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I. Introduction

Oitante, S.A. was incorporated pursuant to a resolution of the Portuguese Central Bank's Board of Directors under a resolution measure imposed on Banif in December 2015.

1

Incorporation

The resolution stipulated the following:

- The sale to Banco Santander Totta (BST) of the rights and obligations that comprised assets, liabilities, off-balance sheet items and assets managed by Banif;
- The incorporation of an asset management vehicle - Oitante - to which most of the rights, obligations and human resources not sold to BST were transferred.

2

Acquisition of assets and financing

Also, it was decided Oitante would pay consideration to Banif for the rights and obligations transferred to it. Oitante financed this payment by issuing 746 million euros in bonds.

3

Goal

Oitante's corporate scope is to administer the rights and obligations that comprised Banif's assets until its resolution.

The Company's main goals are to manage and dispose of the received assets, ensuring low risk levels and maximising value by selling or liquidating its assets.

A lot has been covered in two years. Now, the importance of the strategic lines is weighted differently to the extent what still needs to be done for each is different.

1

Maximising asset value

Following the servicing agreement, a relevant change will take place in the way Oitante will continue to ensure this maximisation, given it no longer directly carries out that role for a relevant portion of its assets. Even so and under the agreed terms, Oitante will have the means to oversee the contract and make decisions on asset sales in order to maximise the value of assets in the portfolio.

2

Financial sustainability

Incomparably better safeguarded at present, the company warrants ongoing assessment and optimisation to ensure the internal and external resources used suit generated outputs.

3

Enhancing human resources

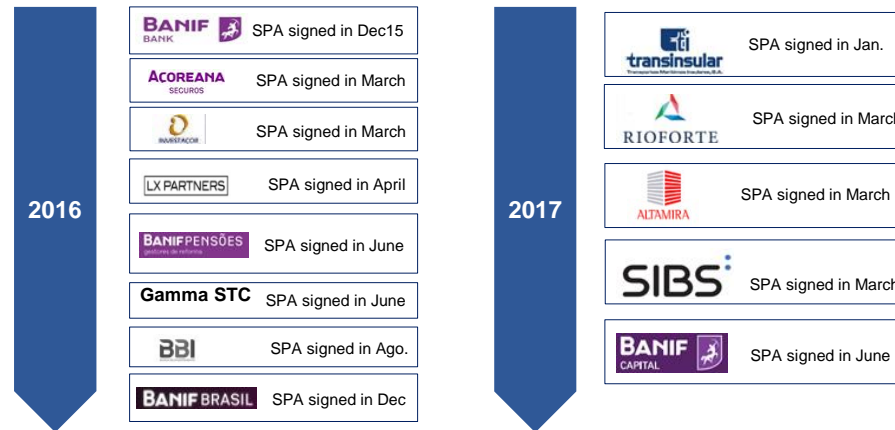
Once Oitante's staff stabilised, the need arose to endow Oitante's human resources with the conditions to adequately carry out their duties, namely by providing training suited to their duties. On the other hand, while in the past there was an excess of resources, now the Company needs tools that ensure it can retain talent.

Implemented measures allowed €181 million in debt to be repaid

1

Implemented measures

- **Oitante's Governance structure** was stipulated according to its role as an asset manager;
- **The TSA (transition services agreement)** with Santander covered nearly 70% of administrative and personnel costs for the first year;
- **Until December 2017**, Oitante's **FTEs** (full time employees) went from **512 to 94**, through MAT programmes, with a cost reduction of **~€21 million**;
- **Property sales** were **~€219 million**;
- From a **credit stock** valued in the initial balance sheet at **~€108 million**, **€79 million (€63 million of which in cash)** were recovered;
- **Main divestments:**



2

Key Indicators

- **€62.5 million in EBITDA** in '16-'17;
- **€33.8 million paid in interest** in '16-'17;
- **€181 million in debt repaid**, i.e. **24.2%** of the initially owed amount;
- **€41.4 million in Net Earnings** until 2017.

Oitante inherited a number of Banif Group assets and liabilities that were not transferred to BST.

- **Oitante is an asset management vehicle owned by the Resolution Fund**, incorporated in December 2015 under Banif's resolution.
- **Oitante is focused on divesting in the assets transferred from Banif**, while keeping a low level of risk and seeking to maximise value.

Key financial indicators as at December 2015

Number of Employees

512

Debt

€746 million

Liquidity

0 Euros

Real estate ⁽¹⁾

5.664

Loan Portfolio

27.3 thousand transactions

Financial Hold.

38

RE used for operations

4 buildings 18.397 m²

Accrued rent

€590 thousand

Personnel Costs (yearly)

€25.9 million

(1) Assets owned by all units managed by Oitante

Starting point

Initial Balance Sheet

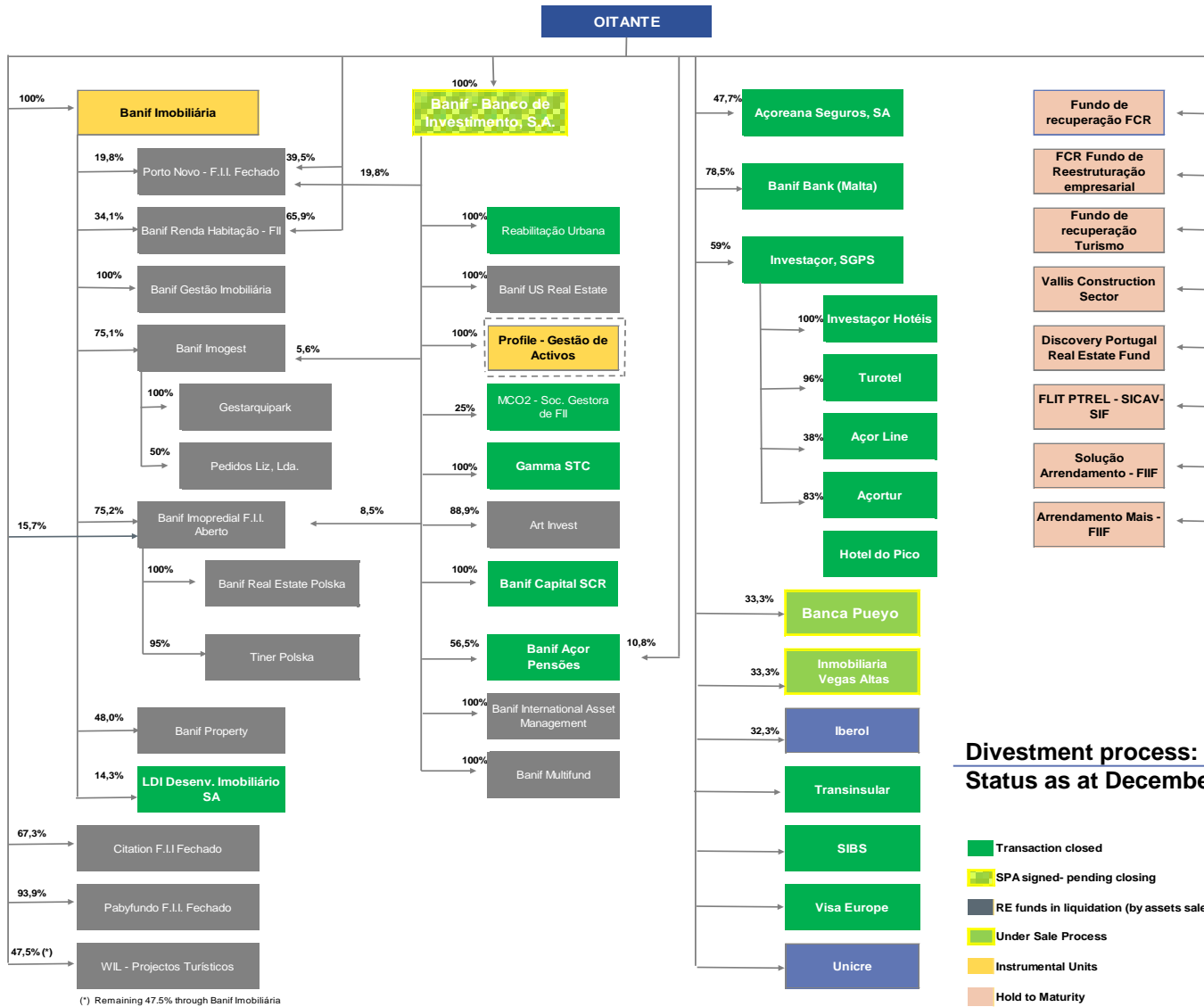
The transferred assets were valued, post-resolution, at €794 million.

	Assets – €794 million		Liabilities and Equity – €794 million	
Initial balance sheet	Loans to the Group	251.3	Bonds	746
	Real Estate	220.5		
	Loan Portfolio	107.9		
	Restructuring Funds	97.5		
	Real Estate Inv. Funds	63.1		
	Financial Holdings	39.4	Provisions	37.5
	Others	14.3	Others	10.5

Note: Share Capital of 50 thousand euros

I. Introduction

Initial Holding Structure



II. Execution

1 Financial holdings - main sales until December 2017

Sales in 2016 ~€33 million

Goldman Sachs Bond
(Bonds)
January

Investaçor
(Hotel Business)
March

PT Telecom Bond
(Bonds)
April

Açoreana
(Insurance Company)
August

Banif Bank Malta
(Commercial Bank)
October

Banif Pensões
(Pension Fund Manager)
December

Sales in 2017 ~€7 million

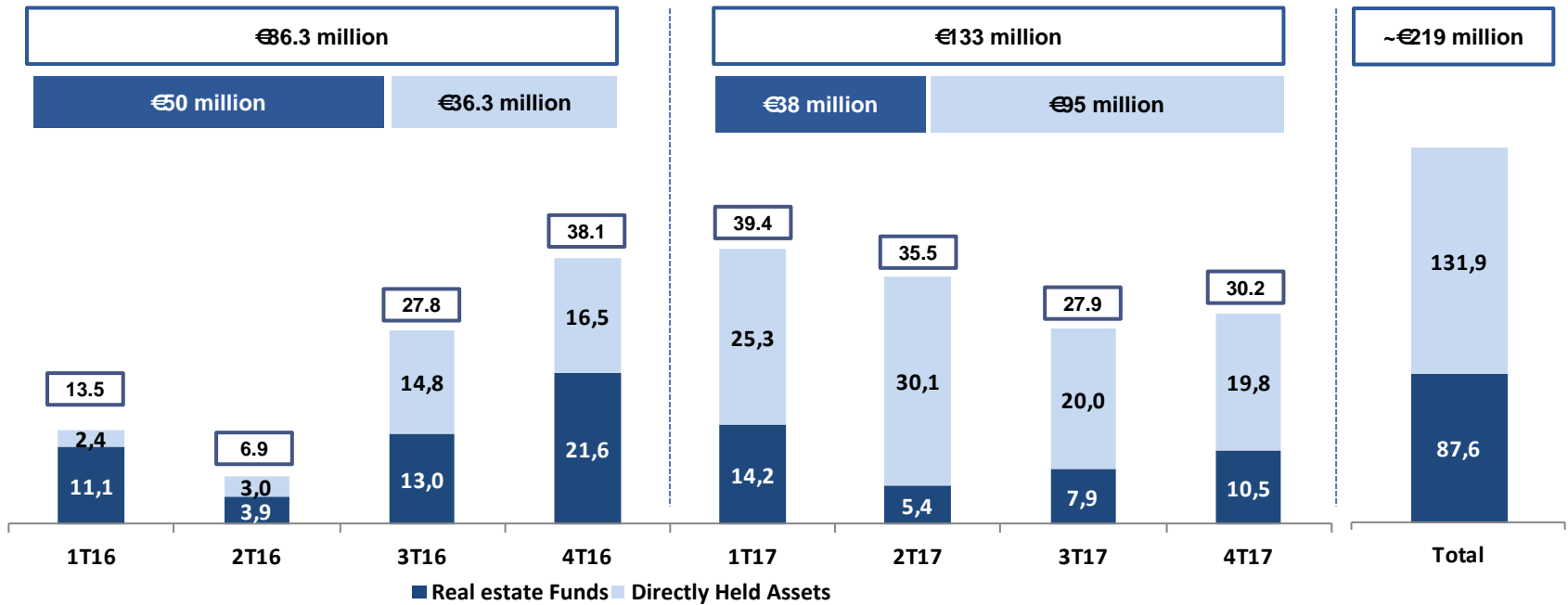
Banif Capital
(V.C. Fund Asset
Manager)
December

SIBS
April

Proceeds

€40
million

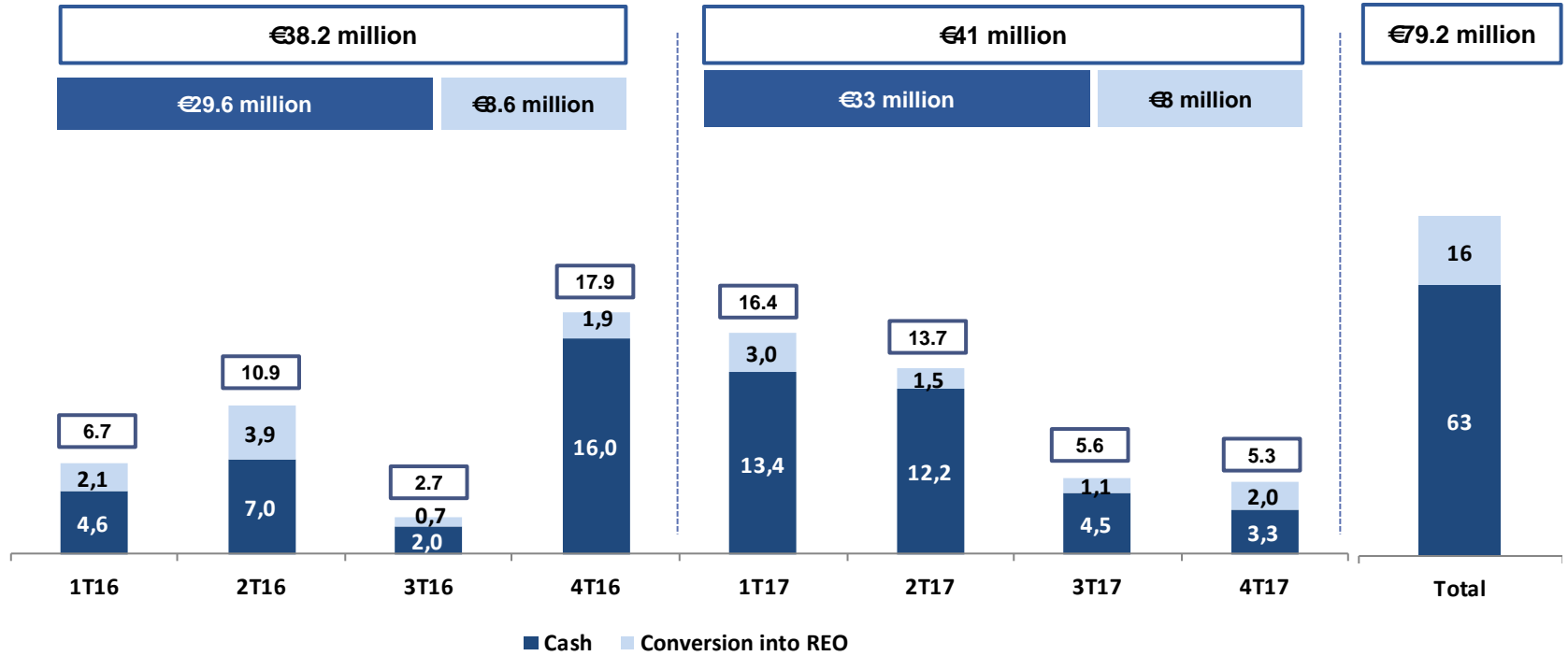
2 Real estate (REO) - sales until December 2017



Proceeds

€19
 million

3 Non-Performing Loans recovered until December 2017



Proceeds



4

Servicer Implementation

The Servicer was implemented to ensure the sound execution of Oitante's mission of maximising the value of its assets, given i) the inherited banking structure, ii) Oitante's organisational and budget structure (management limitations) and iii) size of assets (trend toward medium-term inefficiency).

The agreement has three strategic pillars:

Maximising asset values: because the contractual structure allows counterparty interests to be aligned – sale of assets in least amount of time and highest price possible.

Oitante's financial sustainability: In the short-term, the agreement lowers fixed costs, because employees are transferred to the Servicer. An in-house team focused on asset sales is no longer needed in the medium- and long-term, given the smaller loan and real estate portfolios.

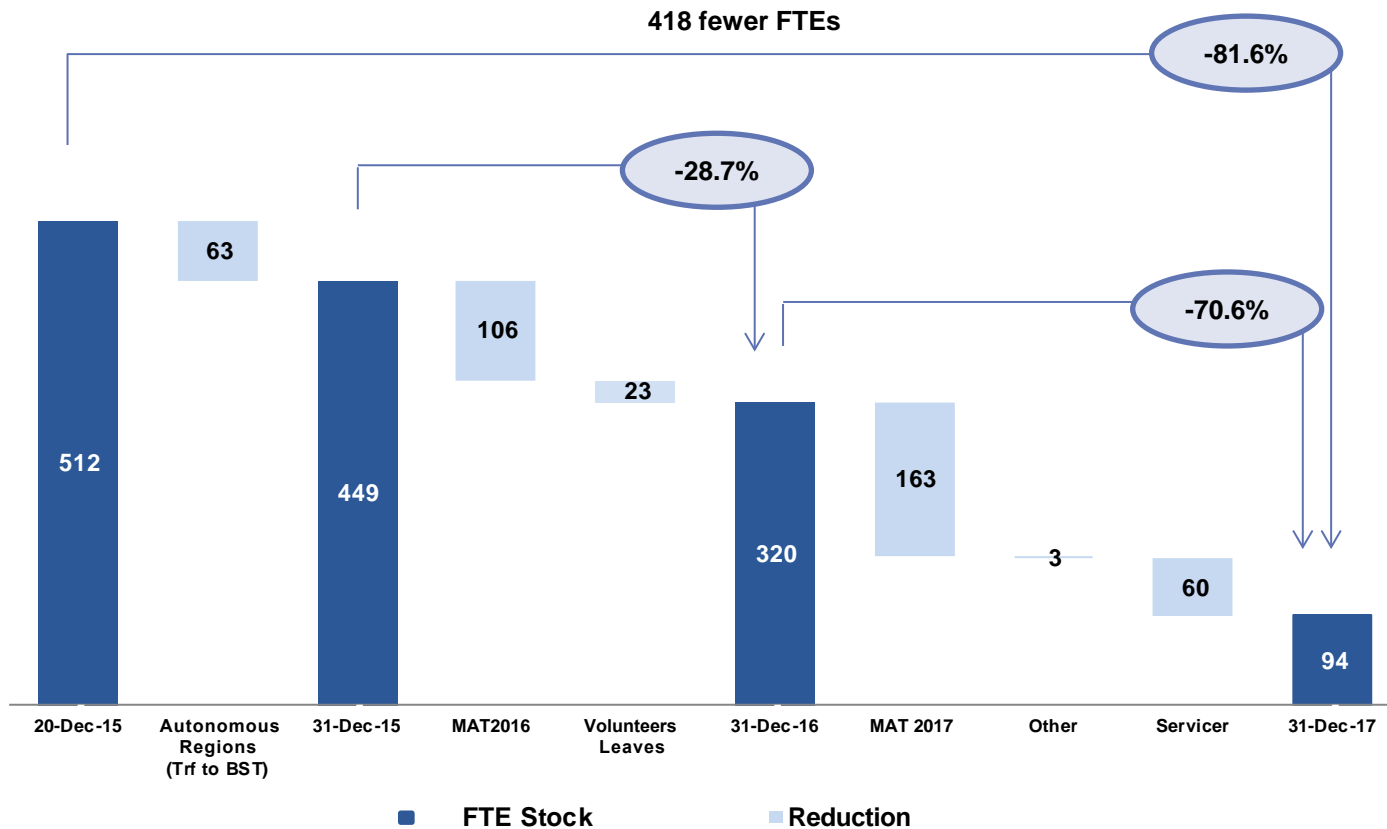
Human Resources: The agreement safeguards a relevant number of employees – 60 FTEs.

The agreement was awarded to Altamira, an international player with vast experience, for a 5-year period.

5

418 fewer employees until December 2017

Oitante finalised two MAT programmes, one in May 2016 and another in February 2017



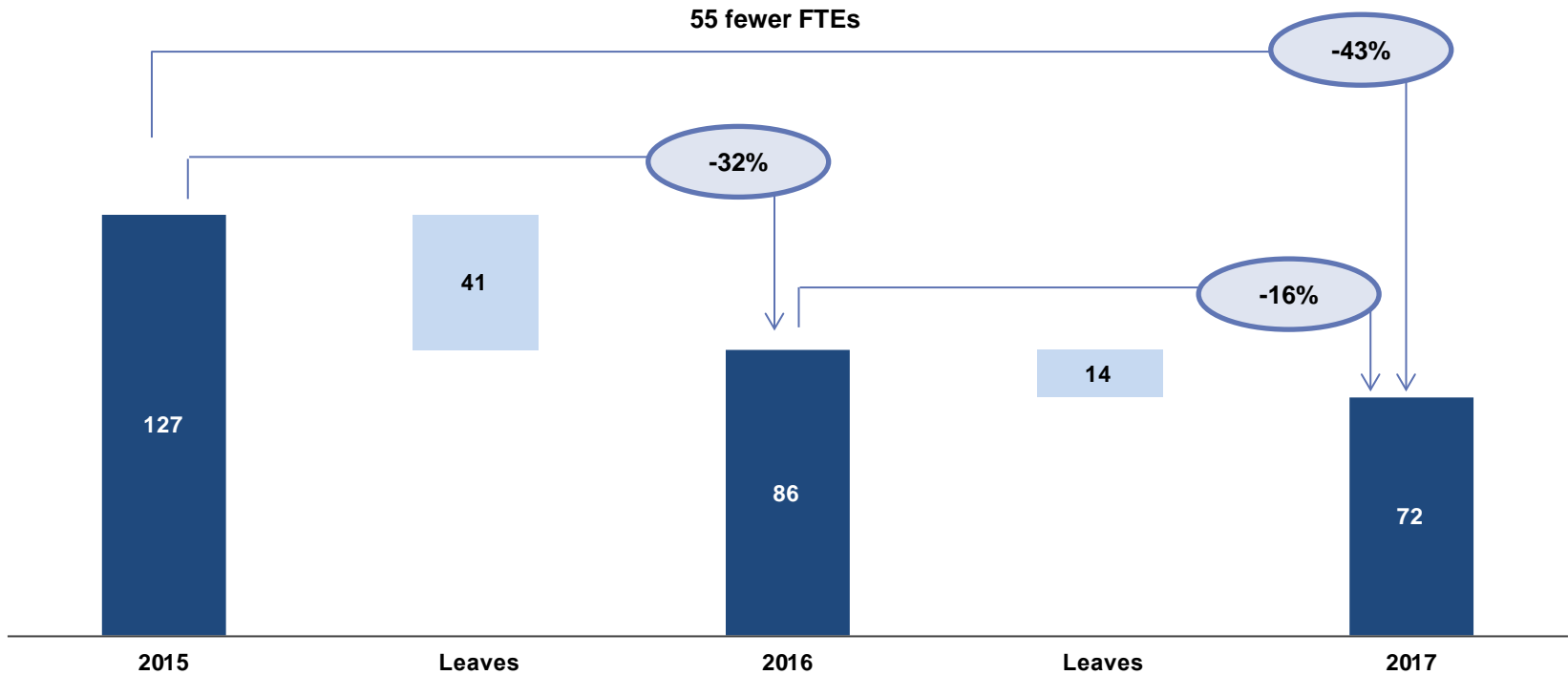
II. Execution

Subsidiary Employees

5

55 fewer employees until December 2017

No MAT programmes were undertaken.



III. Execution

Key Indicators as at December 2017 vs. December 2015

Status
Dec 2017

Number of Employees

-82% 94 FTEs

Debt

-24% €566 million

Liquidity

n.a. €18 million

Real estate ⁽¹⁾

-19% # 4.605

Loan Portfolio

-91% # 2.4 thousand transactions

Financial Holdings

-42% # 22

Occupied buildings

-79% 3.820 m²
1 building (-75%)

Accrued rent

-78% €130 thousand

Personnel Costs (yearly)

-44% €14.6 million

(1) Assets owned by all units managed by Oitante

III. 2017 Results

In the 2017 financial year, Oitante generated positive net profits of €30 million in the midst of a deep reorganisation of its operations.

1

**Net results of
€30 million**

- The 2017 financial year showed **positive net results of 30 MEUR**, with the following highlights:
 - capacity to make early repayment of 90 MEUR in the initial bonds;
 - generated 18 MEUR of additional liquidity;
 - 14% reduction of real estate portfolio;
 - 29% reduction (of the nominal value) of the loan portfolio; and
 - 71% reduction in the number of employees through MAT programmes and transfers to the Servicer.

2

**Reorganisation
of operations**

- Also worthy of note:
 - finalising the negotiation and execution of the **agreement with Proteus**, with a transformative impact on Oitante's future;
 - **deep organisational restructuring** carried out not only because of the Mutually Agreed Terminations, but also the organisational adaptations arising from termination of the TSA contract with BST and execution of the contract with Proteus,
 - the continued **implementation of operational efficiency measures**, namely reducing space occupied, renegotiating supplier agreements, in order to adapt them to Oitante's new reality.

III. 2017 Results

Operating Results - Earnings

	Thousand Euros			
EARNINGS	2016	2017	Δ 17/16	Δ%17/16
Sales	30.571	69.553	38.982	127,5%
Service delivery	27.981	2.090	-25.891	-92,5%
Income from Real estate Investments Funds	0	4.448	4.448	n.a.
Earnings with Servicer	15.180	2.822	-12.358	-81,4%
Income from Loan Repayments	0	2.214	2.214	n.a.
Recovery of others Loans	14.859	16.872	2.013	13,5%
Earnings and Income on other Financial Assets	1.309	0	-1.309	-100,0%
Over-endowment from Pension Fund	1.279	6.027	4.748	371,3%
Others Incomes and Earnings	180	0	-180	-100,0%
	216	146	-70	-32,4%
TOTAL EARNINGS	91.575	104.172	12.596	13,8%

III. 2017 Results

Operating Results - Expenditure

	Thousand Euros			
EXPENDITURE	2016	2017	Δ 17/16	Δ%17/16
Cost of goods sold and materials consumed	14.028	30.926	16.898	120,5%
Personnal Cost	21.588	14.622	-6.967	-32,3%
Third party supplies and services	26.578	14.452	-12.126	-45,6%
Impairments	5.022	4.506	-516	-10,3%
Deprecition and Amortization Expenditure	0	4		
Others Expenditure	555	939	384	69,1%
Provisions	303	0	-303	-100,0%
TOTAL EXPENDITURE	68.074	65.449	-2.624	-3,9%

IV. Conclusion

- 1 Oitante was transformed into an **efficient structure**.

- 2 **We achieved the full turnaround** of business and approved a 5-year plan based on conservative assumptions

- 3 **Final Outcome:**
 - The turnaround effort created a sustainable company:
 - **Averted a liquidity crisis** and built up a cash position of €18 million by the end of December 2017;
 - **€181 million in debt repaid by December 2017**, i.e. ~24% of the initial amount;
 - **€2.5 million in EBITDA** in '16-'17;
 - **€3.8 million paid in interest** in '16-'17;
 - **€1.4 million in Net Earnings** until December 2017;
 - **21% reduction of initial Balance Sheet** until December 2017;
 - **From 512 to 94 employees**, through an MAT, while maintaining peace within the company.