the Joint Lead Managers have represented and agreed that the Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree-Law no. 486/99 of 13 November 1999, as amended and restated from time to time, unless the requirements and provisions applicable to the public offer in Portugal are met and registration, filing, approval or recognition procedure with the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the “CMVM”) is made.

In addition, each of the Joint Lead Managers has represented and agreed that other than in compliance with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation and any applicable CMVM regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable, (1) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (2) it has not distributed, made available or cause to be distributed and will not distribute, make available or cause to be distributed the Prospectus or any other offering material relating to the Notes to the public in Portugal; and that (3) any such distribution shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

### **Public Offers Generally**

Each of the Joint Lead Manager has represented and agreed in the Subscription Agreement and in the Class X Notes Purchase Agreement that they have not made and will not make an offer of the Notes to the public in any Member State of the European Economic Area (for the purposes of this section, each a “Relevant Member State”) prior to the publication of a prospectus in relation to the Notes duly approved by the competent authority in that Relevant Member State or, where appropriate, duly approved in another Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Regulation, with the exception that it may only offer or sell such Notes to the public at any time without publication of a prospectus to legal entities which are qualified investors as defined in the Prospectus Regulation or as otherwise permitted by the Prospectus Regulation.

For the purposes of this section, the expression an “offer of the Notes to the public” in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes in accordance with the Prospectus Regulation.

Furthermore, each of the Joint Lead Manager has also represented and agreed in the Subscription Agreement

and in the Class X Notes Purchase Agreement that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available the Notes in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

#### **Investor Compliance**

Persons into whose hands this Prospectus comes are required to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense. No action has been or will be taken in any jurisdiction by the Issuer or the Originators that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

This Prospectus has been approved as a Prospectus by the CMVM, as competent authority under the Prospectus Regulation. The CMVM approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Prospectus Delegated Regulation. Approval by the CMVM should not be considered as an endorsement of the Issuer or of the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus, the CMVM gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

The CMVM has assigned asset identification code 202112RSLDIVNXXN0141 to the Notes pursuant to Article 62 of the Securitisation Law.

### Admission to trading

Application has been made to Euronext for the Listed Notes to be admitted to trading on the Closing Date on the Euronext Lisbon, which is a regulated market for the purposes of MiFID II. No application will be made to list the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes on any other stock exchange. The Class X Notes will not be listed. Also, the Notes have been accepted for settlement through Interbolsa. The CVM code, ISIN and CFI for the Notes are:

	CVM Code	ISIN	CFI
Class A Notes	LSNTOM	PTLSNTOM0007	DAVSGR
Class B Notes	LSNUOM	PTLSNUOM0004	DAVSGR
Class C Notes	LSNVOM	PTLSNVOM0003	DAVSGR
Class D Notes	LSNWOM	PTLSNWOM0002	DAFSGR
Class E Notes	LSNYOM	PTLSNYOM0000	DAFSGR
Class X Notes	LSNXOM	PTLSNXOM0001	DAZSGR

### Effective Interest Rate

The estimated effective interest rates of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are presented below:

	Effective Interest Rate (gross)	Effective Interest Rate (net of 25% withholding tax)	Effective Interest Rate (net of 28% withholding tax)
Class A Notes	0.140%	0.105%	0.101%
Class B Notes	0.790%	0.593%	0.569%
Class C Notes	1.690%	1.268%	1.217%
Class D Notes	3.690%	2.768%	2.657%

Class E Notes	6.400%	4.800%	4.608%
Class X Notes	-	-	-

Interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be payable on 25 January 2022 and thereafter on the 25<sup>th</sup> day of each month (or, in each case, if such day is not a Business Day, the next succeeding Business Day). The Rated Notes will bear interest for each Interest Period up to the Final Legal Maturity Date at the EURIBOR for one-month euro deposits (except for the case of the first Interest Period, in respect of which the applicable rate will be equal to the interpolation of the EURIBOR one to three-month euro deposits) plus, in relation to the Class A Notes, a margin of 0.70% (zero point seventy per cent.), in relation to the Class B Notes, a margin of 1.35% (one point thirty five per cent.), in relation to the Class C Notes, a margin of 2.25% (two point twenty five per cent.) and, in relation to the Class D Notes, a margin of 4.25% (four point twenty five per cent.), subject to a floor of 0% (zero per cent.). The Class E Notes will bear interest for each Interest Period up to the Final Legal Maturity Date at an annual rate of 6.40% (six point forty per cent.). The Class X Notes will not bear interest but will be entitled to the Class X Distribution Amount (if any), to the extent of available funds and subject to the relevant payment priorities.

These estimated effective interest rates are based on the following assumptions:

- (a) Class A Notes: 1m EURIBOR constant rate of -0.56% (minus zero point fifty six per cent.) as of the 22<sup>nd</sup> November 2021 plus a margin of 0.70% (zero point seventy per cent.), subject to a floor of 0% (zero per cent.);
- (b) Class B Notes: 1m EURIBOR constant rate of -0.56% (minus zero point fifty six per cent.) as of the 22<sup>nd</sup> November 2021 plus a margin of 1.35% (one point thirty five per cent.) subject to a floor of 0% (zero per cent.);
- (c) Class C Notes: 1m EURIBOR constant rate of -0.56% (minus zero point fifty six per cent.) as of the 22<sup>nd</sup> November 2021 plus a margin of 2.25% (two point twenty five per cent.) subject to a floor of 0% (zero per cent.);
- (d) Class D Notes: 1m EURIBOR constant rate of -0.56% (minus zero point fifty six per cent.) as of the 22<sup>nd</sup> November 2021 plus a margin of 4.25% (four point twenty five per cent.) subject to a floor of 0% (zero per cent.);
- (e) Class E Notes: 6.40% (six point forty per cent.) per annum;
- (f) Class X Notes: will not bear interest;
- (g) Interest on the Notes calculated based on an ACT/30/360 day-count fraction;
- (h) Receivables continuing to be fully performing; and
- (i) Taking into account the general individual and corporate income tax rates of 28.00% (twenty-eight per cent.) and 25.00% (twenty-five per cent.) respectively.

The Notes shall be freely transferable.

#### **Authorisation**

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 22 November 2021.

## **Litigation**

There are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer (and, as far as the Issuer is aware, no such proceedings are pending or threatened) which may have, or have had, during the 12 (twelve) months prior to the date of this Prospectus, a significant effect on the financial position of the Issuer.

## **Conflicts of Interest**

There are no material conflicting interests of the Transaction Parties, without prejudice to each Transaction Party having a potential and relative interest in this issuance corresponding to its respective role in relation to the Notes. The Joint Arrangers and Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

## **Material adverse change on the financial position of the Issuer**

There has been no significant change in the financial performance or prospects of the Issuer and there has been no material adverse change in the prospects of the Issuer since the date of their last published audited financial statements, being 31 December 2020.

## **Material changes in the Issuer's borrowing and funding structure since the last financial year**

Since the last financial year ended 31 December 2020 there was no material changes in the Issuer's borrowing and funding structure.

## **Documents**

As long as the Notes are outstanding, physical copies of the following documents will, when published, be available at the registered offices of the Issuer and at the specified offices of the Paying Agent:

- (a) the Articles of Association (*Estatutos* or *Contrato de Sociedade*) of the Issuer;
- (b) the following documents:
  - (i) Receivables Sale Agreement;
  - (ii) Receivables Servicing Agreement;
  - (iii) Paying Agency Agreement;
  - (iv) Common Representative Appointment Agreement;
  - (v) Accounts Agreement;
  - (vi) Co-ordination Agreement;
  - (vii) Transaction Management Agreement;
  - (viii) Master Framework Agreement;
  - (ix) Master Execution Agreement;
  - (x) Cap Agreement; and
  - (xi) Class X Notes Purchase Agreement.
- (c) this Prospectus;
- (d) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31

December 2019 and 31 December 2020, in each case with the audit reports prepared in connection therewith and the half-yearly financial statements of the Issuer reported as at 30 June 2021, corresponding to the most recently published unaudited interim financial statements of the Issuer, all available in Portuguese language.

This Prospectus will be published in electronic form together with all documents incorporated by reference (which, for the avoidance of doubt, do not include the documents listed in subparagraphs (b) above), on the website of the CMVM ([www.cmvm.pt](http://www.cmvm.pt)), the Securitisation Repository and made available by the Issuer on <https://areslusitani.pt/#obrigacoes>. For the sake of clarity, the Articles of Association (Estatutos or Contrato de Sociedade) of the Issuer will not be published with the CMVM.

Documents listed in subparagraphs (b) above will be made available to the investors in the Notes on the Securitisation Repository as set out in the section headed "**Regulatory Disclosures**".

The documents listed under paragraphs (a) to (d) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, the relevant documents referred to in point (b) of Article 7(1) of the Securitisation Regulation and shall remain available for a period of 10 (ten) years.

Unless specifically incorporated by reference into this Prospectus, information contained on any website does not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

#### **STS status**

Even though it is expected that the Transaction will be, on the Closing Date, included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation, the STS status of the Transaction is not static and investors should verify the current status of the Transaction on ESMA's website.

The Originators will procure that the information and reports as more fully set out in the section of this Prospectus headed "**Regulatory Disclosures**" are published when and in the manner set out in such section.

#### **Post issuance information**

From the Closing Date, the Designated Reporting Entity will procure that the Transaction Manager prepares, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity), an investor report 1 (one) Business Day after each Interest Payment Date (a "**Reporting Date**") in relation to the immediately preceding Calculation Period containing the information required under (i) the ESMA regulatory technical standards published pursuant to Article 7(3) of the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 the disclosure templates and regulatory technical standards published pursuant to Article 7(3) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date) and (ii) ESMA implementing the technical standards published pursuant to Article 7(4) of the Securitisation Regulation, with regard to the format and standardised templates for making available the information and details under the Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the Securitisation Regulation, incorporated through Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 and the disclosure templates and regulatory technical standards published pursuant to Article 7(4) of the UK Securitisation Regulation (as in effect at the Closing Date) relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date).

Also from the Closing Date, the Designated Reporting Entity will procure that the Transaction Manager prepares

and delivers to the Designated Reporting Entity, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity) and deliver, an inside information report containing any relevant inside information or events in accordance with and for the purposes of of Article 7(1)(f) and (g) of the Securitisation Regulation. The Designated Reporting Entity shall publish such information without undue delay, subject to the timely receipt of all necessary information.

The Designated Reporting Entity will also procure from the Closing Date that the Servicers prepare a Loan-Level Report on each Reporting Date in respect of the relevant SR Reporting Period, containing the information required under the applicable RTS and ITS.

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