

DATE

November 19, 2019

SECTORS

Real Estate

DEAL LOCATIONS



DEAL TEAM



Carlos de Vicente

Director



Ana Herrera

Director

DC Advisory advised Sareb and Haya Real Estate on the strategic servicing agreement



Background

- Sareb, Spain's bad bank, is partly government-owned and was founded in 2012 to assist in the restructuring and recapitalisation of the Spanish banking sector. As of December 2018, Sareb managed over €55bn assets transferred by several Spanish financial institutions
- Haya Real Estate, owned by Cerberus, is a leading Spanish Real Estate Development (REDs) and Real Estate Owned (REO) servicing provider. As of December 2018, Haya managed ~€38.8bn GBV assets (59% REDs and 41% REOs). Among its main clients are Sareb, Bankia, BBVA, Cajamar and Liberbank
- Prior to this new strategic contract, Haya was one of Sareb's four servicers since 2015

Process

- As a result of DC Advisory's (DC) extensive experience in the servicing sector, Sareb retained DC as its exclusive financial advisor
- In March, Sareb launched a highly competitive tender process to seek a partner for the servicing of a €8.4bn (NBV) REDs and REOs portfolio, managed by Haya since 2015, which included its existing servicers as well as other relevant Spanish providers
- DC's deep understanding of the REO and RED servicing business, knowledge of key aspects of these type of contracts and relationships with the relevant servicers, was paramount in the successful outcome of the process

Outcome

- Haya will continue working with Sareb under its existing contract until 31 December 2019. The new contract will be effective from 1 January 2020 until mid 2022
- The new servicing contract is fully aligned with Sareb's new business model and strategy, focused on improving the value of its assets under management. The new business model limits the scope of the new servicing contracts to marketing and sales services while Sareb retains the management of certain assets and value-added activities, such as large debtors management or judicialisation activities
- The new servicing contract with Haya Real Estate allows Sareb to have a greater flexibility, increase efficiency and aligns both Haya and Sareb's interest regarding the transformation strategy of its portfolio
- DC's extensive experience in strategic alliances and deep knowledge of the servicing sector allowed Sareb to exceed all of its strategic objectives. The competitive process led by DC will result in great cost savings for Sareb in the coming years

The new management model agreed with Haya will offer greater flexibility, increased efficiency and will be more aligned with our business plan and our strategy to transform our portfolio and ensure we are better-placed to tackle future challenges head-on.

Jaime Echegoyen
CEO, Sareb

We are thankful for Sareb's trust in selecting DC Advisory for this transaction, which is only the beginning of a radical change in its business model. The outcome exceeds by far the objectives we set ourselves initially.

Henry Berczely
Managing Director, DC Advisory