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I. Introduction

1

- In the **2018** financial year, **Oitante generated a profit of €33.2 million;**
 - **€181 million in debt repaid**, whereby debt had a year-on-year fall of 32%;
 - **Share capital increase** of 88% to **€78.7 million;**
 - **12% reduction of real estate portfolio**, for directly held properties;
 - **11% reduction (of the nominal value) of the loan portfolio;**
 - Sale of the main financial holdings, record year with a **€44 million** inflow, namely:

2018



- **20% decrease in number employees to 75**, with a 55% drop in personnel costs;
- **Pre-tax earnings of €34.6 million**, a year-on-year increase of 14%;
- **€2.8 million** paid in taxes.

II. 2018 Results

II. 2018 Results

Balance Sheet Developments

BALANCE	Thousand euros			
	2017	2018	Δ 18/17	Δ% 18/17
ASSET				
Cash and bank deposits	17,858	1,365	-16,493	-92.4%
Other Financial Assets	84,525	0	-84,525	-100.0%
Financial Assets at fair value through other comprehensive income	0	3,721	3,721	
Financial assets at fair value through profit or loss	0	83,242	83,242	
Accounts Receivable	91,704	51,875	-39,829	-43.4%
Inventories	231,222	201,619	-29,603	-12.8%
Tangible and Intangible Fixed Assets	262	164	-98	-37.4%
Financial Holdings	6,994	133,912	126,918	1814.7%
Non current assets held for sale	26,026	73	-25,953	-99.7%
Deferrals	1,277	710	-567	-44.4%
Deferred Tax Assets	0	886	886	
State and other public entities	2,217	0	-2,217	-100.0%
Other Accounts Receivable	168,040	6,512	-161,528	-96.1%
TOTAL ASSET	630,125	484,079	-146,046	-23.2%
Share Capital	50	50	0	0.0%
Legal reserves	574	574	0	0.0%
Transited results	10,712	43,394	32,682	305.1%
Revaluation reserve	463	0	-463	-100.0%
Adjustments in Financial Assets	0	1,485	1,485	
Net income for the period / year	30,078	33,174	3,096	10.3%
			0	
TOTAL EQUITY	41,877	78,677	36,800	87.9%
LIABILITY				
Obtained Financing	565,921	385,267	-180,654	-31.9%
State and other public entities	0	2,862	2,862	
Suppliers	108	109	1	0.9%
Provisions	303	548	245	80.9%
Deferred tax liabilities	183	535	352	192.3%
Deferred Tax Assets	4,547	2,569	-1,978	-43.5%
Other payables	17,186	13,512	-3,674	-21.4%
TOTAL LIABILITY	588,248	405,402	-182,846	-31.1%
EQUITY AND LIABILITY	630,125	484,079	-146,046	-23.2%

- **IFRS 9 came into force** leading to the reclassification of some assets, namely BI's and WIL's shareholder loans, from other accounts receivable to Financial Holdings;
- **Total Assets shrunk 23%;**
 - a) real estate portfolio, for directly held properties, shrunk 12%;
 - b) loan portfolio (by nominal value) shrunk 11%;
 - c) sale of non-current assets held for sale.
- **Total Liabilities shrunk 31%**, mainly by decreasing the debenture loan;
- **Total Equity rose 88% to €78.7 million.**

II. 2018 Results

Income Statement Developments

Thousand euros

INCOME STATEMENTS	2017	2018	Δ 18/17	Δ% 18/17
Operating incomes	104,171	106,468	2,296	2.2%
Sales	69,553	60,193	-9,360	-13.5%
Services Rendered	2,090	1,168	-922	-44.1%
Earnings and income from Investments	2,822	11,131	8,309	294.4%
Income from Loan Repayments	16,872	20,914	4,042	24.0%
Income from real estate investment funds	4,448	4,016	-432	-9.7%
Earnings with Servicer	2,214	1,978	-235	-10.6%
Over-endowment from the pension fund	0	804	804	
Earnings and income from the disposal of financial assets at fair value through profits or loss	6,027	3,454	-2,572	-42.7%
Others incomes and earnings	146	2,810	2,663	1821.4%
operating expenses	65,449	63,539	-1,911	-2.9%
Cost of goods sold and materials consumed	30,926	28,077	-2,850	-9.2%
Personnal Cost	14,622	6,536	-8,086	-55.3%
Third Party Supplies and Services	14,452	18,023	3,571	24.7%
Impairment	4,506	8,689	4,183	92.8%
Other Expenditure	939	1,934	994	105.9%
Depreciation and Amortization Expenses	4	35	32	860.0%
Provisions	0	245	245	61222.5%
Operating results	38,723	42,929	4,206	10.9%
Interest and Similar Earnings Received	6,838	4,277	-2,561	-37.4%
Interest and Similar Expenses Incurred	15,182	12,594	-2,588	-17.0%
Financial Results	-8,344	-8,317	27	-0.3%
Profit Before Tax	30,379	34,612	4,233	13.9%
Income tax of the year, of which:				
Current Tax	-301	-2,324	-2,023	672.1%
Deferred Tax	0	886	886	
Net income for the period / year	30,078	33,174	3,096	10.3%

In 2018, Oitante had **€42.9 million in operating results, 11% more** than in 2017.

Although **financial results** remained the same, interest and similar costs incurred fell 17%. i.e. **€2.6 million**.

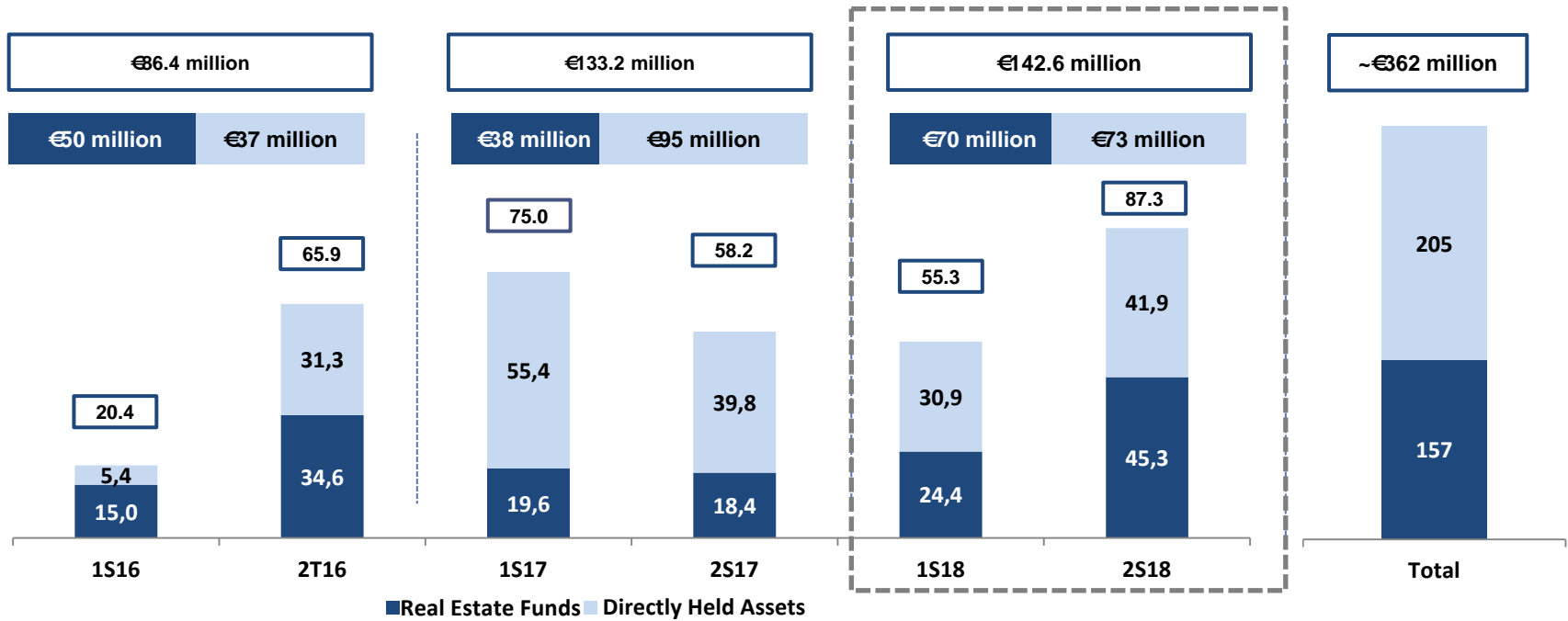
Pre-tax earnings were nearly €35 million, a year-on-year increase of 14%.

Significant rise in Income Taxes, with Oitante paying nearly **€2.8 million, €1.4 million of which did not go through P/L**.

Net results in the year of nearly €33.2 million, a 10.3% increase.

III. Execution

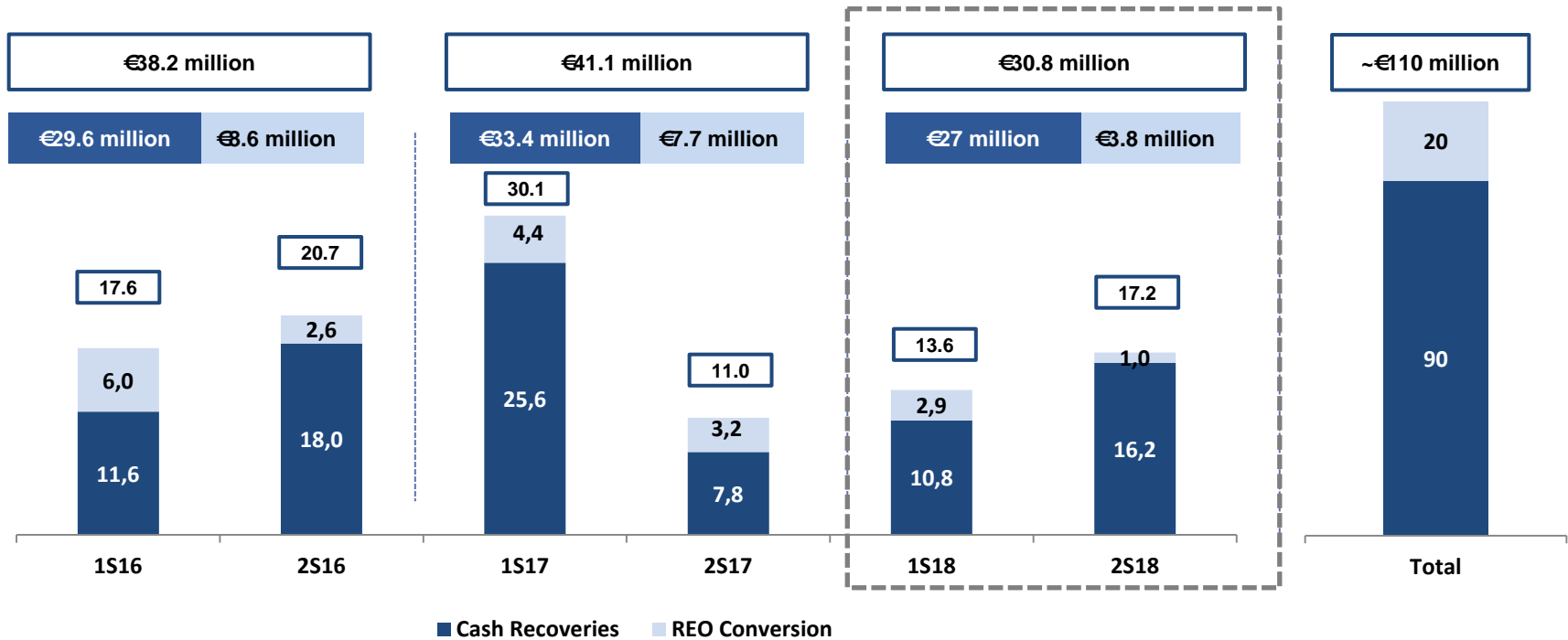
1 Real estate (REO) - sales until December 2018



Proceeds

€362 million

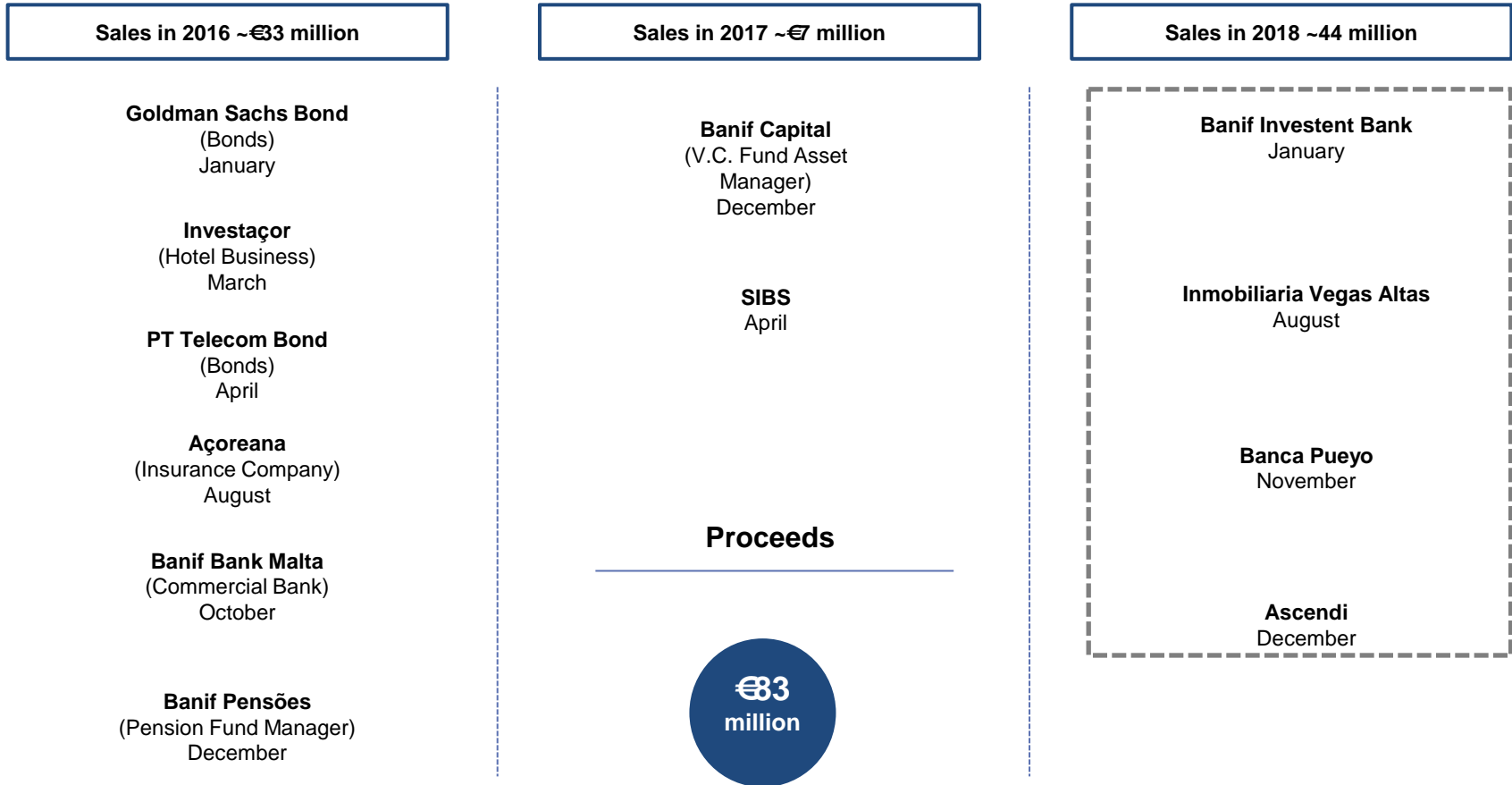
2 Non-Performing Loans recovered until December 2018



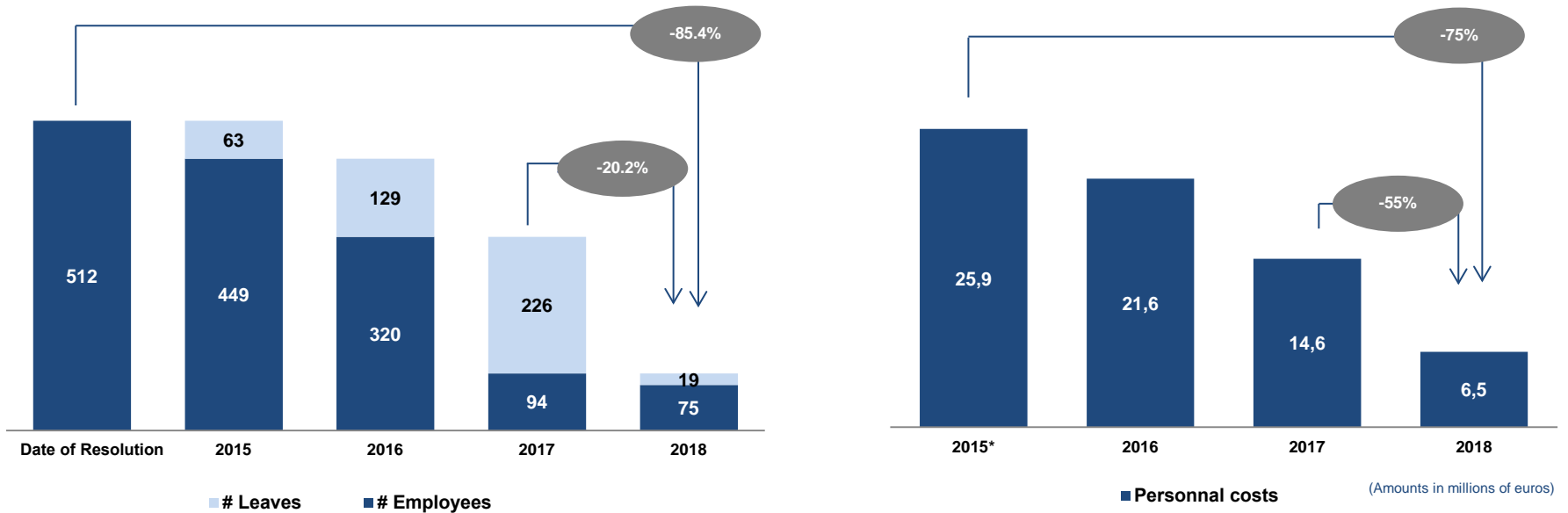
Proceeds

€110 million

3 Financial holdings - main sales until December 2018

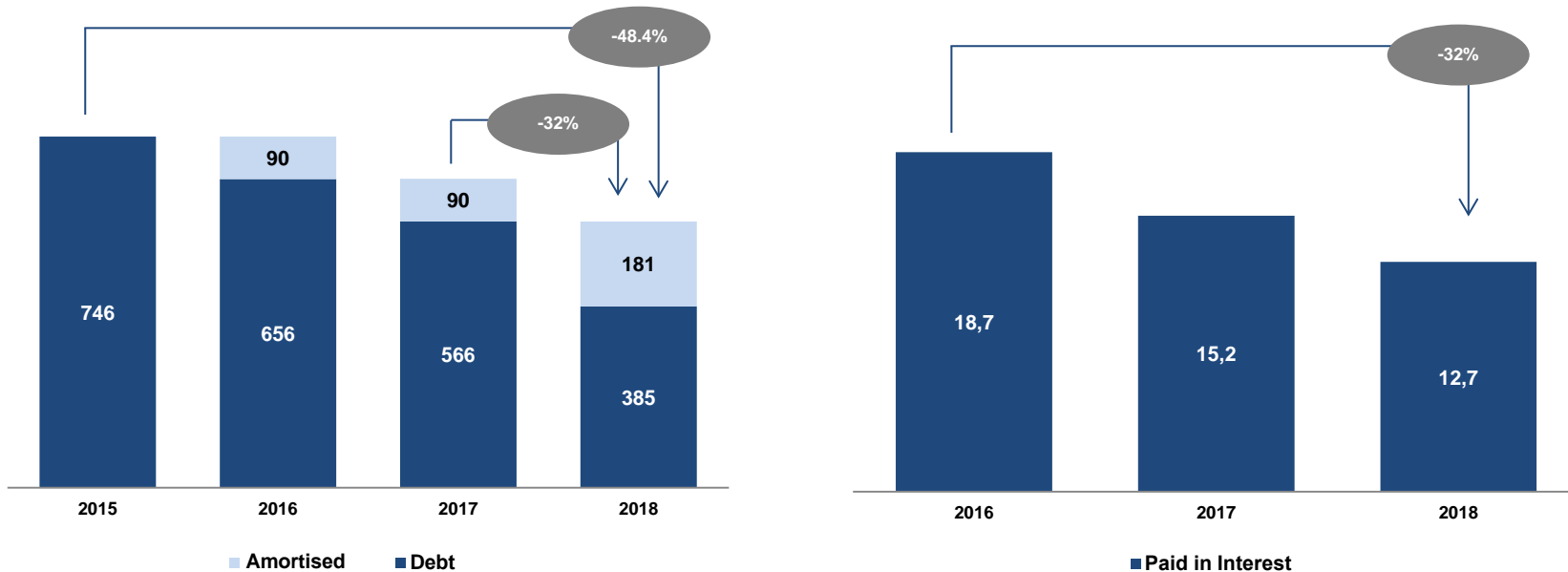


4 437 fewer employees and 75% savings in personnel costs, until December 2018



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

5 In 2018, Oitante amortised €181 million in debt, just as in the two previous years



(Amounts in millions of euros)

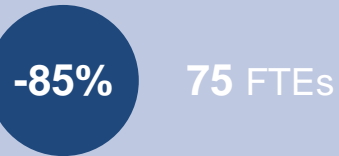
The accumulated fall in debt, by €361 million, resulted in interest savings of nearly €66 million, until loan maturity.

III. Execution

Key Indicators as at December 2018 vs. December 2015

Status
Dec 2018

Number of Employees



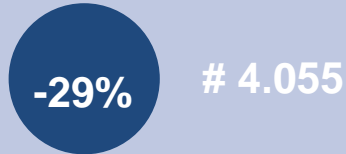
Debt



Liquidity



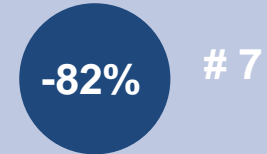
Real estate ⁽¹⁾



Loan Portfolio



Financial Holdings



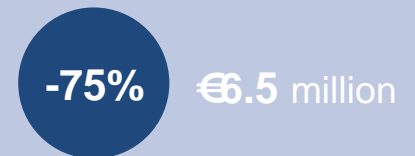
Occupied buildings



Accrued rent



Personnel Costs (yearly)



(1) Assets owned by all units managed by Oitante

IV. Conclusion

- 1 In 2018, Oitante repaid €181 million in debt, just as in the 2 previous years.
- 2 Equity increased to €78.7 million, +88% than in 2017.
- 3 €2.8 million paid in taxes.
- 4 Net results increased 10% in 2018 to €33.2 million.
- 5 Final Outcome:
 - €361 million in debt repaid until December 2018, i.e. 48.4% of the initial amount;
 - €106 million in EBITDA in '16-'18;
 - €47 million paid in interest in '16-'18;
 - €75 million in Net Earnings until December 2018;
 - Initial Balance Sheet was 39% smaller by December 2018;
 - 437 fewer employees to the current 75, while maintaining peace within the company.

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 million

Personnel Costs (yearly)

€25.9 million

(1) Assets owned by all units managed by Oitante

Starting point

Initial Holding Structure

