2017

Sareb Fact Sheet

SAREB

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WHAT IS SAREB?

The Management Company for Assets Arising from the Banking Sector Reorganisation (Sareb) is a private institution created in November 2012, to manage and dispose of the assets transferred to it by the nine financial institutions that received government funding.

Sareb was created with a portfolio worth €50,780 million, of which 80% were developer loans and 20% were all classes of real estate assets.

Sareb issued private debt in order to acquire the portfolio. These bonds, that were handed over to the rescued financial institutions, are underwritten by the State.

The majority of Sareb's share capital is privately owned (banks, insurance companies, a real estate firm and utility company). 45.9% is owned by the State, via the Fund for the Orderly Restructuring of Banking Sector (FROB).

WHAT IS ITS MISSION?

Manage and sell the acquired assets within a maximum timeframe of 15 years, before 2027.

WHAT ARE ITS COMMITMENTS?

Sareb remains committed to its undertaking of meeting the payment of the debt issued, so that its activity is not an additional cost to the taxpayer.

Sareb is committed to performing its duties in a way that is both sustainable and responsible. This implies:

- Being in continuous contact with its 14,900 clients, primarily SMEs, in order to provide them with the appropriate solutions.
- Signing agreements with local authorities to temporarily assign housing to groups at risk of exclusion.

MANAGEMENT SNAPSHOT

| €11,848 billion | €9,856 billion | €18,575 billion | 4,000 homes assignated for social welfare purposes |
| portfolio reduction | repaid debt | revenue generated |

| 44,037 debtor proposals managed | 59,097 properties sold to individuals | 6,000 people have benefitted from social housing agreements |
Portfolio performance (€m)

Portfolio breakdown (% in €m)

Senior debt repayment (€m)

* Provisional balance sheet data at closing of 1H 2017

* Includes €671.9 million repaid in February 2017, but booked to 2016

* YE 2016 figures
Financial assets per type of collateral (% in €m)

- Work in progress: 7.9%
- Land: 26.6%
- Unsecured: 5.7%
- Mixed collateral: 4.8%
- Retail: 7.1%

Real estate assets (% in €m)

- Residential: 48.3%
- Land: 35.1%
- Commercial property: 12.5%
- Other: 4.1%
- Ancillary: 2.8%
- Offices, retail units and hotels: 8.9%
- Industrial: 3.6%

Geographical distribution of portfolio*

Financial assets/ Real estate assets. YE 2016 (% in €m)

- Housing: 45.5%
- Land under development: 14.7%
- Serviced development land: 13.8%
- Greenbelt land: 6.6%
- Offices, retail units and hotels: 8.9%
- Industrial: 3.6%

*YE 2016 figures

**13.1% of the debt is not assigned to a specific autonomous region.
BUSINESS MODEL

Revenue H1 2017

Revenue from financial assets (€m)

- Loan cancellations and sales: 23%
- Singular collateral sales: 16%
- Writedowns and repayments: 13%
- Interest: 14%

Total: €1.163,6 m

Revenue from real estate assets (€m)

- RE rental income and other: 35%
- Sales Growth Plans (PDVs) and residential collateral sales: 6%
- Sale of residential and other stock: 6%
- Sale of residential and land stock: 16%

Total: €535 m

*Total revenues of €1,170.7m include €12.1m of other revenues.

*The balance sheet is a provisional figure for H1 2017 and the outstanding debt corresponds to FY 2016.

Servicers

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