



# Results Sareb in 2017

23 March 2018



## **1) 5-year overview**

How far have we come?

Key figures

2012-2017

## **2) Sareb in 2017**

Key stats

Results

## **3) Key future strategies**

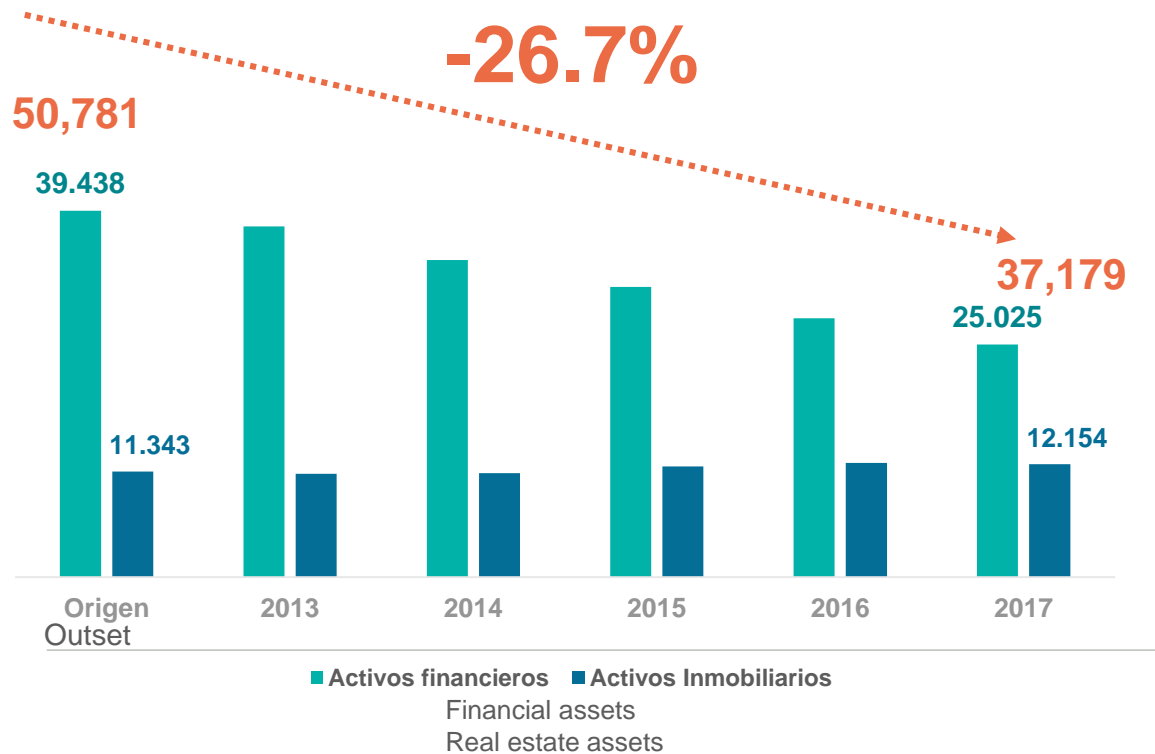
## **4) Contribution**



# 5-year overview

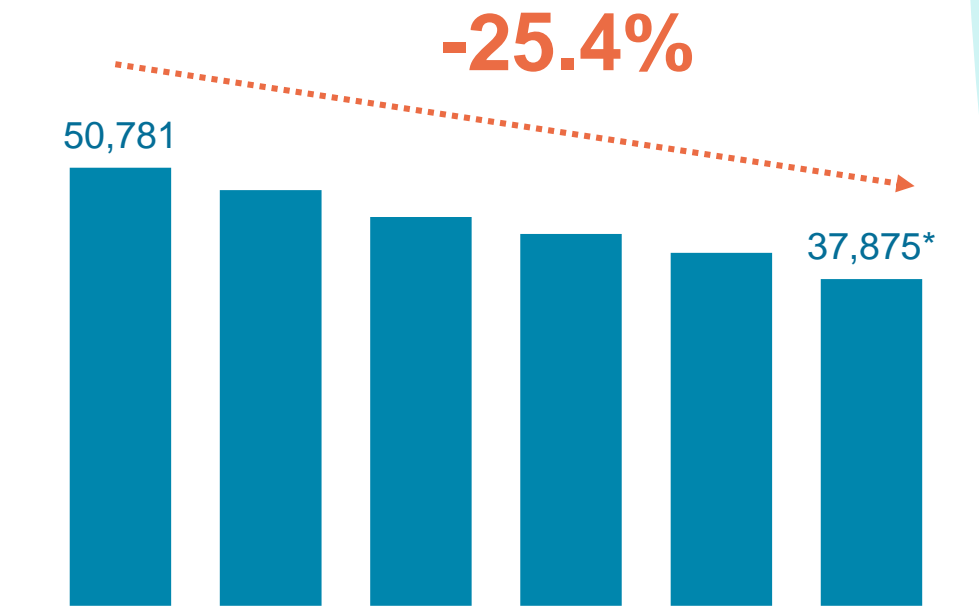
How far have we come?

## Portfolio performance (€M)



\*Does not include accumulated amortisations or impairments.

## Debt cancellation (€M)



\*Includes €889M which will be amortized in 2018, but booked to 2017 and €604.8M which was cancelled in February 2018, but booked to 2017.



# 5-year overview

Key figures

**€20,700M**  
Revenue



**€12,906M**  
Amortised  
debt



**€2,780M**  
Interest paid  
to savings  
banks



**68,300**  
Properties  
sold



**51,500**  
Financial  
proposals  
managed



**5,200**  
Homes  
under  
construction



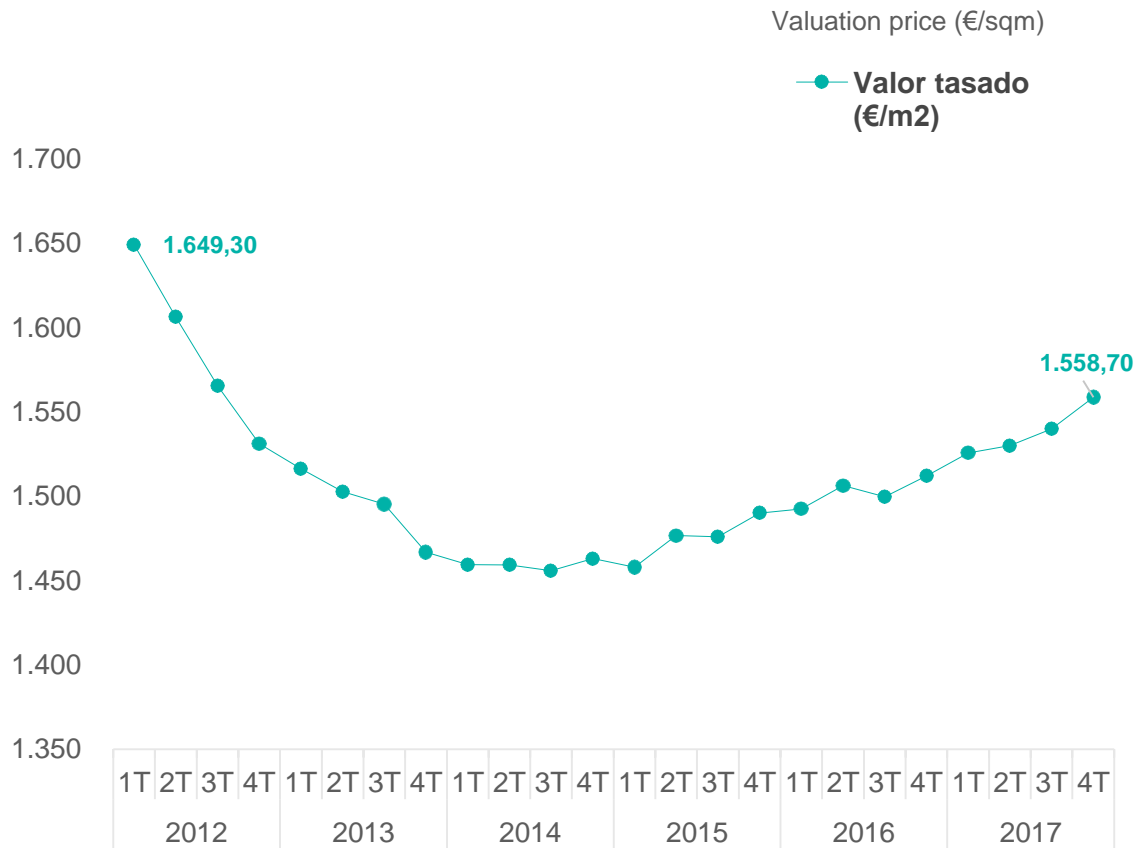
**4,000**  
Social  
housing  
units



# 5-year overview

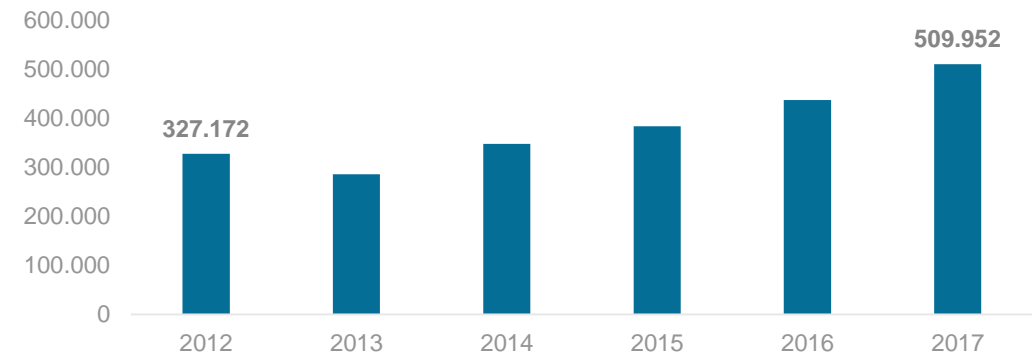
2012 to 2017

## Free market homes (Valuation price)

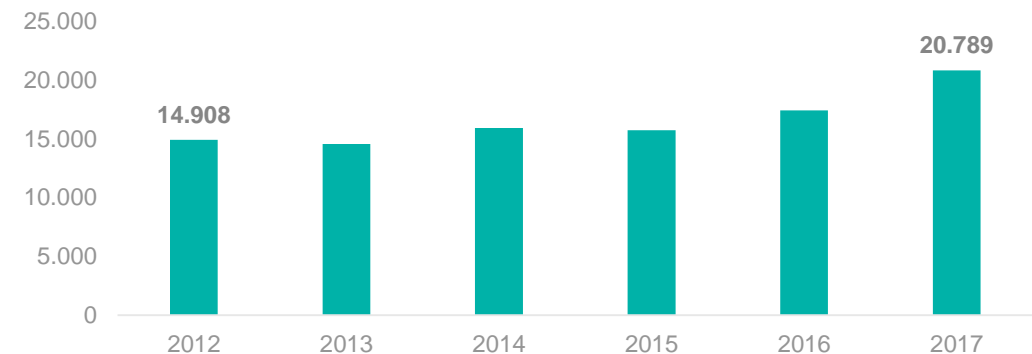


## Housing and land transactions (no.)

### No. total sales: free-market housing



### No. total sales: urban land





# 5-year overview

2012 to 2017

The top 5 Spanish banks

€106,000M

par value

Foreclosed assets

Developer loans

\*Source: Álvarez & Marsal

**Bank divestment rate stepped up**

**Large-volume sales**



## 2 | Sareb in 2017





# Sareb in 2017. Key stats

Loan management and sales

**+13,100**

Proposals  
managed



**+25%**

**14,600**

Number of  
debtors



**-4%**

## Outstanding debt held with Sareb

**€54,698M**

2016



**-7%**

**€50,657M**

2017



# Sareb in 2017. Key stats

Transformation

An evolving portfolio

€1,007 M

Transformation in 2017

Loans



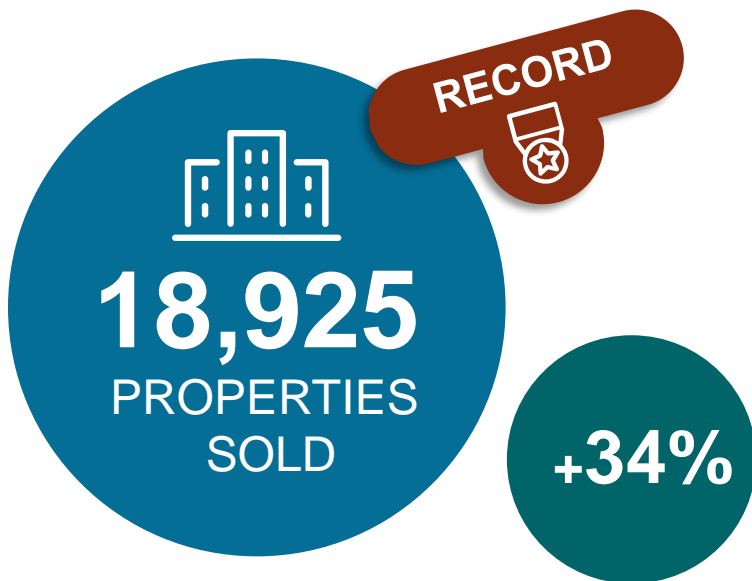
Properties



Process of transforming loans into properties ramped up between 2018 and 2023

# Sareb in 2017. Key stats

Property management and sales

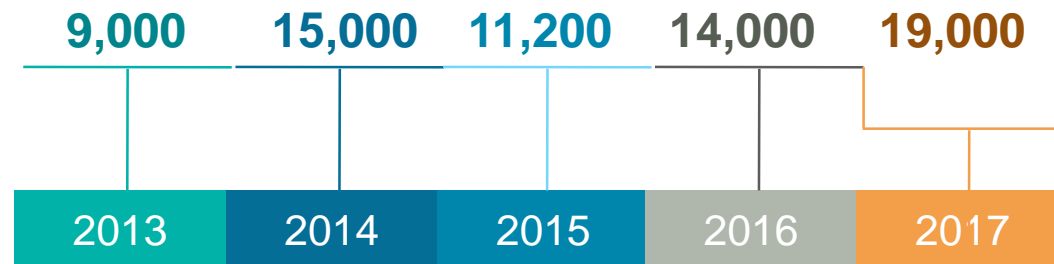


**10,864** Owned properties



**8,061** Properties via developer agreements

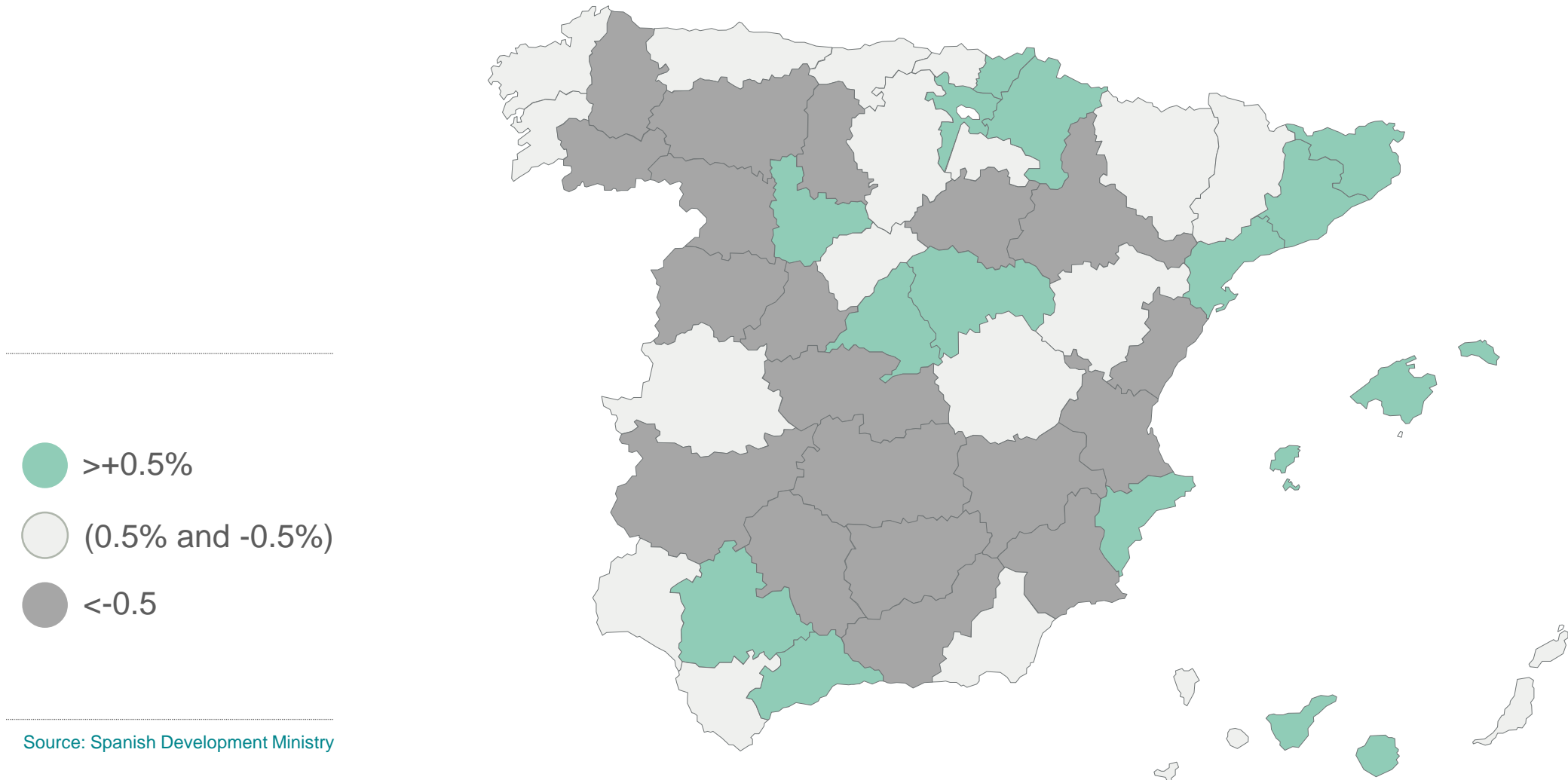
## Properties sold



# Sareb in 2017. Key stats

The Market

Variation in average valuation price assigned to open market homes between 2016 and 2017

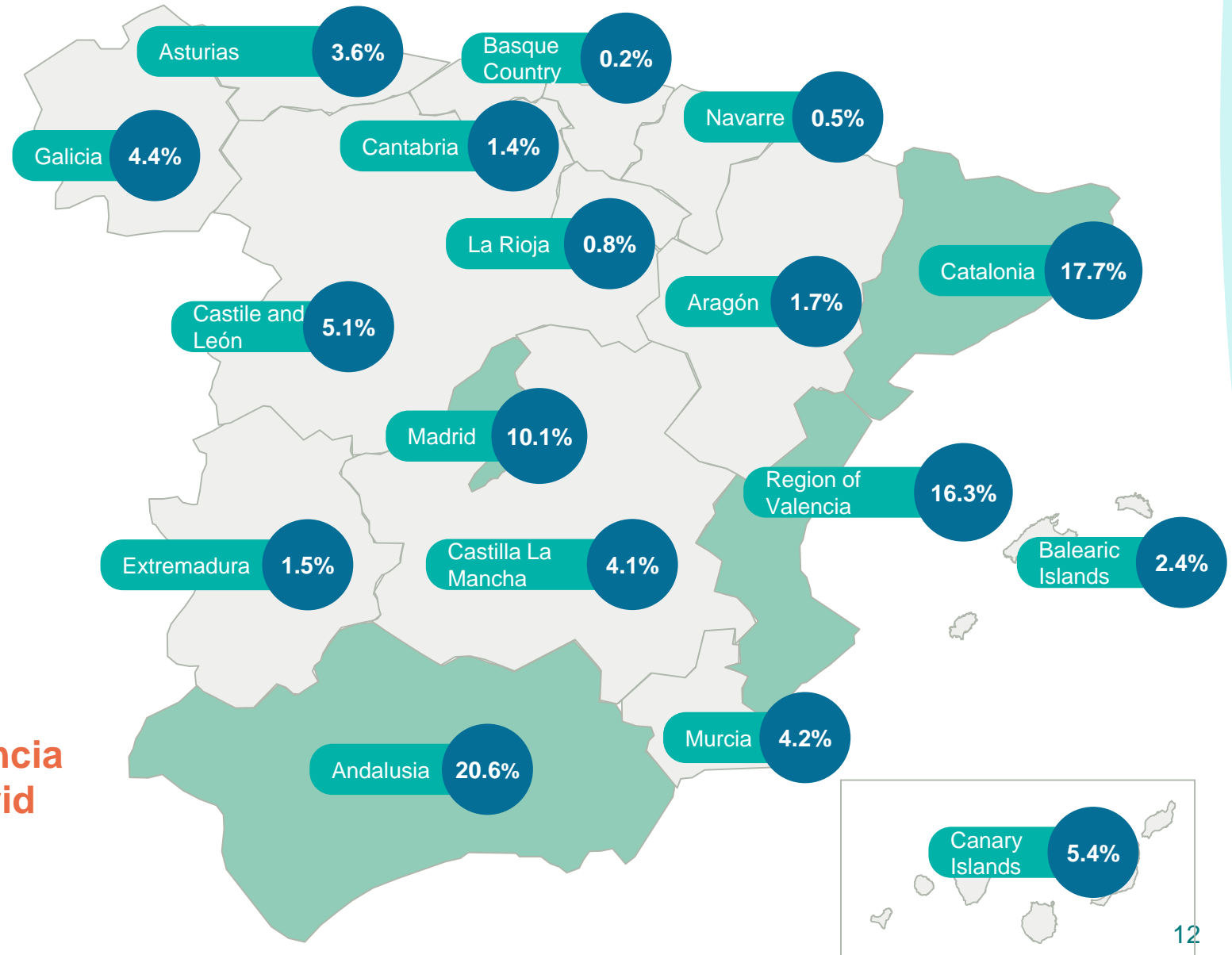
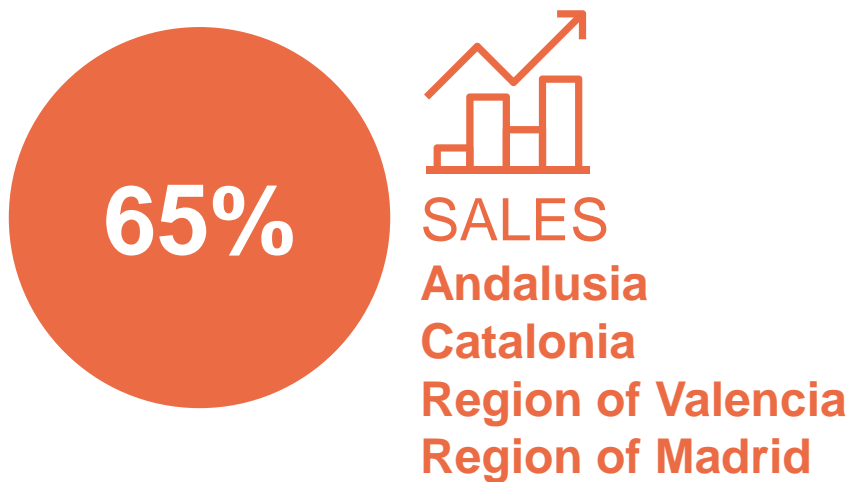




# Sareb in 2017. Key stats

Property management and sales

**Geographical breakdown of owned property sales** (vs.% of owned asset sales) by autonomous region.



# Sareb in 2017. Key stats

Property management and sales

## Sales campaigns

[www.sareb.es](http://www.sareb.es)

**€335M**  
REVENUE



**SALES**

**2017**

**Campaigns**

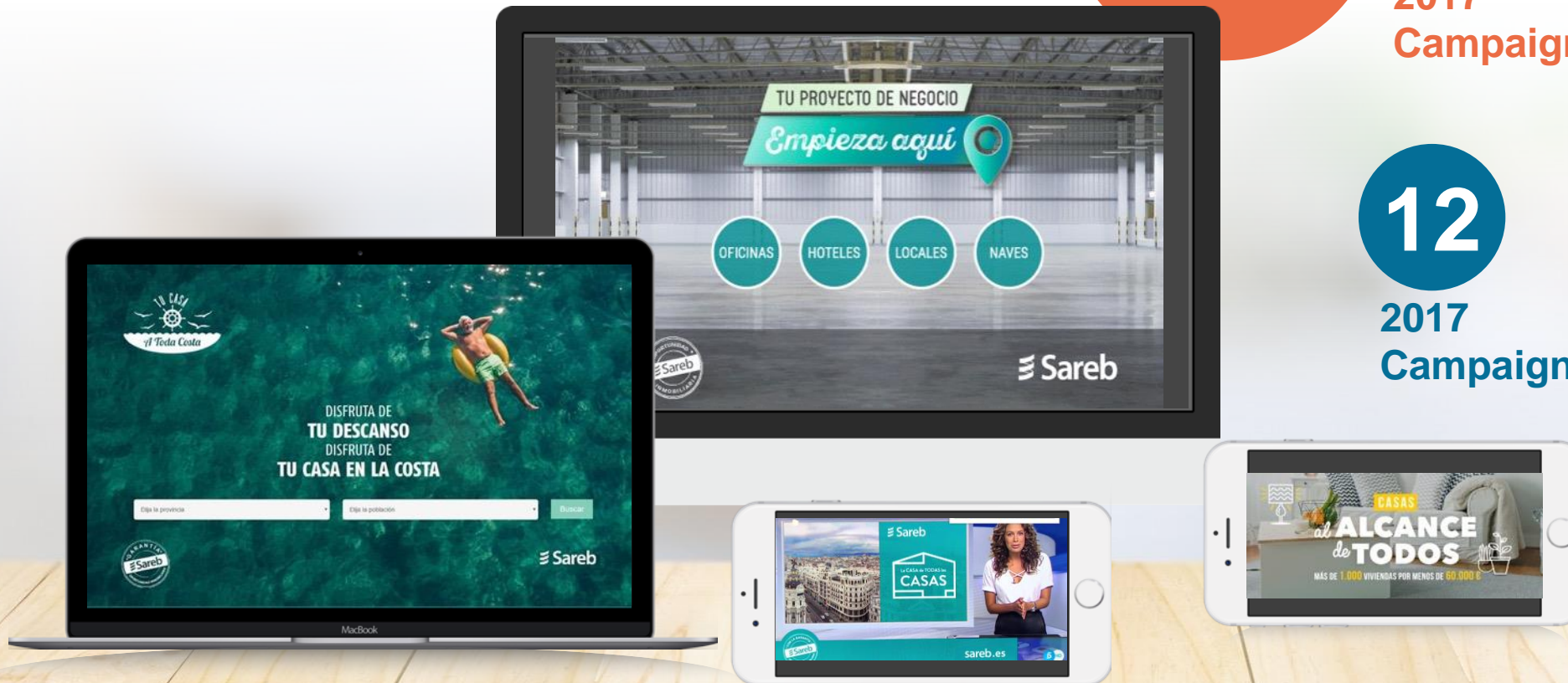
**+50%**  
vs. 2016

**12**

**2017**

**Campaigns**

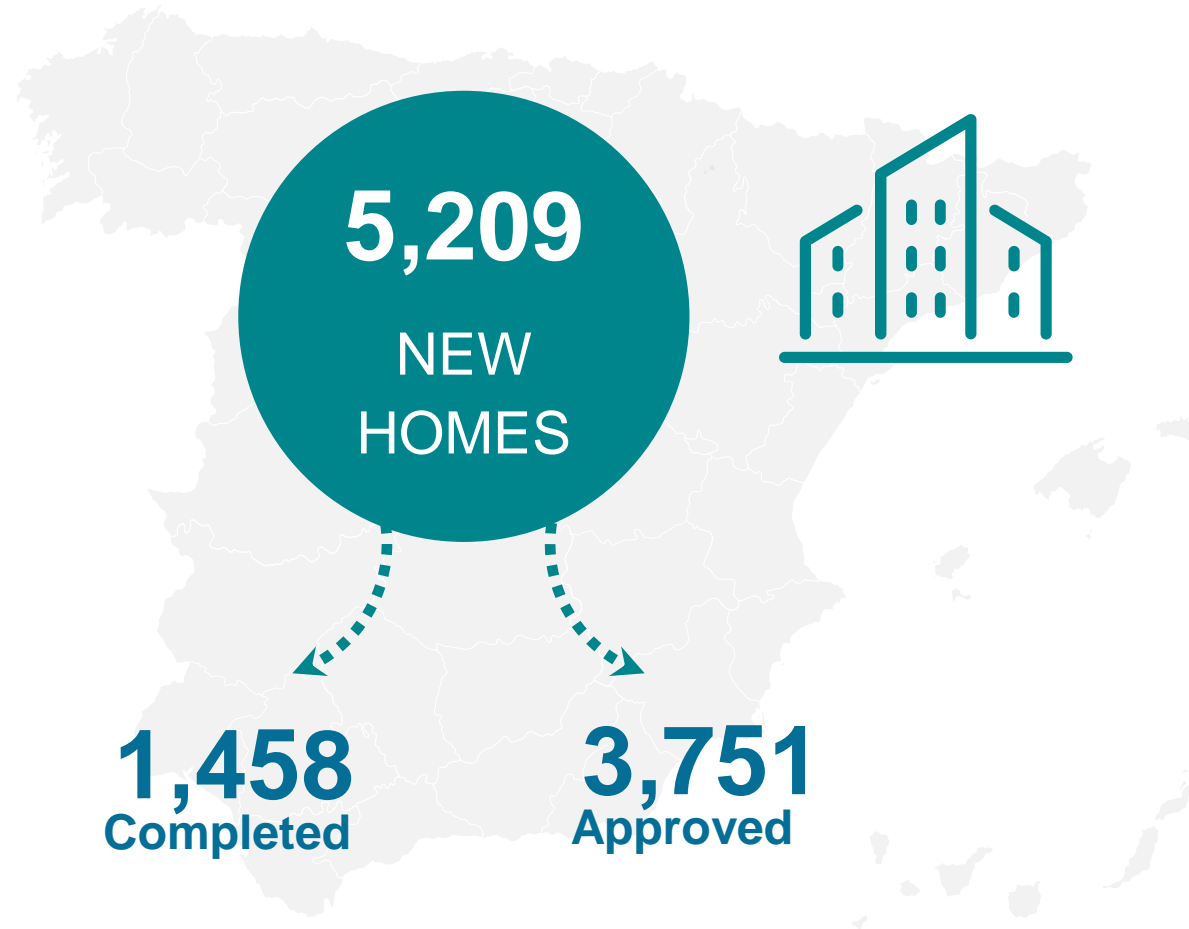
**+33%**  
vs. 2016



# Sareb in 2017. Key stats

Property management and sales

## Real estate development



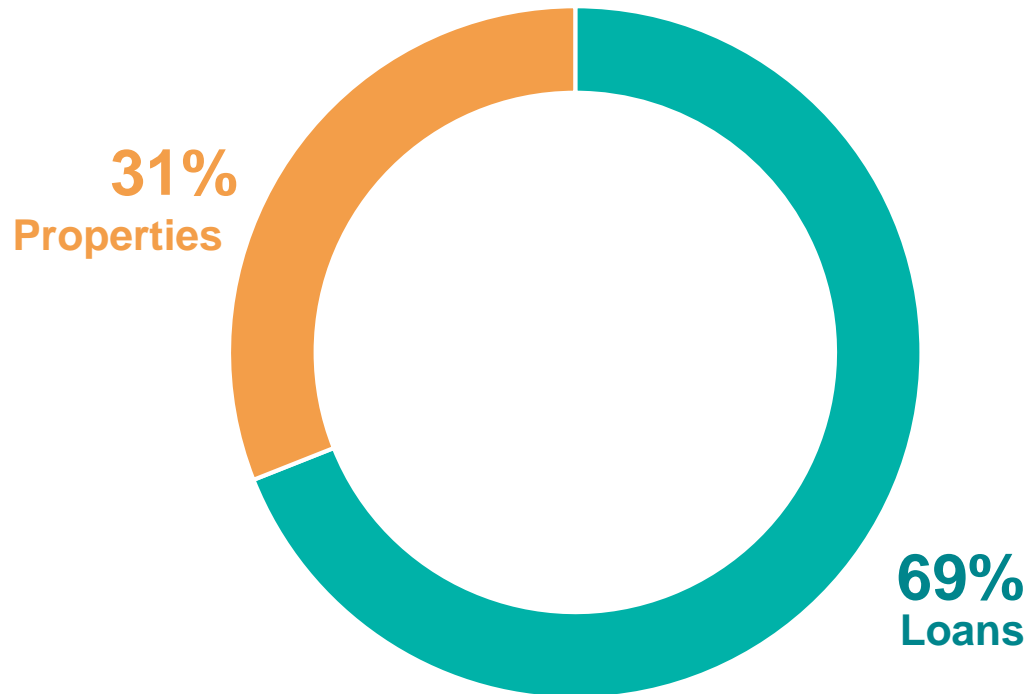
Andalusia	1,075
Aragón	36
Asturias	233
Balearic Islands	189
Canary Islands	391
Cantabria	244
Castilla la Mancha	188
Castile and León	225
Catalonia	703
Region of Valencia	835
Extremadura	161
Galicia	297
Region of Madrid	514
Region of Murcia	10
Navarre	100
La Rioja	8
<b>Total homes forecast</b>	<b>5,209</b>



# Sareb in 2017. Results

Financial information. Revenue

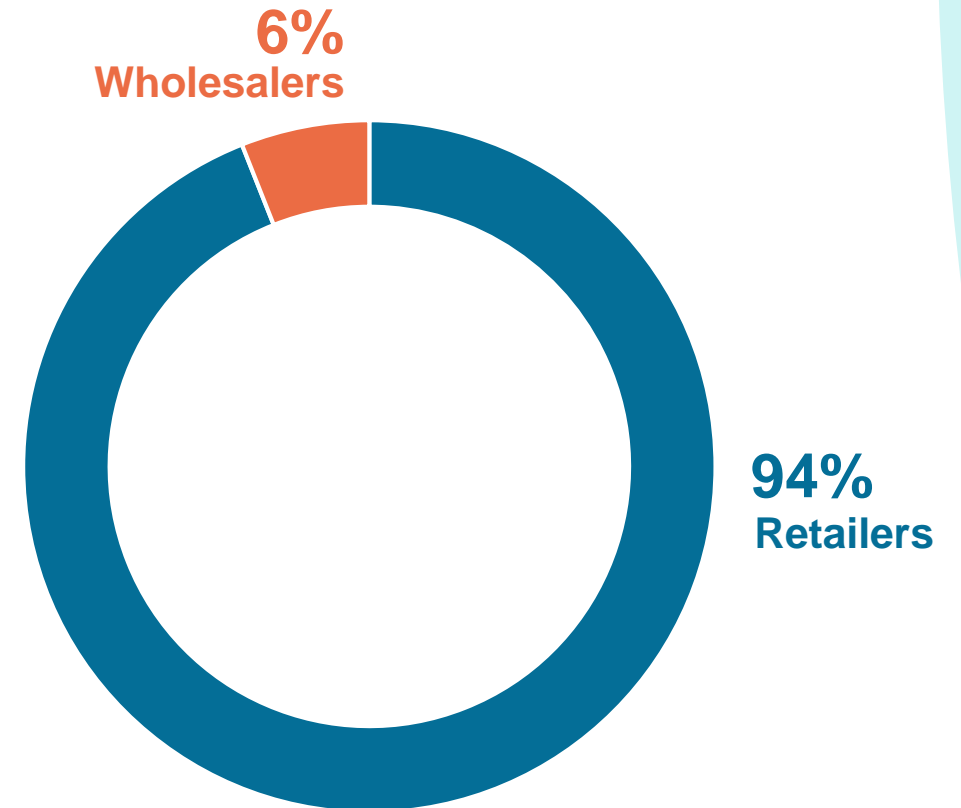
## By asset type



**€3,833M**

TOTAL  
REVENUE

## By sales type



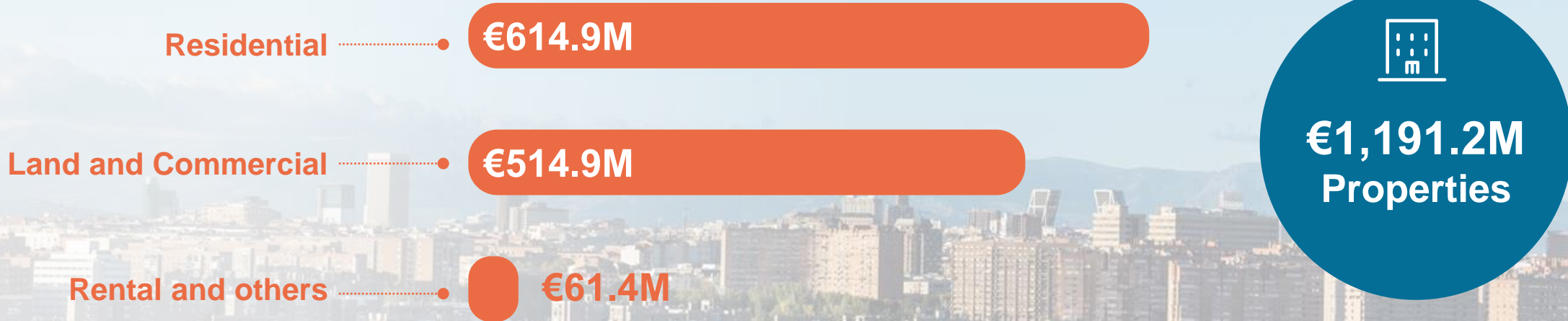
# Sareb in 2017. Results

Financial information. Revenue



# Sareb in 2017. Results

Financial information. Revenue





# Sareb in 2017. Results

Financial information

## Breakdown of operating costs

Management  
and Sales  
Commissions

€243M

€113M

Owners associations  
and maintenance

Tax payments

€178M

€541M

Financial cost

# Sareb in 2017. Results

Financial information.

	2017	2016	Variation (%)
<b>Total Revenue</b>	<b>3,833</b>	<b>3,923</b>	<b>(2%)</b>
Gross margin FA	542	488	11%
Gross margin REA	204	149	37%
<b>Total gross margin*</b>	<b>767</b>	<b>664</b>	<b>16%</b>
Operating Costs	(683)	(683)	-
Depreciation and others	(77)	(86)	(10%)
<b>Operating result</b>	<b>7</b>	<b>(105)</b>	
Financial costs	(541)	(558)	(3%)
Taxes	(31)	0	
<b>Result for the year</b>	<b>(565)</b>	<b>(663)</b>	<b>15%</b>

\*Includes €21 million of other income in 2017 and €27 million in 2016

Figures in € millions

# Sareb in 2017. Results

How far have we come?

In 2017

the company was able to  
**cancel debt guaranteed by  
the Spanish State to the  
value of**

**€3,050M**







### 3 | Key strategies for the coming years



# Key strategies



**Alliances** with specialist players

Identify a partner in order to turn the development business into a company in which Sareb is a stakeholder



**More diverse** sales channels  
*(Aiming to achieve a greater reach)*

New income streams:  
**Socimi, Loan Sales Platform**



**Step up** the divestment rate

Analyse macro-portfolios

# Key strategies

## Alliances in real estate development



Identify a partner for the development business

**€800M** Land  
**CONTRIBUTION**  
2018-2019



Immediate liquidity and divestment



Obtain future upside potential



Meet currently unsatisfied demand



# Key strategies

Innovation and **new income streams**



## Loan Sales Platform

- **Transparency and innovation in NPL sales\***
- **Visibility** in terms of the assets securing Sareb loans
- Loan sale **flexibility**

2017

**€400M**

Par value of previous  
loans

↓  
**€35M**  
sold

2018

**€3,000M**

Par value of  
new loans

↓  
**6 sales**  
processes

\*Non performing loans.

# Key strategies

Innovation and **new income streams**



## Auction channel



**Greater range of**  
loan securities featured

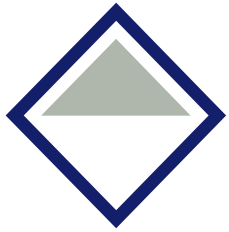


**Facilitates**  
competitive auction processes

# Key strategies

Innovation and new income streams

## Socimi



# Témpore

Properties

- Initial portfolio:

€175M  
1,383 homes



- Future **growth** via Sareb properties
- Specialists in **markets** with **high rental growth potential**. On the outskirts of major cities.
- Alternative divestment option for Sareb → **liquidity**
- Listed on the **MAB (Alternative Stock Exchange)**: 3 April 2018





# Key strategies

Under analysis: Macro-portfolios

## CONS



Capital consumption



Increase of expected losses

## PROS

Seize the current point of the economic cycle



Favourable market context



Allow Sareb to step up the divestment rate for non-strategic assets





## 4 | Contribution



# Contribution

How far have we come?

PORTFOLIO  
REDUCED BY  
**€13,602M**

**-26.7%**

**€12,906M**  
DEBT  
CANCELLED

**-25.4%**



# Contribution

Social and economic impact

Sareb's contribution to GDP between 2013 and 2017

Over €23,000M

€12,900M

Debt cancelled

€5,300M

Direct, indirect and  
induced economic  
contribution

€4,200M

Interest on  
debt

€800M

Paid in taxes

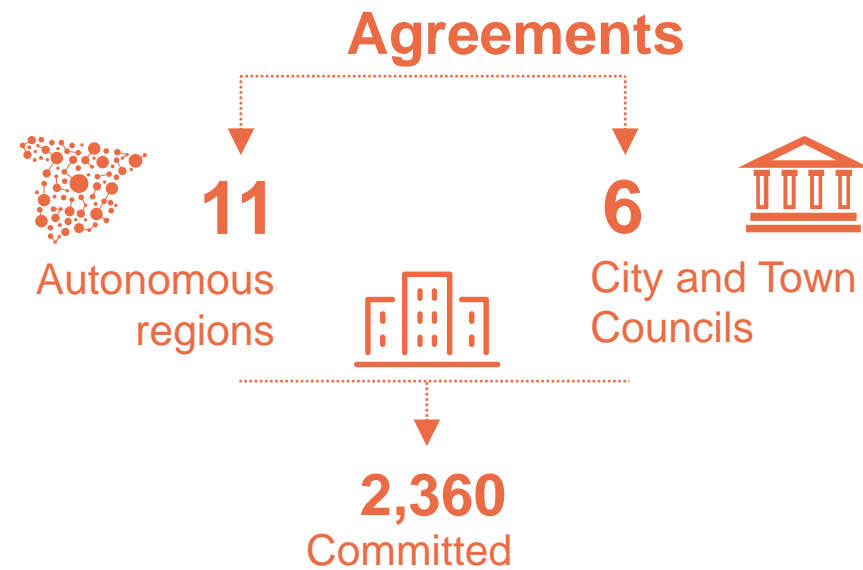
\*Figures extracted from the EY Report on The Socioeconomic Impact of Sareb (2013-2017).



# Contribution

Social and economic impact

**4,000**  **Social housing**



**5,900**  **people have benefitted**

# Contribution

Social and economic impact

## Upcoming signings



**Elche and Santander**

## In talks with:



**Alicante, Valladolid,  
Móstoles, San Fernando  
de Henares, Getafe, Parla,  
Valdemoro, Coslada  
and Alcobendas**





