

PELICAN FINANCE N °1
(Article 62 Asset Identification Code 201405TGSDIVSXXN0073)
€202,900,000 Class A Asset Backed Fixed Rate Securitisation Notes due 2028
€91,100,000 Class B Asset Backed Fixed Rate Securitisation Notes due 2028
€14,700,000 Class C Notes due 2028
Issue Price: 100 (one hundred) per cent.

Admission to trading of Class A Notes

Issued by

Tagus - Sociedade de Titularização de Créditos, S.A.

(Incorporated in Portugal with limited liability under sole commercial registration and tax payer number 507 130 820 with a share capital of €250,000 and head office at Rua Castilho, no. 20, Lisbon, Portugal)

This prospectus is dated 30 April 2014 and relates to the admission to trading on a regulated market of the Class A Notes described herein.

The €202,900,000 Class A Asset Backed Fixed Rate Securitisation Notes due 2028 (the “**Class A Notes**”), the €91,100,000 Class B Asset Backed Fixed Rate Securitisation Notes due 2028 (the “**Class B Notes**”), together with the Class A Notes, the “**Asset Backed Notes**”), the €14,700,000 Class C Notes due 2028 (the “**Class C Notes**”) and together with the Asset Backed Notes, the “**Notes**”) of Tagus - Sociedade de Titularização de Créditos, S.A. (the “**Issuer**”) will be issued on 7 May 2014 (the “**Closing Date**”). The issue price of the Asset Backed Notes is 100 per cent. of their principal amount. The issue price of Class C Notes is 100 per cent of their principal amount.

Interest on the Asset Backed Notes issued on the Closing Date and the Class C Distribution Amount is payable on the 25th day of June 2014 and thereafter interest on the Asset Backed Notes and the Class C Distribution Amount shall be payable monthly in arrears on the 25th day of each month in each year (or, if such day is not a Business Day, the next succeeding Business Day, unless such day would fall in the next calendar month, in which case it will be brought forward to the immediately preceding Business Day). Interest on the Asset Backed Notes is payable in respect of each Interest Period at an annual rate of 3.00 per cent. for the Class A Notes and 4.00 per cent. for the Class B Notes. The Class C Notes will not bear interest but will be entitled to the Class C Distribution Amount to the extent of available funds. Payment of interest on the Asset Backed Notes on each Payment Date will be made in accordance with the relevant Payment Priorities.

Payments on the Notes will be made in euro after any Tax Deduction (as defined below). The Notes will not provide for additional payments by way of gross-up in the case that interest payable under the Asset Backed Notes or the Class C Distribution Amount payable under the Class C Notes is or becomes subject to income taxes (including withholding taxes) or other taxes. See “**Principal Features of the Notes – Taxes**”.

The Notes will be redeemed at their Principal Amount Outstanding on the Final Legal Maturity Date to the extent not previously redeemed. The Asset Backed Notes will be subject to mandatory redemption in whole or in part on each Interest Payment Date on which the Issuer has an Available Principal Distribution Amount available for redeeming the Notes in such class. The Class C Notes will be subject to mandatory redemption in whole or in part on each Interest Payment Date on which the Issuer has an Available Interest Distribution Amount available for redeeming the Class C Notes (see “**Principal Features of the Notes**”).

During the Revolving Period, Principal Collections Proceeds will be used firstly, further to an Offer, to purchase Additional Consumer Loans. During the Revolving Period there will be no repayment of principal on the Notes, unless as provided in this Prospectus. After the end of the Revolving Period, repayment of principal on the Notes on an Interest Payment Date will be made on a pro-rata basis if the Pro-Rata Test has been satisfied and, if the Pro-Rata Test has not been satisfied, repayment of principal on the Notes will be 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.

The Notes will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding together with accrued interest at the option of the Issuer on any Interest Payment Date, subject to the provisions of the Securitisation Law then in force: (a) following the occurrence of certain tax changes concerning, *inter alia*, the Issuer, the Consumer Loans and/or the Notes; or (b) following the Calculation Date on which the Aggregate Principal Outstanding Balance of the Consumer Loans is equal to or less than 10 (ten) per cent. of the Aggregate Principal Outstanding Balance of the Consumer Loans as at the Initial Collateral Determination Date. The Notes will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding together with accrued interest at the option of the Noteholders, if on any Interest Payment Date, 100 per cent. of the Notes then outstanding are held by both of the Originators.

The source of funds for the payment of principal and interest on the Notes will be the right of the Issuer to receive payments in respect of receivables arising under consumer loans and auto loans originated by Caixa Económica Montepio Geral (“**Montepio**”) and by Montepio Crédito – Instituição Financeira de Crédito, S.A. (“**Montepio Crédito**”) together with Montepio, the “**Originators**” and each an “**Originator**”).

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 Risk Factors). In particular, the Notes will not be obligations of and will not be guaranteed by The Royal Bank of Scotland plc, Montepio or Montepio Crédito.

The Notes have not been, and will not be, registered under the US Securities Act 1933, as amended (the “**Securities Act**”) and are being offered and sold only outside the United States, in offshore transactions in compliance with Regulation S. The Notes are subject to certain restrictions on transfer as described in “**Subscription and Sale and Transfer Restrictions**”.

Montepio and Montepio Crédito have agreed to purchase the Notes issued on the Closing Date from the Issuer.

This Prospectus (the “**Prospectus**”) comprises a prospectus for the purposes of Directive 2003/71/EC, as amended, which includes the amendments introduced by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant member state (the “**Prospectus Directive**”). The Prospectus has been approved by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* or the “**CMVM**”), as competent authority under the Prospectus Directive. The CMVM only approves this Prospectus as meeting the requirements imposed under Portuguese and EU law pursuant to the Prospectus Directive. Application has been made to the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. for the Class A Notes to be admitted to trading on its main market Euronext Lisbon (the “**Stock Exchange**”). The Class B Notes and Class C Notes will not be listed. 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.

The approval of this Prospectus by the CMVM as competent authority under the Prospectus Directive 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. No application will be made to list the Class A Notes on any other stock exchange. Particulars of the dates of, parties to and general nature of each document to which the Issuer is a party are set out in various sections of this Prospectus.

The Class A Notes are expected to be rated by DBRS Ratings Ltd. (“**DBRS**”) and Fitch Ratings Ltd. (“**Fitch**”) (together, the “**Rating Agencies**”), while the Class B Notes and Class C Notes are expected to be unrated. It is a condition to the issuance of the Notes that the Class A Notes receive the ratings set out below:

	DBRS	Fitch
Class A Notes	A(sf)	A(sf)

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. In general, European regulated investors are restricted 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 Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by regulation (EC) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and by Directive 2011/61/UE of the European Parliament and of the Council of 8 June 2011 (“**CRA Regulation**”). DBRS and Fitch are established in the European Union and registered under CRA Regulation. 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.

Particular attention is drawn to the section herein entitled “Risk Factors”.

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RISK FACTORS

Suitability

Prior to making an investment decision, prospective purchasers of the Notes should consider carefully, in light of the circumstances and their investment objectives, the information contained in this entire Prospectus and reach their own views prior to making any investment decision. Prospective purchasers should nevertheless consider, among other things, the risk factors set out below.

Interest rate risk

The Asset Backed Notes will require the Issuer to pay a fixed interest rate in relation to each such Class as from the Closing Date. As the Issuer has not entered into any interest rate swap or other hedging arrangement, it is subject to the risk that the contractual interest rates agreed between the Originators and the Borrowers under the Consumer Loan Agreements might be lower than those required by the Issuer in order to meet its payment obligations under the Notes.

Absence of a Secondary Market

There is currently no market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of such Notes 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 or earlier application in full of the proceeds of enforcement of the Issuer's obligations by the Common Representative. The market price of the capital in the Notes could be subject to fluctuation in response to, among other things, variations in the value of the Consumer Loans, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions referred to as the "credit crunch" (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. The Issuer cannot predict when these circumstances will change and if and when they do whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in the future.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors.

Transaction Party and Rating Trigger Risk

The Issuer faces the possibility that a counterparty will be unable to honour its contractual obligations to it. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into contracts under which counterparties have obligations to make payments to the Issuer that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. 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.

Eligibility of Class A Notes for Eurosystem Monetary Policy

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes were upon issue registered with the centralised system (*sistema centralizado*) and settled through the Portuguese securities settlement system (*Central de Valores Mobiliários*) operated by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. 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 European Central Bank ("**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. 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 Notes constitute Eurosystem Eligible Collateral. In particular, please note the guideline of the ECB dated 20 September 2011 (ECB/2011/14) which states, *inter alia*, that asset-backed securities issued on or after 1 March 2011 will require 2 (two) ratings of an “AAA”/“Aaa” level at issuance in order to qualify as Eurosystem Eligible Collateral. However, the guideline of the ECB dated 2 August 2012 (ECB/2012/18) establishes that when an asset-backed security does not comply with such rating criteria, it shall be eligible as Eurosystem Eligible Collateral as well provided that such asset-backed security has, *inter alia*, two ratings of, at least, “BBB”/“Baa” level at issuance and at any time subsequently and satisfies all the requirements set out in article 3 of the such guideline.

Restrictions on Transfer

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. The Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S of the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. The Notes are subject to certain restrictions on transfer as described in “*Subscription and Sale and Transfer Restrictions*”.

Estimated Weighted Average Lives of the Notes

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 on the enforcement of a Consumer Loan and repurchases due to breaches of representations and warranties) on the Consumer Loans and the price paid by the Noteholders and the absence of available funds for further purchases of Additional Consumer Loans or the Originators failing or being unable to offer the Additional Consumer Loans on an Additional Purchase Date. Upon any early payment by the Borrowers in respect of the Consumer Loans after the end of the Revolving Period, and upon the anticipated end of the Revolving Period for certain reasons, 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 Consumer Loans. The rate of prepayment of Consumer Loans cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the availability of alternative financing and local and regional economic conditions. With effect from 6 April 2007 (following publication of Decree-law no. 51/2007 of 7 March 2007, as amended) the ability of banks in Portugal to levy prepayment charges on borrowers is limited. It is not yet possible to ascertain the effect, if any, that this will have upon the rate of prepayment of the Consumer Loans by the Borrowers. As a result of these factors, no assurance can be given as to the level of prepayment that the Consumer Loans Portfolio will experience. See “*Estimated Weighted Average Lives of the Notes and Assumptions*” herein.

Liability Under the Notes and Limited Recourse Nature of the Notes

The Notes will be direct limited recourse obligations solely of the Issuer in respect of the Transaction Assets and will not be obligations or responsibilities of any other entity and, therefore, the Noteholders will have a claim under the Notes against the Issuer only to the extent of the cashflows generated by the Consumer Loans Portfolio and any other amounts paid to the Issuer pursuant to the Transaction Documents, subject to the payment of amounts ranking in priority to payment of amounts due in respect of the Notes. Repayment of the Notes is limited to the funds received from or derived from the Transaction Assets. If there are insufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes at the Final Legal Maturity Date or upon acceleration following delivery of an Enforcement Notice or upon mandatory early redemption in part or in whole as permitted under the Conditions, then the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts. No recourse may be had for any amount due in respect of any Notes or any other obligations of the Issuer against any officer, member, director, employee, security holder or incorporator of the Issuer or their respective successors or assigns.

None of the Transaction Parties 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

The Notes will not be obligations or responsibilities of any of the parties to the Transaction Documents other than the Issuer and shall be limited to the segregated portfolio of Consumer Loans corresponding to this transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to article 62 of the Securitisation Law) and such other Transaction Assets.

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 Consumer Loans, the Collections, its rights pursuant to the Transaction Documents and the amounts standing to the credit of certain of the Transaction Accounts. The Issuer's ability to meet its obligations in respect of the Notes, its operating expenses and its administrative expenses is wholly dependent upon:

- (a) collections and recoveries made from the Consumer Loans Portfolio by the Servicers;
- (b) the Transaction Accounts arrangements; and
- (c) the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents.

The Issuer will not have any other funds available to meet its obligations under the Notes or any other payments ranking in priority to, or *pari passu* with, the Notes. There is no assurance that there will be sufficient funds to enable the Issuer to pay interest (or the Class C Distribution Amount) on any Class of Notes 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 early redemption in part or in whole as permitted under the Conditions) that there will be sufficient funds to enable the Issuer to repay principal in respect of such class of Notes in whole or in part.

Notes are Subject to Optional Redemption

The Notes may be subject to optional redemption by the Issuer in the case of certain tax events, if the outstanding Receivables fall below 10% of their amount outstanding as at the Closing Date or at the option of the Noteholders (being the Originators), subject to certain conditions being met. Such optional redemption feature of Notes may limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the occurrence of the events allowing 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 Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

As Additional Consumer Loans are assigned to the Issuer, the characteristics of the Consumer Loans Portfolio may change from those existing at the Closing Date or relevant Additional Purchase Date, and those changes may adversely affect payments on the Notes.

There is no guarantee that any Additional Consumer Loans assigned to the Issuer will have the same characteristics as the Consumer Loans in the Initial Consumer Loans Portfolio as at the Closing Date or as at the relevant Additional Purchase Date. In particular, Additional Consumer Loans may have different payment characteristics from the loans in the Consumer Loans Portfolio as at the Closing Date or the relevant Additional Purchase Date. The ultimate effect of this could be to delay or reduce the payments received by Noteholders. Any Additional Consumer Loans will be required to meet the conditions described in "*Overview of certain Transaction Documents - Representations and Warranties as to the Consumer Loans*" below.

The Originators may change the lending criteria relating to Consumer Loans that are subsequently assigned to the Issuer, which could affect the characteristics of the Consumer Loans Portfolio and which may adversely affect payments on the Notes.

Each of the Consumer Loans assigned to the Issuer by the Originators was originated in accordance with each of the Originator's lending criteria at the time of origination, subject only to exceptions made on a case-by-case basis as would be acceptable to a reasonable, prudent lender. The current lending criteria as at the date of this prospectus are set out in the section "*Originators' Standard Business Practices*,

Servicing and Credit Assessment” below. These lending criteria consider a variety of factors such as a potential borrower’s credit history and repayment ability, as well as the value of the assets to be used as security. In the event of the sale by the Originators of any Additional Consumer Loans and new related security to the Issuer, the Originator will warrant that those Additional Consumer Loans and new related security were originated in accordance with the Originators’ lending criteria at the time of their origination. However, the Originators retains the right to revise their lending criteria as determined from time to time, and so the lending criteria applicable to any loan at the time of its origination may not be or have been the same as those set out in the section “*Originators’ Standard Business Practices, Servicing and Credit Assessment*” below.

If new loans that have been originated under revised lending criteria are sold to the Issuer, the characteristics of the Consumer Loans Portfolio could change. This could lead to a delay or a reduction in the payments received on the Notes.

Ratings are Not Recommendations

There is no obligation on the part of any of the Transaction Parties under the Notes or the Transaction Documents to maintain any rating for itself or the Class A Notes. None of the foregoing or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the 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 that the rating initially assigned to the Class A Notes is 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 rating 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.

The rating of AAA is the highest rating that Fitch assigns to notes and the rating of AAA is the highest rating that DBRS assigns to notes.

The rating takes into consideration the characteristics of the Consumer Loans and the prevailing relevant legal framework and generally does not address the impact of unforeseen changes to the law (including taxation related legislation). The ratings assigned to the Class A 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 the Class A Notes might suffer a lower than expected yield due to prepayments.

The ratings do not imply or convey a specific statistical probability of default, notwithstanding the rating agencies published default histories that may be measured against ratings at the time of default. Ratings are opinions on relative credit quality and not a predictive measure of specific default probability. In the Rating Agencies’ opinion, the structure of the transaction allows for timely payment of interest and ultimate payment of principal at par on or before the Final Legal Maturity Date. 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.

The Issuer has not requested a rating of the Class A 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 the Class A 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 Class A Notes could be lower than the respective ratings assigned by the Rating Agencies.

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 (as to which, in relation to the United Kingdom and Portugal, 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 Sale Agreement or 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.

Compliance with Articles 405 to 410 of the CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Bank of Portugal Notice 9/2010

Articles 405 to 410 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, as may be amended or superseded from time to time, referred to as the Capital Requirements Regulation (“**CRR**”), Article 51 of Commission Delegated Regulation (EU) 231/2013 and Bank of Portugal Notice (“**Aviso**”) 9/2010 (“**Notice 9/2010**”) place an obligation on a credit institution that is subject to the CRD IV (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 (“**CRD IV**”) (a “**CRD Credit Institution**”) to assume exposure to the credit risk of a securitisation (as defined in Article 4(62) of the CRR) or an alternative investment fund manager investing on behalf of an alternative investment fund to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its Retention Obligation (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction.

The Originators, each of which is an originator for the purposes of Article 3(12) of CRD IV, will undertake in the Receivables Sale Agreement to retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. of the nominal amount of the securitised exposures (the “**Retained Interest**”). Therefore, the Originators will retain Notes in accordance with paragraph 3 (iv) of Bank of Portugal Notice 9/2010 and article 405, paragraph 1 (b) of CRR and such retention equals in total at least 5 per cent. of the Consumer Loans Portfolio and will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The retained exposures may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the underlying Consumer Loans. The Investor Report will also provide monthly confirmation as to the Originators’ continued holding of the original retained exposures. It should be noted that there is no certainty that references to the Originators’ retention obligation of the Retained Interest in this Prospectus or the undertakings in the Receivables Sale Agreement will constitute explicit disclosure (on the part of the Originators) or adequate due diligence (on the part of the Noteholders) for the purposes of Articles 405, 406 and 409 of the CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Notice 9/2010, as there can be no certainty that each of the Originators will comply with its undertakings set out in the Receivables Sale Agreement.

The Issuer does not warrant or represent to the Noteholders the compliance of such rules by the Originators and if the Originators do not comply with their undertakings set out in the Receivables Sale Agreement the ability of the Noteholders to sell, and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Articles 405 to 410 of the CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Notice 9/2010 also place an obligation on CRR Institutions, before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Originators have undertaken 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 CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Notice 9/2010.

Where the relevant requirements of Articles 405 to 410 of the CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Notice 9/2010 are not complied with in any material respect by reason of the negligence or omission of a CRR Institution that is investing in the Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight (with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions. Additionally, non-compliance with the requirements of Articles 405 to 410 of the CRR and Article 51 of Commission Delegated Regulation (EU) 231/2013 may adversely affect the price and liquidity of the Notes. Noteholders should make themselves aware of the provisions of the CRR and Article 51 of Commission Delegated Regulation (EU) 231/2013 and make their own investigation and analysis as to the impact of the CRR on any holding of Notes.

Noteholders should take their own advice on compliance with, and the application of, the provisions of Articles 405 to 410 of the CRR, Article 51 of Commission Delegated Regulation (EU) 231/2013 and Notice 9/2010.

Liquidity and Credit Risk for the Issuer

The Issuer will be subject to the risk of delays in the receipt, or risk of defaults in the making, of payments due from Borrowers in respect of the Consumer Loans. There can be no assurance that the levels or timeliness of payments of Collections and recoveries received from the Consumer Loans will be adequate to ensure fulfilment of the Issuer's obligations in respect of the Notes on each Interest Payment Date or on the Final Legal Maturity Date.

Credit Risk on the Parties to the Transaction

The ability of the Issuer to meet its payment obligations in respect of the Notes depends partially on the full and timely payments by the parties to the Transaction Documents 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 Parties to the Transaction Documents fails to meet its payment obligations 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 rating initially assigned to the Class A Notes is subsequently lowered, withdrawn or qualified.

Projections, forecasts and estimates

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.

The Securitisation Law, the Securitisation Tax Law and Decree Law 193/2005

The Securitisation Law was enacted in Portugal by Decree-Law no. 453/99, of 5 November 1999 as amended by Decree-Law no. 82/2002, of 5 April 2002, by Decree-Law no. 303/2003, of 5 December 2003, by Decree-Law no. 52/2006, of 15 March 2006 and by Decree-Law no. 211-A/2008, of 3 November 2008 (the "**Securitisation Law**"). The Securitisation Tax Law was enacted by Decree-Law no. 219/2001, of 4 August 2001, as amended by Law no. 109-B/2001, of 27 December 2001, by Decree-Law no. 303/2003, of 5 December 2003, by Law no. 107-B/2003, of 31 December 2003 and by Law no. 53-A/2006, of 29 December 2006 (the "**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 Decree-Law no. 29-A, of 1 March and by Law no. 83/2013, of 9 December (the "**Decree Law 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 and Decree Law 193/2005 have not been considered by any Portuguese Court and no interpretation of their application has been issued by any Portuguese governmental or regulatory authority (with the exception of Circular 4/2014 relating to the interpretation of Decree Law 193/2005). Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law, the Securitisation Tax Law and Decree Law 193/2005 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

Change of Law

The structure of the transaction and, *inter alia*, the issue of the Notes and ratings assigned to the Class A 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. No assurance can be given that law, tax rules, rates, procedures or administration practice 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.

Change of Counterparties

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

These criteria include requirements in relation to the short-term, 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. 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.

Segregation of Transaction Assets and the Issuer Obligations

The Notes and the obligations owing to the Transaction Creditors will have the benefit of the segregation provided pursuant to the Securitisation Law. Accordingly, the Issuer Obligations are limited in recourse, in accordance with the Securitisation Law, solely to the assets of the Issuer which collateralise the Notes, specifically the Transaction Assets.

Both before and after any Insolvency Event in relation to the Issuer, the Transaction Assets will be available for satisfying the obligations of the Issuer to the Noteholders in respect of the Notes and to the Transaction Creditors pursuant to the Transaction Documents.

The Transaction Assets and all amounts deriving therefrom may not be used by any creditors of the Issuer other than the Noteholders and the Transaction Creditors and may only be used by the Noteholders and the Transaction Creditors in accordance with the terms of the Transaction Documents including the relevant Payment Priorities.

Equivalent provisions, as required by the Securitisation Law, will apply in relation to any other series of notes issued by the Issuer.

Ranking of Claims of Transaction Creditors and Noteholders

Both before and after an Event of Default or an Insolvency Event in relation to the Issuer, amounts deriving from the Transaction Assets will be available for the purposes of satisfying the Issuer Obligations to the Transaction Creditors and Noteholders in priority to the Issuer's obligations to any other creditor.

In addition, pursuant to the Common Representative Appointment Agreement, the Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors will rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities (see "*Overview of the Transaction*" – "*Pre-Enforcement Interest Payment Priorities*", "*Pre-Enforcement Principal Payment Priorities*" and "*Post-Enforcement Payment Priorities*").

Both before and after an Event of Default or an Insolvency Event in relation to the Issuer, amounts deriving from the assets of the Issuer other than the Transaction Assets will not be available for purposes of satisfying the Issuer's Obligations to the Noteholders and the other Transaction Creditors as they are legally segregated from the Transaction Assets.

Common Representative's Rights under the Transaction Documents

The Common Representative has entered into the Common Representative Appointment Agreement in order 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 and to give certain directions and make certain requests in accordance with the terms and subject to the conditions of the Transaction Documents and the Securitisation Law.

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 for by the Securitisation Law, the above may impair the ability of the Noteholders and the Transaction Creditors to be repaid amounts due to them in respect of the Notes and under the Transaction Documents.

Enforcement of Issuer's Obligations

The terms of the Notes provide that, after the delivery of an Enforcement Notice, payments will rank in order of priority set out under the heading "*Overview of Transaction – Post-Enforcement Payment Priorities*". In the event that the Issuer's obligations are enforced, no amount will be paid in respect of any class of Notes until all amounts owing in respect of 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.

Termination of Appointment of the Transaction Manager

In the event of the termination of the appointment of the Transaction Manager by reason of the occurrence of a Transaction Manager Event (as defined in the Transaction Management Agreement) it would 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 rating of the Class A Notes.

"**Transaction Manager Event**" means any of the events specified in Clause 14 (*Transaction Manager Events*) of the Transaction Management Agreement.

Centre of main interests

The Issuer has its registered office in Portugal. As a result there is a rebuttable presumption that its centre of main interests ("**COMI**") is in Portugal and consequently that any main insolvency proceedings applicable to it would be governed by Portuguese law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000, of 29 May 2000, on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Portugal, has Portuguese directors, is registered for tax in Portugal, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Portugal, and is held to be in a different jurisdiction within the European Union, Portuguese Insolvency proceedings would not be applicable to the Issuer.

Portuguese Economic Situation

The correction of the current macro-economic imbalances within the Portuguese economy and increasingly demanding financial market conditions may have a negative impact on the value of the Consumer Loan Portfolio. Following the Portuguese "Financial Assistance Programme" ("**FAP**") - agreed in May 2011 between the European Central Bank ("**ECB**"), the International Monetary Fund ("**IMF**") and the European Commission ("**EC**"), together, the "Troika", and implemented in 2012, the Portuguese economy has undergone significant change.

In the first quarter of 2013, the economy continued its decline, with GDP contracting 0.4 per cent., caused mainly by a reduction in investment and private consumption, while net exports played an important positive contribution. In the second quarter the economy grew by 1.1 per cent. supported by net exports – the strongest performing section of the economy – although more modest than in the first quarter of 2013, with the main contribution to growth coming from domestic demand (0.8 percentage points, compared with -2.1 percentage points in the first quarter). This was the first quarterly increase

since the fourth quarter of 2010, benefiting from the increase in private consumption and investment in the context of stabilising public spending.

In the third quarter of 2013, the Portuguese GDP increased by 0.3 per cent., confirming the end of the technical recession, and in the fourth quarter of 2013 it increased 0.5 per cent., posting the third consecutive quarter of positive quarter-on-quarter growth.

According to the estimate of the Quarterly National Accounts, the Portuguese Gross Domestic Product (GDP) in volume increased by 1.6 per cent. in the fourth quarter 2013 compared with the same period of 2012, following a decrease of 0.9 per cent. in the third quarter. This evolution was mainly driven by the upturn of domestic demand, which presented the first positive contribution to the GDP year-on-year change rate since the fourth quarter 2010, mostly due to private consumption. The positive contribution of net external demand increased in the fourth quarter, reflecting the acceleration of exports of goods and services. The difficult financing conditions in the credit market have caused an increase in household savings, which has added to the already high level of savings due to households taking precautionary steps. Thus, there was an increase in the savings rate in 2012 (from 9.7 per cent. in 2011 to 12.2 per cent. in 2012), with this trend continuing in 2013, with the savings rate having increased to 13.4 per cent. in the first quarter and 13.6 per cent. in the second quarter.

Structural factors, such as the slow adaptation of some sectors to the increasing external competition, as well as labour laws and the low levels of qualification of the workforce, combined with a period of very poor economic growth and the implementation of measures to reduce public deficit concerning the Portuguese FAP have contributed to a significant rise in the unemployment rate, placing it at a historically high level.

The unemployment rate increased to 17.7 per cent. in the first quarter of 2013 (*Instituto Nacional de Estatística* (the “INE”), the National Statistics Institute), representing the highest quarterly figure for unemployment since the Bank of Portugal started recording unemployment statistics in 1977.

Subsequently the unemployment rate decreased in the second, third and fourth quarters of 2013 (to 16.4 per cent., 15.6 per cent. and 15.3 per cent., respectively). This decrease in unemployment shows the increasingly favourable economic conditions in Portugal, but it should be noted that this improvement might not be sustainable as it can be attributed to seasonal variance and external factors.

Portugal’s economic prospects remain conditional on the outcome of the Eurozone crisis and on the budgetary targets for 2014 agreed with the Troika. The agreement of budgetary targets with the Troika resulted in the submission of a proposal for the state budget for 2014 (“**SB 2014**”), which includes a new set of fiscal consolidation measures.

In the SB 2014 proposed by the Government, austerity measures increased in order to maintain the fiscal consolidation effort to meet the budget deficit target of 4 per cent. of GDP in 2014 agreed with external creditors.

As a result of efforts to stabilise the economy and due to the effect of negative cyclical patterns, the public finances have deteriorated significantly. The inevitable consolidation route means that fiscal policy will remain tight for several years to come. Furthermore, if economic activity becomes weaker than expected additional fiscal measures may need to be implemented.

In this context, there remains an increased risk that the Originators’ customers will have less financial capacity, increasing the need to recognise higher levels of impairment losses, thus affecting, directly and indirectly, banks’ earnings and the financial condition of their customers.

Originators’ Lending Criteria

Under the Receivables Sale Agreement, the Originators will warrant that, as at the Closing Date and each Additional Purchase Date, each Borrower in relation to a Consumer Loan Agreement comprised in the Consumer Loan Portfolio meets the Originators’ lending criteria for new business in force at the time such Borrower entered into the relevant Consumer Loan Agreement. The lending criteria consider, among other things, a Borrower’s credit history, repayment ability, debt-to-income ratio and the need for guarantees or other collateral. No assurance can be given that the Originators will not change the characteristics of its lending criteria in the future and that such change would not have an adverse effect on the cash flows generated by any Consumer Loan to ultimately repay the principal and interest due on the Notes. For a description of the Lending Criteria applicable as of the date of this Prospectus please refer the section “*Originators’ Standard Business Practices, Servicing And Credit Assessment*”.

Borrowers

The Consumer Loans in the Consumer Loans Portfolio were originated in accordance with the lending criteria set out in “*Originators’ Standard Business Practices, Servicing and Credit Assessment*”. General economic conditions and other factors, such as loss of subsidies or increase of interest rates (which may or may not affect property values), may have an impact on the ability of Borrowers to meet their repayment obligations under the Consumer Loans. Loss of earnings and other similar factors may lead to an increase in delinquencies and bankruptcy or insolvency filings by Borrowers, which may lead to a reduction in payments by such Borrowers on their Consumer Loans and could reduce the Issuer’s ability to service payments on the Notes.

However, the Originators’ lending criteria take into account, *inter alia*, a potential Borrower’s credit history and repayment ability, as well as the value of the assets to be used as security and are utilised with a view, in part, to mitigate the risks in lending to Borrowers.

Competition in the Portuguese Market

The Issuer is, among other things, subject to the risk of the contractual interest rates on the Consumer Loans being less than that required by the Issuer to meet its commitments under the Notes, which may result in the Issuer having insufficient funds available to meet the Issuer’s commitment under the Notes and other Issuer obligations. There are a number of lenders in the Portuguese market and competition may result in lower interest rates on offer in such market. In the event of lower interest rates, Borrowers under Consumer Loans may seek to repay such Consumer Loans early, with the result that the Consumer Loans Portfolio may not continue to generate sufficient cash flows and the Issuer may not be able to meet its commitments under the Notes.

No Independent Investigation in relation to the Consumer Loans

None of the Issuer, the Arranger, the Transaction Manager, the Common Representative or any other Transaction Party (other than the Originators) has undertaken or will undertake any investigations, searches or other actions in respect of any Borrower, Consumer Loan or any historical information relating to the Consumer Loans and each will rely instead on the representations and warranties made by the Originators in relation thereto set out in the Receivables Sale Agreement.

Reliance on the Originators’ Representations and Warranties

If any of the Consumer Loans fails to comply with any Consumer Loan Warranties which could have a material adverse effect on (i) any Consumer Loan, (ii) its related Consumer Loan Agreements or (iii) the Receivables in respect of such Consumer Loan, the relevant Originator, severally but not jointly, is obliged to hold the Issuer harmless against any losses which the Issuer may suffer as a result of such failure. The relevant Originator may discharge this liability either by, at its option, (A) repurchasing or procuring a third party to repurchase such Consumer Loan from the Issuer for an amount equal to the aggregate of: (i) the Principal Outstanding Balance of the relevant Consumer Loan as at the date of re-assignment of such Assigned Rights; (ii) an amount equal to all other amounts due in respect of the relevant Consumer Loan and its related Consumer Loan Agreement with the exception of Excluded Rights; and (iii) the properly incurred costs and expenses of the Issuer incurred in relation to such re-assignment, or (B) making an indemnity payment equal to such amount referred in (A) above. The relevant Originator, severally but not jointly, is also liable for any losses or damages suffered by the Issuer as a result of any breach or inaccuracy of the representations and warranties given in relation to itself or its entering into any of the Transaction Documents. The Issuer’s rights arising out of breach or inaccuracy of the representations and warranties are however unsecured and, consequently, a risk of loss exists if a Consumer Loan Warranty is breached and the relevant Originator is unable to repurchase or cause a third party to purchase or substitute the relevant Consumer Loan or indemnify the Issuer. In any case and for the avoidance of doubt the Originators are only severally but not jointly liable for any obligation resulting from the above mentioned, meaning one Originator is not and shall not be liable for any obligation imposed to the other Originator, as per the above.

“**Excluded Rights**” means, in relation to any Receivable and related Consumer Loan, any rights which relate to fees payable by a Borrower to the relevant Originator in relation to such Receivable and the related Consumer Loan in connection with any (i) late payment penalties and similar charges; (ii) early payment penalties and similar charges and/or (iii) fees due in connection with an amendment or variation of the relevant Consumer Loan and which would, but for this exception, constitute Ancillary Rights.

Limited Liquidity of the Consumer Loans

In the event of the occurrence of an Event of Default and the delivery of an Enforcement Notice to the Issuer by the Common Representative, the disposal of the Transaction Assets of the Issuer (including its rights in respect of the Consumer Loans) is restricted by Portuguese law in that any such disposal will be

restricted to a disposal to the relevant Originator or to another STC or FTC established under Portuguese law. 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 Consumer Loans, 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.

Authorised Investments

The Issuer has the right to make certain interim investments of money standing to the credit of the Transaction Accounts. The investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument and must comply with the provisions of article 3 paragraph 2 of CMVM Regulation no. 12/2002 and with the ECB eligibility criteria. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to bankruptcy or 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, although Authorised Investments are required to be realised or to mature at least at par, 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. No Transaction Party other than the Issuer will be responsible for any such loss or shortfall.

Reliance on Performance by Servicers

The Issuer has engaged the Servicers to administer the Consumer Loans Portfolio pursuant to the Receivables Servicing Agreement, Montepio to act as Master Servicer in relation to the Consumer Loans originated by Montepio Crédito and has appointed the Back-up Servicer to administer the Consumer Loans Portfolio upon the Servicer ceasing to do so pursuant to the Receivables Servicing Agreement. While the Servicers, the Master 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. In the event the appointment of the Servicers, the Master Servicer or the Back-up Servicer is terminated by reason of the occurrence of a Servicer Event, there can be no assurance that the transition of servicing will occur without adverse effect on investors or that an equivalent level of performance on collections and administration of the Consumer Loans can be maintained by a successor servicer after any replacement of the Servicers, the Master Servicer or the Back-up Servicer, as many of the servicing and collections techniques currently employed were developed by the Servicers.

If the appointment of the Servicers or of the Master Servicer or of the Back-up Servicer is terminated, the Issuer shall endeavour to appoint a substitute servicer. No assurances can be made as to the availability of, and the time necessary to engage, such a substitute servicer.

The Servicers, the Master Servicer and the Back-up Servicer may not resign its appointment as Servicer, Master Servicer or Back-up Servicer, respectively, without a justified reason and furthermore, pursuant to the Receivables Servicing Agreement, such resignation shall only be effective if the Issuer has appointed a substitute servicer, provided that such appointment does not have an adverse effect on the current ratings of the Class A Notes. The appointment of the Back-up Servicer and any other substitute servicer is subject to the prior approval of the CMVM.

Notice of the appointment of a substitute servicer shall be delivered by the Issuer to the Rating Agencies, the CMVM, the Bank of Portugal, the Arranger and each of the other Transaction Parties.

Commingling Risk

In accordance with the Securitisation Law, in the event of the Servicers becoming insolvent, all the amounts which the Servicers may then hold in respect of the Consumer Loans assigned by the Originators to the Issuer will not form part of the respective Servicer's insolvent estate and the replacement of Servicers provisions in the Receivables Servicing Agreement will then apply.

Notwithstanding the above, if an Insolvency Event has occurred and is continuing with respect to the Servicers, there may be an operational risk that Collections may temporarily be, from an operational point of view, commingled with other monies within the insolvency estate of the Servicers.

Payment Interruption Risk

In the event of the Servicers becoming insolvent, it cannot be excluded that cash transfers to the Payment 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.

Geographical concentration of the Consumer Loans

The security for the Notes may be affected by, among other things a decline in values of the assets securing the relevant Consumer Loans. No assurance can be given that the values of the relevant assets have remained or will remain at their levels on the dates of origination of the related Consumer Loans. Although the Borrowers are located throughout Portugal, the Borrowers may be concentrated in certain locations, such as densely populated areas (see “**Characteristics of the Consumer Loans – Geographic Region**”). Any deterioration in the economic condition of the areas in which the Borrowers are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Borrowers to repay the Consumer Loans could increase the risk of losses on the Consumer Loans. A concentration of Borrowers 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.

Consumer Protection

Portuguese law (namely the Portuguese Constitution, the *Código Civil* enacted by Decree-Law no. 47344, of 25 November 1966 (as amended) (the Portuguese Civil Code) and the *Lei de Defesa do Consumidor* enacted by Law no. 24/96, of 31 July 1996 (as amended) (the Law for Consumer Protection)) 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. 446/85, of 25 October 1985, as amended by Decree-Law no. 220/95, of 31 August 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 known as the *Lei das Cláusulas Contratuais Gerais* (the Law of General Contractual Clauses) 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 will cause such clauses to be considered null and void.

Decree-Law no. 359/91, of 21 September 1991 (as amended) which is applicable to loan agreements entered into prior to 1 July 2009, as well as Decree-Law no. 133/2009, of 2 June 2009, which has replaced Decree-Law no. 359/91 as of 1 July 2009, set forth relevant regulations for consumer protection by providing that a contract may be null and void if *inter alia* it does not establish the annual global costs rate (the *Taxa Anual de Encargos Efetiva Global*) related to the loan in question. Decree-Law no. 359/91 provided for a cancellation period provision pursuant to which a contract is not effective until 7 (seven) business days from signing thus allowing the consumer to cancel the contract during such period.

Decree-Law no. 133/2009, which came into force in 1 July 2009 and applies to consumer loans of an amount higher than €200 and lower than or equal to €75,000, has extended such period to 14 (fourteen) calendar days, with effect from 1 July 2009 onwards. Regarding early termination fees and provided the early termination occurs during a fixed rate interest period, Decree-Law no. 133/2009 stipulates, *inter alia*, that restrictions on the early termination fee payable cannot be greater than the interest amount that would be payable by the relevant obligor from the early termination date to the date on which the fixed rate would cease to apply.

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 that the Consumer Loans comply with all applicable Portuguese laws, there can be no assurance that a court or a justice of the peace (*juizado de paz*) in Portugal would not apply the relevant consumer protection laws to vary the terms of a loan or to relieve a Borrower of its obligations thereunder.

Assignment of Consumer Loans not affected by Originators' insolvency

In the event of the Originators becoming insolvent, the Receivables Sale Agreement, and the sale of the Consumer Loans conducted pursuant to it, will not be affected and therefore will neither be terminated nor will such Consumer Loans form part of the respective Originator's insolvent estate, save if a

liquidator appointed to the relevant Originator or any of the relevant Originator's 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). The sale of Ancillary Rights (if applicable) will only be enforceable against a third party acting in good faith upon registration of the act at the competent registry office. No such registration will take place prior to a Notification Event.

Collections not affected by Servicer insolvency

In the event of the Servicers becoming insolvent, all the amounts which the Servicers may then hold in respect of the Consumer Loans assigned by the Originators to the Issuer, will not form part of the relevant Servicer's insolvent estate and the replacement of Servicers provisions referred to in the "*Receivables Servicing Agreement – Termination*" below will then apply.

Assignment and Borrower set-off risks

The assignment of the Consumer Loans to the Issuer under the Securitisation Law is not dependent upon the awareness or acceptance of the relevant Borrowers or notice to them by the Originators, the Issuer or the Servicers to become effective. Therefore the assignment of the Consumer Loans becomes effective, from a legal point of view, both between the parties and towards the Borrowers as from the moment on which it is effective between the relevant Originator and the Issuer.

Set-off issues in relation to the Consumer Loans are essentially those associated with the Borrower's possibility of exercising against the Issuer any set-off rights the Borrower held against the relevant Originator prior to the assignment of the relevant Consumer Loans to the Issuer. Such set-off rights held by the Borrower against the relevant Originator prior to the assignment of the relevant Consumer Loans to the Issuer are not affected by the assignment of the Consumer Loans to the Issuer. Such set-off issues will not arise where the relevant Originator (i) was solvent at the time of assignment of the relevant Consumer Loans to the Issuer, or (ii) had no obligations then due and payable to the relevant Borrower which were not met in full at a later date given that each of the Originator is under an obligation to transfer to the Issuer any sums which it holds or receives from the Borrowers in relation to the Consumer Loans including sums in the possession of the relevant Originator and Servicer arising from set-off effected by a Borrower. The Securitisation Law does not contain any direct provisions in respect of set-off (which therefore continues to be regulated by the Portuguese Civil Code's general legal provisions on this matter) but it may have an impact on the set-off risk related matters to the extent the Securitisation Law has varied the Portuguese Civil Code rules on assignment of credits. (See "*Selected Aspects of Laws of the Portuguese Republic Relevant to the Consumer Loans and the Transfer of the Consumer Loans*".)

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 Consumer Loans Portfolio or to notify them of the contents of any notice received by it in respect of the Consumer Loans Portfolio. In particular it will have no obligation to keep any Noteholder or any other person informed as to matters arising in relation to the Consumer Loans Portfolio, except for the information provided in the monthly investor report concerning the Consumer Loans Portfolio and the Notes which will be made available to the Paying Agent on or about each Interest Payment Date.

Potential Conflict of Interest

Each of the Transaction Parties (other than the Issuer), the Arranger and their affiliates in the course of each of their respective businesses may provide services to other Transaction Parties, to the Arranger and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between such Transaction Parties, the Arranger and their affiliates or between such Transaction Parties, the Arranger and their affiliates and third parties. Each of the Transaction Parties (other than the Issuer), the Arranger 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 or Arranger in respect of the Transaction.

Foreign Account Tax Compliance withholding may affect payments on the Notes

Pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA, the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, certain payments in respect of the Notes. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"),

(ii) the Issuer makes payments treated as attributable to U.S. source payments (“foreign passthru payments”), and (iii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of such Issuer, or (b) any FFI, that is an investor, or through which payment on such Notes is made is not a Participating FFI. When a payment will be treated as a foreign passthru payment has not yet been defined, and no amounts will be required to be withheld from any foreign passthru payments before 1st January, 2017. Withholding will be required in respect of (i) any Notes issued on or after the date that is six months after the date final regulations defining the term “foreign passthru payment” are published and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued. With respect to the Notes held through Euroclear and Clearstream, while the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, with respect to the Notes held through Interbolsa, payments made to the financial intermediaries holding control accounts with Interbolsa could be subject to FATCA withholding if such financial intermediaries are not Participating FFIs. FATCA may also affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

If an amount in respect of FATCA withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. FATCA is particularly complex and its application to the Notes remains unclear in certain respects. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

The proposed financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current 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 and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. The Issuer cannot predict the impact of the FTT on the Notes and prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under EU Council Directive 2003/48/EC on the taxation of savings income (as amended by an EU Council Directive adopted by the European Council on 24 March 2014) (the “EU Savings Directive”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and certain other types of income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in, or certain other types of entities established in, that other Member State. However, for a transitional period, Luxembourg and Austria are instead

required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). In April 2013, the Luxembourg government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic exchange under the EU Savings Directive. A number of non-EU countries and territories including Switzerland have adopted similar measures to the EU Savings Directive (a withholding system in the case of Switzerland).

If a payment by the Issuer in respect of the Notes were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive (if there is any such Member State).

The Issuer believes that the risks described above are certain of the principal risks inherent in the transaction for Noteholders but the inability of the Issuer to pay interest, the Class C Distribution Amount or repay principal on the Notes may occur for other reasons and, accordingly, the Issuer does not represent that the above statements of the risks of holding the Notes are comprehensive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for Noteholders there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders of interest, the Class C Distribution Amount or principal on such Notes on a timely basis or at all.

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, Mr. Bernardo Luís de Lima Mascarenhas Meyrelles do Souto**, in his capacity as chairman of the board of directors of the Issuer, **Mr. José Francisco Gonçalves de Arantes e Oliveira** and **Mr. Jerome David Beadle**, in their capacities as directors of the Issuer are responsible for the information contained in this document. To the best of the knowledge and belief of the Issuer and of the aforementioned individuals, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This statement is without prejudice to any liability which may arise under Portuguese law. 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. The Issuer accepts responsibility accordingly (except where another party mentioned below accepts responsibility for certain information).

To the extent such responsibility is imposed by law, **Mr. Joaquim António Furtado Baptista**, who resigned its office as director of the Issuer with effects, under the law, from the end of June 2013, is responsible for the accuracy of the financial statements of the Issuer, contained in this document, required by law or regulation to be prepared up to the date of effectiveness of his resignation.

Each of Caixa Económica Montepio Geral and Montepio Crédito - Instituição Financeira de Crédito, S.A., in its capacities as Originators and Servicers, accepts responsibility for the information in this document relating to itself, to the description of its rights and obligations in respect of all information relating to the Consumer Loans originated by it, the Receivables Sale Agreement, the Receivables Servicing Agreement and all information relating to the Consumer Loans Portfolio in the sections headed “*Characteristics of the Consumer Loans Portfolio*”, “*Originators’ Standard Business Practices, Servicing and Credit Assessment*” and “*The Originators*” (together the “**Originators Information**”) and confirms that such Originator 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 each of the Originators as to the accuracy or completeness of any information contained in this Prospectus (other than the Originators Information).

Deutsche Bank, AG, London Branch, in its capacity as the Accounts Bank accepts responsibility for the information in this document relating to itself in this regard in the section headed “*The Accounts Bank*” (the “**Accounts Bank Information**”) and to the best of its knowledge and belief, such 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) or any other information supplied in connection with the Notes or their distribution.

The members of the supervisory board of the Issuer, **Mr. Manuel Corrêa de Barros de Lancastre**, **Mr. João Alexandre Marques De Castro Moutinho Barbosa**, **Ms. Maria da Conceição Romão Teixeira Carrapeta** in their capacities as members of the supervisory board of the Issuer 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 begun their term of office following their appointment as members of the supervisory board of the Issuer. To the best of the knowledge and belief of the supervisory board of the Issuer and of all the aforementioned individuals, the financial statements contained in this document are in accordance with the facts and do 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. Manuel Corrêa de Barros de Lancastre, Mr. João Alexandre Marques De Castro Moutinho Barbosa or Ms. Maria da Conceição Romão Teixeira Carrapeta 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.

KPMG & Associados – SROC, S.A., hereby represented by **Vítor Manuel da Cunha Ribeirinho**, in its capacity as representative of the independent auditor of the Issuer for the years 2012 and 2013, within the terms of the *Código das Sociedades Comerciais*, is responsible for the independent auditors’ reports issued in connection with the audited financial statements prepared in accordance with the International Financial Reporting Standards (“**IAS/IFRS**”) as adopted by the EU for the years ended on 31 December

2012 and 31 December 2013, which are incorporated by reference herein and confirms that the financial information relating to the Issuer in the section headed “**Documents Incorporated by Reference**” including the independent auditor’s report, the balance sheet and profit and loss information and accompanying notes (incorporated by reference) has been, where applicable, accurately extracted from the audited financial statements for the relevant years. To the best of the knowledge and belief of the independent auditor, the audited financial statements incorporated by reference herein are in accordance with the facts and do 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 KPMG & Associados – SROC, S.A. 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, other than the independent auditors’ reports issued in connection with the audited financial statements for the years ended on 31 December 2012 and 31 December 2013.

António Frutuoso de Melo e Associados, Sociedade de Advogados, RL as legal advisors to the Originators, responsible for the Portuguese legal matters included in the chapter “*Selected Aspects of Laws of the Portuguese Republic Relevant to the Consumer Loans and the Transfer of the Consumer Loans*” to the extent it relates to the Originators.

Vieira de Almeida & Associados Sociedade de Advogados, RL as legal advisors to the Arranger responsible for the Portuguese legal matters included in the chapter “*Selected Aspects of Laws of the Portuguese Republic Relevant to the Consumer Loans and the Transfer of the Consumer Loans*”.

In accordance with article 149, no. 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 shortcoming in the contents of this Prospectus on the date of issue of the contractual declaration or when the respective revocation was still possible. Pursuant to subparagraph a) 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 management board, the financial intermediaries in charge of assisting with the offer or any other entities that have accepted to be appointed in this Prospectus is held responsible for any information, forecast or study included in the same. Additionally, subparagraph b) of said article 150, also provides that the Issuer is strictly liable (*i.e.* independently of fault) if any of the members of the auditing body, accounting firms, chartered accountants and any other individuals that have certified or, in any other way, verified the accounting documents on which the Prospectus is based is held responsible for such information.

Further to subparagraph b) of article 243 of the Portuguese Securities Code, the right to compensation based on the aforementioned responsibility statements is to be exercised within six months following the knowledge of a shortcoming in the contents of the Prospectus and ceases, in any case, two years following (i) disclosure of the admission Prospectus or (ii) amendment that contains the defective information or forecast.

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 Originators, the Servicers, the Transaction Manager, the Common Representative, the Accounts Bank, the Paying Agent, the Agent Bank (together the “**Transaction Parties**”) or the Arranger.

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.

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, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

Selling Restrictions Summary

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, Montepio and Montepio Crédito 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 and Transfer Restrictions*” herein.

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 or the Arranger. 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 Arranger or the Originators other than as set out in this Prospectus 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 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 securities laws, orders, rules and regulations, and the Issuer and the Originators have 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 not relied on the Arranger or on any person affiliated with the Arranger in connection with its investment decision, and (ii) 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 Originators or the Arranger.

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.

It should be remembered that the price of securities and the income from them can go down as well as up.

Currency

In this Prospectus, unless otherwise specified, references to “€”, “EUR” or “euro” are to the lawful currency of the member states of the European Union participating in Economic and Monetary Union as contemplated by the Treaty.

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.

Interpretation

The language in this Prospectus is English. 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 on pages 128 to 131. 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 the Notes*” below.

THE PARTIES

- Issuer:** Tagus – Sociedade de Titularização de Créditos, S.A., a special purpose vehicle incorporated under the laws of Portugal for the purpose of issuing of asset backed securities, with head office at Rua Castilho, no. 20, Lisbon, Portugal, registered with the Commercial Registry Office of Lisbon under the sole registration and tax payer number 507 130 820 and with a share capital of €250,000.00.
- The Issuer’s share capital is fully owned by Deutsche Bank Aktiengesellschaft.
- Originators:** Caixa Económica Montepio Geral, a credit institution established as a *fundação* under the laws of Portugal, with an institutional capital of €1,500,000,000, having its registered office at Rua Áurea, No. 219-241, in Lisbon, Portugal and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 500 792 615.
- Montepio Crédito – Instituição Financeira de Crédito, S.A., a credit institution established under the laws of Portugal, with a share capital of €30,000,000, having its registered office at Rua Júlio Dinis 158/160, 2º andar, Porto, Portugal and registered with the Commercial Registry of Porto with sole commercial registration and taxpayer number 502 774 312.
- Servicers:** Caixa Económica Montepio Geral and Montepio Crédito – Instituição Financeira de Crédito, S.A., in their capacities as Servicers or any successor appointed in accordance with the Receivables Servicing Agreement. Caixa Económica Montepio Geral will also act as Master Servicer in relation to the Consumer Loans originated by Montepio Crédito, in accordance with the provisions of the Receivables Servicing Agreement.
- Back-up Servicer:** Whitestar Asset Solutions, S.A. constituted and incorporated under the laws of Portugal, with a share capital of € 50.000.00, registered with the Commercial Registry Office of Lisbon under sole taxpayer and commercial registration number 508 099 161, with its head office at Rua Carlos Alberto da Mota Pinto, n.º 17, 17.º-A, in Lisbon, Portugal.
- Common Representative:** The Law Debenture Trust Corporation p.l.c., acting through its office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, in its capacity as representative of the Noteholders pursuant to Article 65 of the Securitisation Law in accordance with the Common Representative Appointment Agreement.
- Transaction Manager:** Deutsche Bank Aktiengesellschaft, acting through its London office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom (“**DBAG London**”), in its capacity as transaction manager to the Issuer in accordance with the terms of the Transaction Management Agreement through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
- Accounts Bank:** DBAG London, in its capacity as the bank at which the accounts of the Issuer will be held, in accordance with the terms of the Accounts Agreement, through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
- Collections Account Bank:** Caixa Económica Montepio Geral, in its capacity as the credit institution at which the Collections Account is held, or any successor appointed in accordance with the provisions of the Receivables

Servicing Agreement.

- Agent Bank:** DBAG London, in its capacity as the agent bank in respect of the Notes in accordance with the terms of the Paying Agency Agreement through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
- Paying Agent:** Deutsche Bank Aktiengesellschaft, a corporation duly organised and existing under the laws of Germany and having its principal place of business in the City of Frankfurt (Main) and operating in Portugal under branch (Deutsche Bank Aktiengesellschaft – Sucursal em Portugal) number 43 and registration and taxpayer number 980 459 079 having its registered office at Rua Castilho, no. 20, in Lisbon, Portugal (“**DBAG Portugal**”) in its capacity as paying agent in respect of the Notes in accordance with the terms of the Paying Agency Agreement.
- Transaction Creditors:** The Common Representative, the Agents, the Transaction Manager, the Accounts Bank, the Back-up Servicer, the Originators and the Servicers.
- Rating Agencies:** Fitch and DBRS.
- Arranger:** The Royal Bank of Scotland plc, acting through its office at 135 Bishopsgate, EC2M 3UR London, United Kingdom.

PRINCIPAL FEATURES OF THE NOTES

The following is a summary of certain aspects of the Conditions 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 on the Closing Date in accordance with the terms of the Common Representative Appointment Agreement and the Conditions the following Notes:

€202,900,000 Class A Asset Backed Fixed Rate Securitisation Notes due 2028 (the “**Class A Notes**”);

€91,100,000 Class B Asset Backed Fixed Rate Securitisation Notes due 2028 (the “**Class B Notes**” and, together with the Class A Notes, the “**Asset Backed Notes**”); and

€14,700,000 Class C Notes due 2028 (the “**Class C Notes**”).

The Class A Notes, the Class B Notes and the Class C Notes together are referred to as the “**Notes**”.

The Originators have agreed to purchase on the Closing Date the Notes in the following proportions:

	Montepio	Montepio Crédito
Class A Notes	€121,800,000	€81,100,000
Class B Notes	€54,700,000	€36,400,000
Class C Notes	€8,800,000	€5,900,000

Issue Price:

The Notes of each Class will be issued at 100 (one hundred) per cent. of their principal amount.

Form and Denomination:

The Notes will be in book-entry (*forma escritural*) and registered form (*nominativas*) and in denominations of €100,000 and will be registered with Interbolsa and held through the accounts of affiliate members of Interbolsa, as operator and manager of the *Central de Valores Mobiliários* (the “**CVM**”).

Status and Ranking:

The Notes will constitute direct limited recourse obligations of the Issuer and will benefit from the statutory segregation provided for in the Securitisation Law (as defined in “*Risk Factors – The Securitisation Law, the Securitisation Tax Law and Decree Law 193/2005*”). The Notes of each class rank *pari passu* without prejudice or priority amongst themselves.

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

During the Revolving Period there will be no repayment of principal on the Notes, unless as provided below. After the end of the Revolving Period, repayment of principal on the Notes on an Interest Payment Date will be made on a pro-rata basis if the Pro-Rata Test has been satisfied and, if the Pro-Rata Test has not been satisfied, repayment of

principal on the Notes will be 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.

Both during the Revolving Period and after the Revolving Period, payment of interest on the Notes and of the Class C Distribution Amount will be made in accordance with the 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 favour of the Notes:

The Notes and the other obligations of the Issuer under the Transaction Documents owing to the Transaction Creditors will have the benefit of the statutory segregation provided by the Securitisation Law.

Use of Proceeds:

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

(A) the payment to the Originators of the component of the Initial Purchase Price relating to the Principal Outstanding Balance of the Consumer Loans included in the Initial Consumer Loans Portfolio will be made with proceeds of the issue of the Asset Backed Notes;

(B) the funding of the Cash Reserve Amount will be made with the proceeds of the issue of the Class C Notes;

(C) any excess amount will be transferred to the Payment Account.

The initial transaction expenses of the Issuer will be paid up-front without recourse to the proceeds of the issue of the Notes.

Rate of Interest:

The Class A Notes and the Class B Notes will represent entitlements to payment of interest in respect of each successive Interest Period from the Closing Date, at the following rates:

(a) an annual fixed rate of 3.00 per cent. in respect of the Class A Notes; and

(b) an annual fixed rate of 4.00 per cent. in respect of the Class B Notes.

Class C Distribution Amount:

In respect of any Interest Payment Date, the Class C Notes will bear an entitlement to payment of the Class C Distribution Amount in the amount calculated by the Transaction Manager to be paid from the Available Interest Distribution Amount on such 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 or the Post-Enforcement Payment Priorities.

Interest Accrual Period:

Interest on the Notes and the Class C Distribution Amount will be paid monthly in arrears. 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 Notes and the Class C Distribution Amount are payable monthly in arrears on the 25th day of each month in each year (other

than interest which will be paid on the first Interest Payment Date for the period from Closing Date to 25 June 2014) (or, if such day is not a Business Day, the next succeeding Business Day, unless such day would fall into the next calendar month, in which case, it will be brought forward to the immediately preceding Business Day).

Business Day: A TARGET Settlement Day or, if such TARGET Settlement Day is not a day on which banks are open for business in London and in Lisbon, the next succeeding TARGET Settlement Day on which banks are open for business in London and in Lisbon.

Lisbon Business Day: Any TARGET Settlement Day on which banks are open for business in Lisbon.

TARGET Settlement Day: Any day on which TARGET2 is open for the settlement of payments in euro.

“TARGET2” 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.

Final Redemption: Unless the Notes have previously been redeemed in full as described in Condition 8 (*Final Redemption, Mandatory Redemption in part and Optional Redemption*), the Notes will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding.

Final Legal Maturity Date: The Interest Payment Date falling in December 2028.

Authorised Investments: The Issuer has the right to make Authorised Investments using amounts standing to the credit of the Payment Account and the Cash Reserve Account.

Taxation in respect of the Notes: Payment of interest and other amounts due under the Notes will 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 the Securitisation Tax Law, 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.

The above-mentioned exemption from income tax does not apply to non-resident Noteholders if such Noteholders' 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 provided the requirements and procedures of the evidence of non-residence are complied with. For a more detailed description of the Tax please see the “Taxation” section.

No Purchase of Notes by the Issuer: The Issuer may not at any time purchase any of the Notes.

Ratings: The Class A Notes are expected on issue to be assigned the following ratings by the Rating Agencies:

	“Fitch”	“DBRS”
Class A Notes	“A(sf)”	“A(sf)”

It is a condition to the issuance of the Notes that the Class A Notes receive the above ratings.

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.

Optional Redemption in Whole:

At the option of the Issuer, the Notes in each Class will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date:

- (a) when, on the related Calculation Date, the Aggregate Principal Outstanding Balance of the Consumer Loans is equal to or less than 10 (ten) per cent. of the Aggregate Principal Outstanding Balance of the Consumer Loans as at the Initial Collateral Determination Date; or
- (b) after the date on which, by virtue of a change in Tax law of the Issuer’s Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would be required to make a Tax Deduction from any payment in respect of the Notes (other than by reason of the relevant Noteholder having some connection with the Portuguese Republic, other than the holding of the Notes or related Coupons); or
- (c) after the date on which, by virtue of a change in the Tax law of the Issuer’s Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would not be entitled to relief for the purposes of such Tax law for any material amount which it is obliged to pay, or the Issuer would be treated as receiving for the purposes of such Tax law any material amount which it is not entitled to receive under the Transaction Documents; or
- (d) after the date of a change in the Tax law of any applicable jurisdiction (or the application or official interpretation of such Tax law) which would cause the total amount payable in respect of any Collections to cease to be receivable by the Issuer including as a result of any of the Borrowers being obliged to make a Tax Deduction in respect of any payment in relation to any Consumer Loan,

subject to certain conditions as set out in the Conditions for the Notes.

The Notes will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding together with accrued interest at the option of the Noteholders, if on any Interest Payment Date, 100 per cent. of the Notes then outstanding are held by both of the Originators, in accordance with Condition 7.9.

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 at any time, by giving not less than 30 (thirty) days’ notice, replace the Paying Agent by one or more banks or other financial institutions 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.

Settlement:

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

Listing:

Application has been made to the Stock Exchange for the Class A Notes to be admitted to trading on its regulated market.

No assurance can be given that the Notes will be listed on the Stock Exchange, or if listed, will continue to be listed for the term of the Notes.

Governing Law:

The Notes and the Transaction Documents will be governed by Portuguese law, except for the Accounts Agreement, the Note Purchase Agreement and the Transaction Management Agreement which will be governed by English Law.

OVERVIEW OF THE TRANSACTION

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 Consumer Loans: Under the terms of the Receivables Sale Agreement, the Originators will assign to the Issuer and the Issuer will, subject to satisfaction of the applicable conditions precedent, purchase from the Originators, a portfolio of Consumer Loans (the “**Initial Consumer Loans Portfolio**”) on the Closing Date and, in the case each of the Originators and the Issuer so agree, further portfolios of Additional Consumer Loans (the “**Additional Consumer Loans Portfolio**”) on Additional Purchase Dates during the Revolving Period.

The Consumer Loans: The Consumer Loans to be assigned to the Issuer shall consist of consumer loans and auto loans originated by Montepio and by Montepio Crédito. The Consumer Loans are interest-bearing receivables payable monthly, quarterly, semi-annually, annually or upon maturity and interest is calculated on the basis of a 360 day year at a variable or fixed rate. The majority of the Consumer Loans are unsecured. The Consumer Loan Agreements are denominated in euro and governed by Portuguese law. Borrowers are natural persons resident in the Portuguese jurisdiction (see “*Characteristics of the Consumer Loans*”).

Consideration for Purchase of the Initial Consumer Loans Portfolio: As consideration for the sale and assignment to the Issuer of the Initial Consumer Loans Portfolio on the Closing Date, the Issuer will pay to the Originators the Initial Purchase Price. The Originators will not assign to the Issuer any accrued interest from the Initial Collateral Determination Date to the Closing Date.

Consideration for Purchase of Additional Consumer Loans Portfolios: As consideration for the sale and assignment to the Issuer of each Additional Consumer Loans Portfolio on the relevant Additional Purchase Date, the Issuer will pay to the relevant Originator the relevant Additional Purchase Price.

Revolving Period: During the Revolving Period and subject to satisfaction of the Eligibility Criteria (as defined and more fully described under “*Overview of Certain Transaction Documents – Receivables Sale Agreement - Representations and Warranties as to the Consumer Loans*”), each of the Originators may sell Additional Consumer Loans to the Issuer, such Additional Consumer Loans being randomly selected by the Originators in accordance with the Receivables Sale Agreement.

During the Revolving Period, the purchase of Additional Consumer Loans by the Issuer shall be funded out of the available Principal Collections Proceeds, to the extent available.

“**Revolving Period**” means the period commencing on the Closing Date and ending on the earlier of:

- (a) the Business Day immediately following the Interest Payment Date that falls 18 (eighteen) months after the Closing Date; or
- (b) the date on which a Notification Event occurs; or
- (c) the date on which both Originators inform the Issuer, the

Common Representative and the Transaction Manager that they wish to end the Revolving Period; or

- (d) the date on which a breach of the Originators Representations and Warranties has occurred, if such breach is not capable of being remedied or, if such breach is capable of being remedied and has not been so remedied or the Issuer has been indemnified in respect thereof by the relevant Originator on or prior to the next succeeding Interest Payment Date, from the Business Day immediately following such Interest Payment Date where the breach was not remedied; or
- (e) the date on which a Servicer Event occurs.

“**Additional Consumer Loan**” means a Consumer Loan included in an Additional Consumer Loans Portfolio.

“**Additional Consumer Loans Portfolio**” means a portfolio of Additional Consumer Loans sold and assigned by each of the Originators to the Issuer on an Additional Purchase Date in consideration for which the relevant Additional Purchase Price will be paid by the Issuer to the relevant Originator.

Eligibility Criteria:

The Consumer Loans comprised within the Initial Consumer Loans Portfolio shall comply with the Eligibility Criteria as at the Initial Collateral Determination Date and as at the Closing Date and the Additional Consumer Loans comprised within each Additional Consumer Loans Portfolio shall comply with the Eligibility Criteria as at the relevant Additional Collateral Determination Date and as at the relevant Additional Purchase Date (except if the period from the applicable Additional Collateral Determination Date to the applicable Additional Purchase Date is less than 10 (ten) Business Days, in which case compliance with the Eligibility Criteria will only be provided with reference to the relevant Additional Collateral Determination Date).

Portfolio Tests:

The Servicer will determine on any Calculation Date and on any Additional Collateral Determination Date if the Portfolio Tests are met.

If an Originator offers to sell and assign an Additional Consumer Loans Portfolio to the Issuer during the Revolving Period, the Issuer shall accept such offer if the conditions in clause 3.3 of the Receivables Sale Agreement and all Portfolio Tests are met as at the relevant Additional Collateral Determination Date. The Servicer will determine if such Portfolio Tests are met taking into account the aggregate of both the Consumer Loans Portfolio(s) already sold and assigned by the Originators to the Issuer and the Additional Consumer Loans Portfolio offered for sale and assignment on the relevant Additional Collateral Determination Date.

The following conditions are defined as the “**Portfolio Tests**”:

- (a) the Consumer Loans which will be the subject of each Additional Purchase shall have substantially the same characteristics as the Consumer Loans in the Initial Consumer Loan Portfolio purchased on the Closing Date and shall comply with the Eligibility Criteria;
- (b) the balances of both the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger shall be equal to zero;
- (c) the sum of (i) the Principal Outstanding Balance of the

Consumer Loans which are in arrears for a period between 90 and 180 days and of (ii) the Defaulted Receivables, less the Liquidation Proceeds in relation to such Consumer Loans in items (i) and (ii) above, shall not correspond to more than 10 per cent. of the Principal Outstanding Balance of the Consumer Loans in the Initial Consumer Loans Portfolio, on each Interest Payment Date;

- (d) the weighted average interest rate of the Consumer Loan Portfolio taking into account the Additional Purchase must be no more than 100 basis points lower than the weighted average interest rate of the Initial Consumer Loan Portfolio;
- (e) the Consumer Loans included in the Consumer Loans Portfolio which have a fixed rate of interest shall not correspond to more than 45 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (f) the aggregate Principal Outstanding Balance of the Consumer Loans which constitute Consumer Loans with a rate of interest which is linked to a Benchmark Index, included in the Consumer Loan Portfolio after such Additional Purchase divided by the sum of (i) the aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loan Portfolio after such Additional Purchase and (ii) the amount as is credited in the Payment Account after such Additional Purchase, shall be equal to or lower than 70 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio at such Additional Collateral Determination Date;
- (g) the Consumer Loans included in the Consumer Loans Portfolio which constitute Consumer Loans for the purpose of financing an acquisition of a vehicle shall not correspond to more than 60 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (h) the Consumer Loans included in the Consumer Loans Portfolio which correspond to consumer loans granted for general purposes, shall not correspond to more than 60 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (i) the Consumer Loans included in the Consumer Loans Portfolio which relate to financing appliances, furniture, equipment, medical or category of "others" shall not correspond to more than 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (j) the Consumer Loans included in the Consumer Loans Portfolio which have non-Portuguese Borrowers shall not correspond to more than 2 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (k) the Consumer Loans included in the Consumer Loans Portfolio which are subject to Permitted Variations shall not correspond to more than 10 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;

- (l) the Consumer Loans included in the Consumer Loans Portfolio which do not have monthly payment frequency shall not correspond to more than 1 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (m) the Additional Consumer Loans shall have a maximum grace period of 12 months as from its respective origination date and the Consumer Loans included in the Consumer Loans Portfolio which have a grace period shall not correspond to more than 2.5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (n) there will be no loans corresponding to leasing contracts in the Consumer Loans Portfolio;
- (o) the Consumer Loans included in the Consumer Loans Portfolio which have balloon payments shall not correspond to more than 1 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (p) after an Additional Purchase, the weighted average remaining time to maturity of the Consumer Loans Portfolio shall not increase by more than 9 months in relation to the average time to maturity of the Initial Consumer Loans Portfolio;
- (q) after an Additional Purchase, the weighted average loan size of the Consumer Loans Portfolio shall not increase by more than €1,500 in relation to the weighted average loan size of the Initial Consumer Loans Portfolio;
- (r) after an Additional Purchase, the Consumer Loans pertaining to a given Region cannot (A) be increased by more than 10 per cent. in relation to percentage for such Region existing in the Initial Consumer Loans Portfolio and (B) cannot correspond to more than 36 per cent. of Consumer Loans pertaining to such Region;
- (s) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio Crédito and relate to new vehicles shall correspond at least to 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (t) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio Crédito and relate to used vehicles or all other categories of loans, except the category “New Car”, originated by Montepio Crédito and included in the Initial Consumer Loans Portfolio shall correspond to no more than 38 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (u) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio and relate to auto loans shall correspond at least to 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans originated by Montepio and included in the Consumer Loans Portfolio;

- (v) the Consumer Loans included in the Consumer Loans Portfolio granted to Borrowers which are students or unemployed shall correspond to no more than 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (w) any Additional Consumer Loan to be included in the Consumer Loans Portfolio shall have at least one payment made in respect thereof, either of interest or principal;
- (x) any Additional Consumer Loan to be included in the Consumer Loan Portfolio shall not have a maturity term longer than 3 (three) years prior to the Final Legal Maturity Date;
- (y) the Principal Outstanding Balance of any Additional Consumer Loan will be no greater than €250,000; and
- (z) after such Additional Purchase (i) the proportion of the Consumer Loans originated by Montepio in the Consumer Loans Portfolio is not more than 65 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio; and (ii) the proportion of the Consumer Loans originated by Montepio Crédito in the Consumer Loans Portfolio is not more than 45 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio.

The Servicer, on behalf of the Issuer, will be able to amend the Portfolio Tests subject to (i) receiving rating agency confirmation from DBRS in respect of such amendments and (ii) providing prior written notice to Fitch.

Servicing of the Consumer Loans:

Pursuant to the terms of the Receivables Servicing Agreement, the Servicer will agree to administer and service the Consumer Loans sold and assigned by the Originators to the Issuer on behalf of the Issuer and, in particular, to:

- (a) collect the Receivables due in respect thereof;
- (b) set interest rates applicable to the Consumer Loans;
- (c) administer relationships with Borrowers; and
- (d) undertake enforcement proceedings in respect of any Borrowers which may default or which have defaulted on their obligations under the relevant Consumer Loans.

In addition, Montepio agrees to act as Master Servicer in relation to the Consumer Loans originated by Montepio Crédito, pursuant to the terms of the Receivables Servicing Agreement, upon the occurrence of a Master Servicer Trigger, and subject to the approval of the CMVM. For these purposes, a “**Master Servicer Trigger**” shall occur when Montepio Crédito send a notification to the effect to Montepio, which determines that Montepio will act as Servicer in relation to the Consumer Loans originated by Montepio Crédito.

Servicer Reporting:

Montepio and Montepio Crédito, in their capacities as Servicers, will be required to deliver to the Transaction Manager no later than 13 (thirteen) calendar days after each Calculation Date, a joint report in a form agreed with the Transaction Manager (the

“**Monthly Report**”) relating to the period from the last date covered by the previous Monthly Report.

The Monthly Report will form part of an investor report to be in a form agreed with the Issuer, the Transaction Manager, the Common Representative and the Arranger, as set out in the Transaction Management Agreement, (the “**Investor Report**”) to be delivered by the Transaction Manager to, *inter alia*, the Common Representative, the Arranger, the Rating Agencies and the Paying Agent no later than 6 (six) Business Days prior to each Interest Payment Date.

Collections Account:

All Collections received by the Servicers from a Borrower pursuant to a Consumer Loan will be credited by the relevant Servicer to the Collections Account. Montepio shall operate such account in accordance with the Receivables Servicing Agreement.

Montepio will on each Lisbon Business Day, transfer to the Payment Account any cleared funds standing to the credit of the Collections Account, except that Montepio shall not, in respect of the Collections Account, give any such direction if it would cause the Collections Account to become overdrawn.

Payment Account:

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 Accounts Agreement.

A downgrade of the rating of the Accounts Bank by any of the Rating Agencies below the Minimum Rating will require the Transaction Manager, on behalf of the Issuer, to transfer the Payment Account and the funds standing to the credit thereof to a bank whose rating meets or exceeds the Minimum Rating.

“**Minimum Rating**” means, in respect of any entity, other than the Originators or the Collections Account Bank, (i) such entity’s short term unsecured, unsubordinated, unguaranteed debt obligations having ratings of “F1” by Fitch, and (ii) such entities long term unsecured, unguaranteed and unsubordinated debt obligations being rated “BBB+” by Fitch and “BBB (high)” by DBRS or (iii) such other ratings that may be agreed by DBRS from time to time as is consistent with the then current rating of the Class A Notes. For the avoidance of doubt, this rating assigned by DBRS will consist of (i) public rating assigned by DBRS, or in the absence of such public rating, (ii) a private rating assigned by DBRS.

Payments from Payment Account on each Business Day:

On each Business Day, funds standing to the credit of the Payment Account will be applied by the Transaction Manager on behalf of Issuer in or towards payment of (i) an amount equal to any Incorrect Payment to the Originators due on such Business Day and (ii) other amounts, including Tax payments, Third Party Expenses and payments to the Back-up Servicer required by it to meet up-front cash required expenses as foreseen in clause 22.4.3 of the Receivables Servicing Agreement.

Statutory Segregation for the Notes, right of recourse and Issuer Obligations:

The Notes will have the benefit of the statutory segregation provided for by Article 62 of the Securitisation Law which sets forth that the assets and liabilities (*património autónomo*) 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.

In accordance with Article 61 and the subsequent articles of the Securitisation Law the right of recourse of the Noteholders is limited to the specific pool of assets (*património autónomo*), including the Consumer Loans, 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. 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.

Use of funds to reduce or eliminate a Payment Shortfall:

If, in respect of an Interest Payment Date, the Transaction Manager determines as at the Calculation Date immediately preceding such Interest Payment Date that a Payment Shortfall will exist on such Interest Payment Date, the Transaction Manager will ensure that an amount equal to the Principal Draw Amount is deducted from the Available Principal Distribution Amount and is added to the Available Interest Distribution Amount on or prior to such Interest Payment Date to reduce or, as applicable, eliminate such Payment Shortfall.

Cash Reserve Account:

On or before the Closing Date, the Cash Reserve Account will be established with the Accounts Bank in the name of the Issuer. An amount equal to the Cash Reserve Amount will be transferred to the Cash Reserve Account on the Closing Date.

Funds will be debited and credited to the Cash Reserve Account in accordance with the payment instructions of the Transaction Manager, on behalf of the Issuer, in accordance with the Transaction Management Agreement and the Accounts Agreement.

A downgrade of the rating of the Accounts Bank by any of the Rating Agencies below the Minimum Rating will require the Transaction Manager, on behalf of the Issuer, to transfer the Cash Reserve Account and the funds standing to the credit thereof to a bank whose rating meets or exceeds the Minimum Rating.

Replenishment of Cash Reserve Account:

On each Interest Payment Date, to the extent that monies are available for the purpose, amounts (if required) will be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Interest Payment Priorities until the amount standing to the credit of the Cash Reserve Account equals the Cash Reserve Account Required Balance on such Interest Payment Date.

Excess Available Interest Distribution Amount:

On each Interest Payment Date, and as calculated on the immediately preceding Calculation Date, following replenishment of the Cash Reserve Account, any excess Available Interest Distribution Amount will be applied towards the remaining items of the Pre-Enforcement Payment Priorities on such Interest Payment Date.

Principal Draw Amount:

In relation to any Interest Payment Date, the Principal Draw Amount is the aggregate amount determined on the related Calculation Date as being the amount (if any) of the Available Principal Distribution Amount which is to be utilised by the Issuer to reduce or eliminate any Payment Shortfall on such Interest Payment Date.

“**Payment Shortfall**” means, as at any Interest Payment Date, an amount equal to the greater of:

- (a) zero; and
- (b) the aggregate of the amounts required to pay or provide in full on such Interest Payment Date for the items falling in (a) to (e) of the Pre-Enforcement Interest Payments Priorities less the amount of the Available Interest Distribution Amount calculated in respect of such Interest Period but before taking into account any Principal Draw Amount.

Available Interest Distribution Amount:

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

- (a) the amount of any Interest Collections Proceeds received by the Issuer as interest payments under the Consumer Loans during the Collections Period immediately preceding such Interest Payment Date; 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 relevant Collections Period exceeds the original cost of such Authorised Investment, the amount of such excess together with interest thereon; plus
- (c) all amounts standing to the credit of the Cash Reserve Account; plus
- (d) interest accrued on the Transaction Accounts and credited to such Transaction Accounts during the relevant Collection Period; plus
- (e) the amount of any Principal Draw Amount to be made on such Interest Payment Date to cover any Payment Shortfall in respect of such Interest Payment Date; plus
- (f) any portion of the Available Principal Distribution Amount remaining after the redemption in full of the Notes; less
- (g) any Withheld Amount.

Prior to the delivery of an Enforcement Notice, the Available Interest Distribution Amount will be applied by the Transaction Manager on each Interest Payment Date in accordance with the Pre-Enforcement Interest Payment Priorities.

Available Principal Distribution Amount:

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

- (a) the amount of any Principal Collections Proceeds received by the Issuer as principal payments under the Consumer Loans during the Collections Period immediately preceding such Interest Payment Date; plus
- (b) during the Revolving Period, any amounts of Available

Principal Distribution Amounts not used on any previous Interest Payment Dates to purchase Additional Consumer Loans; plus

- (c) such amount of the Available Interest Distribution Amount as is credited to the Payment Account and which is to be applied by the Transaction Manager on such Interest Payment Date in reducing the debit balance on the Class A Principal Deficiency Ledger or the Class B Principal Deficiency Ledger; less
- (d) the amount of any Principal Draw Amount to be made on such Interest Payment Date;

Principal Deficiency Ledgers:

The Issuer will establish in its books a principal deficiency ledger comprising two sub-ledgers (the “**Class A Principal Deficiency Ledger**“ and the “**Class B Principal Deficiency Ledger**”, together referred as the “**Principal Deficiency Ledgers**”).

The Principal Deficiency Ledgers will be debited as follows:

- (a) after receipt by the Transaction Manager of the Monthly Report but before the next Interest Payment Date, an amount equal to the amount of any Deemed Principal Loss if such Deemed Principal Loss is reported as having occurred in the relevant Collections Period in the Monthly Report;
- (b) on any Interest Payment Date, an amount equal to the amount of any Principal Draw Amount determined on the related Calculation Date and transferred to the Payment Account from the Available Principal Distribution Amount; and
- (c) any amounts by which a Borrower exercises set-off rights and discharges its payment obligations under the relevant Consumer Loan Agreement in regard to a Consumer Loan.

“**Deemed Principal Loss**” means (without double-counting a Consumer Loan under (a) and (b) below), in relation to any Consumer Loan on any Calculation Date:

- (a) in respect of which no Liquidation Proceeds have yet been realised, on the date on which more than six monthly instalments have not been paid when due and which remain outstanding, an amount equal to 100 per cent. of the Principal Outstanding Balance of such Consumer Loan determined as at such Calculation Date; and
- (b) in respect of which Liquidation Proceeds have been realised, the Principal Outstanding Balance (which shall not be deemed to be zero) of such Consumer Loan less the sum of all Collections, Repurchase Proceeds and other recoveries, if any, on such Consumer Loan, which will be applied first to outstanding expenses incurred with respect to such Consumer Loan, then to accrued and unpaid interest and, finally, to principal.

The Principal Deficiency Ledgers will be credited with any Available Interest Distribution Amount determined as at the related Calculation Date and transferred to the Payment Account in accordance with item (b) of the definition of Available Principal Distribution Amount.

Allocation of debits to Principal

Amounts debited to the Principal Deficiency Ledgers shall be

Deficiency sub-ledgers

allocated to each of the sub-ledgers as follows:

- (a) *firstly*, to the Class B Principal Deficiency Ledger, subject to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes then outstanding; and
- (b) *secondly*, to the Class A Principal Deficiency Ledger, subject to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes then outstanding.

Allocation of credits to Principal Deficiency sub-ledgers

Amounts credited or deemed to be credited to the Principal Deficiency Ledgers shall be added in accordance with the Payment Priorities and shall be allocated to each of such sub-ledgers as follows:

- (a) *firstly*, to the Class A Principal Deficiency Ledger until the debit balance thereof is reduced to zero; and
- (b) *secondly*, to the Class B Principal Deficiency Ledger until the debit balance thereof is reduced to zero.

Pre-Enforcement Interest Payment Priorities:

Prior to the delivery of an Enforcement Notice, the Available Interest Distribution Amount determined in respect of the Collections Period ending on the immediately preceding Calculation Date will be applied by the Transaction Manager on a given Interest Payment Date in making the following payments or provisions in the following order of priority, 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 of the Issuer's liability to tax, in relation to this transaction, if any;
- (b) *second*, in or towards payment of the Common Representative's Fees and the Common Representative's Liabilities;
- (c) *third*, in or towards payment of the Issuer Expenses, excluding the Issuer's liability to tax, paid under item (a) above;
- (d) *fourth*, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount due on the Class A Notes;
- (e) *fifth*, in or towards reduction *pari passu* on a *pro rata* basis, of the debit balance on the Class A Principal Deficiency Ledger until such balance is equal to zero;
- (f) *sixth*, in or towards payment to the Cash Reserve Account up to the Cash Reserve Account Required Balance;
- (g) *seventh*, in or towards payment of the Interest Amount, Deferred Interest Amount Arrears and any default interest thereon due and payable on any Interest Payment Date in respect of the Class B Notes *pari passu* on a *pro rata* basis but so that such Interest Amount will be paid before such Deferred Interest Amount Arrears which shall, in turn, be paid before any default interest in accordance with Condition 6.13 (Deferral of Interest Amounts in Arrears);
- (h) *eighth*, in or towards reduction *pari passu* on a *pro rata* basis, of the debit balance on the Class B Principal Deficiency Ledger until such balance is equal to zero;

- (i) *ninth*, in or towards payment of any Class C Distribution Amount due and payable in respect of the Class C Notes.

“**Common Representative’s Fees**” means the fees payable by the Issuer to the Common Representative in accordance with the Common Representative Appointment Agreement.

“**Common Representative’s Liabilities**” means any Liabilities due to the Common Representative in accordance with the Common Representative Appointment Agreement together with any interest payable in accordance with the Common Representative Appointment Agreement accrued due in the immediately preceding Collections Period.

“**Issuer Expenses**” means any fees, liabilities and expenses, in relation to this transaction, payable by the Issuer to the Servicers, the Master Servicer, the Transaction Manager (or any successor), the Paying Agent, the Accounts Bank, the Agent Bank 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 document.

“**Issuer Transaction Revenues**” means the amounts agreed between the Issuer and the Originator, including an upfront fee and an annual administration fee in the amount of 2 bps on the nominal amount of Notes outstanding, payable to the Issuer on each 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 Collections Period ending on the immediately preceding Calculation Date will be applied by the Transaction Manager on a given Interest Payment Date in making the following payments or provisions in the following order of priority, 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) *during the Revolving Period:*

- (a) *first*, provided the Portfolio Tests have been met, in or towards the purchase of Additional Consumer Loans Portfolios (to the extent such Additional Consumer Loans Portfolios are offered to be sold and assigned to the Issuer by either of the Originators);
- (b) *second*, if the Portfolio Tests are not met, or if no Additional Consumer Loans Portfolios have been offered to be sold and assigned to the Issuer by either of the Originators or if the Available Principal Distribution Amount exceeds the amount of Additional Consumer Loans offered to the Issuer, the Transaction Manager shall credit any remaining amounts to the Payment Account (which for the avoidance of doubt, shall remain to the credit of the Payment Account and be applied towards the Available Principal Distribution Amount on the next Interest Payment Date) up to a maximum amount corresponding to 10 (ten) per cent. of the Principal Outstanding Balance of the Initial Consumer Loans Portfolio. If the remaining amounts mentioned above

exceed the 10 (ten) per cent. threshold on any Interest Payment Date, such excess shall be applied in accordance with item (C) below (even though such application is made during the Revolving Period), on the relevant Interest Payment Date;

- (B) *after the end of the Revolving Period and provided the Pro-Rata Test has been satisfied:*
 - (a) *first*, in or towards payment, *pari passu*, on a pro rata basis, of the Principal Amount Outstanding of the Class A Notes and of the Class B Notes; and
 - (b) *second*, after redemption in full of the Class A Notes and the Class B Notes, in or towards payment of principal amounts due under the Class C Notes;
 - (c) *third*, in or towards applying any remaining amounts towards the Available Interest Distribution Amount in order to be applied in accordance with the Pre-Enforcement Interest Payment Priorities; or
- (C) *after the end of the Revolving Period and provided the Pro-Rata Test has not been satisfied:*
 - (a) *first*, in or towards reduction *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;
 - (b) *second*, in or towards reduction *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;
 - (c) *third*, in or towards payment *pari passu* on a pro rata basis of principal amounts due under the Class C Notes; and
 - (d) *fourth*, in or towards applying any remaining amounts towards the Available Interest Distribution Amount in order to be applied in accordance with the Pre-Enforcement Interest Payment Priorities.

**Redemption of Class C Notes
from Available Interest
Distribution Amount:**

On the Interest Payment Date (after redemption in full of the Asset Backed Notes) on which any Class C Distribution Amount is to be paid by the Issuer in accordance with Condition 6.5 (*Class C Distribution Amount Payments*), the Issuer will cause the Class C Notes to be redeemed in full in an amount which is equal to the Principal Amount Outstanding of the Class C Notes.

**Post-Enforcement Payment
Priorities:**

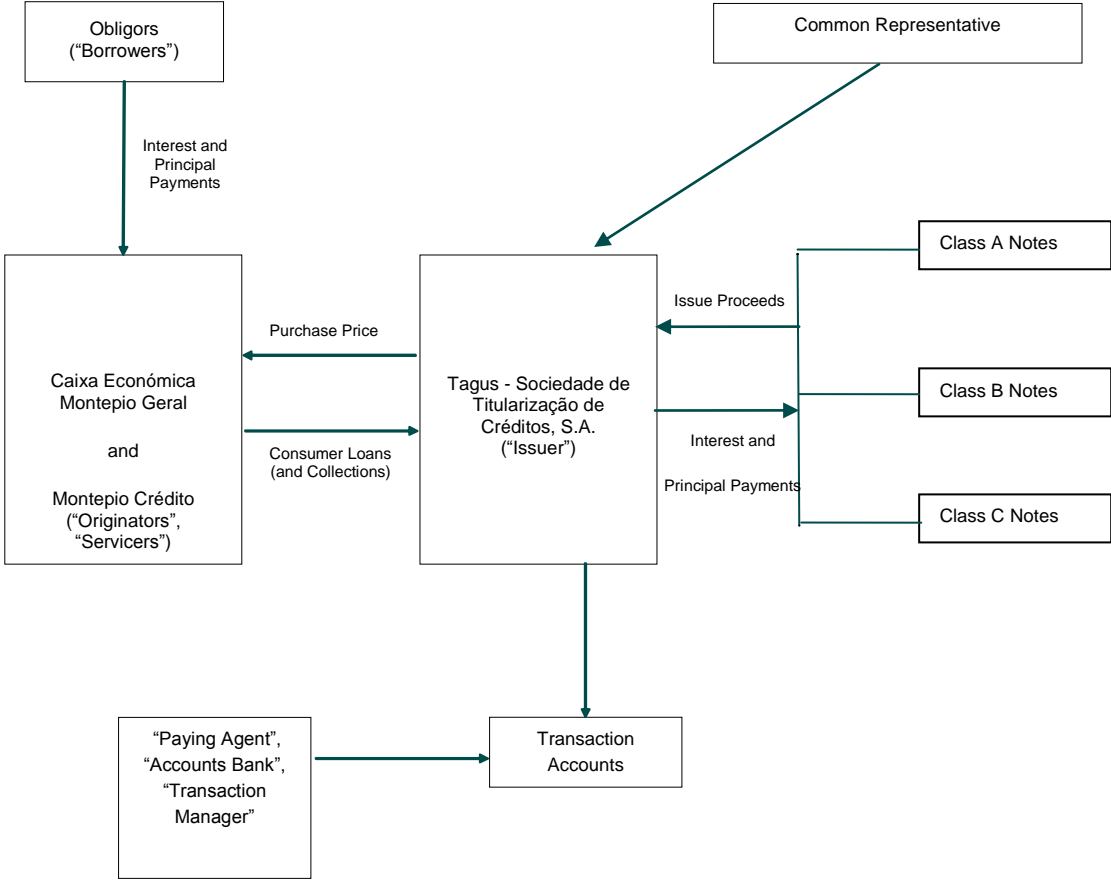
Following the delivery of an Enforcement Notice, all amounts received or recovered by the Issuer and/or the Common Representative will be applied by the Transaction Manager or the Common Representative in making the following payments in the following order of priority, but in each case only to the extent that all payments of a higher priority have been made in full:

- (a) *first*, in or towards payment or provision of the Issuer's liability to Tax, in relation to this transaction, if any;
- (b) *second*, in or towards payment *pari passu* on a *pro rata* basis of (i) any remuneration then due and payable to any Receiver of the Issuer and all costs, expenses and charges incurred by such Receiver, in relation to this transaction, and (ii) the Common Representative's Fees and the

Common Representative's Liabilities;

- (c) *third*, in or towards payment of the Issuer Expenses;
- (d) *fourth*, in or towards payment *pari passu* on a *pro rata* basis of accrued interest on the Class A Notes but so that current interest will be paid before interest that is past due;
- (e) *fifth*, in or towards payment *pari passu* 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;
- (f) *sixth*, in or towards payment *pari passu* on a *pro rata* basis of accrued interest on the Class B Notes but so that current interest will be paid before interest that is past due;
- (g) *seventh*, in or towards payment *pari passu* 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;
- (h) *eighth*, in or towards payment *pari passu* 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; and
- (i) *ninth*, in or towards payment of any Class C Distribution Amount.

STRUCTURE AND CASH FLOW DIAGRAM OF TRANSACTION



DOCUMENTS INCORPORATED BY REFERENCE

The following information has been filed with the CMVM and shall be deemed to be incorporated in and to form part of this Prospectus: the audited financial statements for the years ended 31 December 2012 and 31 December 2013 of Tagus - Sociedade de Titularização de Créditos, S.A., as well as the corresponding Auditor's Report.

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. Prospective 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

Consideration for Purchase of the Initial Consumer Loans Portfolio

The purchase price of the Initial Consumer Loans (the “**Initial Purchase Price**”) will be €293,994,013.71, which shall be equal to the Principal Outstanding Balance of the Consumer Loans included in the Initial Consumer Loans Portfolio to be sold and assigned to the Issuer on the Closing Date, as calculated at the Initial Collateral Determination Date. The Originators will not assign to the Issuer any accrued interest from the Initial Collateral Determination Date to the Closing Date.

The Initial Consumer Loans Portfolio as at the Closing Date will be the Initial Consumer Loans Portfolio as at the Initial Collateral Determination Date as varied, in accordance with the Receivables Sale Agreement, by (a) the conversion of Consumer Loans which are repaid between that date and the Closing Date into their cash equivalent and (b) the substitution on the Closing Date of Consumer Loans which do not comply with the Originators’ Representations and Warranties in respect of Consumer Loans contained in Part C of Schedule 2 of the Receivables Sale Agreement (each, a “**Consumer Loan Warranty**” and, together, “**Consumer Loan Warranties**”) to be set out in the Receivables Sale Agreement with Consumer Loans which do comply with such Consumer Loan Warranty or their cash equivalent.

The principal component of the proceeds of repayment of Consumer Loans which are repaid between the Initial Collateral Determination Date and the Closing Date and the principal component of any cash received by the Issuer for Consumer Loans which do not comply with the Consumer Loan Warranties to be set out in the Receivables Sale Agreement on the Closing Date will form part of the Available Principal Distribution Amount on the next Interest Payment Date.

Consideration for Purchase of Additional Consumer Loans

On each Additional Purchase Date during the Revolving Period, the Issuer will pay to the relevant Originator an additional purchase price (the “**Additional Purchase Price**”), to be calculated as an amount equal to the Principal Outstanding Balance of the Additional Consumer Loans included in the relevant Additional Consumer Loans Portfolio sold and assigned to the Issuer on the applicable Additional Purchase Date, as calculated at the related Additional Collateral Determination Date.

Effectiveness of the Assignment

The assignment of the Consumer Loans Portfolio by the Originators to the Issuer will be governed by the Securitisation Law (See “*Selected aspects of laws of the Portuguese Republic relevant to the Consumer Loans and the transfer of the Consumer Loans*”). Paragraph 4 of Article 6 of the Securitisation Law facilitates the process of transferring receivables by introducing an amendment to the general principles, provided by Article 583 of the Portuguese Civil Code, on the effectiveness of the transfer of receivables, *inter alia*, by a credit institution (which is also acting as the servicer) whereby the assignment becomes effective at the time of execution of the relevant sale agreement, both between the parties thereto and against the Borrowers. No notice to the Borrowers is required to give effect to the assignment of the Consumer Loans to the Issuer.

The CMVM has, through the issue of the 20 digit code to the issue of the Notes, confirmed on 30 April 2014 that the Consumer Loans comply with the requirements set forth in article 4.1 of the Securitisation Law and are thus eligible to be assigned for securitisation purposes.

Notification Event

Following the occurrence of a Notification Event, the Originators will execute and deliver to, or to the order of, the Issuer: (a) all Consumer Loan Agreements and all other documents in the Originators’ possession in relation to the Consumer Loans and which are necessary in order to register the transfer of any Ancillary Rights in relation to the Consumer Loans Portfolio from the Originators to the Issuer, (b) if relevant, an official application form duly filled in to be filed in the Portuguese real estate registry office requesting registration of the assignment to the Issuer of any Ancillary Rights over any Portuguese real estate, (c) notices addressed to the relevant Borrowers and copied to the Issuer in

respect of the assignment to the Issuer of each of the Consumer Loans included in the Consumer Loans Portfolio, and (d) such other documents and provide such other assistance as is necessary in order to register the assignment of any Ancillary Rights in relation to the Consumer Loans Portfolio and notify the relevant Borrowers.

The notice to Borrowers will instruct the relevant Borrowers, with effect from the date of receipt by the Borrowers of the notice, to pay all sums due in respect of the relevant Consumer Loan directly 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 give any such notices to Borrowers as referred to above.

No further act, condition or thing will be required to be done in connection with the assignment of the Consumer Loans Portfolio to enable the Issuer to require payment of the Receivables arising under the Consumer Loans or to enforce any such rights in court other than the registration of any related Ancillary Rights over Portuguese real estate assigned to the Issuer at the Portuguese real estate registry office. Such action by the Issuer will only be effected following the occurrence of a Notification Event.

“**Notification Event**” means:

- (a) the delivery by the Common Representative of an Enforcement Notice to the Issuer in accordance with the Conditions;
- (b) the occurrence of an Insolvency Event in respect of either of the Originators;
- (c) the termination of the appointment of Montepio or Montepio Crédito as servicers in accordance with the terms of the Receivables Servicing Agreement; and/ or
- (d) if either of the Originators is required to deliver a Notification Event Notice by the laws of the Portuguese Republic.

“**Insolvency Event**” in respect of a natural person or entity means:

- (a) the initiation of, or consent to, any Insolvency Proceedings by such person or entity;
- (b) the initiation of Insolvency Proceedings against such a person or entity and such proceeding is not contested in good faith on appropriate legal advice;
- (c) 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, a bankruptcy, an insolvency or an administration order against such person or entity;
- (d) 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 a person or entity;
- (e) 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 a person or entity;
- (f) the appointment by any court of a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager, common representative, trustee or other similar official in respect of all (or substantially all) of the assets of such a person or entity generally; or
- (g) the making of an arrangement, composition or reorganisation with the creditors of such a person or entity; or
- (h) in relation to the Originators and the Servicers, to the extent not already covered by paragraphs (a) to (g) above, the suspension of payments, the commencing of any recovery or insolvency proceedings against the Originator or the Servicer, under Decree-Law no. 298/92 of 31 December 1992, Decree-Law no. 199/2006 of 26 October 2006 and/or the Code for the Insolvency and Recovery of Companies, introduced by Decree-Law no. 54/2004 of 18 March (each one as amended from time to time).

“**Notification Event Notice**” means a notice substantially in the form set out in Part B (*Form of Notification Event Notice*) of Schedule 4 (*Notification Events*) of the Receivables Sale Assignment Agreement.

Representations and Warranties as to the Consumer Loans

In relation to the Consumer Loans Portfolio, some of the Consumer Loans included therein are secured loans and all remaining Consumer Loans included therein are unsecured.

In accordance with the terms of the Receivables Sale Agreement, each of the Originators represents and warrants that, in respect of each Consumer Loan included in the Initial Consumer Loans Portfolio as at the Initial Collateral Determination Date and the Closing Date and in respect of each Consumer Loan included in each Additional Consumer Loans Portfolio as at the relevant Additional Collateral Determination Date and Additional Purchase Date (except if the period from the Additional Collateral Determination Date to the Additional Purchase Date is less than 10 (ten) Business Days, in which case each of the Originators represents and warrants only with reference to the relevant Additional Collateral Determination Date), the following criteria (the “**Eligibility Criteria**”) are met:

(a) *Eligible Consumer Loans*

An “**Eligible Consumer Loan**” is one that complies with all of the following:

1. corresponds to a consumer loan or auto loan originated by Montepio or Montepio Crédito and granted to an Eligible Borrower;
2. it is governed by Portuguese law;
3. it is denominated in Euro;
4. it is a receivable payable monthly, quarterly, semi-annually, annually or upon maturity and interest payable is calculated on the basis of a 360 day year at a variable or fixed rate;
5. it is in existence, maintained and serviced by Montepio or Montepio Crédito;
6. it is a Consumer Loan which is not more than 30 days in arrears;
7. it is legally and beneficially owned by Montepio or Montepio Crédito;
8. it is not subject to any dispute, right of set-off counterclaim, defence or claim existing or pending against Montepio or Montepio Crédito; and
9. if it is a Consumer Loan in respect of which Security has been created, all the Consumer Loans benefiting (in whole or in part) from the same Security have been sold and assigned to the Issuer.

(b) *Eligible Consumer Loan Agreements*

An “**Eligible Consumer Loan Agreement**” is one that complies with all the following criteria:

1. has been entered into with Montepio or Montepio Crédito in the ordinary course of the Borrower’s business, on arms’ length commercial terms;
2. has not been subject to a waiver or amendment in any material aspect of its terms; and
3. has been entered into in compliance with the laws of Portugal;

(c) *Eligible Borrowers*

An “**Eligible Borrower**” is one in respect to each Consumer Loan Agreement that complies with all the following criteria:

1. the Borrower is still in existence and is not insolvent or bankrupt;
2. the Borrower is a natural person;
3. the Borrower is resident in the European Economic Area; and
4. the Borrower has full legal capacity to enter into the Consumer Loan Agreement under Portuguese law.

“**Defaulted Receivable**” means on any day of determination, any Consumer Loan which is not a Written-off Consumer Loan under items (b) or (c) of such definition and in respect of which more than 6 (six) monthly instalments, or more than 2 (two) quarterly instalments, or more than 1 (one) semi-annual instalment(as the case may be) have not been paid by the respective Instalment Due Dates relating thereto and which remain outstanding on such day of determination.

“**Delinquent Receivable**” means any Consumer Loan which is more than 90 (ninety) days in arrears.

Revolving Period

During the Revolving Period, subject to satisfying the conditions described below and the Issuer having available funds for such purpose, the Issuer may make further purchases of Consumer Loans (each of these being an “**Additional Purchase**”) on each Interest Payment Date falling within the Revolving Period (each such date being an “**Additional Purchase Date**”), such Additional Consumer Loans being randomly selected by the Originators in accordance with the Receivables Sale Agreement. The Consumer Loans which will be the subject of each Additional Purchase shall result from a Consumer Loan Agreement drafted according to one of the standard forms of Consumer Loan Agreements reviewed for the purposes of a Legal Due Diligence Report dated 4 April 2014.

Where an Additional Purchase is made on an Additional Purchase Date during the Revolving Period, the following requirements (the “**Portfolio Tests**”), calculated by reference to the relevant Additional Collateral Determination Date, must be met on each Interest Payment Date:

- (a) the Consumer Loans which will be the subject of each Additional Purchase shall have substantially the same characteristics as the Consumer Loans in the Initial Consumer Loan Portfolio purchased on the Closing Date and shall comply with the Eligibility Criteria;
- (b) the balances of both the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger shall be equal to zero;
- (c) the sum of (i) the Principal Outstanding Balance of the Consumer Loans which are in arrears for a period between 90 and 180 days and of (ii) the Defaulted Receivables, less the Liquidation Proceeds in relation to such Consumer Loans in items (i) and (ii) above, shall not correspond to more than 10 per cent. of the Principal Outstanding Balance of the Consumer Loans in the Initial Consumer Loans Portfolio, on each Interest Payment Date;
- (d) the weighted average interest rate of the Consumer Loan Portfolio taking into account the Additional Purchase must be no more than 100 basis points lower than the weighted average interest rate of the Initial Consumer Loan Portfolio;
- (e) the Consumer Loans included in the Consumer Loans Portfolio which have a fixed rate of interest shall not correspond to more than 45 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (f) the aggregate Principal Outstanding Balance of the Consumer Loans which constitute Consumer Loans with a rate of interest which is linked to a Benchmark Index, included in the Consumer Loan Portfolio after such Additional Purchase divided by the sum of (i) the aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loan Portfolio after such Additional Purchase and (ii) the amount as is credited in the Payment Account after such Additional Purchase, shall be equal to or lower than 70 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio at such Additional Collateral Determination Date;
- (g) the Consumer Loans included in the Consumer Loans Portfolio which constitute Consumer Loans for the purpose of financing an acquisition of a vehicle shall not correspond to more than 60 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (h) the Consumer Loans included in the Consumer Loans Portfolio which correspond to consumer loans granted for general purposes, shall not correspond to more than 60 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (i) the Consumer Loans included in the Consumer Loans Portfolio which relate to financing appliances, furniture, equipment, medical or category of “others” shall not correspond to more than 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (j) the Consumer Loans included in the Consumer Loans Portfolio which have non-Portuguese Borrowers shall not correspond to more than 2 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;

- (k) the Consumer Loans included in the Consumer Loans Portfolio which are subject to Permitted Variations shall not correspond to more than 10 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (l) the Consumer Loans included in the Consumer Loans Portfolio which do not have monthly payment frequency shall not correspond to more than 1 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (m) the Additional Consumer Loans shall have a maximum grace period of 12 months as from its respective origination date and the Consumer Loans included in the Consumer Loans Portfolio which have a grace period shall not correspond to more than 2.5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (n) there will be no loans corresponding to leasing contracts in the Consumer Loans Portfolio;
- (o) the Consumer Loans included in the Consumer Loans Portfolio which have balloon payments shall not correspond to more than 1 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (p) after an Additional Purchase, the weighted average remaining time to maturity of the Consumer Loans Portfolio shall not increase by more than 9 months in relation to the average time to maturity of the Initial Consumer Loans Portfolio;
- (q) after an Additional Purchase, the weighted average loan size of the Consumer Loans Portfolio shall not increase by more than €1,500 in relation to the weighted average loan size of the Initial Consumer Loans Portfolio;
- (r) after an Additional Purchase, the Consumer Loans pertaining to a given Region cannot (A) be increased by more than 10 per cent. in relation to percentage for such Region existing in the Initial Consumer Loans Portfolio and (B) cannot correspond to more than 36 per cent. of Consumer Loans pertaining to such Region;
- (s) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio Crédito and relate to new vehicles shall correspond at least to 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (t) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio Crédito and relate to used vehicles or all other categories of loans, except the category "New Car", originated by Montepio Crédito and included in the Initial Consumer Loans Portfolio shall correspond to no more than 38 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (u) the Consumer Loans included in the Consumer Loans Portfolio which have been originated by Montepio and relate to auto loans shall correspond at least to 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans originated by Montepio and included in the Consumer Loans Portfolio;
- (v) the Consumer Loans included in the Consumer Loans Portfolio granted to Borrowers which are students or unemployed shall correspond to no more than 5 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio;
- (w) any Additional Consumer Loan to be included in the Consumer Loans Portfolio shall have at least one payment made in respect thereof, either of interest or principal;
- (x) any Additional Consumer Loan to be included in the Consumer Loan Portfolio shall not have a maturity term longer than 3 (three) years prior to the Final Legal Maturity Date;
- (y) the Principal Outstanding Balance of any Additional Consumer Loan will be no greater than €250,000; and
- (z) after such Additional Purchase (i) the proportion of the Consumer Loans originated by Montepio in the Consumer Loans Portfolio is not more than 65 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio; and (ii) the proportion of the Consumer Loans originated by Montepio Credito in the

Consumer Loans Portfolio is not more than 45 per cent. of the Aggregate Principal Outstanding Balance of all the Consumer Loans included in the Consumer Loans Portfolio.

“**Region**” means the following geographical regions of Portugal: Alentejo, Algarve, Beira Interior, Beira Litoral, Estremadura e Ribatejo, Lisboa, Madeira and Azores Islands, Minho e Douro Litoral, Trás os Montes e Alto Douro.

“**Benchmark Index**” means EURIBOR.

Breach of Consumer Loan Warranties and Variations other than Permitted Variations

If there is a breach of any Consumer Loan Warranty which shall be notified by the Servicers, as soon as practicable and upon either of the Servicers becoming aware of it, to the Issuer, the Common Representative and the Transaction Manager, which, in the opinion of the Common Representative (without limitation, having regard to whether a loss is likely to be incurred in respect of the Consumer Loan to which the breach relates) could have a material adverse effect on any Consumer Loan, its related Consumer Loan Agreements or the Receivables in respect of such Consumer Loan, if such breach is capable of remedy, the relevant Originator shall remedy such breach within 30 (thirty) days after receiving written notice of such breach from the Issuer or the Common Representative.

If, in the opinion of the Common Representative, upon advice received, at the cost of the Issuer, from a reputable Portuguese counsel selected by the Common Representative and in form and substance satisfactory to it, such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 30 (thirty) day period, the relevant Originator shall indemnify the Issuer against any losses which the Issuer may suffer as a result thereof. In addition, if, in the case of the representation made by an Originator that no rights of set-off exist or are pending against such Originator in respect of a Receivable being proved to have been breached, the relevant Originator fails to pay to the Issuer an amount equal to the amount so set-off, the relevant Originator shall also indemnify the Issuer against any losses which the Issuer may suffer as a result thereof. The Originators will discharge the liability by repurchasing or causing a third party to repurchase the relevant Consumer Loan in accordance with the paragraph below.

The consideration payable by the Originators or a third party purchaser, as the case may be, in relation to the repurchase of a relevant Consumer Loan will be an amount equal to the aggregate of: (a) the Principal Outstanding Balance of the relevant Consumer Loan as at the date of re-assignment of such Assigned Rights, (b) an amount equal to all other amounts due in respect of the relevant Consumer Loan and its related Consumer Loan Agreement with the exception of Excluded Rights, and (c) the properly incurred costs and expenses of the Issuer incurred in relation to such re-assignment. Any such Repurchase Proceeds to be paid into the Payment Account and afterwards to be included in the Available Interest Distribution Amounts.

If a Consumer Loan expressed to be included in the Consumer Loans 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 re-assigned, the Originators shall, on demand, indemnify the Issuer against any and all liabilities suffered by the Issuer by reason of the breach of the relevant Consumer Loan Warranty.

Borrower Set-Off

Pursuant to the terms of the Receivables Sale Agreement, the Originators will indemnify the Issuer for an amount equal to any reduction in any payment due with respect to a Consumer Loan sold to the Issuer as a result of the exercise of a right of set-off by any Borrower (except if the Borrower exercises such right of set-off against the Issuer after having received a Notification Event Notice).

Applicable law and jurisdiction

The Receivables Sale Agreement will be governed by and construed in accordance with the laws of the Portuguese Republic. The judicial courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

Receivables Servicing Agreement

Servicing and Collections of Receivables

Pursuant to the terms of the Receivables Servicing Agreement, the Issuer will appoint the Servicers to provide certain services relating to the servicing of the Consumer Loans and the collections of the Receivables in respect of such Consumer Loans (the “**Services**”). In addition, Montepio will agree to act as Master Servicer in relation to the Consumer Loans originated by Montepio Crédito, pursuant to

the terms of the Receivables Servicing Agreement, upon the occurrence of a Master Servicer Trigger. For these purposes, a “**Master Servicer Trigger**” shall occur when Montepio Crédito send a notification to the effect to Montepio, which determines that Montepio will act as Servicer in relation to the Consumer Loans originated by Montepio Crédito.

Sub-Contractor

The Servicers may appoint any of its subsidiaries or affiliates for the time being as its sub-contractor and may appoint any other person as its sub-contractor to carry out certain of the services subject to certain conditions specified in the Receivables Servicing Agreement. In certain circumstances the Issuer may require the Servicer to assign any rights which it may have against a sub-contractor.

Servicers’ Duties

The duties of the Servicers, in relation to the Consumer Loans originated by it, will be set out in the Receivables Servicing Agreement and will include, but not be limited to:

- (a) servicing and administering the Consumer Loans Portfolio;
- (b) implementing the enforcement procedures in relation to defaulted Consumer Loans and undertaking enforcement proceedings in respect of any Borrowers which may default on their obligations under the relevant Consumer Loan Agreement;
- (c) complying with its customary and usual servicing procedures for servicing comparable loans in accordance with its policies and procedures relating to its Consumer Loan business;
- (d) servicing and administering the cash amounts received in respect of the Consumer Loans including transferring amounts to the Payment Account on the Collections Payment Date following the day on which such amounts are credited to the Collections Account;
- (e) preparing periodic reports for submission to the Issuer and the Transaction Manager in relation to the Consumer Loans Portfolio in an agreed form including reports on delinquency and default rates;
- (f) collecting amounts due in respect of the Consumer Loans Portfolio;
- (g) setting interest rates applicable to the Consumer Loans; and
- (h) administering relationships with the Borrowers.

The Servicers have together undertaken to prepare and submit to the Issuer and the Transaction Manager within 13 (thirteen) calendar days after each Calculation Date the Monthly Report containing information as to the Consumer Loans Portfolio and Collections in respect of the preceding Collections Period.

“**Collections Payment Date**” means the Business Day following each Business Day on which the relevant Collections are credited to the Collections Account.

Collections and Transfers to the Collections Account

Each of the Servicers covenants in the Receivables Servicing Agreement that it shall give instructions to the Collections Account Bank to ensure that monies received by the Collections Account Bank from Borrowers in respect of the Consumer Loans on any particular Lisbon Business Day are on such Lisbon Business Day of receipt paid into the Collections Account if received prior to 3.00 p.m. or on the next Lisbon Business Day if received after 3.00 p.m., in accordance with the provisions of the Receivables Servicing Agreement. The Servicers will direct the Collections Account Bank to transfer to the Payment Account on each Collections Payment Date the amount of all Collections relating to Consumer Loans received in the Collections Account. If the Collections Account Bank (where it is not also the Servicer) fails to comply with such directions, the Servicers shall, so far as it is able, take all such reasonable administrative actions to ensure compliance by the Collections Account Bank with its obligations under the Receivables Servicing Agreement and the Collections Account Mandate (to the extent applicable).

Variations of Consumer Loans

Each of the Servicers will covenant in the Receivables Servicing Agreement that it shall not agree to any amendment, variation or waiver of any Material Term in a Consumer Loan Agreement, other than (i) a Permitted Variation, or (ii) an amendment or variation made while Enforcement Procedures are being taken in respect of such Consumer Loan.

To the extent that each of the Servicers agrees, under clause 9.3 of the Receivables Servicing Agreement, to an amendment, variation or waiver to a Consumer Loan Agreement that is not otherwise permitted, the relevant Originator or a third party shall be required to repurchase the relevant Consumer Loan by paying an amount in cash as consideration for the relevant Consumer Loan.

If either of the Servicers determines that it will accept a request by a Borrower for an amendment, variation or waiver of any Material Term of a Consumer Loan Agreement that is not otherwise permitted (as described in this section “*Variations of Consumer Loans*”), the relevant Servicer shall notify the Originators of such a determination, and within 30 (thirty) days of such amendment, variation or waiver being made, the relevant Originator or, if applicable, a third party purchaser shall pay an amount in cash to the Issuer to purchase the Assigned Rights in respect of such Consumer Loan or Consumer Loans.

To the extent that an amendment, variation or waiver is made in relation to a Material Term in a Consumer Loan Agreement while Enforcement Procedures are being taken regarding such Consumer Loan Agreement, which leads to a Consumer Loan becoming current again, such Consumer Loan will be considered a Defaulted Receivable.

In any case, the Servicers may only amend, vary or waive any Material Term in a Consumer Loan Agreement (other than a Permitted Variation or any amendment or variation made while Enforcement Procedures are being taken against such Consumer Loan) if, further to the conditions set under clause 9.3 (*Conditions for Variations*) of the Receivables Servicing Agreement, the following conditions are met:

- (a) such amendment, variation or waiver arises from circumstances that do not relate to the solvency or ability to pay of the respective Borrower; and
- (b) such amendment, variation or waiver is based on changes to the prevailing market conditions, including more favourable offers regarding the Material Terms by competing entities (whether in relation to specific terms or as a package) or changes to applicable laws and regulations.

“**Permitted Variation**” means any variation or amendment to the Material Terms of a Consumer Loan Agreement under which (a) the spread over the index used to determine the rate of interest thereunder or the fixed rate is not reduced by more than 0.5 per cent.; (b) the maturity term of such Consumer Loan Agreement is not amended so as to fall within the last 3 (three) years prior to the Final Legal Maturity Date; (c) the maturity term of such Consumer Loan Agreement is not amended by more than 50 (fifty) per cent. of its original maturity term.

“**Material Term**” means, in respect of any Consumer Loan Agreement, any provision thereof on the date on which the Consumer Loan is assigned to the Issuer relating to (i) the maturity date of the Consumer Loan Agreement, (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 Consumer Loan, (iv) the compliance of such Consumer Loan with the Eligibility Criteria and with the Portfolio Tests or (v) the index used to determine the interest rate.

“**Servicer Records**” means the original and/or any 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.

“**Services**” means the services to be provided by the Servicers as set out in Schedule 1 to the Receivables Servicing Agreement.

“**Enforcement Procedures**” means the exercise, according to the Servicers’ Operating Procedures, of rights and remedies against a Borrower in respect of such Borrower’s obligations arising from any Consumer Loans in respect of which such Borrower is in default.

“**Operating Procedures**” means the operating procedures applicable to the Originators and initialled for identification by the Originators and delivered on the Closing Date (as amended, varied or supplemented from time to time in accordance with the Receivables Servicing Agreement).

Servicing Fee

Each of the Servicers will, on each Interest Payment Date, receive a servicing fee monthly in arrear from the Issuer calculated by reference to the Principal Outstanding Balance of the Consumer Loans which it services as at the first day of the relevant Collections Period.

Representations and Warranties

Each of the Servicers will make certain representations and warranties to the Issuer in accordance with the terms of the Receivables Servicing Agreement relating to itself and any subcontracted servicer and its entering into the relevant Transaction Documents to which it is a party.

Covenants of the Servicers

Each of the Servicers will be required to make positive and negative covenants in favour of the Issuer, in accordance with the terms of the Receivables Servicing Agreement, relating to itself and any subcontracted servicer and its entering into the relevant Transaction Documents to which it is a party.

Servicer Event

The occurrence of a Servicer Event leading to the replacement of the relevant Servicer or a Notification Event will not, by itself, constitute an Event of Default under Condition 11.

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**”):

- (a) default is made by a Servicer in ensuring the payment on the due date of any payment required to be made under the Receivables Servicing Agreement and such default continues unremedied for a period of 5 (five) Business Days after the earlier of such Servicer becoming aware of the default or receipt by such Servicer of written notice from the Issuer requiring the default to be remedied; or
- (b) without prejudice to clause (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 (as defined in the Incorporated Terms Memorandum) made by a Servicer 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 (1) such default or such warranty, certification or statement proving untrue, incomplete or incorrect could reasonably be expected to have a Material Adverse Effect and (2) (if such default is capable of remedy) such default continues unremedied for a period of 15 (fifteen) Business Days after the earlier of the relevant Servicer becoming aware of such default and receipt by the relevant Servicer of written notice from the Issuer requiring the same to be remedied; or
- (c) it is or will become unlawful for a Servicer to perform or comply with any of its material obligations under the Receivables Servicing Agreement; or
- (d) if a Servicer is prevented or severely hindered for a period of 60 (sixty) calendar days or more from complying with its obligations under the Receivables Servicing Agreement as a result of a force majeure event; or
- (e) any Insolvency Event occurs in relation to a Servicer; or
- (f) a material adverse change occurs in the financial condition of a Servicer since the date of the latest audited financial statements of such Servicer which, in the opinion of the Issuer, impairs due performance of the obligations of such Servicer under the Receivables Servicing Agreement; and/or
- (g) the Bank of Portugal intervenes under Title VIII of Decree-law no. 298/92 of 31 December (as amended) into the regulatory affairs of a Servicer where such intervention could lead to the withdrawal by the Bank of Portugal of such Servicer’s authorisation to carry on its business.

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**”), the relevant Servicer shall, *inter alia*:

- (a) hold to the order of the Issuer the records relating to the Consumer Loans, the Servicer Records and the Transaction Documents;

- (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 Consumer Loans of the Issuer;
- (c) other than as the Issuer may direct, continue to perform all of the Services (unless prevented by any Portuguese law or any applicable law) until the date specified in the Servicer Termination Notice;
- (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 notice to the Borrowers and providing such assistance 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 collections of the Receivables into the Collections Account, communication with Borrowers or dealing with the Consumer Loans.

At any time after the delivery of a Servicer Event Notice, the Issuer may deliver the Servicer Termination Notice to the Servicers, the effect of which will be to terminate the relevant Servicer's appointment from the date specified in such notice and from such 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; and
- (c) the rights and obligations of the retiring Servicer and any obligations of the Issuer and the Originators to the retiring Servicer shall cease but such termination shall be without prejudice to, *inter alia*:
 - (i) any liabilities or obligations of the retiring Servicer to the Issuer or the Originators or any successor Servicer incurred before such date;
 - (ii) any liabilities or obligations of the Issuer or the Originators to the retiring Servicer incurred before such date;
 - (iii) any obligations relating to computer systems referred to in Paragraph 31 of Schedule 1 of the Receivables Servicing Agreement;
 - (iv) the retiring Servicer's obligation to deliver documents and materials; and
 - (v) the duty to provide assistance to the successor Servicer as required to safeguard its interests or its interest in the Consumer Loans.

"Servicer Representation and Warranty" means each statement of the Servicers contained in Schedule 2 (*Servicer's Representations and Warranties*) to the Receivables Servicing Agreement and **"Servicer Representations and Warranties"** means all of those statements.

Notice of Breach

The Servicers will, as soon as practicable, upon becoming aware of:

- (a) any breach of any Originators Representation and Warranty;
- (b) the occurrence of a Servicer Event; or
- (c) any breach by a Sub-contractor pursuant to clause 6.3 (*Events requiring assignment of rights against Sub-contractor*) of the Receivables Servicing Agreement,

notify the Issuer, the Common Representative and the Transaction Manager of the occurrence of any such event and do all other things and make all such arrangements as are permitted and necessary pursuant to such Transaction Document in relation to such event.

Termination

The appointment of the Servicers will continue (unless otherwise terminated by the Issuer) until the Final Discharge Date when the obligations of the Issuer under the Transaction Documents will be discharged in full. The Issuer may terminate the Servicers' appointment and appoint a successor servicer (such appointment being subject to the prior approval of the CMVM) upon the occurrence of a

Servicer Event by delivering a Servicer Termination Notice in accordance with the provisions of the Receivables Servicing Agreement, provided that it shall not have an adverse effect on the then current ratings of the Class A Notes.

Notice of the termination of the Servicers' appointment and appointment of substitute servicer shall be delivered by the Issuer to the Rating Agencies, the CMVM, the Bank of Portugal, the Arranger and each of the other Transaction Parties.

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 cold 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. .

Applicable law and jurisdiction

The Receivables Servicing Agreement will be governed by and construed in accordance with the laws of the Portuguese Republic. The judicial courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

Common Representative Appointment Agreement

Appointment and services

On the Closing Date, the Issuer and the Common Representative will enter into an agreement which sets forth the Conditions of the Notes and providing for the appointment of the Common Representative as common representative of the Noteholders for the Notes pursuant to Article 65 of the Securitisation Law and to Articles 357, 358 and 359 of Decree-Law no. 76-A/2006 of 29 March 2006, as amended (the "**Portuguese Companies Code**").

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 the terms of the Conditions. The Common Representative shall have among other things the power:

- (a) to exercise in the name and on behalf of the Noteholders all the rights, powers, authorities and discretions vested on the Noteholders or on it (in its capacity as the common representative of the Noteholders pursuant to article 65 of the Securitisation Law and of article 359 of the Portuguese Companies Code) at law, under the Common Representative Appointment Agreement or under any other Transaction Document;
- (b) to start any action in the name and on behalf of the Noteholders in any proceedings;
- (c) to enforce or execute in the name and on behalf of the Noteholders any Resolution passed by a Meeting of the Noteholders; and
- (d) to exercise, in its name and on its behalf, the rights of the Issuer under the Transaction Documents pursuant to the terms of the Co-ordination Agreement.

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) determining whether any proposed modification to the Notes or the Transaction Documents is materially prejudicial to the interest of any of the Noteholders and the Transaction Creditors;
- (b) giving any consent required to be given in accordance with the terms of the Transaction Documents;
- (c) waiving certain breaches of the terms and conditions of the Notes or the Transaction Documents on behalf of the holders of the Notes; and
- (d) determining certain matters specified in the Common Representative Appointment Agreement, including any questions in relation to any of the provisions therein.

In addition, the Common Representative may, at any time without the consent or sanction of the Noteholders or any other Transaction Creditor, concur with the Issuer and any other relevant Transaction Party in making (A) any modification to the Conditions or the Transaction Documents in

relation to which the consent of the Common Representative is required (other than in respect of a Reserved Matter or any provisions of the Notes, the Common Representative Appointment Agreement or any Transaction Document referred into the definition of 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 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, and (B) any modification, other than a modification in respect of a Reserved Matter, to any provision of the Notes, the Common Representative Appointment Agreement or any of the Transaction Documents in relation to which the consent of the Common Representative is required, if, in the opinion of the Common Representative, such modification is of a formal, minor, administrative or technical nature, 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 purposes of clarity provided that such changes have always been previously notified to the Rating Agencies and notice thereof has been delivered to the Noteholders in accordance with the Notices Conditions, provided that no such modification will take effect until and unless: (a) regarding item (A) above (i) DBRS has confirmed that such modification does not adversely affect the Rating of the Most Senior Class of Notes then outstanding; (ii) Fitch has been previously notified about the making of any such modification; and (iii) notice thereof has been delivered to the Noteholders in accordance with the Notices Condition; and (b) regarding item (B) above (i) the Rating Agencies have been previously notified about the making of any such modification and (ii) notice thereof has been delivered to the Noteholders in accordance with the Notices Condition.

Modifications in respect of a Reserved Matter require the written consent of the Transaction Creditors.

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 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 or the Common Representative considering it expedient or necessary or being requested by the Issuer to undertake duties which the Common Representative considers 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 pay to the Common Representative such additional remuneration as shall be agreed between them.

The rate of remuneration in force from time to time may, upon the final redemption of the whole of the Notes in a Class, can be reduced by an amount as may from time to time be agreed between the Issuer and the Common Representative. Such reduction in remuneration shall be calculated from the date following such final redemption.

Retirement of the Common Representative

The Common Representative may retire at any time upon giving not less than 1 (one) calendar month notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. The retirement of the Common Representative shall not become effective until the appointment of a new Common Representative. In the event of the Common Representative giving notice under the Common Representative Appointment Agreement, the Issuer shall use its best endeavours to find a substitute common representative and prior to the expiry of the 1 (one) calendar month notice period the Common Representative shall convene a Meeting for appointing such person as the new common representative.

Termination of the Common Representative

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 that a 90 (ninety) days prior notice is given to the Common Representative.

Applicable law and jurisdiction

The Common Representative Appointment Agreement will be governed by and construed in accordance with the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

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 Accounts Bank will agree to open and maintain the Transaction Accounts which are held in the name of the Issuer and provide the Issuer with certain services in connection with account handling 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 Cash Reserve Account.

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 Cash Reserve Account.

If the short-term unsecured debt obligations of the Accounts Bank are downgraded by the Rating Agencies below the Minimum Rating or it otherwise ceases to be rated this will result in the termination of the appointment of the Accounts Bank within 30 (thirty) days of the downgrade and the appointment of a replacement accounts bank subject to the provisions of the Accounts Agreement. The appointment of any successor Accounts Bank shall be previously notified to the Rating Agencies. Failure by the successor Agent to meet the Minimum Rating may result in the Rating Agencies downgrading the Class A Notes.

“**Minimum Rating**” means, in respect of any entity, other than the Originators or the Collections Account Bank, (i) such entity’s short term unsecured, unsubordinated, unguaranteed debt obligations having ratings of “F1” by Fitch, and (ii) such entities long term unsecured, unguaranteed and unsubordinated debt obligations being rated “BBB+” by Fitch and “BBB (high)” by DBRS or (iii) such other ratings that may be agreed by DBRS from time to time as is consistent with the then current rating of the Class A Notes. For the avoidance of doubt, this rating assigned by DBRS will consist of (i) public rating assigned by DBRS, or in the absence of such public rating, (ii) a private rating assigned by DBRS.

The Accounts Agreement will be governed by and construed in accordance with English law. The courts of England will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

Paying Agency Agreement

Each of the Agents (the Paying Agent and the Agent Bank) may resign its appointment upon not less than 30 (thirty) days’ notice to the Issuer and the Issuer may terminate the appointment of each of the Agents by not less than 30 (thirty) days’ notice to the relevant Agent (and such appointment shall automatically terminate in case an Insolvency Event occurs in respect of the relevant Agent), provided such termination does not take effect until a successor has been duly appointed.

The appointment of any successor Agent shall be previously notified to the Rating Agencies. Any successor Agent appointed by the Issuer must be appointed prior to the termination of the appointment of the previous Agent and shall be a reputable and experienced financial institution which is rated at least the Minimum Rating. Failure by the successor Agent to meet the Minimum Rating may result in the Rating Agencies downgrading the Class A Notes.

Applicable law and jurisdiction

The Paying Agency Agreement will be governed by and construed in accordance with the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

Co-ordination Agreement

On the Closing Date, the Transaction Creditors 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 Consumer Loans Portfolio, the Originators and their 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 Terms and Conditions of the Notes 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 in connection with the Transaction Documents and in accordance with the Co-ordination Agreement.

Pursuant to the terms of the Co-ordination Agreement, the Common Representative will have the direct benefit of certain 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.

The Co-ordination Agreement will be governed by and construed in accordance with the laws of the Portuguese Republic. The Courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

Transaction Management Agreement

Appointment and services

On the Closing Date, the Issuer, the Transaction Manager, the Accounts Bank and the Common Representative will enter into the Transaction Management Agreement pursuant to which each of the Issuer and the Common Representative (according to their respective interests) will appoint the Transaction Manager to perform cash management duties and to carry out certain administrative tasks on behalf of the Issuer, including:

- (a) operating the Payment Account, the Cash Reserve 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 Payment Account, the Cash Reserve Account and the Principal Deficiency Ledgers;
- (c) taking the necessary action and giving the necessary notices to ensure that the Payment Account, the Cash Reserve Account and the Principal Deficiency Ledgers are credited with the appropriate amounts in accordance with the Transaction Management Agreement;
- (d) maintaining adequate records to reflect all transactions carried out by or in respect of the Payment Account, the Cash Reserve Account and the Principal Deficiency Ledgers; and
- (e) investing the funds credited to the Payment Account and the Cash Reserve Account in Authorised Investments in accordance with the Transaction Management Agreement.

All references in this Prospectus to payments or other procedures to be made by the Issuer 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.

Remuneration of the Transaction Manager

The Transaction Manager will receive a fee to be paid on a monthly basis in arrear on each Interest Payment Date in accordance with the Pre-Enforcement Interest Payment Priorities.

Termination of the Transaction Manager

In the event of the termination of the appointment of the Transaction Manager by reason of the occurrence of a Transaction Manager Event (as defined in the Transaction Management Agreement) it would 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 and failure by such successor Transaction Manager to meet a Minimum Rating may result in the Rating Agencies downgrading the rating of the Class A Notes.

Applicable law and jurisdiction

The Transaction Management Agreement will be governed by and construed in accordance with English law. The courts of England will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

USE OF PROCEEDS

The gross proceeds of the issue of the Notes will amount to €308,700,000.

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

(A) the payment to the Originators of the component of the Initial Purchase Price relating to the Principal Outstanding Balance of the Consumer Loans included in the Initial Consumer Loans Portfolio will be made with proceeds of the issue of the Asset Backed Notes;

(B) the funding of the Cash Reserve Amount will be made with the proceeds of the issue of the Class C Notes;

(C) any excess amount will be transferred to the Payment Account.

The initial up-front transaction expenses of the Issuer will be paid up-front without recourse to the proceeds of the issue of the Notes.

The estimated costs associated with admission to trading of the Class A Notes are approximately €4,312.50.

CHARACTERISTICS OF THE CONSUMER LOANS

The information set out below has been prepared on the basis of a pool of the Consumer Loans as at 18 March 2014.

The Consumer Loans

The Initial Consumer Loans Portfolio: The Initial Consumer Loans Portfolio as at the Initial Collateral Determination Date corresponds to a pool of Consumer Loans owned by each of the Originators which has the characteristics indicated in the tables 1 to 18 below. The Initial Consumer Loans Portfolio has been selected so that it complies with the Consumer Loan Warranties set out in the Receivables Sale Agreement.

The interest rate in respect of each Consumer Loan comprised in the Initial Consumer Loans Portfolio is a variable rate of interest indexed to EURIBOR or a fixed rate. The Consumer Loans comprised in the Initial Consumer Loans Portfolio are amortising loans with instalments of both principal and interest payable monthly, quarterly, semi-annually, annually or upon maturity and interest payable is calculated on the basis of a 360 day year at a variable or fixed rate.

Characteristics of the Initial Consumer Loans Portfolio

The Initial Consumer Loans Portfolio had the aggregate characteristics indicated in tables below as at 18 March 2014.

Table 1 – Summary

Summary Statistics	
Total Current Balance (EUR)	293.994.013,71
Number of Loans	49.441
Largest Loan	150.000
Smallest Loan	47,72
Average Loan Balance	5.946,36
WA Seasoning (Months)	28,04
WA Term to Maturity	53,82
WA Interest Rate	8,11%

Table 2 – Consumer Loans by Originator

Originator	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Montepio	176.535.071,95	60,05%	28.981	58,62%
MC	117.458.941,76	39,95%	20.460	41,38%
Total:	293.994.013,71	100%	49.441	100%

Table 3 – Consumer Loans by Current Balance (EUR)

Current Balance (EUR)	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
<= 1.000	3.728.849,15	1,27%	6.479	13,10%
1.000,01 to 3.000	24.744.640,76	8,42%	12.791	25,87%
3.000,01 to 5.000	34.198.795,36	11,63%	8.669	17,53%
5.000,01 to 7.000	36.937.624,60	12,56%	6.227	12,59%
7.000,01 to 9.000	36.677.920,32	12,48%	4.618	9,34%
9.000,01 to 11.000	35.020.458,05	11,91%	3.529	7,14%
11.000,01 to 13.000	26.143.132,57	8,89%	2.191	4,43%
13.000,01 to 15.000	21.245.157,95	7,23%	1.523	3,08%
15.000,01 to 17.000	17.212.848,92	5,85%	1.084	2,19%
17.000,01 >=	58.084.586,03	19,76%	2.330	4,71%
Total:	293.994.013,71	100%	49.441	100%
Max Current Balance	150.000,00			
Min Current Balance	47,72			
Average Current Balance	5.946,36			

Table 4 – Consumer Loans by Original Balance (EUR)

Original Balance (EUR)	Original Balance (EUR)	% of Original Balance	Number of Loans	% of Loans
<= 2.000	4.627.228,69	0,89%	3.452	6,98%
2.000,01 to 4.000	17.741.193,94	3,42%	6.366	12,88%
4.000,01 to 6.000	31.141.044,56	6,00%	6.112	12,36%
6.000,01 to 8.000	38.433.685,61	7,41%	5.485	11,09%
8.000,01 to 10.000	43.276.398,31	8,34%	4.842	9,79%
10.000,01 to 12.000	66.743.707,97	12,87%	6.151	12,44%
12.000,01 to 14.000	50.710.357,15	9,78%	3.913	7,91%
14.000,01 to 16.000	63.898.300,60	12,32%	4.215	8,53%
16.000,01 to 18.000	46.926.588,31	9,05%	2.762	5,59%
18.000,01 >=	155.202.520,67	29,92%	6.143	12,42%
Total:	518.701.025,81	100%	49.441	100%
Max Original Balance	151.219,32			
Min Original Balance	250			
Average Original Balance	10.491,31			

Table 5 – Consumer Loans by Interest Rate Type

Interest Rate Type	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
E12	10.849,27	0,00%	1	0,00%
E3	186.554.499,78	63,46%	29.267	59,20%
E6	830.783,93	0,28%	121	0,24%
Fixed Rate	106.597.880,73	36,26%	20.052	40,56%
Total:	293.994.013,71	100%	49.441	100%

Table 6 – Consumer Loans by Interest Rate

Interest Rate	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
0%	2.764.732,88	0,94%	2.297	4,65%
>= 0,01% to 4,25%	14.899.230,90	5,07%	2.721	5,50%
4,26% to 5,25%	15.996.019,11	5,44%	2.768	5,60%
5,26% to 6,25%	24.675.137,36	8,39%	3.577	7,23%
6,26% to 7,25%	38.275.917,38	13,02%	5.315	10,75%
7,26% to 8,25%	49.985.985,88	17,00%	6.574	13,30%
8,26% to 9,25%	53.738.036,91	18,28%	7.384	14,93%
9,26% to 10,25%	37.919.748,53	12,90%	5.848	11,83%
10,26% to 11,25%	28.055.134,30	9,54%	5.382	10,89%
11,26% to 12,25%	14.508.980,46	4,94%	3.539	7,16%
12,26% >=	13.175.090,00	4,48%	4.036	8,16%
Total:	293.994.013,71	100%	49.441	100%
Max Interest Rate	23,80%			
Min Interest Rate	0,00%			
WA Interest Rate	8,11%			

Table 7 – Consumer Loans by Margin (floating indices)

Margin (Floating Indices)	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
<= 4,00%	14.262.729,17	7,61%	3.087	10,50%
4,01% to 4,75%	7.931.540,13	4,23%	1.545	5,26%
4,76% to 5,50%	14.654.971,67	7,82%	2.333	7,94%
5,51% to 6,25%	19.757.145,31	10,54%	2.846	9,68%
6,26% to 7,00%	21.461.965,27	11,45%	3.317	11,29%
7,01% to 7,75%	18.297.087,85	9,76%	2.597	8,84%
7,76% to 8,50%	30.359.179,87	16,20%	4.052	13,79%
8,51% to 9,25%	21.217.942,82	11,32%	3.044	10,36%
9,26% to 10,00%	18.133.248,62	9,68%	2.766	9,41%
10,01% >=	21.320.322,27	11,38%	3.802	12,94%
Total:	187.396.132,98	100%	29.389	100%
Max Margin	22,00%			
Min Margin	0,00%			
WA Margin	7,53%			

Table 8 – Consumer Loans by Interest Payment Frequency (months)

Interest Payment Frequency (Months)	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
1	293.901.803,73	99,97%	49.432	99,98%
3	73.193,38	0,02%	7	0,01%
6	19.016,60	0,01%	2	0,00%
Total:	293.994.013,71	100%	49.441	100%

Table 9 – Consumer Loans by Loan Purpose

Loan Purpose	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Appliance/Furniture (MC)	2.796.298,07	0,95%	3.256	6,59%
Auto (Montepio)	17.913.102,96	6,09%	3.243	6,56%
Equipment (MC)	738.015,18	0,25%	125	0,25%
Individual (Montepio)	158.621.968,99	53,95%	25.738	52,06%
Medical (MC)	1.865.836,85	0,63%	1.162	2,35%
New Car (MC)	21.304.250,01	7,25%	2.057	4,16%
Other (MC)	2.025.328,94	0,69%	878	1,78%
Other Vehicle (MC)	1.323.775,37	0,45%	556	1,12%
Used Car (MC)	87.405.437,34	29,73%	12.426	25,13%
Total:	293.994.013,71	100%	49.441	100%

Table 10 – Consumer Loans by Employment Type

Employment Type	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Employed	220.582.641,69	75,03%	37.537	75,92%
Unemployed	7.472.222,93	2,54%	1.424	2,88%
Self-Employed	31.154.631,90	10,60%	4.346	8,79%
Student	937.379,14	0,32%	172	0,35%
Pensioner	24.999.266,49	8,50%	4.491	9,08%
Other	8.847.871,56	3,01%	1.471	2,98%
Total:	293.994.013,71	100%	49.441	100%

Table 11 – Consumer Loans by Seasoning (months)

Seasoning (Months)	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
<= 5	48.658.220,24	16,55%	5.695	11,52%
5,01 to 12,50	47.639.432,85	16,20%	6.494	13,13%
12,51 to 20	34.115.295,93	11,60%	4.982	10,08%
20,01 to 27,50	26.851.828,29	9,13%	4.040	8,17%
27,51 to 35	29.402.082,92	10,00%	4.614	9,33%
35,01 to 42,50	29.846.440,82	10,15%	4.860	9,83%
42,51 to 50	28.267.235,48	9,61%	5.161	10,44%
50,01 to 57,50	17.874.178,40	6,08%	3.827	7,74%
57,51 to 65	9.921.368,65	3,37%	2.315	4,68%
65,01 >=	21.417.930,13	7,29%	7.453	15,07%
Total:	293.994.013,71	100%	49.441	100%
Max Seasoning	110,13			
Min Seasoning	0,20			
WA Seasoning	28,04			

Table 12 – Consumer Loans by Remaining Term (months)

Remaining Term (Months)	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
<= 7,50	4.253.643,13	1,45%	4.697	9,50%
7,51 to 15	13.227.658,23	4,50%	6.481	13,11%
15,01 to 22,50	20.191.726,17	6,87%	6.801	13,76%
22,51 to 30	24.726.867,91	8,41%	5.743	11,62%
30,01 to 37,50	27.052.118,50	9,20%	5.184	10,49%
37,51 to 45	29.788.741,21	10,13%	4.409	8,92%
45,01 to 52,50	34.565.243,33	11,76%	4.205	8,51%
52,51 to 60	36.898.625,96	12,55%	4.095	8,28%
60,01 to 67,50	21.831.556,53	7,43%	2.029	4,10%
67,51 >=	81.457.832,74	27,71%	5.797	11,73%
Total:	293.994.013,71	100%	49.441	100%
Max Remaining Term	119,82			
Min Remaining Term	1,48			
WA Remaining Term	53,82			

Table 13 – Consumer Loans by Arrears (days)

Arrears (Days)	Principal Amount Arrears (EUR)	Principal Amount in Arrears as % of Current Balance	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
0	0,00	0,00%	279.949.181,53	95,22%	46.820	94,70%
1 to 30	354.337,18	2,52%	14.044.832,18	4,78%	2.621	5,30%
	354.337,18	0,12%	293.994.013,71	100%	49.441	100%

Table 14 – Consumer Loans by Channel

Channel	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Dealer/Broker	115.293.852,45	39,22%	19.818	40,08%
Direct	178.700.161,26	60,78%	29.623	59,92%
Total:	293.994.013,71	100%	49.441	100%

Table 15 – Consumer Loans by Guarantee

Guarantee	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Cash/Financial Assets	28.248.419,74	9,61%	2.845	5,75%
Mortgage	1.531.674,16	0,52%	91	0,18%
Other Pledges	728.496,59	0,25%	50	0,10%
Personal	38.064.938,75	12,95%	5.735	11,60%
Retention of title	99.845.748,92	33,96%	13.926	28,17%
Unsecured	125.574.735,55	42,71%	26.794	54,19%
Total:	293.994.013,71	100%	49.441	100%

Table 16 – Consumer Loans by Location

Location	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Alentejo	12.312.316,56	4,19%	1.800	3,64%
Algarve	14.790.187,20	5,03%	2.600	5,26%
Beira Interior	7.515.698,64	2,56%	1.391	2,81%
Beira Litoral	48.009.809,64	16,33%	7.768	15,71%
Estremadura e Ribatejo	86.605.565,65	29,46%	14.586	29,50%
Lisboa	10.526.436,25	3,58%	1.777	3,59%
Madeira Islands and Azores	16.216.849,37	5,52%	3.207	6,49%
Minho e Douro Litoral	89.449.230,48	30,43%	15.071	30,48%
Trás-os-Montes e Alto Douro	8.567.919,92	2,91%	1.241	2,51%
Total:	293.994.013,71	100%	49.441	100%

Table 17 – Consumer Loans by Residence

Residence	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Portugal	293.994.013,71	100%	49.441	100%
Total:	293.994.013,71	100%	49.441	100%

Table 18 – Consumer Loans by Nationality

Nationality	Current Balance (EUR)	% of Current Balance	Number of Loans	% of Loans
Non Portugal	2.817.907,04	0,96%	516	1,04%
Portugal	291.176.106,67	99,04%	48.925	98,96%
Total:	293.994.013,71	100%	49.441	100%

Information on the Consumer Loans

The information on the Consumer Loans set out in this Prospectus is derived from information provided by the Originators. The information contained in the section entitled “**Characteristics of the Consumer Loans**” has not been audited by the Issuer, the Common Representative, the Arranger or any other independent entity.

ORIGINATORS' STANDARD BUSINESS PRACTICES, SERVICING AND CREDIT ASSESSMENT

CAIXA ECONÓMICA MONTEPIO GERAL

Consumer credit activities of Montepio

Being a retail-based credit institution, Montepio has, since its origins, been extending consumer credit facilities to its individual customers. Consumer loans granted by Montepio can serve various customers' needs, ranging from financing the acquisition of car, home durable consumer goods and appliances to the funding of education fees and other personal expenses. Montepio focuses 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 through Montepio's branch network in Portugal.

Origination

All of 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.

Underwriting

The credit applications are submitted by the customers at their local branches. At the branch, the information required in accordance with internal credit rules (*i.e.* financing application, identity documents, informative questionnaires and official documents evidencing the customer's financial statements) is collected, checked and entered into the "Credit Scoring System". This system automatically checks whether there is any relevant information on the customer stored in internal and/or external databases and also checks the application against the main credit policies/rules (*i.e.* impact analysis of the financing on the individuals' DTI). This appraisal methodology assists with the decision at the branch level as to whether or not to continue with the approval process.

The approval of loans to individual customers is the responsibility of various levels of management, involving the branch, the Regional Department, the Commercial Manager and the Credit Committee, depending on the client's risk profile and loan characteristics. Once a decision has been made by the competent decision level, the customer is formally notified by mail.

Insurance Cover

Life insurance is compulsory for all borrowers and should cover death and disability risks, for an amount equal to the loan amount. Unemployment risk coverage is also recommended. Although the insurance may be contracted with any insurance company, Montepio is the respective beneficiary in all cases.

Consumer credit products

Normally, the maximum loan amount does not exceed €75,000, with an amortization profile of constant instalments. The interest rates charged on the loans can be either floating, indexed to 3-months EURIBOR, or fixed. In the latter case, rates can be fixed for 12, 18, 24, 36, 48, 60, 72, 84, 96, 108 or 120 months.

Arrears Procedures

Consumer Loans with less than 30 (thirty) days in arrears are dealt with at the branch level. During this period, the branches are responsible for coordinating the recovery process. After 30 (thirty) days in arrears, (except for loans in relation to which a recovery plan has been approved or that are in negotiation for settlement), the process is automatically assigned by the internal information system to Montepio's Credit Recovery Commercial Departments which, in the first instance, try to recover the overdue loans without recourse to litigation. After 90 (ninety) days in arrears, the process is assigned to Montepio Recuperação de Crédito ("MRC"), Montepio's group credit recovery unit, which uses specialized external credit recovery companies to contact delinquent customers in order to try and settle disputes out of court. Normally, after 180 (one hundred and eighty) days in arrears and if a solution is not reached, legal proceedings will, at that point, be instigated.

MONTEPIO CRÉDITO – INSTITUIÇÃO FINANCEIRA DE CRÉDITO, S.A.

Origination and Credit Process

Products

Montepio Crédito has five main core products: (i) Loan (Credit) to finance the acquisition of any new or used vehicle and Consumer durables, white & brown goods, appliances, furnishings, computers, mobile phones, etc.; (ii) Long Term Rental (LTR) market contract (vehicle and equipment); (iii) Leasing finance (vehicle and equipment); (iv) Personal Loan; and (v) Renting (vehicle and equipment). The consumer loans and personal loan are described below.

Consumer Loan (Credit)

This product has the following characteristics: (i) a term between 12 to 120 months (from 6 to 60 months for home durables); (ii) no obligation to make a down payment; (iii) are denominated and paid in Euros, and have monthly instalment payments (including principal and interest); (iv) property lies with the obligor but there is an ownership reservation in favor of Montepio Crédito in the case of auto loans; (v) personal guarantee from spouse or relatives apply depending on risk level; (vi) life insurance on the first borrower applies (death and definitive disability coverage).

Personal Loan

This product has the following characteristics: (i) a term between 12 to 84 months; (ii) no obligation to make a down payment applies; (iii) contracts are denominated and paid in Euros, with monthly payment schedule (including principal and interest); (iv) personal guarantee from spouse or relative applies, depending on risk level; (v) life insurance on the first borrower (death and definitive disability coverage) applies.

The current business model comprises the following segments: consumer goods (auto; consumer durables; and niche (Luxury)) and professional (industry equipment; medical equipment; and clean energy).

Origination

Montepio Crédito markets its products through the Caixa Económica Montepio Geral's branch network and through multi-brand dealers, under signed agreements. Montepio Crédito has a relationship with about 796 dealers. Sales teams distributed by the 2 branches of Montepio Crédito (Porto and Lisbon), give support to these business partners. Once a dealer agrees to a sales transaction where credit facilities will be required, the standard application form is completed by the obligor. The dealers will help the customer complete the application and will crosscheck the required information and documentation. Applications are sent to the central operations department via fax, internet, telephone or delivered personally by the dealers. The type of loan product is marked on each application.

The following information is requested in relation to the Borrower (s) / Obligor (s): name, age, address and house ownership status, personal and professional telephone number, e-mail, nationality, marital status, family size, profession, monthly income, monthly financial responsibilities, nature of employment contract, and tenure in job, address of employer, banking relationships, detailed information on the asset to be financed.

Each credit facility application must be accompanied by the following: copy of the identity card, proof of address (utility bill), proof of telephone number (bill), proof of income, tax identification number, copy of bank statements, a blank promissory note ("*livrança*" for ease of enforcement) signed by the obligor and co-obligor, when required, signed debit authorization mandate, including IBAN, account identification number, car insurance, covering own damage (required in the leasing and rental), life insurance (required in credit), property registration documents in relation to cars, copy of the tax return/declaration, a pro-forma invoice of asset being purchased/financed, or the actual invoice in the case of consumer durables.

Credit Approval Process

Credit info checks

The credit applications are received by the operations department which pre-screens each application by checking the following information: credit databases (internal and external); dealer's rating; client data verification; asset value verification (auto loan: adequacy of the amount to be financed with the commercial value obtained through Eurotax); rules list.

Scoring

If the application gets through the pre-screening, it is subject to the automated scoring and analysis system. The system then scores the application against the company's credit policy. The relevant

variables to this effect are: borrowers' socio-economic information; borrowers' behavior (customers); external entities information (Bank of Portugal); operation and product to finance features.

The scoring program is regularly monitored for stability and population parameters, in order to ensure reliability and consistency. The system then produces a form (as an output) which is used to approve the loan. The credit application is then checked against the supporting documents for consistency and if the details do not match the application is rejected.

Where required, the application is passed on to a credit analyst. In deciding whether to approve or reject the application, the credit analyst takes into account the credit score, the assessment of the credit risk of the obligor, the value of the vehicle and the dealer's risk classification. Before approving or declining the credit application, the credit analyst may request additional information, require additional guarantees, require a larger down payment or cash collateral or shorten the term of the loan.

Credit analysis

The credit analysis filters through 5 levels of decision, according to the nature and the amount of the credit within formal limits.

Decision Structure	Level	Personal Loans	Home durables	Car Loans		Equipments	
				Used Cars	New Cars	Leasing/LTR	Crédit
Scoring	-	N/A	3.500,00 €	12.500,00 €	22.000,00 €	N/A	N/A
1st Step	A	N/A	5.000,00 €	20.000,00 €	28.000,00 €	10.000,00 €	5.000,00 €
2nd Step	B	N/A	7.500,00 €	50.000,00 €	75.000,00 €	60.000,00 €	40.000,00 €
3rd Step	C	10.000,00 €	10.000,00 €	75.000,00 €	125.000,00 €	120.000,00 €	80.000,00 €
4th Step	D	25.000,00 €	25.000,00 €	175.000,00 €	250.000,00 €	450.000,00 €	150.000,00 €
5th Step	E	> 25.000,00 €	> 25.000,00 €	>175.000,00 €	>250.000,00 €	>450.000,00 €	>150.000 €

Decision autonomy

	Decision Structure	Level	Type of Decision
Decision Bodies	1 st Step	A	Credit analysts of the Credit Decision Department
	2 nd Step	B	Manager of Credit Decision Department or senior credit analyst
	3 rd Step	C	One director for proposals from individuals Collective Decision obtained by two directors for proposals from companies. Note: Sales, risk, and financial directors are excluded.
	4 th Step	D	Board director
	5 th Step	E	Collective Decision obtained by the members of the Board

Once the loan is approved, a contract is printed and cross-checked. Only when the data validation is completed is the loan considered formally approved.

Credit policies

Montepio Crédito analyzes and seeks to mitigate the risk exposures at different sources:

- ❖ *Dealers and point of sale exposure*

Montepio Crédito has a standard procedure for approving a new dealer. The risk performance per dealer is monitored by the Risk Department and the risk classification of each dealer is adjusted on an on-going basis. This risk classification is taken into consideration when processing credit applications submitted by clients of each dealer. If the application is approved, Montepio Crédito contacts the dealer to document the terms of their relationship. For a new dealer, the performance of the first few loans originated is monitored closely by the commercial and operational divisions: regular personal visits and telephone calls to assess customer satisfaction. Performance is monitored and under-performance (*i.e.* contracts with serious delinquencies) generally results in the removal of the dealer from the approved list. The dealer's risk classification is updated periodically based on the performance.

❖ *Obligor risk exposure*

Obligor risk is mitigated through the following actions: (a) pre-screening of the various databases (internal and external) for negative credit incidents; (b) credit scoring; (c) analyst review of every application package for consistency, or for approval, as detailed above; (d) requiring co-Obligor or guarantor, mostly for single earner families; (e) credit life and disability insurance on most Montepio Crédito contracts for individuals; (f) for ease of enforcement a *Livrança*, executable promissory note, is signed and attached to all Montepio Crédito contracts. Policy guidelines 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.

Credit Control and Administration

Debits

Once the application is approved and contracted by the operations division, the system automatically alerts the finance division to arrange funding and disburse the funds to the dealers and to activate the instalments debiting calendar. Montepio Crédito collects instalments on the 5th and 27th day of each month. As a standard principle, all Obligors must sign authorization to debit a bank account, and all payments made by monthly electronic direct debit. Instalments unpaid on the first debit attempt are sent for debit collection (*banda extra*) which resolves a good portion of the non-payments caused by temporary or technical problems. 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.

Arrears Management

The Collections Department is currently divided into several activities, each one responsible for the management of different delinquency status: (i) **Early Collections:** Obligors/contracts with 1 and 2 instalments in arrears; (ii) **External Collections:** Obligors/contracts with 3 to 8 instalments in arrears. This service is complemented with the outsourcing companies and is also managed by Montepio Crédito's credit recovery unit; (iii) **Litigation/Legal Procedures:** Obligors/contracts having 8 or more monthly payments in arrears. Legal action is prepared and a request for "executory action" is submitted to the courts, including a request to pledge assets, including vehicles, bank accounts, salary, etc.

Collection Phases

The collection procedures for Montepio Crédito for dealing with delinquent contracts are set out in the following table:

Phases	Instalments in arrears	Actions
1st Phase (Early Collection)	1 or 2	<ul style="list-style-type: none"> ▪ Letter sent to debtors and guarantors ▪ Phone calls via the automatic service – Outbound Call Center ▪ Promise of payment of debt negotiated ▪ Letters sent to debtors and guarantors <ul style="list-style-type: none"> – Letter informing the amount overdue – Letter pre-terminating the contract
2nd Phase (Pressure)	3 or 8	<ul style="list-style-type: none"> ▪ Values recovery through external collection agencies (4 at the present time) with Montepio Crédito has established agreements: Direct contact with obligors and guarantors by the external collections team. For vehicles: <ul style="list-style-type: none"> ▪ Recovery by immediate delivery of the vehicle to be offset against the debt. ▪ Sale of the vehicles through an auction. ▪ Letter sent to debtors and guarantors communicating the sale and remaining outstanding amount.
3rd Phase (Starting Litigation)	more than 8	<ul style="list-style-type: none"> ▪ Letter sent to debtors and guarantors terminating the contractual obligations. Credit Loan: <ul style="list-style-type: none"> ▪ Negotiation the overdue amount payment schedule, till a maximum of 30 monthly instalments according to internal procedures/rules. Long -Term Rental / Leasing: <ul style="list-style-type: none"> ▪ Recovery of vehicles by external recovery team or voluntary car deliver from client. ▪ Vehicles recovered and placed directly to auction parking facilities in order to be sold asap. ▪ Letter sent to debtors and guarantors communicating the amount due. ▪ Eventual agreement for debt repayment, including the sale of the vehicles.
4th Phase	Treatment of contracts terminated by a judicial decision where no agreements are in place for the negotiation of the outstanding debt	<ul style="list-style-type: none"> ▪ “Prepare” the process to be handled by the legal department with a view to initiate the relevant judicial proceedings. ▪ Elaborate agreements for payment the outstanding debt having as a rule that the amount due is paid within a maximum of thirty six instalments. ▪ Elaborate agreements followed by a judicial decision where the payment negotiation could go up to 48 instalments. ▪ Debt recovery by judicial decision, bearing in mind that when debtors/guarantors do not pay voluntarily, his assets are entitled to be pledged: salary, home, cars, etc...
5th Phase	Treatment of defaulted contracts terminated and accelerated by the recovery department in which there is no agreement in the negotiation of the outstanding debt	<ul style="list-style-type: none"> ▪ Preparation of legal action to submit to court and request court order to recover the vehicle. ▪ External collection team authorized to recover the vehicle with police authority assistance (if the case). ▪ Vehicles recovered and placed directly to auction parking facilities in order to be sold asap ▪ Letter sent to debtors and guarantors communicating the sale and remaining amount due. ▪ Eventual agreement for debt repayment, including the sale of the vehicles. Note: the Rule is to fully pay the amount due.

DESCRIPTION OF THE ISSUER

1. Introduction

The Issuer is a limited liability company registered and incorporated in Portugal on 11 November 2004 as a special purpose vehicle (known as “**Securitisation Company**” or “**STC**“, *a 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 Market 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 9114.

The registered office of the Issuer is at Rua Castilho, no. 20, Lisbon, Portugal. The contact details of the Issuer are as follows: telephone number (+351) 21 311 1200; fax number (+351) 21 352 6334. The Issuer is registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 507 130 820.

The Issuer has no subsidiaries.

2. Main Activities

The principal objects 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 of the relevant transaction documents to effect the necessary arrangements for such purchase and issuance including, but not limited to, handling enquiries and making appropriate filings with Portuguese regulatory bodies and any other competent authority and any relevant stock exchange.

3. Corporate Bodies

The chairman of the board of directors and directors of the Issuer*, their principal occupations and their respective business addresses are:

NAME**	BUSINESS ADDRESS	PRINCIPAL OCCUPATIONS OUTSIDE OF THE ISSUER
Bernardo Luís de Lima Mascarenhas Meyrelles do Souto	Rua Castilho, no. 20, 1250-069 Lisbon, Portugal	Representative of Deutsche Bank Aktiengesellschaft
José Francisco Gonçalves de Arantes e Oliveira	Rua Castilho, no. 20, 1250-069 Lisbon, Portugal	Officer of Deutsche Bank Aktiengesellschaft
Jerome David Beadle	Rua Castilho, no. 20, 1250-069 Lisbon, Portugal	Officer of Deutsche Bank Aktiengesellschaft

* Mr. Joaquim António Furtado Baptista resigned from his office as director of the Issuer with effects, under the law, from the end of June 2013.

** Mr. Bernardo Luís de Lima Mascarenhas Meyrelles do Souto and Mr. José Francisco Gonçalves de Arantes e Oliveira have been appointed as chairman of the board of directors and director of the Issuer, respectively, in May 2013 and Mr. Jerome David Beadle has been appointed as director in July 2013.

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

On 28 March 2013, the Issuer’s General Assembly passed a resolution whereby, among other matters, it approved the members of the supervisory board for the 2013-2015 term, as follows:

Chairman: Manuel Corrêa de Barros de Lancastre;

Members: Maria da Conceição Romão Teixeira Carrapeta and João Alexandre Marques de Castro Moutinho Barbosa.

Alternate member: Catarina Isabel Lopes Antunes Ribeiro.

The supervisory board's composition is deliberated in shareholder's general meeting, and it exercises functions for terms of 3 (three) years.

The Issuer has no employees. The directors of the Issuer are officers of Deutsche Bank Aktiengesellschaft. The secretary of the Issuer is Miguel da Silva Fernando Cordeiro Ângelo and the alternate secretary is Manuela Ferreira e Silva de Vasconcelos Simões both with offices at Rua Castilho, no. 20, 1250-069 Lisbon, Portugal.

The chairman of the Issuer shareholder's general meeting is Mr. Pedro Cassiano Santos and the secretary of the Issuer's shareholder's general meeting is Mr. Tiago Correia Moreira.

4. Independent statutory auditor

On 28 March 2013, the Issuer's General Assembly passed a resolution whereby, among other matters, it approved the independent statutory auditor for the 2013-2015 term, KPMG, described below.

KPMG is registered with the Chartered Accountants Bar under number 189 and is represented by Vitor Manuel da Cunha Ribeirinho, ROC n.º 1081. The registered office of KPMG is Edifício Monumental, Avenida Praia da Vitória, 71-A, 11th floor, 1069-006 Lisbon, Portugal. KPMG has taxpayer number 502 161 078.

5. Legislation Governing the Issuer's Activities

The Issuer's activities are specifically governed by the Securitisation Law and supervised by the CMVM.

6. 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 Republic of Portugal 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 an STC 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 Noteholders from enjoying privileged entitlements to the Consumer Loans.

7. Capital Requirements

The Securitisation Law imposes on the Issuer certain capitalisation requirements for supervisory purposes.

The level of capitalisation of the Issuer is determined by reference to the nominal value outstanding of notes issued by the Issuer and traded (*em circulação*) at any given point in time. Apart from the minimum share capital, an "STC" must meet further own funds levels depending upon the nominal amount outstanding of the securitisation notes issued. In this respect, (a) if the nominal amount outstanding of the notes issued and traded is €75 million or less, the own funds of the Issuer shall be no less than 0.5 per cent. of the nominal amount outstanding of such notes, or (b) if the nominal amount outstanding of the notes issued and traded exceeds €75 million, the own funds of the Issuer, in relation to the portion of the nominal amount outstanding of the notes in excess of €75 million, shall be 0.1 per cent. of the nominal amount outstanding of such notes.

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. The 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.

The entire authorised share capital of the Issuer is €250,000 and comprises 50.000 issued and fully paid shares (the “**Shares**”) of €5.00 each.

The amount of supplementary capital contributions (*prestações acessórias*) made by Deutsche Bank Aktiengesellschaft, a private limited liability company incorporated under the laws of Germany (the “**Shareholder**”), is €13,086,593.11.

8. The Shareholder

All of the Shares are held directly by the Shareholder. 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 and the Bank of Portugal.

9. Capitalisation of Issuer

As at 31 March 2014
(non audited)

Indebtedness

Pelican Finance No.1 transaction	
Class A Notes	€202,900,000
Class B Notes	€91,100,000
Class C Notes	€14,700,000

Other Securitisation Transactions €8,310,315,430,68

Share capital (Authorised €250,000.00; Issued 50,000.00 shares with a par value of €5.00 each)	€250,000
Ancillary Capital Contributions	€13,086,593.11
Reserves and retained earnings	€271,767.67
Total capitalisation	€13,608,360.78

10. Other Securities of the Issuer

The Issuer has not issued any convertible or exchangeable securities/notes.

11. Financial Statements

Audited financial statements of the Issuer are to be published on an annual basis and are certified by an auditor registered with the CMVM. The first audited financial statement is for the period starting on the date of incorporation and ending on 31 December 2005.

DESCRIPTION OF THE ORIGINATORS

CAIXA ECONÓMICA MONTEPIO GERAL

Introduction

Montepio is a savings credit institution which was created on 24 March 1844 and with an institutional capital, as at the date of this Base Prospectus, of €1,500,000,000, and which is wholly owned by its founder Montepio Geral Associação Mutualista (“MGAM”). MGAM is a mutual association whose aim is to provide individual and collective social protection schemes and health benefits to its 579,530 mutual members (as at 31 December 2013). In accordance with Decree Law no. 298/92, of 31 December 1992, as amended, Montepio is a credit institution, authorised to operate as a “universal bank”, in accordance with Decree Law no. 136/79, of 18 May 1979 (as last amended by Decree Law no. 188/2007, of May 2007) and it ranks sixth in the Portuguese banking system (as at 31 December 2012), as far as total net assets are concerned (source: *Boletim Informativo da Associação Portuguesa de Bancos*).

Integrated into a financial group owned by MGAM, Montepio undertakes general banking operations and other financial operations such as investment, mutual, real estate and pension funds, as well as insurance business. Additionally, it offers the protection schemes of MGAM to its customer base. Montepio takes a major role in the implementation of the Group’s business strategy, as it uses its nationwide branch network, comprising 456 branches in Portugal (as at 31 December 2013), including the former Finibanco Group network (since 4 April 2011). Montepio’s commercial network is further complemented by a network of electronic channels, together with its presence in various overseas Portuguese communities (including six representative offices outside of Portugal). Montepio is also present in Angola, through Finibanco Angola (Montepio holds an 81.6 per cent. share interest in Finibanco Angola), which has a retail network of 13 branches (as of 31 December 2013).

Montepio is registered in the Commercial Registration Conservatory (1st Section) with the number 500 792 615 and is domiciled in Portugal, having its registered office at Rua Áurea, 219-241, Apartado 2882, postal code 1122-806, Lisbon, Portugal, with telephone number +351 213 248 000.

As at 31 December 2013, Montepio’s consolidated total assets (net of provisions and depreciation) amounted to €23,039.2 million, its total equity was €1,647.3 million, its capital adequacy ratio, calculated according to the Bank of Portugal rules, was 13.03 per cent. and its Tier 1 ratio was 10.99 per cent.

The short-term unsecured, unsubordinated and unguaranteed debt obligations of Montepio are currently rated NP by Moody’s, B (negative outlook) by Fitch, and R-2 (low) by DBRS. The long-term unsecured, unsubordinated and unguaranteed debt obligations of Montepio are currently rated B2 by Moody’s, BB (negative outlook) by Fitch and BBB (low) by DBRS.

History

In 1840, Francisco Manuel Alvares Botelho established Montepio dos Empregados Públicos, a mutual benefit association intended to assist its members through periods of unforeseen financial hardship, caused by illness, disability or death. Its name was changed twice, firstly to Montepio Geral, Associação de Socorros Mútuos and in 1844, it was changed to Montepio Geral - Associação Mutualista, the name it still bears today.

In 1844, MGAM created Caixa Económica de Lisboa, (which was renamed Caixa Económica Montepio Geral on 23 April 1991) with the aim of attracting small-scale savings and providing credit facilities. MGAM and its subsidiaries and affiliates (together, the “**Montepio Group**”) offer a wide variety of banking, insurance and fund management products from Montepio’s branches throughout Portugal. Originally, Montepio was run as a division of MGAM but, by the late 1930s, the two organisations had become separate legal entities. In accordance with Decree Law 460/77, of 7 November 1977 (as last amended by Decree Law 391/2007, of 13 December 2007), Montepio is a “collective person of public interest” which was exempt from some taxes, including corporate revenue tax until the state budget for 2012 removed this exemption with effect from January 2012.

At the end of 2013, under the restructuring of Montepio Group, a reorganization of its financial participations related to insurance and pension funds was carried out. Thus, on 27 December 2013, Montepio Seguros, SGPS, S.A. was incorporated with the purpose of management the financial participations of the mentioned sectors.

Montepio sold its direct participation on Lusitania Vida, Companhia de Seguros, S.A. (“**Lusitania Vida**”), on Lusitania Companhia de Seguros, S.A. (“**Lusitania**”) and on Futuro – Sociedade Gestora de Fundos de Pensões, S.A. (“**Futuro**”) and acquired a 33.65 per cent. share of the capital of Montepio Seguros S.G.P.S., S.A.

After the above operation, Montepio Seguros S.G.P.S., S.A is held 52.63 per cent. by MGAM, 33.65 per cent. by Montepio and the remaining share of the capital is held by other entities of the Montepio Group.

As part of its investment management business, the Montepio Group holds Montepio Gestão de Activos, a company which specialises in the management of mutual and real estate funds, and wealth management.

In 1995, Montepio acquired certain limited assets and liabilities from a small savings credit institution in the Azores, Caixa Económica Açoreana. S.A. This acquisition, allowed Montepio to establish its presence in the Azores Autonomous Region.

Additionally, in January 1997, Montepio acquired certain assets and liabilities of another small savings credit institution, Caixa Económica Comercial e Industrial (“**CECI**”), for €1.5 million. The Bank of Portugal has approved a five year amortisation plan for CECI’s insufficiencies relating to provisions and pension liabilities which was completed as at 31 December 2001.

In 2009, Lusitania Companhia de Seguros, S.A. acquired the insurance companies Real and Mutuamar, which allowed it to double its market share in the real insurance business, thereby achieving a market share in line with the Montepio Group’s objectives.

In 2010, MGAM acquired the whole of Finibanco-Holding, SGPS, S.A. through a friendly public takeover bid. The main goals of the transaction were the expansion of the Group’s mutualism activities and the diversification of its business activities (please refer to “Finibanco” below).

Finibanco

On 30 July 2010, MGAM launched a voluntary public takeover bid for the total share capital of Finibanco Holding, SGPS, S.A. (the “**Takeover Bid**”).

Finibanco Holding, SGPS, S.A., was the holding company of a Portuguese financial group “Finibanco” (the “**Finibanco Group**”) which is comprised of a number of subsidiaries which include, among others a bank (Finibanco, S.A. (“**Finibanco**”)), an Angolan bank (Finibanco Angola, S.A. (“**Finibanco Angola**”)), a credit financial institution (Finicrédito, Instituição Financeira de Crédito, S.A.) and an asset management company (Finivalor – Sociedade Gestora de Fundos Mobiliários, S.A.)

On 26 August 2010, the board of directors of Finibanco-Holding, SGPS, S.A. recommended that its shareholders should accept the Takeover Bid.

In a regulated market special session held on 29 November 2010, MGAM accomplished the voluntary public takeover bid on the share capital of Finibanco-Holding, SGPS, S.A., which was registered with the CMVM with the number 9181. In the special session, 99.23 per cent. of the share capital and voting rights were acquired, representing 173,660,518 shares in Finibanco-Holding, SGPS, S.A.

As a result of the Takeover Bid, as announced in the prospectus in relation to the Takeover Bid and in additional documentation, and in accordance to the provisions of article 194.º (*quisição potestativa*) of the Portuguese Securities Code, MGAM made public, on 6 December 2010, its decision to acquire by squeeze-out (*quisição potestativa*) 1,339,482 shares, representing 0.77 per cent. of the share capital and of the voting rights of Finibanco-Holding, SGPS, S.A. which were not acquired during the Takeover Bid.

On 10 December 2010, and in compliance with article 195.º no.1. of the Portuguese Securities Code, MGAM registered with the CMVM, register number 9182, the squeeze-out acquisition of the remaining shares representing the share capital and the voting rights of Finibanco-Holding, SGPS, S.A.

In the terms and conditions set forth in the Takeover Bid preliminary announcement, MGAM announced its intention to, should the Takeover Bid be successful, which was the case, consolidate the activities and operations of Finibanco-Holding’s Subsidiaries with those pursued by Montepio.

In order to take the necessary steps to achieve the consolidation, on 31 March 2011, Montepio acquired from MGAM, through a share purchase agreement, 100 per cent. of the share capital and of the voting rights of Finibanco-Holding, SGPS, S.A. and, indirectly, all of the share capital and the voting rights of

Finibanco, S.A., as well as those of Finicrédito – Instituição Financeira de Crédito, S.A. and those of Finivalor – Sociedade Gestora de Fundos Mobiliários, S.A.

Under the share purchase agreement, Montepio indirectly acquired 61.04 per cent. of the share capital and the voting rights of the Angolan bank, Finibanco Angola, S.A. As a result of these acquisitions, Montepio's consolidated supervision perimeter now encompasses all the aforementioned companies.

Finally, on 4 April 2011, Montepio acquired all the assets and liabilities (*trespasse*) of Finibanco, S.A., with the exception of (i) the real estate repossessed by the latter in payment for overdue credit loans granted to its customers, in accordance with the provisions of Article 114 of Decree Law 298/92 of 31 December 1992, as amended, as well as all the related assets and liabilities, and (ii) all financial lease contracts under which Finibanco, S.A. is the lessor, as well as all related assets and liabilities.

Current Activities

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 credit cards, aimed at catering for all its customers' financial needs. Montepio has also been developing international operations, especially by the provision of foreign currency to its Portuguese customers, documentary credits and payment orders focusing mainly on attracting deposits from non-resident Portuguese nationals. Montepio currently has six representative offices, in Paris, Toronto, Geneva, Frankfurt, Newark and London. With the acquisition of Finibanco-Holding, SGPS, S.A., Montepio now also has a presence in Angola, through Finibanco Angola.

Participation Fund (*Fundo de Participação*)

In articles 6, (b) and 8 of its by-laws, Montepio provides for the establishment of a participation fund ("**Participation Fund**"), which, in addition to the institutional capital, the legal reserve, the special reserve, the other reserves and the undistributed results, will form the equity and own funds of Montepio.

The main characteristics of the Participation Fund are as follows:

- a) The Participation Fund is permanent;
- b) It is represented by participation units ("**Participation Units**"), with a nominal value and in the form to be determined when their respective issuance is to be approved;
- c) It can only be redeemed upon the winding-up of Montepio and only upon the redemption of all the other creditors of the issuer, including those that hold other types of subordinated debt. The holders of the Participation Units will rank *pari passu* and *pro rata* with the holder of Montepio's institutional capital in sharing the liquidation amount of Montepio's assets;
- d) Any redemption of the Participation Fund can only be made pursuant to the provisions of Montepio's by-laws and following the prior written consent of the Bank of Portugal;
- e) The holders of the Participation Units are not entitled to intervene in the corporate bodies of Montepio, but are only entitled to receive annual revenue if and when there are sufficient results to that effect and upon the approval of the General Assembly, based on a proposal by the Executive Board of Directors.

The overall amount of the Participation Fund is not capped, but the Executive Board of Directors of Montepio is authorised to issue Participation Units up to an amount equivalent to the institutional capital current amount.

The Bank of Portugal has acknowledged Montepio's Participation Fund as a positive element of its core own funds, according to article 3, (a) of Bank of Portugal's Notice n° 6/2010 (as amended), and its eligibility for the computation of core tier 1, according to Bank of Portugal's Notice (Aviso) n° 3/2011 (as amended) and common equity as per CRD IV and CRR.

On the 25 November 2013, Montepio successfully launched an inaugural public offer of 200 million Participation Units, with a par value of €1, in the Participation Fund. The main goal of this transaction was to raise €200 million to fund the general business, namely the credit granting, and to reinforce Montepio's capital adequacy levels.

The Participation Units in the Participation Fund of Montepio are admitted to trading on the regulated market Euronext Lisbon as of 17 December 2013 and are considered as capital securities. Following this offer, Montepio is treated as an issuer of shares admitted to trading on a regulated market

(“*entidade com capital aberto ao investimento do público*”) with respect to all the relevant information that shall be disclosed to the market and regulators, namely the CMVM and the Bank of Portugal.

Still, MGAM, the parent company and underwriter of the institutional capital, shall continue to be sole controlling owner of Caixa Económica Montepio Geral, since the ownership of the Participation Units do not confer voting rights.

MONTEPIO CRÉDITO – INSTITUIÇÃO FINANCEIRA DE CRÉDITO, S.A.

Background and Strategy

Montepio Crédito – Instituição Financeira de Crédito, S.A. (“**Montepio Crédito**”- ex-Finicrédito, S.A.) is a credit institution with its registered office at Rua Júlio Dinis, 158-160, 2nd floor, Porto, Portugal, with a share capital of €30,000,000.00, registered with the Commercial Registry of Porto under the sole commercial registration and taxpayer number 502 774 312. Montepio Crédito is wholly owned by Caixa Económica Montepio Geral.

Business Activity and Capitalisation

Montepio Crédito is a credit institution subject to the supervision of the Bank of Portugal. Its objective is focused on the operational activities which are allowed to banks, with the exception of the acceptance of deposits.

Finicrédito was incorporated in 1992, as the consumer finance vehicle of Finindustria, SA. In 1995, the target segment was used vehicle financing and branches were inaugurated in Coimbra, Leiria and Lisbon. In 1997, Finicrédito decided to expand its activities to the financing of other consumer goods, 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). Total assets had reached EUR 67 million in 1999, when Finicrédito securitised EUR 46 million as part of the Aqua Finance No. 1 vehicle, together with its parent Finibanco, SA. In that same year, it officially opened the branch in Faro.

In 2001, the share capital was increased and re-denominated in Euros, to EUR 10 million. In 2002, and in order to accommodate to business growth, Finicrédito raised again its share capital from EUR 10 million to EUR 14 million.

In August 2003, a new securitisation transaction (Aqua Finance No. 2) was completed. 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.. This new profile allowed Finicrédito to increase its business volume, entering into new areas such as financial leases.

In 2004, the share capital was increased from EUR 14 to EUR 20 million. In July 2004, an additional sale of loans increased the Aqua Finance No. 2 transaction to €225 million.

At the end of 2005, the merger by incorporation of Leasecar, S.A into Finicrédito was completed. Leasecar (with a minority shareholding of 20%) was wholly purchased by Finibanco in 1993 in order to broaden the Group’s product offering. As a consequence, the share capital 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 to various professional areas (*inter alios*, health, renewable energy and transports).

At the same time, Finicrédito outlined a strategic plan to be implemented in several areas, namely in business policies, risk and control and credit management.

In 2009, Finicrédito began to offer a new product: “renting”. In that year, a third securitisation transaction (Aqua Finance No. 3) was carried out. This transaction raised an amount of EUR 207 million.

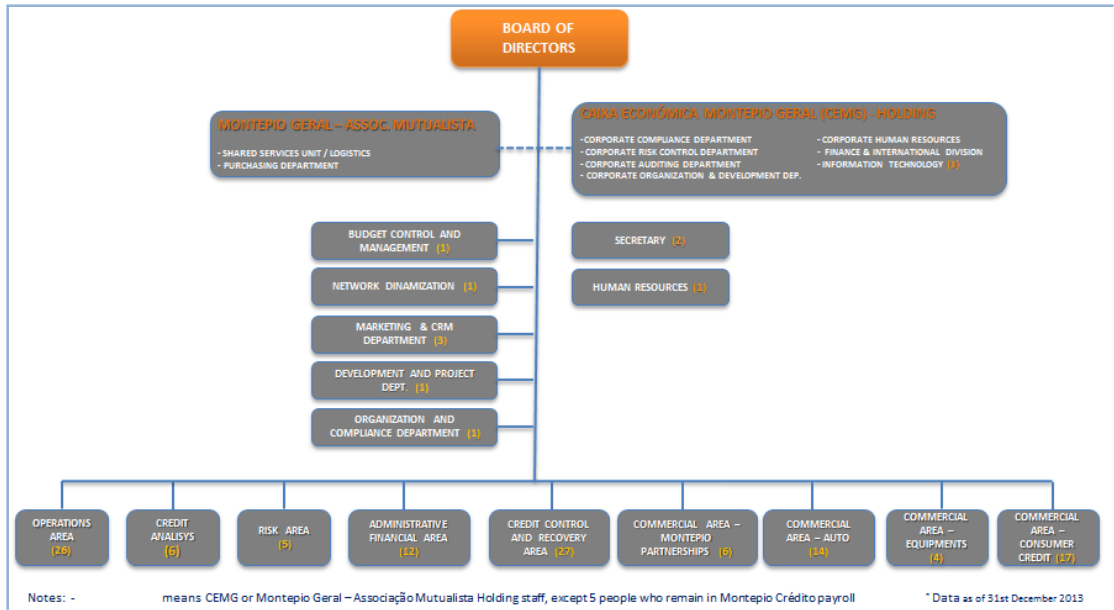
Finibanco became part of Montepio Group in 2010 as a fully owned subsidiary via the purchase of Finibanco holding company.

In January, 2013 Finicrédito changed its business name to Montepio Crédito – Instituição Financeira de Crédito, S.A.. 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.

At the end of 2013, and based on information provided by ASFAC (Association of Specialized Credit Institution) the trade association, Montepio Crédito reached a market share of 8.6% of loan origination in Portugal – 4th position among 21 competitors.

Organization

As of 31st of December 2013, Montepio Crédito had a total of 130 employees distributed across the following departments:



DESCRIPTION OF THE ACCOUNTS BANK

Deutsche Bank Aktiengesellschaft (“**Deutsche Bank**”) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870.

The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. Deutsche Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the “**Deutsche Bank Group**”).

“Deutsche Bank AG London” is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain.

On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions

As of 30 September 2013, Deutsche Bank’s subscribed capital amounted to Euro 2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German Stock Exchanges. They are also listed on the New York Stock Exchange.

As of 30 September 2013, Deutsche Bank Group had total assets of Euro 1,787,971 million, total liabilities of Euro 1,731,206 million, and total equity of Euro 56,765 million on the basis of International Financial Reporting Standards (unaudited).

Deutsche Bank’s long-term senior debt has been assigned a rating of A (outlook stable) by Standard & Poor’s, A2 (outlook negative) by Moody’s Investors Service and A+ (outlook negative) by Fitch Ratings.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Deutsche Bank since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

SELECTED ASPECTS OF LAWS OF THE PORTUGUESE REPUBLIC RELEVANT TO THE CONSUMER LOANS AND THE TRANSFER OF THE CONSUMER LOANS

Securitisation Legal Framework

General

The Securitisation Law has implemented a specific securitisation legal framework in Portugal, which contains a simplified process for the assignment of credits for securitisation purposes. It regulates (a) the establishment and activity of Portuguese securitisation vehicles (b) the type of credits that may be securitised (c) the conditions under which credits may be assigned for securitisation purposes and (d) the entities which may assign credits for securitisation purposes.

The most important aspects of this legal framework are:

- the establishment of special rules facilitating the assignment of credits (including Consumer Loans) in the context of securitisation;
- the establishment of the types of originator which may assign their credits pursuant to the Securitisation Law;
- the establishment of the types of credits that may be securitised;
- the establishment of the conditions under which the credits may be securitised; and
- the creation of two different types of securitisation vehicles: (i) credit securitisation funds (*Fundos de Titularização de Créditos* - “FTC”) and (ii) credit securitisation companies (*Sociedades de Titularização de Créditos* - “STC”).

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 share capital of € 250,000. 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 by the CMVM. STCs are subject to ownership requirements. A prospective shareholder must obtain approval from the CMVM in order to establish an STC. Such approval is granted when the prospective shareholder shows that it is capable of providing the company with a sound and prudent management.

If the shares in an STC, corresponding to a qualified stake (*participação qualificada*), are to be transferred to another shareholder or shareholders, prior authorisation of the CMVM of the prospective shareholder has to be obtained. The interest of the new shareholder in the STC has to be registered within 15 (fifteen) days of the purchase.

Regulatory Compliance

In order 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 the purpose of 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.

Nature of credits

The Securitisation Law sets out the types of credits that may be securitised and the eligibility criteria for such credits.

Who may assign assets for securitisation purposes?

Under the Securitisation Law, originators include the Portuguese Republic and public corporate entities, credit institutions, financial companies, insurance companies, pension funds and pension fund managing companies and any other corporate entities whose accounts have been audited by an auditor registered with the CMVM for the last three consecutive years.

Assignment of credits

Under the Securitisation Law, the sale of credits for securitisation is effected by way of assignment of credits. In this context the following should be noted:

Notice to Debtors

In general, an assignment of credits is effective against the relevant debtor after notification of assignment is made to such debtor.

Notification to the debtor is required to be made by means of a registered letter (to be sent to the debtor's address included in the relevant receivables contract) and such notification will be deemed to have occurred on the third business day following the date of posting of the registered letter.

An exception to this requirement applies when the assignment of credits is made under the Securitisation Law by, *inter alia*, credit institutions or financial companies, and such entities are the servicers of the credits. In that case, there is no requirement to notify the relevant debtor since such assignment is deemed to be effective in relation to such debtor when it is effective between assignor and assignee.

Accordingly, in the situation set out above, any payments made by the debtor to its original creditor after an assignment of credits has been made will effectively belong to the assignee who may, at any time and even in the context of the bankruptcy of the assignor, claim such payments from the assignor.

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 notarial deed is not required. In the case of an assignment of loans which have underlying mortgages or other guarantees subject to registration under Portuguese law, the signatures to the assignment contract must be certified by a notary public or the company secretary of each party (when the parties have appointed such a person) under the terms of the Securitisation Law.

In order to perfect an assignment of loans where ancillary rights are capable of registration at a public registry (such as a mortgage over real estate) against third parties, the assignment must be followed by the corresponding registration (as described in the paragraph below) of the transfer of such ancillary rights. The Portuguese real estate registration provisions allow for the registration of the assignment of any mortgage at any Portuguese Real Estate Registry Office, even if the said Portuguese Real Estate Registry Office is not the office where the mortgage is registered.

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 bankruptcy of the assignor prior to registration of the assignment of credits, the credits will not form part of the bankruptcy estate of the assignor even if the assignee may have to claim its entitlement to the assigned credits before a competent court. However, the assignment of any security over real estate in Portugal 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 provide for such registration.

Assignment and Bankruptcy

Unless an assignment of credits is effected in bad faith, such assignment under the Securitisation Law cannot be challenged for the benefit of the assignor's bankruptcy estate and any payments made to the assignor in respect of credits assigned prior to a declaration of bankruptcy will not form part of the

assignor's bankruptcy estate even when the term of the credits falls after the date of declaration of bankruptcy 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 bankruptcy estate.

Risk of Set-Off by Borrowers

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 a credit institution, a financial company, an insurance company, pension funds and pension fund managers is effective against the debtor on the date of assignment of such credits without notification to the debtor being required (provided that the assignor is the servicer of the assigned credit), 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.

Set-Off on Bankruptcy

Under article 99 of the *Código de Insolvência e Recuperação de Empresas* (the Code for the Insolvency and Recovery of Companies), implemented by Decree-law no. 53/2004 of 18 March 2004, applicable to bankruptcy 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 bankruptcy of such creditor provided that, prior to the declaration of bankruptcy, (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.

Data Protection Law

Law no. 67/98 of 26 October 1998 as rectified by the Rectification Statement no. 22/98, of 28 November 1998, (the "**Data Protection Law**"), which implemented Directive 95/46/EC, of 24 October 1995, provides for the protection of individuals regarding the processing and transfer of personal data.

Pursuant to the Data Protection Law, any processing of personal data requires express consent from the data subject, unless the processing is necessary in certain specific circumstances as provided under the relevant laws.

The entity collecting and processing personal data must obtain prior authorisation from the *Comissão Nacional de Protecção de Dados* (the "**CNPD**"), the Portuguese Data Protection Authority, before processing such data.

Transfer of personal data to an entity within a Member State does not require authorisation by the CNPD but must be notified to the relevant data subjects.

Portuguese Securitisation Tax Law

Under the Portuguese Securitisation Tax Law, there is no withholding tax on the payments made by the Issuer to the Originators in respect of the purchase by the Issuer of the Consumer Loans and the Receivables arising thereunder and the related Ancillary Consumer Loans Rights. Furthermore, the payment of Collections made in respect of the Consumer Loans by the Servicers to the Issuer is not subject to withholding tax.

Other Portuguese tax issues relating to withholding tax, corporate tax, income tax, stamp duty, value added tax as regards the Notes are described in the section "Taxation".

SUMMARY OF PROVISIONS RELATING TO THE NOTES CLEARED THROUGH INTERBOLSA

General

Interbolsa manages a centralised system (*sistema centralizado*) composed of interconnected securities accounts, through which such securities (and inherent 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 in 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, settlement of trades executed through the Stock Exchange takes place on the third Business Day after the trade date and is provisional until the financial settlement that takes place through TARGET2 on the settlement date.

Form of the Notes

The Notes will be in book-entry (*forma escritural*) and nominative (*nominativa*) 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 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 individual securities accounts opened by 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 Notes shall be treated as the holder of the principal amount of the Notes recorded therein.

Payment of principal and interest in respect of Notes

Whilst the Notes are held through Interbolsa, payment of principal and interest in respect of the Notes will be (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) through TARGET2 to 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:

- (i) the identity of the Paying Agent responsible for the relevant payment; and
- (ii) 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 relevant amount must be apportioned *pro-rata* between the accounts of the Interbolsa Participants by Interbolsa.

Transfer of 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 terms of the Common Representative Appointment Agreement.
- 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 Common Representative Appointment Agreement, the Co-ordination Agreement and the Paying Agency Agreement 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 reasonable notice, during normal business hours at the registered office for the time being of the Common Representative and at the Specified Office of the Paying Agent, the initial Specified Offices of which are set out below.
- 1.6 In these Conditions the defined terms have the meanings set out in Condition 20. (*Definitions*).

2 Form, Denomination and Title

2.1 Form and Denomination

The Notes are in book-entry (forma escritural) and registered (nominativas) form in the denomination of €100,000. Title to the Notes will pass by registration in the corresponding securities account.

2.2 Title

The registered holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

3 Status and Ranking

3.1 Status

The Notes of each Class constitute direct limited recourse obligations of the Issuer.

3.2 Ranking

The Notes in each Class will at all time rank *pari passu* amongst themselves without preference or priority.

3.3 Sole Obligations

The Notes are obligations solely of the Issuer limited to the Transaction Assets (including the segregated portfolio of Consumer Loans allocated to this transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to article 62 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.

3.4 Priorities of Payments

Prior to the delivery of an Enforcement Notice, the Issuer shall 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. Following the delivery of an Enforcement Notice, the Issuer will apply all available amounts in accordance with the Post-Enforcement Priority of Payments.

4 Statutory Segregation of Transaction Assets

4.1 Segregation under the Securitisation Law

The Notes and any Issuer Obligations have the benefit of the statutory segregation under the Securitisation Law.

4.2 Restrictions on Disposal of Transaction Assets

The Common Representative shall only be entitled to dispose of the Transaction Assets upon the delivery by the Common Representative of an Enforcement Notice in accordance with Condition 11. (*Events of Default*) and subject to the provisions of Condition 12.1. (*Proceedings*). If an Enforcement Notice has been delivered by the Common Representative, the Common Representative will only be entitled to dispose of the Transaction Assets to a Portuguese securitisation fund (FTC) or to another Portuguese securitisation company (STC) or to the Originators in accordance with the Securitisation Law.

5. Issuer Covenants

5.1 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 5 (*Issuer Covenants*) of the Incorporated Terms Memorandum.

5.2 Investor Reports

The Issuer Covenants include an undertaking by the Issuer to provide to the Common Representative, the Rating Agencies, the Arranger and the Paying Agent, or to procure that the Common Representative, the Rating Agencies, the Arranger and the Paying Agent are provided with, the Investor Reports.

5.3 Investor Reports available for inspection

The Investor Reports will be made available for inspection on the website of the Transaction Manager currently located at (<https://tss.sfs.db.com/investpublic>). It is not intended that the Investor Reports are made available in any other format, save in certain limited circumstances set forth in the Transaction Management Agreement. The Transaction Manager's website does not form part of the information provided for the purposes of these Conditions and disclaimers may be posted in connection with the information therein. Registration may be required for access to such website and persons wishing to access will be required to clarify that they are Noteholders or other persons entitled to do so.

6. Interest and Class C Distribution Amount

6.1 Accrual

Each Class A Note and Class B Note issued on the Closing Date bears interest on its Principal Amount Outstanding from the Closing Date. The Class C Notes bear no entitlement to interest and will instead bear an entitlement to receive the Class C Distribution Amount.

6.2 Cessation of Interest

Each Note of each class shall cease to bear interest (or, in the case of the Class C Notes, shall cease to bear an entitlement to the Class C 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 (or the Class C 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 7th (seventh) day, except to the extent that there is any subsequent default in payment.

6.3 Calculation Period of less than 1 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.

6.4 **Interest Payments**

Interest on each Class A Note is 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.

Interest on each Class B Note, Deferred Interest Amount Arrears and any default interest thereon due and payable on any Interest Payment Date in respect of the Class B 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 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 which shall, in turn, be paid before any default interest.

6.5 **Class C Distribution Amount Payments**

Payment of any Class C Distribution Amount in relation to the Class C 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 C Distribution Amount calculated as at the Calculation Date immediately preceding such Interest Payment Date and notified to the Class C Noteholders in accordance with the Notices Condition.

6.6 **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.

6.7 **Calculation of Class C Distribution Amount**

Upon or as soon as practicable after each Calculation Date, the Agent Bank on behalf of the Issuer shall calculate (or shall cause the Transaction Manager to calculate) the Class C Distribution Amount payable on each Class C Note for the following Interest Payment Date.

6.8 **Notification of Interest Amount and Interest Payment Date**

As soon as practicable after each Interest Determination Date, the Agent Bank will cause:

- (A) the Interest Amount for each Class of Notes for the related Interest Period; and
- (B) the next Interest Payment Date following 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 Notes are listed on any stock exchange, such stock exchange no later than the first day of the relevant Interest Period.

6.9 **Notification of Class C Distribution Amount**

As soon as practicable after each Calculation Date, the Agent Bank will cause the Class C Distribution Amount to be notified to the Issuer, the Transaction Manager, the Common Representative, the Paying Agent and, for so long as the Notes are listed on any stock exchange, such stock exchange.

6.10 **Publication of Interest Amount and Interest Payment Date**

As soon as practicable after receiving each notification of the Interest Amount and the Interest Payment Date in accordance with Condition 6.8 (*Notification of Interest Amount and Interest Payment Date*) and of the Class C Distribution Amount in accordance with Condition 6.9 (*Notification of Class C Distribution Amount*), the Transaction Manager on behalf of the Issuer will cause such Interest Amount, Interest Payment Date and Class C Distribution Amount to be published in accordance with the Notices Condition.

6.11 **Amendments to Publications**

The Interest Amount for each Class of the Notes and the Class C 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.

6.12 Determination or Calculation by Common Representative

If the Agent Bank does not at any time for any reason determine the Interest Amount for each Class of Notes in accordance with this Condition, or if the Transaction Manager does not at any time for any reason determine the Class C Distribution Amount in accordance with this Condition, the Common Representative may (but without any liability accruing to the Common Representative as a result):

- (A) calculate the Interest Amount for that Class of Notes (and the Class C Distribution Amount) in the manner specified in this Condition and/or;
- (B) appoint a third party to calculate the Interest Amount for each Class of Notes (and the Class C 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.

6.13 Deferral of Interest Amounts in Arrears

If there are any Deferred Interest Amount Arrears in respect of any class of Interest Deferrable Notes on any Interest Payment Date (other than the Final Legal Maturity Date), such amounts shall not be regarded as payable on such date and shall accrue interest during the Interest Period in which such Interest Payment Date falls in accordance with Condition 6.15 (*Default Interest*).

6.14 Notification of Deferred Interest Amount Arrears

If, on any Calculation Date, the Transaction Manager on behalf of the Issuer shall determine that any Deferred Interest Amount Arrears will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given by the Issuer in accordance with the Notices Condition, specifying the amount of the Deferred Interest Amount Arrears in respect of the relevant class of Interest Deferrable Notes to be deferred on such following Interest Payment Date.

6.15 Default Interest

Any Deferred Interest Amount Arrears shall bear interest during the period from (and including) the Interest Payment Date upon which such Deferred Interest Amount Arrears is deferred to (and excluding) the date upon which the obligations of the Issuer to pay any Deferred Interest Amount Arrears is discharged. Interest on such Deferred Interest Amount Arrears shall accrue from day to day at the Note Rate from time to time applicable to the relevant class of Interest Deferrable Notes and shall be due and payable in accordance with Condition 6.4 (*Interest Payments*).

6.16 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 Interest Deferrable Notes and interest thereon (and any payment date thereof) to be published in accordance with the Notices Condition.

6.17 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 which shall, in turn, be paid prior to any default interest on any such Deferred Interest Amount Arrears arising under Condition 6.15 (*Default Interest*) which is payable on such Interest Payment Date.

7. Final Redemption, Mandatory Redemption in part and Optional Redemption

7.1 Final Redemption

Unless previously redeemed as provided in this Condition, the Issuer shall redeem the Notes of each class at their Principal Amount Outstanding together with all accrued interest on the Final Legal Maturity Date.

7.2 Mandatory Redemption in part

On each Interest Payment Date after the end of the Revolving Period, the Issuer will cause any Available Principal Distribution Amount available for this purpose on such Interest Payment Date in accordance with the Payment Priorities to be applied in the redemption in part of the Principal Amount Outstanding of each Class of Notes determined as at the related Calculation

Date in the following amounts and in the following sequential order of priority, in each case the relevant amount being applied to each class divided by the number of Notes outstanding in such class:

- (A) In the case of each Class A Note in an amount equal to the lesser of the Available Principal Distribution Amount and the aggregate of the Principal Amount Outstanding of the Class A Notes; and
- (B) In the case of each Class B Note in an amount equal to the lesser of the Available Principal Distribution Amount (minus the amount to be applied in redemption of the Class A Notes (if any) on such Interest Payment Date or any other higher ranking amount in the relevant Payment Priority) and the aggregate of the Principal Amount Outstanding of the Class B Notes;

in each case in an amount rounded down to the nearest 0.01 euro.

7.3 Mandatory Redemption in whole of the Class C Notes

On the last Interest Payment Date (after redemption in full of the Asset Backed Notes) if any Class C Distribution Amount is to be paid by the Issuer in accordance with Condition 6.5 (*Class C Distribution Amount Payments*), the Issuer will cause the Class C Notes to be redeemed in full in an amount which is equal to the Principal Amount Outstanding of the Class C Notes.

7.4 Calculation of Note Principal Payments and Principal Amount Outstanding

On (or as soon as practicable after) each Calculation Date, the Issuer shall calculate (or cause the Transaction Manager to calculate):

- 7.4.1 the aggregate of any Note Principal Payments due in relation to each class on the Interest Payment Date immediately succeeding such Calculation Date;
- 7.4.2 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); and
- 7.4.3 the Class C Distribution Amount.

7.5 Calculations final and binding

Each calculation by or on behalf of the Issuer of any Note Principal Payment or the Class C 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.

7.6 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 Principal Amount Outstanding in relation to each class in accordance with this Condition, such amounts may be calculated by the Common Representative (without any liability accruing to the Common Representative as a result) in accordance with this Condition (based on information supplied to it by the Issuer or the Transaction Manager) or by a third party duly appointed by the Common Representative for this purpose and each such calculation shall be deemed to have been made by the Issuer.

7.7 Optional Redemption in whole

The Issuer may redeem all (but not some only) of the Notes in each class at their Principal Amount Outstanding (together with accrued interest) on any Interest Payment Date, when, on the related Calculation Date, the Aggregate Principal Outstanding Balance of the Consumer Loans is equal to or less than 10 (ten) per cent. of the Aggregate Principal Outstanding Balance of all of the Consumer Loans at the Initial Collateral Determination Date, subject to the following:

- (i) that the Issuer has given not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Common Representative and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each class; and
- (ii) the Issuer shall have provided to the Common Representative a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest

Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Payment Priorities.

7.8 **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 on any Interest Payment Date:

- 7.8.1 after the date on which, by virtue of a change in Tax law of the Issuer's Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would be required to make a Tax Deduction from any payment in respect of the Notes (other than by reason of the relevant Noteholder having some connection with the Portuguese Republic, other than the holding of the Notes or related Coupons); or
- 7.8.2 after the date on which, by virtue of a change in the Tax law of the Issuer's Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would not be entitled to relief for the purposes of such Tax law for any material amount which it is obliged to pay, or the Issuer would be treated as receiving for the purposes of such Tax law any material amount which it is not entitled to receive, under the Transaction Documents; or
- 7.8.3 after the date of a change in the Tax law of any applicable jurisdiction (or the application or official interpretation of such Tax law) which would cause the total amount payable in respect of any Collections to cease to be receivable by the Issuer including as a result of any of the Borrowers being obliged to make a Tax Deduction in respect of any payment in relation to any Consumer Loan,

subject to the following:

- (i) that the Issuer has given not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Common Representative and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each class; and
- (ii) that, prior to giving any such notice, the Issuer has provided to the Common Representative:
 - (a) a legal opinion (in form and substance satisfactory to the Common Representative) from a firm of lawyers in the Issuer's Jurisdiction (approved in writing by the Common Representative), opining on the relevant change in Tax law; and
 - (b) in respect of 7.8.1 and 7.8.2 above, a certificate signed by two directors of the Issuer to the effect that the obligation to make a Tax Deduction cannot be avoided; and
 - (c) a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Payment Priorities.

7.9 **Optional Redemption in Whole by Noteholders**

The Noteholders (being the Originators) holding all Notes outstanding from time to time may, following an Extraordinary Resolution and by giving not less than 15 (fifteen) days' notice to the Issuer that it is exercising its option (the "**Put Option**") decide to have all of the Notes redeemed at their Principal Amount Outstanding together with all accrued interest on the date specified in such notice (the "**Put Option Date**") provided that:

- (i) the Notes are free of any encumbrance at the moment when the Put Option notice is delivered to the Issuer and will remain free of any encumbrance up to and including the Put Option Date;
- (ii) both Noteholders (being the Originators) expressly agree to the exercise of the optional redemption in whole pursuant to this Condition 7.9;

- (iii) the necessary funds for the redemption are available to the Issuer for payment of all the Issuer Expenses, its payment obligations of a higher or equal priority under the Pre-Enforcement Interest Payment Priorities or Pre-Enforcement Principal Payment Priorities (as the case may be) and all and any other amounts which may be due or owed by the Issuer under or in connection with the Notes up to and including the Put Option Date;
- (iv) each of the Originators accepts to acquire the relevant Consumer Loans which it has originated and are included in the Consumer Loans Portfolio on the Put Option Date at the then current market price, such market price of the Consumer Loans Portfolio to be reviewed by an auditor registered with the CMVM;
- (v) the Noteholders exercising the Put Option have established to the satisfaction of the Issuer that they hold all of the Notes on the date on which the Put Option is exercised and that they will be the holders of all of the Notes on the Put Option Date;
- (vi) the Issuer shall receive the repurchase price from each of the Originators relating to the acquisition of the relevant Consumer Loans which it has originated and shall use such aggregate amounts to redeem the Notes in accordance with the Pre-Enforcement Principal Payment Priorities (which Notes would be redeemed in cash);
- (vii) the exercise of the Put Option by the Noteholders is valid to discharge all of the Issuer's obligations under or in connection with the Notes towards the Noteholders and the Transaction Creditors pursuant to this Condition and to the confirmation that funds are available to the Issuer to meet its payment obligations of a higher or equal priority; and
- (vii) the exercise of the Put Option satisfies all the applicable legal requirements, including the Securitisation Law,

subject to, prior to delivery of the Put Option notice to the Issuer, the Issuer receiving a certificate (in form and substance satisfactory to it) signed on behalf of the Transaction Manager confirming that all the requirements detailed under this Condition 7.9 have or will be duly met up to the Put Option Date.

It is expressly stated and agreed that the exercise of the Put Option by the Noteholders shall be conditional upon there being sufficient funds to redeem the Notes, and the Issuer shall have no obligation whatsoever to actually redeem the Notes in the event that there are no such sufficient funds, and the Issuer shall not be obliged to use any efforts to procure that such sufficient funds are made available to it. In case the Notes are not redeemed on the Put Option Date, the exercise of the Put Option will become ineffective, which shall not affect the Noteholders' right to exercise further Put Options in accordance with the terms of this Condition.

Upon delivery of the Consumer Loans Portfolio on the Put Option Date to the entity appointed under 7.9(iii) above and payment of the Residual Cash Amount (if any) to the Noteholders which exercised the Put Option, the rights and obligations of the Noteholders towards the Issuer shall be extinguished.

“**Residual Cash Amount**” means such amount of cash available to the Issuer, including the price (if any) received by the Issuer from the Originators as foreseen in 7.9(iii) above, on the Put Option Date which is not (or will not, as certified to the Issuer's satisfaction by the Transaction Manager to the Issuer, be) required to pay any amounts owing in priority to the Noteholders.

7.10 **Conclusiveness of certificates and legal opinions**

Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 7.7 (*Optional Redemption in whole*) and Condition 7.8 (*Optional Redemption in whole for taxation reasons*) may be relied upon by the Common Representative 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.

7.11 **Notice of Calculation**

The Agent Bank on behalf of 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 to be notified immediately after calculation.

7.12 **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 3 (three) Business Days prior to such Interest Payment Date.

7.13 **Notice irrevocable**

Any such notice as is referred to in Condition 7.7 (*Optional Redemption in whole*) or Condition 7.8 (*Optional Redemption in whole for taxation reasons*) or Condition 7.9 (*Optional Redemption in whole by Noteholders*) or Condition 7.11 (*Notice of Calculation*) 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 if effected pursuant to Condition 7.7 (*Optional Redemption in whole*) or Condition 7.8 (*Optional Redemption in whole for taxation reasons*) or Condition 7.9 (*Optional Redemption in whole by Noteholders*) and in an amount equal to the Note Principal Payment calculated as at the related Calculation Date if effected pursuant to Condition 7.2 (*Mandatory Redemption in part*).

7.14 **No Purchase**

The Issuer may not at any time purchase any of the Notes.

8. **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 Payment Priorities in priority to or *pari passu* with sums payable to such Noteholder in accordance with the 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 Servicer 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 certified to 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.

9. **Payments**

9.1 **Principal and Interest**

Payments of principal and interest (when applicable) in respect of the Notes may only be made in euro. Payment in respect of the Notes of principal and interest will, in accordance with the applicable rules and procedures of Interbolsa, be (a) credited by the Paying Agent (acting on behalf of the Issuer) through TARGET2 payment current accounts held by 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.

9.2 **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 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

9.3 **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 Reference Banks (or any of them), the Paying Agent, the Agent Bank 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, fraud or manifest error) no liability to the Common Representative or the Noteholders shall attach to the Reference Banks, 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 9 (*Payments*).

10. **Taxation**

10.1 **Payments free of Tax**

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any Taxes unless the Issuer, the Common Representative or the Paying Agent is required by law to make any such payment subject to any such withholding or deduction. 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.

10.2 **No payment of additional amounts**

Neither the Issuer, the Common Representative, nor the Paying Agent will be obliged to pay any additional amounts to Noteholders in respect of any Tax Deduction made in accordance with Condition 10.1 (*Payments free of Tax*).

10.3 **Taxing 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 shall be construed as references to the Portuguese Republic and/or such other jurisdiction.

10.4 **Tax Deduction not Event of Default**

Notwithstanding that the Common Representative, the Issuer or the Paying Agent is required to make a Tax Deduction in accordance with in Condition 10.1 (*Payments free of Tax*) this shall not constitute an Event of Default.

11. **Events of Default**

11.1 **Events of Default**

Subject to the other provisions of this Condition 11 (*Events of Default*), each of the following events shall be treated as an “**Event of Default**”:

- (A) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within 5 (five) days of the due date for payment of such principal or, fails to pay any amount of interest of the Most Senior Class of Notes or the Class C Distribution Amount within 10 (ten) days of the due date for payment of such interest or Class C Distribution Amount; or
- (B) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Common Representative Appointment Agreement or in respect of the Issuer Covenants and such default is (a) in the opinion of the Common Representative incapable of remedy or (b) being a default which is, in the opinion of the Common Representative, capable of remedy, remains unremedied for 30 (thirty) days or such longer period as the Common Representative

may agree after the Common Representative has given written notice of such default to the Issuer; or

- (C) *Issuer Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (D) *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.

11.2 Delivery of Enforcement Notice

If an Event of Default occurs and is continuing, the Common Representative may at its discretion and shall, if so requested in writing by the holders of at least 25 (twenty five) per cent. of the Principal Amount Outstanding of the Notes or if so directed by a Resolution passed by the Noteholders, deliver an Enforcement Notice to the Issuer.

11.3 Conditions to delivery of Enforcement Notice

Notwithstanding Condition 11.2 (*Delivery of Enforcement Notice*) 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 11.1 (B) (*Breach of other obligations*), 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 12.2 (*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) in any 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 which it may incur by so doing.

11.4 Consequences of delivery of Enforcement Notice

Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any accrued interest.

12. Enforcement

12.1 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:

- (A) so requested in writing by the holders of at least 25 (twenty five) per cent. of the Principal Amount Outstanding of the Notes; or
- (B) so directed by a 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.

12.2 Directions to the Common Representative

Without prejudice to Condition 12.1 (*Proceedings*), the Common Representative shall not be bound to take any action described in Condition 12.1 (*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 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: (i) 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 (ii) (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.

12.3 Restrictions on disposal of Transaction Assets

If an Enforcement Notice has been delivered by the Common Representative, the Common Representative will only be entitled to dispose of the Consumer Loans Portfolio to a Portuguese securitisation fund (FTC) or to another Portuguese securitisation company (STC) or to the Originators in accordance with the Securitisation Law.

13. No action by Noteholders or any other Transaction Party

13.1 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.

13.2 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 13.2, no Transaction Creditor (other than the Common Representative) 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 (nor 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 or 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 12.1 (*Proceedings*) to take any other action to enforce its rights under the Notes and the Common Representative Appointment Agreement or other Transaction Document (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 Conditions 13.2 (*No action by Noteholders or any other Transaction Party*)) (C) and (D)) 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 (subject to Conditions 13.2 (*No action by Noteholders or any other Transaction Party*)) (C) and (D)) 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.

14. Meetings of Noteholders

14.1 Convening

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 **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.

14.3 **Request from Noteholders**

A meeting of Noteholders of a particular Class or Classes may be convened by the Common Representative or the Issuer at any time and must be convened by the Common Representative (subject to its being indemnified and/or secured and/or pre-funded 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.

14.4 **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 such Class or Classes of Notes whatever the Principal Amount Outstanding of the Notes then outstanding held or represented at the Meeting; and
- (B) a Resolution 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 50 (fifty) per cent. of the Principal Amount Outstanding of the Notes then outstanding so held or represented 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.

14.5 **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, save if the Class A Noteholders have voted against; or
- (B) if in respect to a Resolution regarding a Reserved Matter (which must be proposed separately to each Class of Noteholders), 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 meeting 2/3 of the votes cast at the relevant meeting, save if the Class A Noteholders have voted against.

14.6 **Relationship between Classes**

In relation to each Class of Notes:

- 14.6.1 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);

14.6.2 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 outstanding Notes 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;

14.6.3 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

14.6.4 a resolution involving the appointment or removal of the Common Representative must be approved by the holders of each Class of Notes then outstanding.

14.7 **Resolutions in writing**

A Written Resolution shall take effect as if it were a Resolution.

15. **Modification and Waiver**

15.1 **Modification**

The Common Representative may at its sole discretion at any time and from time to time, without the consent or sanction of the Noteholders or any other Transaction Creditor (other than in respect of a Reserved Matter or any provision of the Common Representative Agreement or any of the Transaction Documents referred to in the definition of a Reserved Matter), concur with the Issuer and any other relevant Transaction Creditor in making:

- (A) any modification to these Conditions, to the Notes or any of the other Transaction Documents in relation to which the consent of the Common Representative is required, 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 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 these Conditions or any of the Transaction Documents in relation to which the consent of the Common Representative is required, if, in the opinion of the Common Representative, such modification is of a formal, minor, administrative or technical nature, 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 purposes of clarity,

provided that no such modification will take effect until and unless (a) regarding item (i) above (A) DBRS has confirmed that such modification does not adversely affect the Rating of the Class A Notes then outstanding; (B) Fitch has been previously notified about the making of any such modification; and (C) notice thereof has been delivered to the Noteholders in accordance with the Notices Condition; and (b) regarding item (ii) above (A) the Rating Agencies have been previously notified about the making of any such modification and (B) notice thereof has been delivered to the Noteholders in accordance with the Notices Condition.

Modifications in respect of a Reserved Matter require the written consent of the Transaction Creditors.

15.2 **Waiver**

In addition, the Common Representative may, at any time and from time to time, without prejudice to its rights in respect of any subsequent breach, condition, event or act, without the consent or sanction of the Noteholders or the 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, a proposed breach or breach by the Issuer of any of the covenants or provisions contained in the Common Representative Appointment Agreement, the Notes or the 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 will be the case if any such authorisation or waiver does not result in an adverse effect on the Ratings of such Class of Notes) and (ii) any of the Transaction Creditors, unless such Transaction Creditors have given their prior written consent to any such authorisation or waiver, (provided that it 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).

15.3 Restriction on power to waive

The Common Representative shall not exercise any powers conferred upon it by Condition 15.2 (*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 no such direction or request (a) shall affect any authorisation or waiver 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.

15.4 Notification

Unless the Common Representative otherwise agrees, the Issuer shall cause any such consent, authorisation, waiver, modification or determination to be notified to the Rating Agencies and the other relevant Transaction Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.

15.5 Binding Nature

Any consent, authorisation, waiver, determination or modification referred to in Condition 15.1 (*Modification*) or Condition 15.2 (*Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

16. Prescription

Claims for principal in respect of the Notes shall become void twenty years after the appropriate Relevant Date. Claims for interest and any Class C Distribution Amount shall become void five years after the appropriate Relevant Date.

17. Common Representative and Agents

17.1 Common Representative's right to Indemnity

Under the Transaction Documents, the Common Representative is entitled to be indemnified by the Issuer and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it 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.

17.2 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 (including the Issuer, the Transaction Manager and the Servicers) 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.

17.3 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.

17.4 Agents solely agents of Issuer

In acting under the Paying Agency Agreement and in connection with the Notes, the Agents act solely as agents 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.

17.5 Initial Agents

The Issuer reserves the right (with the prior written approval of the Common Representative) to vary or terminate the appointment of the Agents 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 the Common Representative.

17.6 Maintenance of Agents

The Issuer will at all times maintain a paying agent with its Specified Office in any city where a stock exchange on which the Notes are listed requires there to be a paying agent and an agent bank and will ensure that it maintains a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with the Notices Condition.

18. Notices

18.1 Valid Notices

Any notice to Noteholders shall only be validly given if such notice is published on the CMVM's website, except in the cases expressly referred to in this Prospectus including in Condition 5.3. Provided that for so long as any of the Notes are listed on any stock exchange and the rules of such stock exchange's jurisdiction so require, such notice will additionally be published in accordance with the requirements applicable in such jurisdiction. It may additionally be published on a page of the Reuters service or of the Bloomberg service or on any other medium for the electronic display of data as may be previously approved in writing by the Common Representative at the request of the Issuer.

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 or category 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 relating thereto 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**

“**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 DBAG London, in its capacity as the bank at which the Transaction Accounts are held in accordance with the terms of the Accounts Agreement;

“**Additional Collateral Determination Date**” means any day that falls within 10 Business Days prior to an Interest Payment Date;

“**Additional Consumer Loan**” means a Consumer Loan either by way of a consumer loan or an auto loan included in an Additional Consumer Loans Portfolio;

“**Additional Consumer Loans Portfolio**” means a portfolio of Additional Consumer Loans sold and assigned by either of the Originators to the Issuer on an Additional Purchase Date in consideration for which the relevant Additional Purchase Price will be paid by the Issuer to the relevant Originator;

“**Additional Purchase Date**” means each Interest Payment Date falling within the Revolving Period on which the Issuer purchases Additional Consumer Loans;

“**Additional Purchase Price**” means, in respect of an Additional Consumer Loans Portfolio specified in an Offer made by either of the Originators in accordance with the provisions of the Receivables Sale Agreement, the amount of the consideration paid or to be paid by the Issuer to the relevant Originator for the purchase of the Additional Consumer Loans comprised within such Additional Consumer Loans Portfolio, such amount being equal to the Principal Outstanding Balance of the Additional Consumer Loans included in the relevant Additional Consumer Loans Portfolio to be sold and assigned to the Issuer on the applicable Additional Purchase Date, as calculated at the related Additional Collateral Determination Date;

“**Agent Bank**” means DBAG London, 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 either of them;

“**Aggregate Maximum Principal Outstanding Balance**” means the aggregate amount of the Maximum Principal Outstanding Balance of each Consumer Loan from time to time;

“**Aggregate Principal Outstanding Balance**” means the aggregate amount of the Principal Outstanding Balance of each Consumer Loan from time to time;

“**Ancillary Rights**” means, in respect of each Consumer Loan:

- (a) to the extent such rights are transferable, any documents legally required to transfer or enforce such Consumer Loan;
- (b) all monies and proceeds payable or to become payable under, in respect of or pursuant to such Consumer Loan;
- (c) all Security created in relation to such Consumer Loan and all Insurance Policies contracted in connection with such Consumer Loan;
- (d) all ownership interests, liens, security interests, charges, mortgages or encumbrances, or other rights or claims of the relevant Originator on, over or in relation to any property from time to time, if any, purporting to secure payment of the Receivables due under such Consumer Loan, whether pursuant to the relevant Consumer Loan Agreement or otherwise, together with all rights in relation to any document or agreement creating or evidencing any collateral Security created in relation to payment of the Receivables due under such Consumer Loan;
- (e) all Consumer Loan Records in relation to such Consumer Loan;
- (f) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of the relevant Originator contained in or relating to such Consumer Loan including, without limitation, those contained in the relevant Consumer Loan Agreement; and
- (g) all causes and rights of action (present and future) against any person relating to such Consumer Loan and the Receivables due under such Consumer Loan including, without limitation, such causes and rights of action arising under the relevant Consumer Loan Agreement and including the benefit of all powers and remedies for enforcing or protecting the relevant Originator's right, title, interest and benefit in respect of such Consumer Loan and the Receivables due under such Consumer Loan

but so that Ancillary Rights shall not include any Excluded Rights;

“**Arranger**” means the Royal Bank of Scotland plc, in its capacity as arranger of the Transaction;

“**Asset Backed Notes**” means the Class A Notes and the Class B Notes;

“**Assigned Consumer Loans Rights**” means all Consumer Loans included in the Consumer Loans Portfolio, the Consumer Loan Agreements, the Ancillary Consumer Loans Rights and the Receivables sold and assigned to the Issuer by the Originator on the Closing Date or on the Additional Purchase Dates in accordance with the terms of the Receivables Sale Agreement;

“**Authorised Investments**” means

- (i) any euro denominated investment, money market funds or other deposit in respect of which a security interest can be created, in each case in accordance with article 44(3) of the Securitisation Law and article 3 of CMVM Regulation 12/2002 and complying with the ECB eligibility criteria; and
- (ii) which has a rating of, or (in the case of a bank account or term deposit) is held at or made with an institution having a minimum rating equal to “AA-” or “F1” by Fitch and “AA (low)” and “R-1 (middle)” by DBRS; and
- (iii) which mature or otherwise may be disposed of, or (in the case of a bank account) from which amounts deposited may be withdrawn at any time without penalty, before the earliest of (i) the next Interest Payment Date or (ii) one month from the date of the investment;
- (iv) in the case of any other obligation, complies with ECB eligibility criteria and will not adversely affect the Ratings of the Class A Notes;

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

- (a) the amount of any Interest Collections Proceeds received by the Issuer as interest payments under the Consumer Loans during the Collections Period immediately preceding such Interest Payment Date; 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 relevant Collections Period exceeds the original cost of such Authorised Investment, the amount of such excess together with interest thereon; plus
- (c) all amounts standing to the credit of the Cash Reserve Account; plus
- (d) interest accrued on the Transaction Accounts and credited to such Transaction Accounts during the relevant Collection Period; plus
- (e) the amount of any Principal Draw Amount to be made on such Interest Payment Date to cover any Payment Shortfall in respect of such Interest Payment Date; plus
- (f) any portion of the Available Principal Distribution Amount remaining after the redemption in full of the Notes; less
- (g) any Withheld Amount;

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

- (a) the amount of any portion of Principal Collections Proceeds received by the Issuer as principal payments under the Consumer Loans during the Collections Period immediately preceding such Interest Payment Date; plus
- (b) during the Revolving Period, any amounts of Available Principal Distribution Amounts not used on any previous Interest Payment Dates to purchase Additional Consumer Loans; plus
- (c) such amount of the Available Interest Distribution Amount as is credited to the Payment Account and which is to be applied by the Transaction Manager on such Interest Payment Date in reducing the debit balance on the Class A Principal Deficiency Ledger or the Class B Principal Deficiency Ledger; less;
- (d) the amount of any Principal Draw Amount to be made on such Interest Payment Date;

“**Back-up Servicer**” means Whitestar Asset Solutions, S.A.;

“**Benefit**” in respect of any Interest held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Interest and all Ancillary Rights in respect of such Interest;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Interest or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Interest or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person’s right, title, interest and benefit in, to, under and in respect of such Interest or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Interest or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Interest or its Ancillary Rights, all rights to deliver notices and/or take such steps as are

required to cause payment to become due and payable in respect of such Interest and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Interest and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

“**Borrower**” means, in respect of any Consumer Loan, the related borrower or borrowers or other person or persons, in each case being natural persons, who is or are under any obligation to repay that Consumer Loan, including any guarantor of such borrower and “**Borrowers**” means all of them;

“**Breach of Duty**” means in relation to any person, a wilful default, fraud, illegal dealing, gross negligence or material breach of any agreement or trust by such person;

“**Business Day**” means a TARGET Settlement Day or, if such TARGET Settlement Day is not a day on which banks are open for business in London and Lisbon, the next succeeding TARGET Settlement Day on which banks are open for business in London and Lisbon;

“**Calculation Date**” means the last calendar day of each month in each year, the first Calculation Date being the last calendar day of May 2014;

“**Cash Reserve Account**” means the account opened in the name of the Issuer with the Accounts Bank (or such other bank to which the Cash Reserve Account may be transferred) into which an amount equal to the Cash Reserve Amount will be credited on the Closing Date;

“**Cash Reserve Account Required Balance**” means:

- (i) in respect of any Interest Payment Date €14,700,000, until the repayment in full of the Class A Notes;
- (ii) in respect of any of the Interest Payment Dates falling after the repayment in full of the Class A Notes, zero.

“**Cash Reserve Amount**” means an amount equal to €14,700,000 to be paid on the Closing Date into the Cash Reserve Account;

“**Class**” or “**class**” means the Class A Notes, the Class B Notes, and the Class C Notes, as the context may require, and “**Classes**” or “**classes**” shall be construed accordingly;

“**Class A Notes**” means the €202,900,000 Class A Asset Backed Fixed Rate Securitisation Notes due 2028 issued by the Issuer on the Closing Date;

“**Class A Noteholders**” means the persons who for the time being are the holders of the Class A Notes;

“**Class A Principal Deficiency Ledger**” means the principal deficiency ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement, so that the debit balance on such principal deficiency ledger is not greater than the aggregate Principal Amount Outstanding of the Class A Notes;

“**Class B Noteholders**” means the persons who for the time being are the holders of the Class B Notes;

“**Class B Notes**” means the €91,100,000 Class B Asset Backed Fixed Rate Securitisation Notes due 2028 issued by the Issuer on the Closing Date;

“**Class B Principal Deficiency Ledger**” means the principal deficiency ledger created and maintained by the Transaction Manager in accordance with the Transaction Management Agreement, so that the debit balance on such principal deficiency ledger is not greater than the aggregate Principal Amount Outstanding of the Class B Notes;

“**Class C Distribution Amount**” means in relation to an Interest Payment Date:

- (a) other than the last Interest Payment Date on which a Class C Distribution Amount is to be paid in respect of the Class C Notes, the Available Interest Distribution Amount, calculated as at the related Calculation Date less the aggregate of the amounts to be paid by the Issuer in respect of Paragraphs (a) to (h) of the Pre-Enforcement Interest Payment Priorities on such Interest Payment Date;

- (b) which is the last Interest Payment Date or, following the delivery of an Enforcement Notice, such other date on which amounts are to be paid in respect of the Class C Notes:
- (i) the Available Interest Distribution Amount calculated as at the related Calculation Date less the aggregate of the amounts to be paid by the Issuer in respect of Paragraphs (a) to (h) of the Pre-Enforcement Interest Payment Priorities on such Interest Payment Date or the Available Interest Distribution Amount and Available Principal Distribution Amount calculated as at the related Calculation Date less the aggregate of the amounts to be paid by the Issuer in respect of Paragraphs (a) to (h) of the Post-Enforcement Payment Priorities, as applicable; and
 - (ii) the Principal Amount Outstanding of the Class C Notes as at such Interest Payment Date (or such other date, as applicable);

“**Class C Noteholders**” means the persons who for the time being are the holders of the Class C Notes;

“**Class C Notes**” means the €14,700,000 Class C Notes due 2028 issued by the Issuer on the Closing Date;

“**Clearstream, Luxembourg**” means Clearstream Banking Société Anonyme, Luxembourg;

“**Closing Date**” means 7 May 2014;

“**CMVM**” means *Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission;

“**Collateral Determination Dates**” means the Initial Collateral Determination Date and each Additional Collateral Determination Date and “**Collateral Determination Date**” shall mean any of them, as applicable;

“**Collections**” means, in relation to any Consumer Loan, all cash collections, and other cash proceeds thereof including any and all (a) principal, interest, late payment, early payment or similar charges which the Originators, or where the Originator is no longer the Servicer, the Servicers applies in the ordinary course of its business to amounts owed in respect of such Consumer Loan, (b) Liquidation Proceeds and (c) Repurchase Proceeds;

“**Collections Account**” means the account opened in the name of each of the Originators with the Collections Account Bank, utilised for the time being by the Originators and/or the Servicers in relation to Collections on the Consumer Loans 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 therefor and designated as a Collections Account;

“**Collections Account Bank**” means Montepio, in its respective capacity as the credit institution at which the Collections Account is opened or, with the prior written consent of the Issuer, such other credit institution or credit institutions as may for the time being be nominated by the Originators and/or the Servicers in addition thereto;

“**Collections Period**” means the period commencing on (and excluding) a Calculation Date and ending (and including) on the next succeeding Calculation Date, and, in the case of the first Collections Period, commencing on (and excluding) the Collateral Determination Date and ending on (and including) the next Calculation Date;

“**Collections Proceeds**” means the Interest Collections Proceeds and the Principal Collections Proceeds;

“**Common Representative**” means The Law Debenture Trust Corporation plc in its capacity as initial representative of the Noteholders pursuant to Article 65 of the Securitisation Law and in accordance with the terms and 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 Appointment Agreement**” means the agreement so named to be entered into on or about the Closing Date between the Issuer and the Common Representative;

“**Conditions**” means the terms and conditions to be endorsed on the Notes, in or substantially in the form set out in Schedule 4 of 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;

“**Consumer Loan**” means any funds disbursed by the Originators to the relevant Borrower by way of a consumer loan or auto loan and outstanding under a Consumer Loan Agreement, (i) identified in the cd-rom forming part of Schedule 5 (*Initial Consumer Loans Portfolio*) of the Receivables Sale Agreement, on the Closing Date, or (ii) assigned by either of the Originators to the Issuer on any Additional Purchase Date and identified in the corresponding Offer;

“**Consumer Loan Agreement**” means, in respect of a Consumer Loan, the contract or agreement under which such Consumer Loan was made available to a Consumer by the Originators, which includes the loan agreement and all other agreements or documentation relating to that Consumer Loan and any Ancillary Rights in respect of such Consumer Loan;

“**Consumer Loan Records**” means, in respect of any Consumer Loan and Ancillary Rights, 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 Consumer Loan and the related Borrower including, without limitation, the relevant Consumer Loan Agreement and all correspondence with the relevant Borrower;

“**Consumer Loans Portfolio**” means the Initial Consumer Loans Portfolio and any Additional Consumer Loans Portfolio, as the context may require, as updated from time to time;

“**Co-ordination Agreement**” means the agreement so named to be entered into on or about the Closing Date between all the Transaction Parties;

“**CPR**” means the constant pre-payment rate (per cent. *per annum*);

“**Day Count Fraction**” means in respect of an Interest Period, the actual number of days in such period divided by 360;

“**DBRS**” means DBRS Ratings Ltd. or any legitimate successor thereto;

“**Defaulted Receivable**” means on any day of determination, any Consumer Loan which is not a Written-off Consumer Loan under items (b) or (c) of such definition and in respect of which more than 6 (six) monthly instalments, or more than 2 (two) quarterly instalments, or more than 1 (one) semi-annual instalment (as the case may be) have not been paid by the respective Instalment Due Dates relating thereto and which remain outstanding on such day of determination;

“**Deferred Interest Amount Arrears**” means, in respect of each of the Interest Deferrable Notes on any Interest Payment Date, any Interest Amount which is due but not paid as at such date;

“**Delinquent Receivable**” means any Consumer Loan which is more than 90 (ninety) days in arrear;

“**Encumbrance**” means:

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or granting any security to a third party; or
- (b) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

“**Enforcement Notice**” means a notice delivered by the Common Representative to the Issuer in accordance with Condition 11. (*Events of Default*) which declares the Notes to be immediately due and payable;

“**EURIBOR**” means, as applicable, the Euro Screen Rate or the Euro Reference Rate;

“**Euro**”, “**€**” or “**euro**” means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty;

“**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 a.m. (Brussels time) on that date, of the Reference Banks to leading banks for Euro-zone interbank market for euro deposits for the Relevant Period in the Representative Amount, determined by the Agent Bank after request of the principal Euro-zone 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 a.m. (Brussels time) on such Interest Determination Date, by leading banks in the Euro-zone 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 a.m. (Brussels time) on that date;

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Event of Default**” means any one of the events specified in Condition 11. (*Events of Default*);

“**Excluded Rights**” means, in relation to any Receivable and related Consumer Loan, any rights which relate to fees payable by a Borrower to the Originators in relation to such Receivable and the related Consumer Loan in connection with any fees due in connection with an amendment or variation of the relevant Consumer Loan and which would, but for this exception, constitute Ancillary Rights;

“**Final Discharge Date**” means the date on which the Common Representative is satisfied that all 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 in December 2028;

“**First Interest Payment Date**” means the 25 June 2014;

“**Fitch**” means Fitch, Inc. and Fitch Ratings Ltd and any subsidiary of either of them together with any successor in interest to any such person;

“**Gross Cumulative Default Ratio**” means as at any Calculation Date, the Aggregate Principal Outstanding Balance of the Consumer Loans which are Defaulted Receivables as at such Calculation Date divided by the sum of (A) the Aggregate Principal Outstanding Balance of the Consumer Loans and (B) the balance standing to the credit of the Payment Account, as at such Calculation Date, calculated by the Servicers and reported in the Monthly Report;

“**Gross Cumulative Default Ratio Test**” means that the Gross Cumulative Default Ratio is less than 8 per cent.;

“**Holder**” means the bearer of a Note and the words “**holders**” and related expressions shall (where appropriate) be construed accordingly;

“**Incorporated Terms Memorandum**” means the memorandum so named dated on or about the Closing Date;

“**Incorrect Payment**” means a payment incorrectly paid or transferred to the Payment Account, identified as such by the Servicers and confirmed by the Transaction Manager;

“**Initial Collateral Determination Date**” means 18 March 2014;

“Initial Consumer Loan” means each of the Consumer Loans and the relevant Ancillary Rights and Receivables comprised within the Initial Consumer Loans Portfolio, as specified in the information records identified in Schedule 6 of the Receivables Sale Agreement;

“Initial Consumer Loans Portfolio” means the portfolio of Initial Consumer Loans which are to be sold and assigned by the Originators to the Issuer on the Closing Date in consideration for which the Initial Purchase Price will be paid by the Issuer to the Originators;

“Initial Purchase Price” means, in respect of the Initial Consumer Loans Portfolio, the amount of the consideration paid or to be paid by the Issuer to the relevant Originator for the purchase of the Initial Consumer Loans comprised within such Initial Consumer Loans Portfolio, such amount being equal to the Principal Outstanding Balance of the Consumer Loans included in the Initial Consumer Loans Portfolio to be sold and assigned to the Issuer on the Closing Date, as calculated at the Initial Collateral Determination Date;

“Insolvency Event” in respect of a natural person or entity means:

- (a) the initiation of, or consent to any Insolvency Proceedings by such person or entity;
- (b) the initiation of Insolvency Proceedings against such a person or entity and such proceeding is not contested in good faith on appropriate legal advice;
- (c) 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, a bankruptcy, an insolvency or an administration order against such person or entity;
- (d) 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 a person or entity;
- (e) 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 a person or entity;
- (f) the appointment by any court of a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager, common representative, trustee or other similar official in respect of all (or substantially all) of the assets of such a person or entity generally;
- (g) the making of an arrangement, composition or reorganisation with the creditors of such a person or entity; or
- (h) in relation to the Originators and the Servicers, to the extent not already covered by paragraphs (a) to (g) above, the suspension of payments, the commencing of any recovery or insolvency proceedings against the Originator or the Servicer, under Decree-Law no. 298/92 of 31 December 1992, Decree-Law no. 199/2006 of 26 October 2006 and/or the Code for the Insolvency and Recovery of Companies, introduced by Decree-Law no. 54/2004 of 18 March (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 (whether such petition is presented by such person 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” in relation to any Consumer Loan means the original date on which each monthly instalment, quarterly instalment, semi-annual instalment or annual instalment (as the case may be) is due and payable under the Consumer Loan Agreement;

“Insurance Policies” means the insurance policies taken out by Borrowers in respect of Consumer Loans regarding which the Originators are also a beneficiary 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;

“**Interest Amount**” means, in respect of a Note for any Interest Period, the amount of interest calculated on the related 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 next following such Interest Determination Date by the relevant Note Rate and multiplying the amount so calculated by the relevant Day Count Fraction and rounding the resultant figure to the nearest one cent of euro;

“**Interest Collections Proceeds**” means, in respect of any Business Day, the portion of the aggregate amount that stands to the credit of the Collections Account that relates to the Interest Component of the Consumer Loans;

“**Interest Component**” means:

- (a) all interest collected and to be collected thereunder from and including the Closing Date or the relevant Additional Purchase Date which shall be determined, in respect of the Consumer Loans, on the basis of the rate of interest specified in the relevant Consumer Loan Agreement;
- (b) all Liquidation Proceeds in respect of the Consumer Loans allocated to interest;
- (c) all Collections with respect to a Consumer Loan that relate to principal where, and to the extent of, a debit entry recorded on the Principal Deficiency Ledgers with respect to such Consumer Loan;
- (d) all Collections in respect of Written-off Consumer Loans;
- (e) all Repurchase Proceeds allocated to interest; and
- (f) all interest accrued and credited to the Payment Account in the Collections Period ending immediately prior to the related Calculation Date;

“**Interest Deferrable Notes**” means the Class B Notes;

“**Interest Determination Date**” means each day which is 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;

“**Interest Payment Date**” means the 25th day of each month in each year commencing on the First Interest Payment Date, provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the next preceding 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 (which shall include the information disclosed in the Monthly Report) to be in a form acceptable to the Issuer, the Transaction Manager, the Arranger and the Common Representative to be delivered by the Transaction Manager to, *inter alia*, the Common Representative, the Arranger, the Rating Agencies and the Paying Agent not less than 6 (six) Business Days prior to each Interest Payment Date;

“**Issue Price**” means, in respect of the Notes, an amount equal to 100 per cent. of the aggregate Principal Amount Outstanding of such Notes on the Closing Date;

“**Issuer**” means Tagus – Sociedade de Titularização de Créditos, S.A.;

“**Issuer Covenants**” means the covenants of the Issuer set out in Schedule 5 (*Issuer Covenants*) to the Incorporated Terms Memorandum;

“**Issuer Expenses**” means any fees, liabilities and expenses, in relation to this transaction, payable by the Issuer to the Servicers, the Master Servicer, the Back-up Servicer, the Transaction Manager (or any successor), the Paying Agent, the Accounts Bank, the Agent Bank 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;

“**Issuer Obligations**” means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Noteholders or the other Transaction Creditors under the Transaction Documents;

“**Issuer’s Jurisdiction**” means the Portuguese Republic;

“**Issuer Transaction Revenues**” means the amounts agreed between the Issuer and the Originator, including an upfront fee and an annual administration fee in the amount of 2 bps on the nominal amount of Notes outstanding, payable to the Issuer on each Interest Payment Date;

“**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;

“**Liquidation Proceeds**” in relation to a Consumer Loan means the net proceeds of realisation of the Security created in relation to such Consumer Loan, including those arising from the sale or other disposition of other collateral or Property of the related Borrower or any other party directly or indirectly liable for payment of the Receivables related to such Consumer Loan and available to be applied thereon;

“**Lisbon Business Day**” means any TARGET Day on which banks are open for business in Lisbon;

“**Material Adverse Effect**” means, a material adverse effect on the validity or enforceability of any of the Transaction Documents or, in respect of a Transaction Party, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) of such Transaction Party to the extent that such effect would, with the passage of time or the giving of notice, be likely to impair such Transaction Party’s performance of its obligations under any of the Transaction Documents;
- (b) the Transaction Documents;
- (c) the rights or remedies of such Transaction Party under any of the Transaction Documents including the accuracy of the representations and warranties given by such party thereunder; or
- (d) 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;

“**Maximum Principal Outstanding Balance**” means, in relation to any Consumer Loan and on any date the aggregate of:

- (i) the original principal amount advanced to the Borrower; plus
- (ii) any other disbursement, legal expense, fee or charge capitalised; plus
- (iii) any further advance of principal to the Borrower; less
- (iv) any repayments of the amounts in (i), (ii) and (iii) above,

provided that, in respect of any Written-off Consumer Loan, the Maximum Principal Outstanding Balance will be deemed to be zero;

“**Meeting**” means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment);

“**Montepio**” means Caixa Económica Montepio Geral;

“**Montepio Crédito**” means Montepio Crédito – Instituição Financeira de Crédito, S.A.;

“**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;

“**Note Purchase Agreement**” means the agreement so named entered into between the Issuer and Montepio and Montepio Crédito, as initial subscribers of the Notes, on or about the Signing Date;

“**Note Principal Payment**” means, any payment to be made or made by the Issuer in accordance with Condition 7.2 (*Mandatory Redemption in part*);

“**Note Rate**” means, in respect of each class of Notes for each Interest Period, the relevant rate of interest in respect of such class, which corresponds to a fixed interest rate;

“**Noteholders**” means the persons who for the time being are the holders of the Notes;

“**Notes**” means, upon the relevant issue, the Class A Notes, the Class B Notes and the Class C Notes;

“**Notices Condition**” means Condition 18. (*Notices*);

“**Notification Event**” means:

- (a) the delivery by the Common Representative of an Enforcement Notice to the Issuer in accordance with the Conditions;
- (b) the occurrence of an Insolvency Event in respect of the Originators;
- (c) the termination of the appointment of Montepio or Montepio Crédito as servicers in accordance with the terms of the Receivables Servicing Agreement; and/ or
- (d) if either of the Originators is required to deliver a Notification Event Notice by the laws of the Portuguese Republic;

“**Notification Event Notice**” means a notice substantially in the form set out in Part B (*Form of Notification Event Notice*) of Schedule 4 (*Notification Events*) of the Receivables Sale Agreement;

“**Offer**” means an offer made by either of the Originators to assign Additional Consumer Loans to the Issuer substantially in the form set out in Schedule 9 (*Form of Offer*) to the Receivables Sale Agreement;

“**Originators**” means Montepio and Montepio Crédito;

“**Originators Representation and Warranty**” means each statement of the Originators contained in Schedule 2 (*Originators Representations and Warranties*) to the Receivables Sale Agreement and “**Originators Representations Warranties**” means all of those statements;

“**Outstanding**” means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed and cancelled in full in accordance with their respective Conditions;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Common Representative or the Paying Agent in the manner provided for in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
- (c) those which have become void under the Conditions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 17 (*Waiver*), Clause 18 (*Modification*), Clause 20 (*Proceedings and Actions by the Common Representative*), Clause 29 (*Appointment of Common Representative*) and Clause 30 (*Notice of New Common Representative*) of the Common Representative Appointment Agreement and Condition 11 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 14 (*Meetings of Noteholders*) and the Provisions for Meetings of Noteholders; and

(iii) any discretion, power or authority, whether contained in the Common Representative Appointment Agreement or provided by law, which the Common Representative is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or for the benefit of the Issuer, the Originators or the Servicers shall (unless and ceasing to be so held) be deemed not to remain outstanding, provided that, for so long as all Class A Notes are held by or on behalf of Montepio and Montepio Crédito, such Class A Notes shall be deemed to be outstanding;

“Participating Member State” means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty;

“Paying Agency Agreement” means the agreement so named dated on or about the Closing Date between the Issuer, the Agents, and the Common Representative;

“Paying Agent” means DBAG Sucursal em Portugal, in its capacity as the 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 under the Paying Agency Agreement;

“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 Servicers;

“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) zero; and
- (b) the aggregate of the amounts required to pay or provide in full on such Interest Payment Date for the items falling in (a) to (d) of the Pre-Enforcement Interest Payment Priorities less the amount of the Available Interest Distribution Amount calculated in respect of such Interest Period but before taking into account any Principal Draw Amount;

“Portfolio Tests” means the requirements for purchase of Additional Consumer Loans set out in Schedule 1 Part D of the Receivables Sale Agreement;

“Post-Enforcement Payment Priorities” means the provisions relating to the order of Payment Priorities set out in Clause 23 (*Post-Enforcement Payment Priorities*) of the Common Representative Appointment Agreement;

“Pre-Enforcement Funding Notes Priorities” means the provisions relating to the order of Payment Priorities set out in item (f) of Paragraph 20 (*Pre-Enforcement Interest Payment Priorities*) of Schedule 2 (*Services to be provided by the Transaction Manager*) to the Transaction Management Agreement;

“Pre-Enforcement Interest Payment Priorities” means the provisions relating to the order of Payment Priorities set out in Paragraph 20 (*Pre-Enforcement Interest Payment Priorities*) of Schedule 2 (*Services to be provided by the Transaction Manager*) to 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 21 (*Pre-Enforcement Principal Payment Priorities*) of Schedule 2 (*Services to be provided by the Transaction Manager*) to the Transaction Management Agreement;

“Principal Amount Outstanding” means, on any day:

- (a) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and actually paid) on or prior to that day;

- (b) in relation to a class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of class;

“Principal Collections Proceeds” means, in respect of any Business Day, the portion of the aggregate amount that stands to the credit of the Collections Account that relates to the Principal Component of the Consumer Loans;

“Principal Component” means:

- (a) all cash collections and other cash proceeds of any Consumer Loan in respect of principal collected or to be collected thereunder from the Collateral Determination Date including repayments and prepayments of principal thereunder and similar charges allocated to principal (other than such amounts as are referred to in item (d) of the definition of “Interest Component”);
- (b) all Liquidation Proceeds in respect of such Consumer Loan (other than Liquidation Proceeds arising after such Consumer Loan becomes a Written-off Consumer Loan) allocated to principal (other than such amounts as are referred to in item (d) of the definition of “Interest Component”); and
- (c) all Repurchase Proceeds allocated to principal;

“Principal Deficiency Ledgers” means the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger;

“Principal Draw Amount” means, in relation to any Interest Payment Date, the aggregate amount determined on the related Calculation Date as being the amount (if any) of the Available Principal Distribution Amount which is to be utilised by the Issuer to reduce or eliminate any Payment Shortfall on such Interest Payment Date;

“Principal Outstanding Balance” means in relation to any Consumer Loan and on any date, the aggregate of:

- (a) the original principal amount advanced to the Borrower; plus
- (b) any other disbursement, legal expense, fee or charge capitalised; plus
- (c) any further advance of principal to the Borrower; less
- (d) any repayments of the amounts in (a), (b) and (c) above,

provided that, in respect of any Written-off Consumer Loan, the Principal Outstanding Balance will be deemed to be zero;

“Pro-Rata Test” means that on any Calculation Date, falling after the end of the Revolving Period, the Transaction Manager, in conjunction with the Servicers (to the extent the Transaction Manager does not possess any of the required information), has determined that:

- (a) the Principal Amount Outstanding of the Class A Notes as at the immediately succeeding Interest Payment Date after payments of any principal in respect thereof have been made will be less than or equal to 75 per cent. of the Principal Amount Outstanding of the Class A Notes as at the Closing Date;
- (b) the balance of the Cash Reserve Account as at the immediately succeeding Interest Payment Date after any replenishment thereof will be equal to the Cash Reserve Account Required Balance as at such Interest Payment Date;
- (c) the aggregate Principal Amount Outstanding of the Asset-Backed Notes, as at the Relevant Date, is greater than 10 per cent. of the aggregate Principal Amount Outstanding at the Closing Date;
- (d) the Principal Deficiency Ledgers are equal to zero; and
- (e) the Gross Cumulative Default Ratio Test is satisfied;

“Prospectus” means this prospectus dated on or about the Signing Date prepared in connection with the issue by the Issuer of the Notes;

“**Prospectus Directive**” means Directive 2003/71/EC as amended from time to time including as amended by Directive 2010/73/EU;

“**Prospectus Regulation**” means Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC, as amended;

“**Provisions for Meetings of Noteholders**” means the provisions contained in Schedule 5 of the Common Representative Appointment Agreement;

“**Rating**” means, in relation to a given class of Notes, the then current rating of such class of Notes given by the Rating Agencies and “**Ratings**” shall be construed accordingly;

“**Rating Agencies**” means Fitch and DBRS;

“**Receivables**” means the Principal Component and the Interest Component;

“**Receivables Sale Agreement**” means the agreement so named to be entered into on or about the Closing Date between the Originators and the Issuer;

“**Receivables Servicing Agreement**” means the agreement so named to be entered into on or about the Closing Date between the Servicers, the Collections Account Bank and the Issuer;

“**Receiver**” means any liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager, trustee or other similar insolvency official;

“**Reference Bank**” means the principal Euro-zone office of four major banks selected by the Agent Bank from time to time;

“**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) days after the date on which notice is duly given to the Noteholders in accordance with the Notices Condition 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;

“**Relevant Screen**” means 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 which has been notified to the Noteholders in accordance with the Notices Condition;

“**Repurchase Proceeds**” means such amounts as are received by the Issuer pursuant to the sale of certain Consumer Loans by the Issuer to the Originators or a third party purchaser pursuant to the Receivables Sale Agreement;

“**Reserved Matter**” means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes of any Class, to reduce the amount of principal or interest 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 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 priority of payment of interest or principal in respect of the Notes; or
- (e) to amend this definition;

Modifications in respect of a Reserved Matter require the written consent of the Transaction Creditors;

“**Resolution**” means a resolution passed at a Meeting duly convened and held in accordance with the quorums of the Provisions for Meetings of Noteholders;

“**Revolving Period**” means the period commencing on the Closing Date and ending on the earlier of:

- (a) the Business Day immediately following the Interest Payment Date that falls 18 (eighteen) months after the Closing Date; or
- (b) the date on which a Notification Event occurs; or
- (c) the date on which both Originators inform the Issuer, the Common Representative and the Transaction Manager that they wish to end the Revolving Period; or
- (d) the date on which a breach of the Originators Representations and Warranties has occurred, if such breach is not capable of being remedied or, if such breach is capable of being remedied and has not been so remedied or the Issuer has been indemnified in respect thereof by the relevant Originator on or prior to the next succeeding Interest Payment Date, from the Business Day immediately following such Interest Payment Date where the breach was not remedied; or
- (e) the date on which a Servicer Event occurs;

“**Rounded Arithmetic Mean**” means the arithmetic mean (rounded, if necessary, to the nearest 0.0001, 0.00005 being rounded upwards);

“**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;

“**Securitisation Law**” means Decree-law no. 453/99, of 5 November 1999, as amended from time to time by Decree-law no. 82/2002, of 5 April 2002, Decree-law no. 303/2003, of 5 December 2003, Decree-law no. 52/2006, of 15 March 2006 and Decree-law no. 211-A/2008, of 3 November 2008;

“**Security**” means a first ranking mortgage or a first ranking pledge over any deposit held by the Originator;

“**Servicer Event**” means any of the following events, as listed in clause 16 (*Servicer Events*) of the Receivables Servicing Agreement:

- (a) default is made by a Servicer in ensuring the payment on the due date of any payment required to be made under the Receivables Servicing Agreement and such default continues unremedied for a period of 5 (five) Business Days after the earlier of the Servicer becoming aware of the default or receipt by the Servicer of written notice from the Issuer requiring the default to be remedied; or
- (b) without prejudice to clause (a) above:
 - (i) default is made 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 Servicers Representations and Warranties (as defined in the Receivables Servicing Agreement) made by a Servicer 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 (1) such default or such warranty, certification or statement proving untrue, incomplete or incorrect could reasonably be expected to have a Material Adverse Effect and (2) (if such default is capable of remedy) such default continues unremedied for a period of 15 (fifteen) Business Days after the earlier of the 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) it is or will become unlawful for a Servicer to perform or comply with any of its material obligations under the Receivables Servicing Agreement; or
- (d) if a Servicer is prevented or severely hindered for a period of 60 (sixty) calendar days or more from complying with its obligations under the Receivables Servicing Agreement as a result of a force majeure event; or
- (e) any Insolvency Event occurs in relation to a Servicer; or
- (f) a material adverse change occurs in the financial condition of a Servicer since the date of the latest audited financial statements of such Servicer which, in the opinion of the Issuer, impairs due performance of the obligations of such Servicer under the Receivables Servicing Agreement; and/or

the Bank of Portugal intervenes under Title VIII of Decree-law no. 298/92 of 31 December (as amended) into the regulatory affairs of a Servicer where such intervention could lead to the withdrawal by the Bank of Portugal of such Servicer's authorisation to carry on its business;

“**Servicers**” means Montepio and Montepio Crédito in their capacity as servicers under the Receivables Servicing Agreement or, in case they cease to be the Servicers, any Successor Servicer;

“**Signing Date**” means 30 April 2014;

“**Specified Offices**” means in relation to any Agent:

- (a) the office specified against its name in Schedule 7 to the Incorporated Terms Memorandum; or
- (b) such other office as such Agent may specify in accordance with Clause 13.9 (*Changes in Specified Offices*) of the Paying Agency Agreement;

“**Stock Exchange**” means Euronext Lisbon;

“**TARGET Settlement Days**” means any day on which TARGET2 is open for the settlement of payments in euro;

“**TARGET2**” 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;

“**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 any Tax Authority and “**Taxes**”;

“**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 Deduction**” means any deduction or withholding on account of Tax;

“**taxation**”, “**taxable**” and comparable expressions shall be construed accordingly;

“**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, including any liabilities payable in connection with:

- (i) the purchase or disposal by the Issuer of the Notes;
- (ii) the purchase or disposal of any Authorised Investments;
- (iii) any filing or registration of any Transaction Documents;
- (iv) any provision for and payment of the Issuer's liability to any tax (including any VAT payable by the Issuer on a reverse charge basis);
- (v) any law or any Regulatory Direction with whose directions the Issuer is accustomed to comply;

- (vi) any legal or audit or other professional advisory fees (including without limitation Rating Agencies' fees);
- (vii) any directors' fees or emoluments;
- (viii) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (ix) the admission of the Class A Notes to Euronext Lisbon or to trading on the Stock Exchange's regulated market; and
- (x) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

“**Transaction Accounts**” means the Payment Account and the Cash Reserve Account opened in the name of the Issuer with the Accounts Bank, or such other accounts as may, from time to time, with the prior written consent of the Common Representative, be designated as such accounts;

“**Transaction Assets**” means the specific pool of assets (*património autónomo*) of the Issuer which collateralises the Issuer Obligations including, the Consumer Loans, 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, the Agents, the Transaction Manager, the Accounts Bank, the Back-up Servicer, the Originators and the Servicers;

“**Transaction Documents**” means the Incorporated Terms Memorandum, the Prospectus, the Receivables Sale Agreement, the Receivables Servicing Agreement, the Common Representative Appointment Agreement, the Co-ordination Agreement, the Notes, the Transaction Management Agreement, the Paying Agency Agreement, the Accounts 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 between the Issuer, the Transaction Manager, the Accounts Bank and the Common Representative;

“**Transaction Manager**” means DBAG London, in its capacity as transaction manager in accordance with the terms of the Transaction Management Agreement;

“**Transaction Party**” means any party who is a party to a Transaction Document and
“**Transaction Parties**” means some or all of them;

“**Treaty**” means the treaty establishing the European Communities, as amended by the Treaty on European Union;

“**VAT**” means value added tax provided for in the VAT Legislation and any other tax of a similar fiscal nature whether imposed in Portugal (instead of or in addition to value added tax) or elsewhere from time to time;

“**VAT Legislation**” means the Portuguese Value Added Tax Code approved by Decree-law no. 394-B/84, of 26 December, as amended from time to time;

“**Withheld Amount**” means an amount paid (in respect of Tax imposed by the Portuguese Republic) by the Issuer on an Interest Payment Date to the Payment Account which will not form part of the Available Interest Distribution Amount or the Available Principal Distribution Amount on such Interest Payment Date;

“**Written-off Consumer Loan**” means on any day, a Consumer Loan:

- (a) in relation to which more than twenty four monthly instalments have not been paid by the respective due date relating thereto and are outstanding on such day of determination; or
- (b) in respect of which the Liquidation Proceeds have been realised; or

- (c) in respect of which proceedings have been commenced by or against the relevant Borrower for such Borrower's insolvency, in particular any proceedings against the relevant Borrower under the Insolvency and Company Recovery Code, enacted by Decree Law no. 53/2004 of 18 March 2004 (as amended) and the relevant Servicer is aware or has been notified of such proceedings; and

“**Written Resolution**” means, in relation to any Class, a resolution in writing signed by or on behalf of all holders of Notes 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 the 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 present 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 (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, the tax regime applicable on debt securities in general, foreseen in Decree-Law 193/2005, 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, of 7 November (hereinafter “**Decree-Law 193/2005**”). Pursuant to Decree-Law 193/2005, investment income paid on, 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 193/2005, 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 by Ministerial Order (*Portaria*) no. 292/2011, 8 November 2011 (the “**Ministerial Order 150/2004**”).

For purposes of application at source of this tax exemption regime, Decree-Law 193/2005 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) other investors will be required to prove 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 three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following 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 to which the income would be imputable and which are non-exempt and subject to withholding;
- (b) entities which have residence in 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) and which are non-exempt and subject to withholding;
- (c) entities with residence, headquarters, effective management or permanent establishment 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 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 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 months from the date the withholding took place. Following the amendments to Decree-Law 193/2005, introduced by Law no. 83/2013, of 9 December, a new special tax form for these purposes was approved by Order (*Despacho*) no. 2937/2014, published in the Portuguese official gazette, second series, no. 37, of 21 February 2014 issued by the Secretary of State of Tax Affairs (*Secretário de Estado dos Assuntos Fiscais*).

If the above exemption does not apply, interest payments on the Notes are subject to a final withholding tax at the current rate of 25 per cent. whenever made to non-resident legal persons or to a final withholding tax at the current rate of 28 per cent. whenever made to non-resident individuals persons.

A final withholding tax rate of 35 per cent. applies in case of investment income payments to individuals or legal persons domiciled in countries and territories included in the Portuguese “Tax Haven” list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February (*Lista dos países, territórios e regiões com regimes de tributação privilegiada, claramente mais favoráveis*) as amended by Ministerial Order (*Portaria*) no. 292/2011 of 8 November 2011. 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 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.

Under the double taxation conventions entered into Portugal which are in full force and effect on the date of this Prospectus, the withholding tax rate may be reduced to 15, 12, 10 or 5 per cent., depending on the applicable convention and provided that the relevant formalities and procedures are met in order to benefit from such reduction. 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. The reduction may apply at source or through the refund of the excess tax withheld (currently tax form 21 RFI or 22 RFI, respectively).

Interest derived from the Notes and capital gains obtained with the transfer of the Notes 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 are attributable are included in their taxable income and are subject to a corporate tax at a rate of (i) 23 per cent. (16.1 per cent. in the Autonomous Region of Azores) or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. (11.9 per cent. in the Autonomous Region of Azores) for taxable profits up to €15,000 and 23 per cent. (16.1 per cent. in the Autonomous Region of Azores) on profits in excess thereof, to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income before the deduction of tax losses. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State or Regional surcharge (*derrama estadual ou regional*) of (i) 3 per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 per cent. on the part of the taxable profits that exceeds €35,000,000.

Withholding tax at a rate of 25 per cent. applies to legal persons 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 for tax purposes or branches of foreign financial institutions located herein, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds incorporated under the laws of Portugal and certain exempt entities are not subject to Portuguese withholding tax. Nevertheless, 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 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rate applicable to such beneficial owner(s) will apply.

Interest payments on the Notes to Portuguese tax resident individuals are subject to final withholding tax for personal income tax purposes at the current rate of 28 per cent., unless the individual elects for aggregation to his taxable income, subject to tax at progressive rates of up to 48 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 per cent. on the part of the taxable income exceeding € 80,000.00 up to € 250,000.00 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding € 250,000.00. Also, if the option of income aggregation is made an additional surcharge at the rate of 3.5 per cent.. will also be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage. In this case, the tax withheld will be creditable against the recipient's final tax liability.

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 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rate applicable to such beneficial owner(s) will apply.

Capital gains arising from the transfer of the Notes obtained by Portuguese tax resident individuals will be taxed at a special rate of 28 per cent. levied on the positive difference between such gains and gains on other securities and losses on securities, unless the individual elects for aggregation to his taxable income, subject to tax at the current progressive rates of up to 48 per cent.. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding € 80,000.00 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding € 80,000.00 up to € 250,000.00 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding € 250,000.00. Also, if the option of income aggregation is made an additional surcharge at the rate of 3.5 per cent. will also be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage. Accrued interest does not qualify as capital gains for tax purposes.

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 Originator to the Issuer or 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.

EU Savings Directive

Portugal has implemented the EC Council Directive 2003/48/EC, of 3 June 2003, on taxation savings income into the Portuguese law through Decree-Law no. 62/2005, of 11 March 2005, as amended by Law no 39-A/2005, of 29 July 2005 and Law no. 37/2010, of 2 September 2010.

The forms currently applicable to comply with the reporting obligations arising from the implementation of the EU Savings Directive were approved by Governmental Order (*Portaria*) no. 563-A/2005, of 28 June 2005, and may be available for viewing and downloading at www.portaldasfinancas.gov.pt.

The proposed financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current 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 and is the subject of legal challenge. It 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 AND TRANSFER RESTRICTIONS

General

Montepio and Montepio Crédito have, upon the terms and subject to the conditions contained in the Note Purchase Agreement, agreed to subscribe and pay for the Asset Backed Notes at their issue price of 100 per cent. and the Class C Notes at their issue price of 100 per cent. Montepio and Montepio Crédito are entitled in certain circumstances to be released and discharged from their obligations under the Note Purchase Agreement prior to the closing of the issue of the Notes.

United States of America

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S of the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

In relation to the Notes, Montepio has represented to and agreed with the Issuer that:

- (a) it has complied and will comply with all applicable provisions of the FSMA in, from or otherwise involving the United Kingdom; and
- (b) 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 FSMA) received by it in connection with the issue of the Notes or the sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Portugal

Each of Montepio and Montepio Crédito have represented to and agreed with the Issuer 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 CMVM is made.

In addition, each of Montepio and Montepio Crédito has represented and agreed that other than in compliance with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive (as amended) and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to them 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.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each of Montepio and Montepio Crédito

have represented to and agreed with the Issuer that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of the Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) at any time to legal entities which are qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (b) and (c) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any 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 the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in the Relevant Member State by an measure implementing the Prospectus Directive in such Relevant Member State, and the expression “**Prospectus Directive**“, whenever used in this chapter, means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Save for applying for admission of the Class A Notes to trading on Euronext Lisbon, no action has been or will be taken in any jurisdiction by the Issuer or any Transaction Manager 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.

Originators’ and Issuer’s Compliance with Applicable Laws

- (a) each of Montepio, Montepio Crédito and the Issuer have undertaken not to offer or sell, directly or indirectly, any Notes, or to distribute or publish the Prospectus or any other material relating to the Notes, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable securities laws and regulations.
- (b) each of Montepio, Montepio Crédito and the Issuer have acknowledged that, save for the approval of the Prospectus as a prospectus in accordance with the Portuguese Securities Code, the application for the admission of the Class A Notes to the Stock Exchange and admission to trading on the regulated market of the Stock Exchange, no further action has been or will be taken by any party in any jurisdiction that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

Use of Information

Montepio, Montepio Crédito and the Issuer are not authorised to give any information in relation to, or make any representation in connection with, the offering or sale of the Notes other than is contained in the Prospectus or as authorised in writing by Montepio, Montepio Crédito or the Issuer (for use in connection with the giving of information or the making of any representation to third parties) or information otherwise in the public domain.

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

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 16 April 2014.
2. It is expected that the Class A Notes will be listed on the regulated market of the Stock Exchange on or about the Closing Date.
3. Save as disclosed in this Prospectus, there are no governmental, legal or arbitration proceedings, including any which are pending or threatened of which the Issuer is aware, 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.
4. Save as disclosed in this Prospectus, since 31 December 2013 (the date of the most recent audited annual accounts of the Issuer) there has been (i) no significant change in the financial or trading position of the Issuer, and (ii) no material adverse change in the financial position or prospects of the Issuer.
5. Save as disclosed in this Prospectus, the Issuer has no outstanding or created but unissued loan capital, term loans, borrowings, indebtedness in the nature of borrowing or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.
6. The Transaction Manager shall produce an Investor Report no later than 6 (six) Business Days prior to each Interest Payment Date. Each Investor Report shall be available at the specified offices of the Common Representative and the Paying Agent, the registered office of the Issuer and in the Transaction Manager's website currently located at (<https://tss.sfs.db.com/investpublic>).
7. The Notes have been accepted for settlement through Interbolsa. The CVM code and ISIN for the Notes are:

	CVM Code	ISIN
Class A Notes	TGUYOM	PTTGUYOM0015
Class B Notes	TGUZOM	PTTGUZOM0014
Class C Notes	TGU1OM	PTTGU1OM0011

8. Effective Interest Rate

The effective interest rate is the one that equals the discounted value of the Notes future cashflows to the subscription price paid at Closing Date.

The estimated effective interest rates of the Notes are presented below:

	Effective Interest Rate (gross)	Effective Interest Rate (net of 25% withholding tax)
Class A Notes	3.00%	2.25%
Class B Notes	4.00%	3.00%
Class C Notes	N/A	N/A

These estimated effective interest rates are based on the following assumptions:

- (a) Interest on the Notes calculated based on an actual/360 day count fraction;
- (b) Consumer Loans continuing to be fully performing;
- (c) The 25% withholding tax rate is the rate generally applicable to Portuguese or non-resident corporate entities.

9. The *Comissão do Mercado de Valores Mobiliários*, pursuant to Article 62 of the Securitisation Law, has assigned asset identification code 201405TGSDIVSXXN0073 to the Pelican Finance No. 1 Notes.
10. Copies of the following documents will be available in physical and/or electronic form at the Specified Office of the Paying Agent during usual business hours on any week day (Saturdays, Sundays and public holidays excepted) after the date of this document and for the life of the Notes:
 - (a) the *Estatutos* or *Contrato de Sociedade* (constitutional documents) of the Issuer;
 - (b) the following documents:
 - (1) Incorporated Terms Memorandum;
 - (2) Receivables Sale Agreement;
 - (3) Receivables Servicing Agreement;
 - (4) Common Representative Appointment Agreement;
 - (5) Paying Agency Agreement;
 - (6) Transaction Management Agreement;
 - (7) Accounts Agreement;
 - (8) Co-ordination Agreement; and
 - (9) Master Execution Deed.
11. The most recent publicly available financial statements for each of the last three accounting financial periods of the Issuer (which at the date hereof are only expected to be the audited annual financial statements) will be available for inspection at the following website: www.cvm.pt.
12. The Notes of each class shall be freely transferable.
13. Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus as approved by the Financial Regulator.
14. The Securitisation Law combined with the holding structure of the Issuer and the role of the Common Representative are together intended to prevent any abuse of control of the Issuer.

Post-issuance information

The Issuer intends to provide any post issuance information where it is required to do so by law in relation to the issue of the Notes and as applicable pursuant to the legal provisions of the Portuguese Securities Code, notably article 244 and following.

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