

EUROPEAN REAL ESTATE LOAN SALES MARKET

A C&W Corporate Finance Publication



Q2 2015



KEY HIGHLIGHTS

Over €233bn of non-core real estate exposure still held by European asset management agencies

- C&W Corporate Finance estimates that European asset management agencies (AMA) hold over €233bn of gross non-core real estate exposure.
- Together, NAMA, UKAR and SAREB hold approximately 91% of this total, the majority of this being related to residential assets.
- AMA have disposed of €44bn of commercial real estate (CRE) loans and real estate owned assets (REOs) since the start of 2012, equating to 27% of all European sales by volume over this timeframe.
- NAMA and UKAR will be key vendors in 2015, recently launching the €7.2bn Project Arrow and €17.6bn Granite Portfolio respectively.
- Due to the success of existing AMA, further entities are likely to be established in the near future in the likes of Italy, Romania and Poland.
- C&W Corporate Finance has recorded €9.5bn of closed European CRE loan and REO transactions in Q2 2015, bringing the total for the first half of the year to €23.5bn.
- Predictably, the UK and Ireland accounted for 49% of this total with a further 13% relating to Spain.
- Permanent TSB remain at the top of the list of the most active vendors following a string of completed deals earlier in the year.
- The highest ever level of live and planned sales is currently being tracked, together amounting to over €99bn which suggests a busy second half of the year.
- These sales include several “mega-deals” from NAMA, Lloyds Banking Group and RBS.

INSIDE THE ASSET MANAGEMENT AGENCIES

C&W Corporate Finance estimates that asset management agencies have over €233bn of European non-core real estate exposure

C&W Corporate Finance has analysed 12 European asset management agencies (AMA) to determine their combined gross (i.e. face value) non-core real estate exposure as at the end of Q2 2015. Consequently, it has estimated the expected levels of CRE loan and REO sales in future years. The figures in the report relate to the face value of European CRE loans, residential mortgages and REOs held by entities which have been set up by European governments to externally receive and then liquidate the “bad” assets of one or more national banks.

In total, European AMA hold c. **€233bn** of gross non-core real estate assets, which after allowing for loan loss provisions equates to a net total of c. **€144bn** (62% of the gross exposure). Overall, it is estimated that AMA represent c. 43% of the total non-core exposure across Europe, highlighting their significant role within both the current and future deleveraging landscape.

c. €233bn
of gross European
non-core real estate
exposure held by
asset management
agencies

GROSS NON-CORE REAL ESTATE EXPOSURE OF EUROPEAN ASSET MANAGEMENT AGENCIES (Q2 2015)

	NAME	COUNTRY	YEAR EST.	ORIGINAL EUROPEAN NON-CORE RE EXPOSURE	CURRENT GROSS EUROPEAN NON-CORE RE EXPOSURE	CURRENT GROSS EXPOSURE AS % OF ORIGINAL EXPOSURE	CURRENT NET EUROPEAN NON-CORE RE EXPOSURE	CURRENT NET EXPOSURE AS % OF GROSS EXPOSURE
1	Finansiel Stabilitet	Denmark	2008	c. €3.1bn	c. €1.9bn	61%	c. €0.8bn	42%
2	NAMA	Ireland	2009	c. €73.4bn	c. €52.2bn	71%	c. €12.5bn	24%
3	EAA	Germany	2009	c. €15.9bn	€0bn	0%	€0bn	N/A
4	KA Finanz	Austria	2009	c. €3.6bn	c. €0.7bn	19%	c. €0.6bn	86%
5	FMS	Germany	2010	c. €19.7bn	c. €7.3bn	37%	c. €7.1bn	97%
6	UKAR	UK	2010	c. €107bn	c. €71.8bn	67%	c. €70.5bn	98%
7	IBRC	Ireland	2011	c. €21.9bn	€0bn	0%	€0bn	N/A
8	SAREB	Spain	2012	c. €107bn	c. €87.2bn	82%	c. €44.1bn	51%
9	Propertize	Netherlands	2013	c. €7.4bn	c. €6.5bn	88%	c. €4.8bn	74%
10	DUTB	Slovenia	2013	c. €1.3bn	c. €1.3bn	100%	c. €0.3bn	23%
11	BES bad bank	Portugal	2014	c. €2.9bn	c. €2.9bn	100%	c. €2.6bn	90%
12	HETA	Austria	2014	c. €1.6bn	c. €1.4bn	89%	c. €0.9bn	63%

* The exposures of Finansiel Stabilitet and UKAR are affected by changes in the exchange rates of DKK/EUR and GBP/EUR respectively

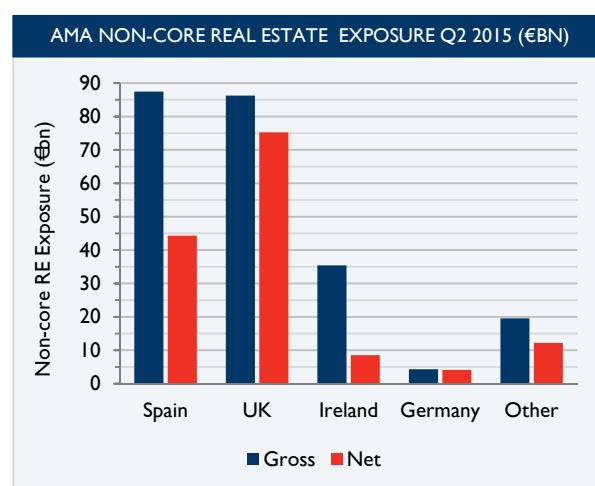
Source: C&W Corporate Finance

GEOGRAPHY OF EXPOSURE

Early adopters remain biggest contributors to the non-core total

The exposures of AMA remain much like in 2014, continuing to be dominated by NAMA (Ireland), SAREB (Spain) and UKAR (UK). These three entities together hold 91% of the €233bn and therefore will continue to be critical vendors of loan portfolios over the coming years. This once again highlights how those countries which committed early to establishing AMA have benefited from high levels of investor interest.

Opportunistic investors will increasingly look further up the risk curve and at distressed assets further afield in Europe. To this extent, it is expected that more European countries will use the templates of existing AMA to set up their own agencies. Those most obvious country likely to finally take advantage of shifting investor interest remains Italy, although it has been reported that Poland may also follow suit.



Source: C&W Corporate Finance

EXPOSURE COLLATERAL TYPE

Residential assets secure majority of AMA real estate exposure

With UKAR and SAREB representing a vast majority of the total AMA non-core real estate exposure, it is unsurprising that residential assets secure approximately 55% of that total. UKAR holds almost exclusively mortgages whilst over half of SAREB's non-core exposure relates to residential loans. A further 18% of the total gross exposure corresponds to developments and land, highlighting the vast level of troubled assets that were originally transferred to AMA.

The split of collateral type also aids in showing why various AMA have differing deleveraging strategies. NAMA has been highly active over the past three years disposing of loan portfolios secured typically by "chunky", higher valued CRE assets which have recovered more quickly than residential assets. In comparison, UKAR has been relatively inactive over that timeframe. Since improvements in the residential market typically lag those in the commercial market, UKAR has waited until the last 12 months for significant economic upturns before putting large granular portfolios up for sale.

AMA CRE LOAN & REO SALES TO DATE

Relatively quiet start to 2015 reflected by lack of HI sales by AMA

In comparison to a very positive 2014 which was dominated by loan portfolio sales from AMA, 2015 has yet to spark into life. Together, European AMA sold €2.7bn of CRE loans and REOs in HI 2015, accounting for just 12% of the six-monthly total.

However, this is not to say that these agencies have not been busy behind the scenes. Both NAMA and UKAR have recently launched "mega-deals" in the forms of the €7.2bn Project Arrow and the €17.6bn Granite Portfolio respectively, which they will look to complete before the year's end. Although not included in the volume, it is also worth noting that EAA finalised the sales of WestImmo, the legacy property lending arm, marking the completion of its real estate exposure wind-down.

As key vendors, the AMA have together disposed of over €44bn by face value in real estate loans and REOs between 2012 and the end of HI 2015. This represents c. 27% of all closed sales by volume over that period and with €233bn of gross non-core real estate remaining, AMA will retain the focus of investors over the next 3-5 years.

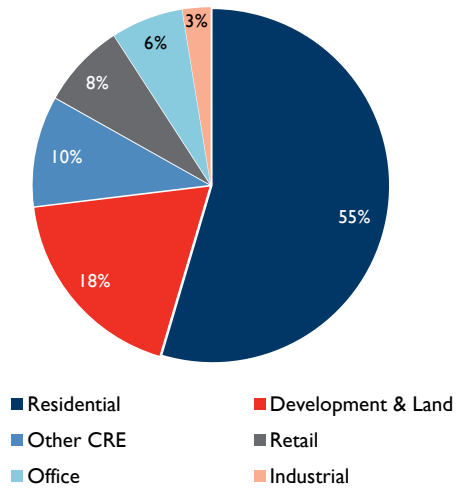
KEY BUYERS

Usual big names take advantage of AMA offerings

Large US firms dominate the list of key buyers of AMA sales, which is a result of the size of real estate loan portfolios offered by the agencies over the past 4 years. Real estate loan transactions have had an average face value of €675m, highlighting the difficulty for smaller investors to participate in AMA processes. As shown by the recently launched sales and the project from IBRC, AMA are and have been strong advocates of selling "mega-deals".

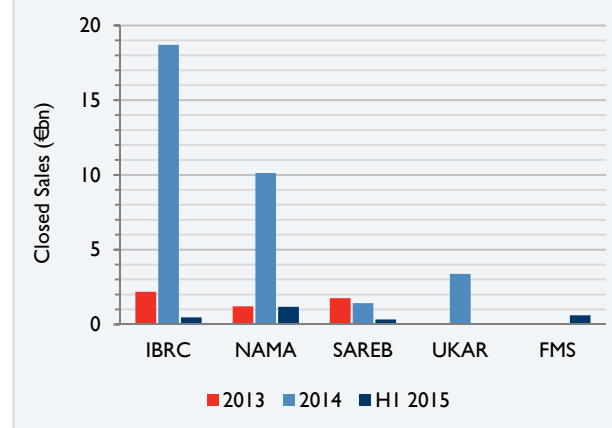
Lone Star predictably tops the list of key buyers since 2012 following its acquisition of the majority of IBRC loans, while the partnership of CarVal and Goldman Sachs lies in second place having purchased IBRC's Project Stone.

AMA REAL ESTATE COLLATERAL TYPE



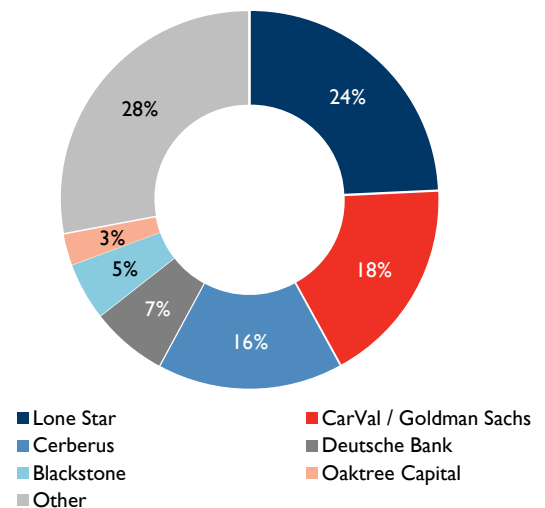
Source: C&W Corporate Finance

EUROPEAN SALES BY TOP 5 AMA (€bn)



Source: C&W Corporate Finance

TOP BUYERS OF AMA REAL ESTATE LOAN & REO SALES 2012 – HI 2015



Source: C&W Corporate Finance

FUTURE DELEVERAGING OF AMA

DELEVERAGING STRATEGIES

Germany and Ireland accelerate wind-down

The first half of the year saw two AMA come to the end of their deleveraging programmes, albeit in slightly different ways. IBRC sold the Project Pearl NPLs in February to complete the final piece of the disposal jigsaw in what has been a “whirlwind” 18 months. With offers previously falling short of price expectations, EAA finally sold the Westlmmo platform and associated loans to Aareal Bank to rid itself of all non-core real estate exposure.

As discussed, NAMA will be a key vendor over the next 2-3 years due to its aim of winding-up by the end of 2018. The Irish AMA is currently c. 29% through its deleveraging plan and expects to have paid off 80% of its debt by the end of 2016. In comparison, both UKAR and SAREB have relatively long-term strategies due to the residential nature and the enormity of their portfolios. It is therefore expected that both entities will be active over the next 6-8 years.

EXPECTED DELEVERAGING

AMA sales to be driven by NAMA and UKAR in 2015

C&W Corporate Finance estimates that European AMA will complete between €50-55bn of deleveraging in 2015, representing approximately a quarter of the total outstanding exposure. It is worth noting that although the vast majority of this total will relate to sales of real estate related loans and enforced assets, part will be linked to refinancings, consensual borrower sales and write-offs.

Although AMA have been relatively quiet in H1 2015, both NAMA and UKAR have launched “mega-deals” which will boost the total sales volume for the year. Together, the European AMA have almost €30bn of live CRE loan and REO sales which represent approximately 41% of all current opportunities.

Outside of the UK and Ireland, it is anticipated that FMS Wertmanagement will now bring further portfolios to the market having recently completed the successful sale of the Spanish Project Gaudi. Furthermore, with activity seemingly set to increase in Iberia in Q3, SAREB may take advantage of the investor focus on Spain to dispose of more non-core assets.

FUTURE AMA

Existing AMAs will set template for the formation of further entities

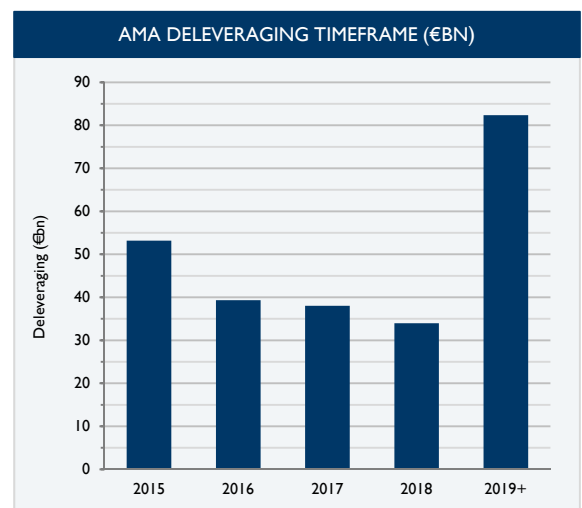
Due to the successes of AMA in Ireland, Spain and the UK, it is predicted that more European countries will follow suit in the near future. It has long been anticipated that Italy will be the next country to do so. With signs of recovery in its real estate markets and given the government’s ongoing plans to reform the enforcement process to the benefit of potential investors, it would appear that implementation would be beneficial sooner rather than later.

Elsewhere, Mark Zrt in Hungary is set to be the newest AMA and will start purchasing assets in H2 2015. It has been reported that both Romania and Poland could look to form AMA as investor demand grows in CEE. Further afield, some investors have shown interest in China’s four “bad banks” which are set to inherit a vast amount of NPLs in the next five years. Despite the issue of complex and unpredictable legal systems, this may be an early indication of the next step in the global loan sales market cycle.

REMAINING LIFE OF CURRENT AMA

REMAINING LIFE	# OF AMA	INITIAL GROSS EXPOSURE	CURRENT GROSS EXPOSURE
Completed	2	€37.8bn	€0bn
Short-term (1-2 years)	2	€6.7bn	€2.6bn
Mid-term (2-5 years)	6	€106.3bn	€71.6bn
Long-term (5+ years)	2	€214bn	€158.9bn

Source: C&W Corporate Finance

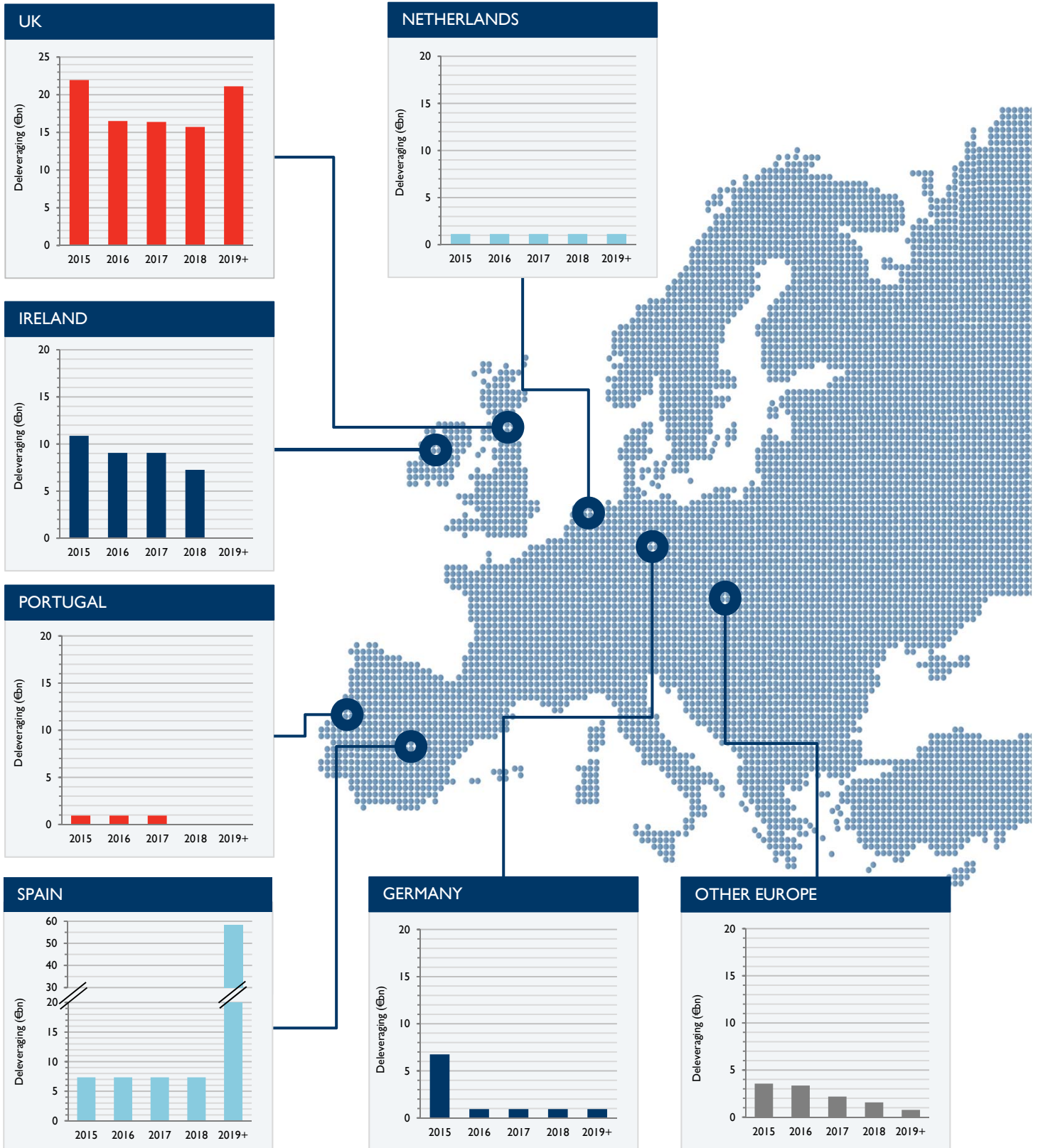


Source: C&W Corporate Finance

“Buoyed by the successful sales of existing entities in Ireland and Spain, the currently less active AMA will look to increase their disposal activity to take advantage of growing investor demand. Additionally, Europe can anticipate the establishment of further AMAs by the end of 2016. However, due to the smaller nature of the related local banks, it can be expected that the newly formed AMA will not have the same scale of troubled assets associated with the likes of NAMA or SAREB.”

Federico Montero
Partner, Head of Loan Sales
EMEA Corporate Finance

EXPECTED DELEVERAGING OF CURRENT AMA BY COUNTRY OF GROSS EXPOSURE (€BN)



CLOSED TRANSACTIONS HI 2015

VOLUMES

Calm before the storm as Q2 2015 sees €9.5bn of sales

As many key vendors prepared “mega-deals” for the second half of the year, Q2 2015 followed in the same vein as the first quarter. C&W Corporate Finance recorded €9.5bn of closed CRE loan and REO sales in the three months to July, bringing the total for the first half of the year to €23.5bn.

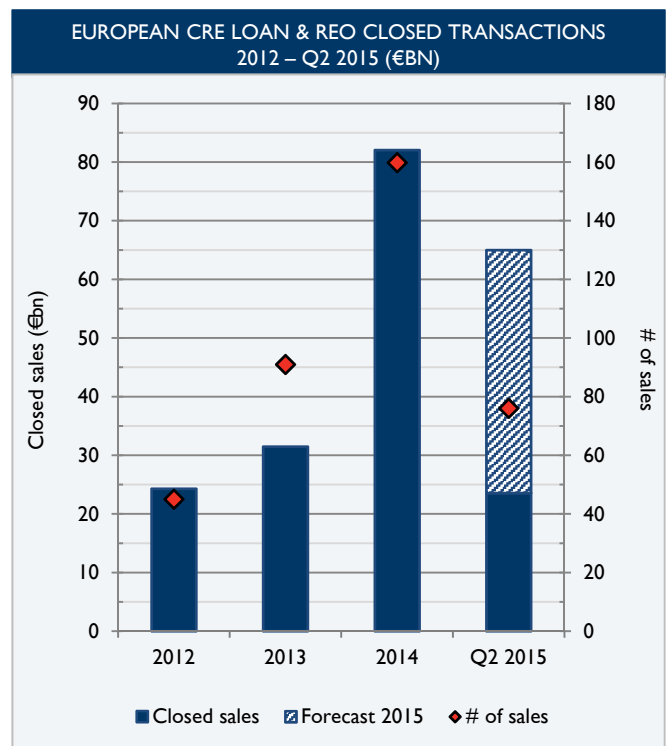
This represents a decrease of 42% on the total for HI 2014 (which was driven by the sales by IBRC) and of 32% on the Q1 2015 volume. An analysis of the quarterly pattern of sales in the last two years shows that a decrease in activity from the first to second quarter is not unexpected. A proposed rationale is that the first quarter of the year is boosted by a “hangover” of sales which aimed, but failed, to close before the previous year end. Despite these anticipated decreases, the total for the first six months of 2015 was just short of the volume for the entirety of 2012 putting the current continuing high level of activity into perspective.

RBS and Commerzbank continue region specific deleveraging

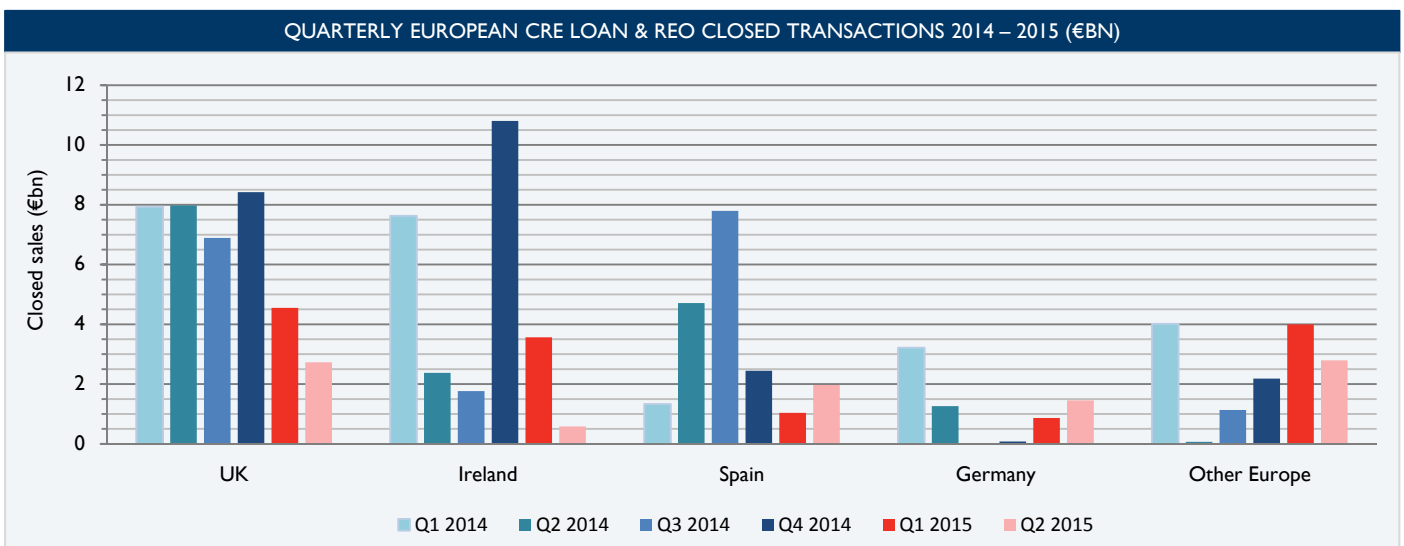
In line with the levels of activity witnessed, there were just two “mega-deals” (deals with a face value of over €1bn) completed in Q2 2015 which together accounted for 43% of the quarterly total. The first of these involved Cerberus acquiring the c. €1.9bn Project Rathlin from RBS which in turn completed the “clean up” of its Northern Irish non-core exposure.

The second transaction had a sense of déjà vu with respect to Project Octopus. JP Morgan and Lone Star purchased the performing and non-performing parts of Project Parrot, the c. €2.2bn pan-European CRE loan portfolio from Commerzbank. Not only did this outline the ever growing investor interest for loan portfolios secured by assets in CEE, but highlighted Commerzbank’s latest step in its region-by-region deleveraging strategy.

€23.5bn of closed transactions during HI 2015



Source: C&W Corporate Finance



Source: C&W Corporate Finance

GEOGRAPHY

Despite emerging new markets, UK and Ireland still most active

Once again, the UK was the most active European market in terms of total volume transacted in Q2 2015 (€2.7bn), despite seeing a decrease from Q1. Together with Ireland, the two countries have accounted for €11.4bn of closed transactions or c. 49% of the European total for H1 2015, compared to 64% in H1 2014.

Although this minor decrease in dominance is primarily due to fewer transactions occurring in the UK & Ireland, other countries such as Italy and CEE have become more active. This effect is only likely to increase in the coming years, especially as the Italian government looks to reform its bankruptcy laws in favour of creditors.

Countries' positions in the cycle shown by average transaction sizes

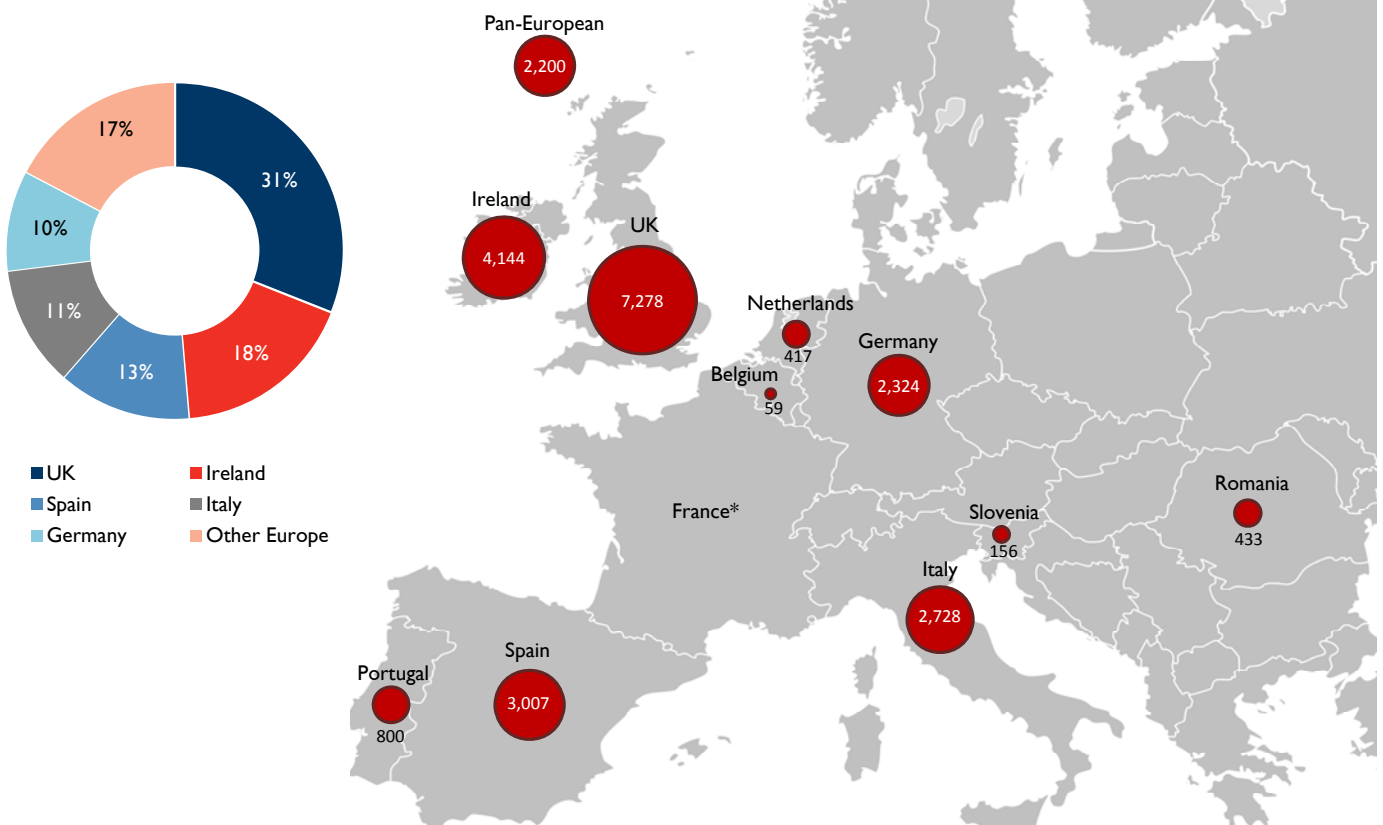
An analysis of average CRE loan transaction sizes in H1 2015, helps to highlight the stage at which each of the European markets is at within the deleveraging cycle. Whilst the UK has the largest average of €906m, the likes of Spain and the Netherlands have averages of €404m and €86m respectively.

Whereas banks in the UK are approaching the end of their disposal strategies and are bringing large granular portfolios to the market, Spanish lenders are offering mid-sized portfolios secured by large CRE assets, as seen in the UK and Ireland over the past two to three years. Furthermore, those countries which are just entering the loan sales "arena" are marketing smaller deals in an attempt to gauge investor appetite.

“Despite a relatively subdued start to 2015, it would be a mistake to assume that activity in the European CRE loan sales market is subsiding. Closed sales in the last three months are below those recorded in Q1 2015 or any quarter in 2014, but behind the scenes there has been a flurry of preparation work as key vendors line-up “mega-deals” for the second half of the year. No doubt, investors will have plenty of distressed opportunities before the year is out in which to invest their capital across the UK, Ireland and Europe as a whole.”

Frank Nickel
Partner
Chairman of EMEA Corporate Finance

CLOSED SALES BY GEOGRAPHY H1 2015 (€M)



*Please note that C&W has not recorded any transactions in France in H1 2015 due to a lack of market transparency

KEY VENDORS

Early sales leave Permanent TSB at the top

In a continued effort to reduce its non-core assets and meet capital requirement targets, Permanent TSB once again appears at the top of the list as the most active vendor at the end of H1 2015. Having completed a string of sales in the first three months, the bank is currently finalising the sale of its €481m Irish Project Connacht to an arm of CarVal Investors.

As mentioned, another key sale of the quarter saw Commerzbank Group close the sale of its €2.2bn Project Parrot. Geographically, the Group's disposal strategy over the past four years is a good indicator of how the market has evolved. To take advantage of shifting investor sentiment and hot markets, the Group sold large volumes of US loans in 2012, UK Eurohypo loans in 2013, the Spanish Project Octopus in 2014, and now CEE loans in 2015.

UK banks to turn to "good" books

Looking towards H2 2015, it can be predicted that both Lloyds Banking Group and RBS will have completed the vast majority, if not all, of their deleveraging programmes by the year end. Both have key Irish "mega-deals" in the market in the forms of Lloyd's €4.2bn Project Poseidon and RBS's c. €2.6bn Project Finn, the latter marking the final sale of legacy Ulster Bank loans. Furthermore, both banks have marked their intentions to now concentrate on their "good" books in the next chapter of the lending cycle.

With over €12bn of live sales, NAMA currently accounts for c. 16% of all sales being marketed, reinforcing itself as a key vendor within the Irish and UK markets. In addition, there is a wealth of Spanish banks looking to dispose of mid-sized loan portfolios, spurred on by the successes of the likes of Bankia and SAREB.

KEY BUYERS

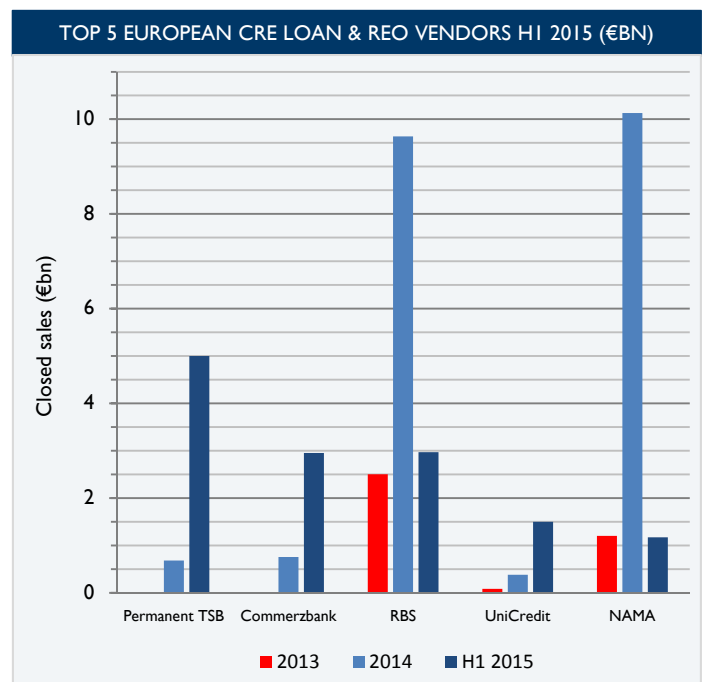
Investors prepped to tackle upcoming "mega-deals"

The year so far has witnessed signs of larger investors passing on smaller opportunities in order to focus their attention and resources on the "mega-deals" which have come to the market in Q2 2015. Inevitably, the investor league table is largely unchanged.

Cerberus remains at the top of the list, alone representing 24% of all closed sales in H1 2015 having completed one of the two "mega-deals" on offer in the last three months. The Deutsche Bank and Apollo partnership remains in second place following their Permanent TSB purchases earlier in the year, while the familiar name of Lone Star has climbed to third after its purchase of the Project Parrot NPLs. Unsurprisingly, the remainder of the top 10 investors is still dominated by US firms.

However, these rankings are almost certain to change following the results of several "mega-deals" currently in the closing stages. With each of these transactions likely to have several disappointed unsuccessful bidders, larger deals in the second half of the year will have a string of investors eager to fill their investment quotas and to recover any previously sunk transaction costs.

NAMA currently account for c. €12bn of live transactions



Source: C&W Corporate Finance

INVESTOR LEAGUE TABLE H1 2015

INVESTOR	VOLUME (€M)	#	KEY PROJECTS
1 Cerberus	5,690	3	• Capital Home Loans - €3.5bn • Proj. Rathlin - €1.9bn
2 Deutsche Bank / Apollo	3,236*	9*	• Proj. Leinster - €1.0bn • Proj. Munster - €0.5bn
3 Lone Star	1,633	3	• Proj. Parrot (NPLs) - €0.7bn • Vilamoura - €0.5bn
4 JP Morgan	1,467	1	• Proj. Parrot (PLs) - €1.5bn
5 Oaktree Capital	1,356	2	• German CRE NPLs - €0.8bn • Proj. Gaudi - €0.6bn
6 Fortress / Eurocastle	1,200*	1*	• UCCMB Secured Loans - €1.2bn
7 Sankaty	1,025	2	• Proj. Commander - €0.6bn • Proj. Coney - €0.5bn
8 Blackstone	950	4	• GE Capital CRE PLs UK - €0.4bn • GE Capital CRE PLs Germany - €0.3bn
9 Goldman Sachs	754	6	• Proj. Griffin - €0.3bn • Marble Portfolio - €0.1bn
10 Otto Group	650	1	• Proj. Wagner - €0.7bn

*Note: Total includes acquisitions completed by individual investors within partnership

Source: C&W Corporate Finance

LIVE & PLANNED TRANSACTIONS

LIVE TRANSACTIONS

Currently tracking highest ever level of live sales

C&W Corporate Finance has recorded a staggering volume of transactions being brought to market since the end of the first quarter, resulting in over €74.0bn of live sales currently being tracked. This is the highest level of live sales ever recorded, and is over 4.5x the live volume recorded at the end of March.

Despite a relatively quiet H1 2015, these sales will clearly boost this year's Q3 and Q4 closed volumes. The largest and most notable transactions include UKAR's c. €17.6bn Granite Portfolio and GE Capital's c. €10.4bn loan portfolio, both of which contain UK residential mortgages. NAMA has just launched its €7.2bn Project Arrow, a granular Irish and UK loan portfolio whilst Lloyds and RBS plan to receive binding bids for their respective €4.2bn Project Poseidon and €2.6bn Project Finn before the end of July. When Aviva's €3.6bn Project Churchill is taken into account, it is no surprise that the UK and Ireland account for c. 72% of all live sales.

Spanish market to end year with a "Bang"

There has also been a noticeable increase in the number of CRE loan and REO disposals being marketed in Spain, with 24 live transactions for sale. This is more than any other country and includes sales from 10 different Spanish banks, showing how more and more Spanish lenders are taking advantage of ongoing investor sentiment.

The status of the Spanish market can be summarised by Bankia's attempt to market increasingly larger portfolios. Following the successful sale of its c. €1.3bn Project Wind loan portfolio, it has launched the sale of a c. €4.2bn REO portfolio dubbed Project Big Bang. As the largest REO sale ever, it will highlight the current level of investor appetite for large Iberian portfolios. Similarly, elsewhere in Europe, Erste Group's sale of the €3.6bn Romanian Project Neptune will be a good indicator of whether investors are truly ready to take on the increased risk relating to the CEE market.

PLANNED TRANSACTIONS

Healthy pipeline of planned sales to boost 2015 sales

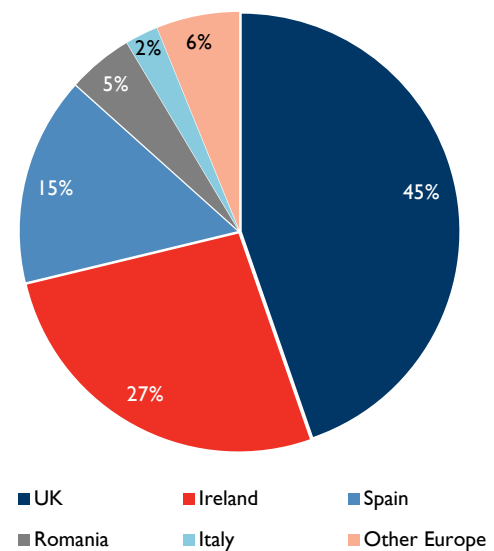
In addition to the record level of live sales being tracked, C&W Corporate Finance has knowledge of €25.2bn of planned projects. As with the live sales, the UK accounts for the majority of these planned transactions (57%).

However, the increase in the level of closed transactions witnessed in Italy over H1 2015 is supported by its planned pipeline, which accounts for a further 30% of the planned total for Europe. As discussed, Italian levels of activity are only likely to grow as the government aims to shorten enforcement timings in a bid to increase the attractiveness of acquiring secured loan portfolios.

Although the closed volume for H1 2015 was 28% behind the C&W Corporate Finance annual forecast on a straight-line basis, the total for the entire year is likely to reach the predicted €60-70bn.

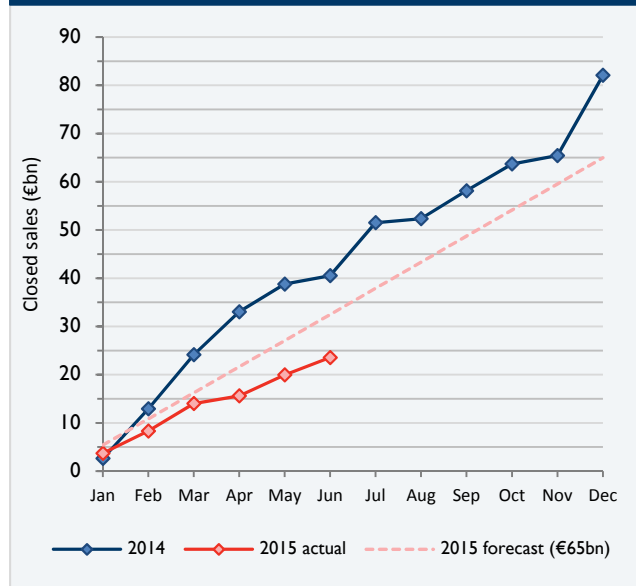
Currently tracking €99.1bn of live and planned sales

LIVE TRANSACTIONS BY COUNTRY



Source: C&W Corporate Finance

CUMULATIVE CLOSED TRANSACTIONS BY MONTH 2014 V 2015 (€BN)



Source: C&W Corporate Finance

CLOSED CRE LOAN & REO TRANSACTIONS HI 2015

Over €23.5bn of closed transactions in HI 2015

DATE	VENDOR	PROJECT	TYPE	COUNTRY	BUYER	FACE VALUE €M
Jan-15	Banco Sabadell	Project Triton	CRE Loans	Spain	Deutsche Bank	435
Jan-15	Bank of Ireland	Project Lagan	REOs	UK	Ability Group / Dekka / DTZ Investors	134
Jan-15	BPER Sardaleasing	45 Italian properties	REOs	Italy	Beni Stabili	30
Jan-15	Erste Group	Project Saturn	REOs	Romania	Deutsche Bank	433
Jan-15	FGH Bank / HSH Nordbank	Dutch office loan	REOs	Netherlands	Goldman Sachs	109
Jan-15	Fortress	Cannon Bridge House Junior Loan	CRE Loans	UK	Blackstone	36
Jan-15	Goldman Sachs (Archon Group)	Project Wagner	CRE Loans	Germany	Otto Group	650
Jan-15	Iccrea Bancalmpresa	Industrial & Logistics REOs	CRE Loans	Italy	Beni Stabili	40
Jan-15	Llave de Oro	Project Oro	CRE Loans	Spain	Goldman Sachs	90
Jan-15	NAMA	Project Boyne	REOs	Ireland	Deutsche Bank	287
Jan-15	NAMA	Graham Harris London properties	REOs	UK	Starwood Capital	278
Jan-15	NAMA	UK loan portfolio	CRE Loans	UK	Invel Real Estate Partners	189
Jan-15	Nationwide	Marble Portfolio	REOs	UK	Goldman Sachs	149
Jan-15	RBS	Project Herald	CRE Loans	UK	Heylo Housing / LCPFF / Genesis HA / Fortis Living	135
Jan-15	SAREB	Project Aneto	REOs	Spain	Blackstone	237
Jan-15	SAREB	Barcelona Office	REOs	Spain	Inmobiliaria Colonial	10
Jan-15	Wells Fargo	Helios Portfolio	CRE Loans	Germany	Bank of America Merrill Lynch	60
Jan-15	Banca Popolare di Bari	Banca Tercas & Banca Caripe NPLs	REOs	Italy	Lone Star	400
Feb-15	Cassa di Risparmio di Cesana	Northern Italian RE NPLs	CRE Loans	Italy	HIG Bayside Capital	50
Feb-15	Danske Bank	Project Griffin	CRE Loans	Ireland	Bank of Ireland / Goldman Sachs	540
Feb-15	IBRC	Project Pearl - NPLs	CRE Loans	Ireland	Mars Capital	406
Feb-15	NAMA	Tara Collection - Facebook HQ	CRE Loans	Ireland	DZ Bank	232
Feb-15	NAMA	Tara Collection - One Grand Canal Parade	CRE Loans	Ireland	Credit Suisse	18
Feb-15	NAMA	Tara Collection - Alexandra House	REOs	Ireland	Irish Life	34
Feb-15	NAMA	Tara Collection - Lower Leeson Street	REOs	Ireland	Jones Engineering	11
Feb-15	Natixis	Park Inn hotel NPL	REOs	UK	Kennedy Wilson	128
Feb-15	Permanent TSB	Project Leinster	REOs	Ireland	Deutsche Bank / Apollo	1,000
Feb-15	Permanent TSB	Project Munster	CRE Loans	Ireland	Deutsche Bank / Apollo	500
Feb-15	SAREB	Residential land	CRE Loans	Spain	Castlelake	13
Feb-15	SAREB	Boadilla residential land	CRE Loans	Spain	Castlelake	13
Feb-15	Staalbankiers	Dutch Residential Portfolio	REOs	Netherlands	Round Hill Capital	98
Feb-15	Starwood Capital	Garda HQ Dublin	REOs	Ireland	Hibernia REIT	70
Feb-15	UniCredit	UCCMB Secured loans	REOs	Italy	Fortress/Eurocastle	1,200
Feb-15	UniCredit	Levia Portfolio	REOs	Italy	Cerberus	300
Mar-15	Banco Sabadell	Project Cadi	CRE Loans	Spain	PIMCO	240
Mar-15	Catalunya Banc	Vilamoura	REOs	Portugal	Lone Star	500
Mar-15	Citigroup	Enel CRE loan	CRE Loans	Italy	TPG	220
Mar-15	IBRC	Meir 23, Antwerp	REOs	Belgium	GH Group	35
Mar-15	IBRC	Centre Etoile & Louise 165, Brussels	CRE Loans	Belgium	Ghelamco Invest	24
Mar-15	ING	Project Ogon	REOs	Netherlands	Apollo	100
Mar-15	ING	Dutch CRE loans	REOs	Netherlands	Apollo	50
Mar-15	Italian Private Bank	Italian Residential NPLs	CRE Loans	Italy	PVE Capital	408
Mar-15	Kildare Partners	Le Meridien hotel - Munich	CRE Loans	Germany	Deka	158
Mar-15	Lone Star	Dublin Office Pool	REOs	Ireland	Starwood Capital	350
Mar-15	NAMA	Plum Portfolio	REOs	Ireland	Marathon Asset Management	116
Mar-15	Permanent TSB	Capital Home Loans & servicing platform	REOs	UK	Cerberus	3,500
Apr-15	AIB	Cornerstone Portfolio	REOs	Ireland	Davidson Kempner	115
Apr-15	BBVA	Barcelona student residencies	REOs	Spain	The Student Hotel	-
Apr-15	Citigroup	Spanish mortgages	CRE Loans	Spain	Evo Banco (Apollo)	371
Apr-15	Citigroup	German retail mezzanine loans	CRE Loans	Germany	BlackRock / Highbridge Principal Strategies	170
Apr-15	Co-Operative Group	Priory Centre, Dartford	REOs	UK	Tristan Capital / Ellandi	45
Apr-15	GE Capital	GE Capital CRE performing loans	CRE Loans	UK & Germany	Blackstone	677
Apr-15	RBS	MAC Property	REOs	Germany	Och-Ziff	155
Apr-15	RBS	German Mixed-use Portfolio	REOs	Germany	Apollo	60
May-15	FMS	Project Gaudi	CRE Loans	Spain	Oaktree Capital	604
May-15	Bankia	Project Commander	CRE Loans	Spain	Sankaty	560
May-15	CGD	Vale do Lobo stake	REOs	Portugal	Sheikh Al Jaber	300
May-15	Financial Institution	Pioneer Point NPL	CRE Loans	UK	Kennedy Wilson	201
May-15	Kildare Partners	Le Meridien Parkhotel - Frankfurt	REOs	Germany	Art-Invest Real Estate	40
May-15	NAMA	Windsor House	REOs	UK	Hastings Hotels	9
May-15	RBS	Risanamento office portfolio	REOs	Italy	Goldman Sachs	80
May-15	RBS	Project Coney	CRE Loans	Ireland	Sankaty	465
May-15	RBS / HSBC / Nationwide	Project Spring	REOs	UK	Varde Partners	186
May-15	RBS	Project Rathlin	CRE Loans	UK	Cerberus	1,890
Jun-15	Commerzbank	German CRE NPLs	CRE Loans	Germany	Oaktree Capital	752
Jun-15	Commerzbank	Project Parrot	CRE Loans	Europe	JP Morgan / Lone Star	2,200
Jun-15	Bankia	Project Castle	CRE Loans	Spain	Davidson Kempner / BAML	383
Jun-15	SAREB	Calle Velaquez Office	REOs	Spain	Axiare Patrimonio	51
Jun-15	Propertize	Dutch Office Portfolio	REOs	Netherlands	Goldman Sachs	60
Jun-15	DUTB / Bawag	Istrabenz loans	CRE Loans	Slovenia	York Capital	156

Source: C&W Corporate Finance

LIVE CRE LOAN & REO SALES

Currently tracking €74.0bn of live transactions

VENDOR	PROJECT	TYPE	COUNTRY	FACE VALUE €M
SAREB	Project Rita	CRE Loans	Spain	96
Caixabank	Project Tower	CRE Loans	Spain	383
ING	26 Rios Rosas	REOs	Spain	200
Banco Mare Nostrum	Project Neptune	CRE Loans	Spain	200
Lone Star	German NPL sale - secured pool	CRE Loans	Germany	247
Banco Sabadell	Avenue Victor Hugo	REOs	France	100
BBVA	Castellana 77	REOs	Spain	84
Dunfermline Building Society (in liquidation)	CRE loan portfolio	CRE Loans	UK	473
NAMA	Project Lee	CRE Loans	Ireland	350
Unknown	Crystal Collection	REOs	Ireland	35
NAMA	Harvest Portfolio	REOs	Ireland	50
UniCredit	Great Beauty Portfolio	REOs	Italy	200
UniCredit / BMPS / Unipol	Una Hotels debt	CRE Loans	Italy	500
Banco Mare Nostrum	Project Pampa	Resi Loans	Spain	160
Bank of China	Marriott Grosvenor House Hotel, London	REOs	UK	675
CaixaBank	Project Eurostars	REOs	Spain	103
Commerzbank	Project Sun	CRE Loans	Europe	900
Goldman Sachs (Archon Group)	Project Tristan	CRE Loans	Germany	800
BBVA	Project Otelo	REOs	Spain	-
BBVA	Project Zafiro	REOs	Spain	-
ING	Eurocommerce Loans	CRE Loans	Netherlands	100
NAMA	Project Hazel	REOs	Ireland	120
NAMA	Project Slaney	REOs	Ireland	100
Aviva	Project Churchill	CRE Loans	UK	3,645
Banco Mare Nostrum	Project Coronas	REOs	Spain	100
Banco Sabadell	Project Empire	REOs	Spain	600
Bankia	Project Big Bang	REOs	Spain	4,200
Bankinter	300 residential units	REOs	Spain	60
CaixaBank	Project Tourmalet	Resi Loans	Spain	800
CaixaBank	Project More	CRE Loans	Spain	780
FGH Bank	Project River	CRE Loans	Netherlands	250
Fortress	Operation Coast - Secured loans	Resi Loans	Spain	252
GE Capital	UK Home Mortgages	Resi Loans	UK	10,395
GE Capital	Germany offices & loans	CRE Loans	Germany	700
LBG	Project Poseidon	CRE Loans	Ireland	4,200
NAMA	Project Jewel	CRE Loans	Ireland	2,400
NAMA	Millenium Park	REOs	Ireland	35
RBS	Project Finn	CRE Loans	Ireland	2,550
Santander	Project Formentera	CRE Loans	Spain	170
SAREB	Project Birdie	REOs	Spain	250
UKAR	Granite Mortgage Portfolio	Resi Loans	UK	17,550
Van Lanschot	Project Lucas	Resi Loans	Netherlands	300
Banco Popular	Project Elcano	REOs	Spain	451
Rabobank / RBS	Project Trinity	REOs	Ireland	155
Erste Group	Project Neptune	CRE Loans	Romania	3,550
MKB Bank	Project Danube	CRE Loans	Hungary	741
Ibercaja Banco	Project Kite	REOs	Spain	800
Bank of Ireland	National Portfolio	REOs	Ireland	162
CdP	Milan REO Portfolio	REOs	Italy	150
UniCredit	Project Sandokan	CRE Loans	Italy	500
Citigroup	Excelsia Nove Debt	CRE Loans	Italy	200
Goldman Sachs / CarVal / NAMA / Hines	Spencer Dock Block R	REOs	Ireland	90
ING	Project Isabella	CRE Loans	Spain	-
ING	Project Julieta	CRE Loans	Spain	-
NAMA	Project Arch	CRE Loans	Ireland	608
NAMA	Project Albion	CRE Loans	UK	305
NAMA	Project Maeve	CRE Loans	Ireland	786
Banco Sabadell	Project Chloe	CRE Loans	Ireland	800
Ibercaja Banco	Project Goya	CRE Loans	Spain	900
Santander	Project Mamut	CRE Loans	Spain	800
RBS / UniCredit	Hilton Molino Stucky Hotel Debt	CRE Loans	Italy	250
NAMA	Project Arrow	CRE Loans	Ireland & UK	7,200
Rabobank	De Rotterdam Towers	REOs	Netherlands	400

Source: C&W Corporate Finance

EXPECTATIONS

Italy and CEE to follow existing AMAs' lead

- European AMA will remain key vendors over the next 6-8 years with between €50-55bn of deleveraging expected in 2015 alone.
- NAMA will be the key AMA in terms of sales over the next 2-3 years while UKAR and SAREB will provide loan portfolios secured by residential assets over a longer timeframe.
- It is anticipated that the successes of both NAMA and SAREB may lead to new AMA in Italy and throughout CEE.
- C&W Corporate Finance has knowledge of a healthy pipeline of both live and planned transactions, including several "mega-deals", which will boost volumes in the second half of the year.
- With the likes of IBRC, Lloyds Banking Group and RBS completing their deleveraging this year, there will be an opportunity for other vendors further afield to attract the attention of investors.
- Having established four "bad banks", China may be the next stop for opportunistic investors once activity in Europe subsides.

About the Report

The research was conducted by C&W Corporate Finance, with support provided by C&W offices in all the major European countries including France, Germany, Italy, the Netherlands, Portugal, Spain and Ireland (the latter through C&W's alliance partner, Lisney). For more information on the data or any particular transactions, please contact the C&W Corporate Finance Loan Sales team.

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