



ZF Banker's Summit Presentation

Investing in Non-Performing Loans

Passion to Perform

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of our authorisation and regulation by the Financial Services Authority are available from us on request.



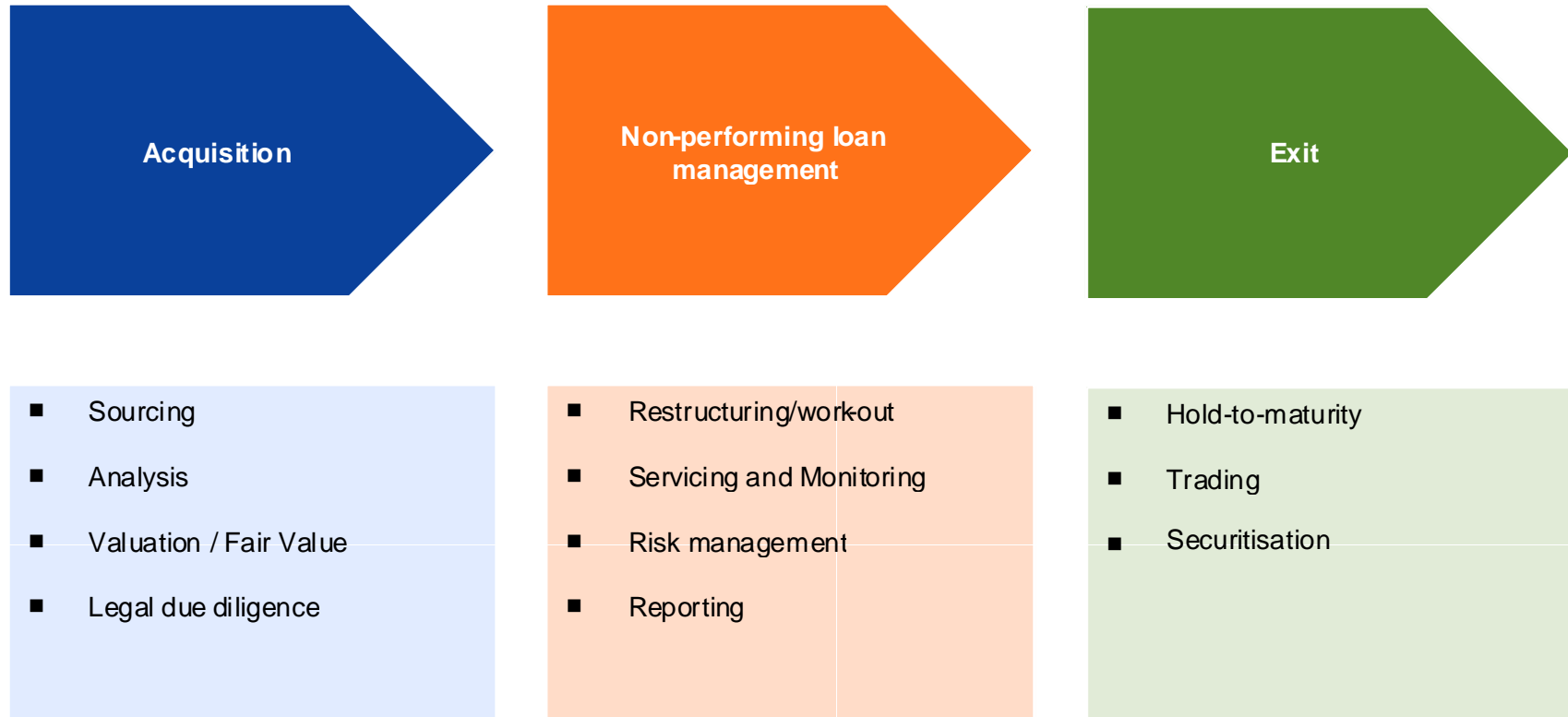
“IMPORTANT: This presentation (the “**Presentation**”) has been prepared by Deutsche Bank’s investment banking department exclusively for the benefit and internal use of the recipient (the “**Recipient**”) to whom it is addressed. The Recipient is not permitted to reproduce in whole or in part the information provided in this Presentation (the “**Information**”) or to communicate the Information to any third party without our prior written consent. No party may rely on this Presentation without our prior written consent. Deutsche Bank and its affiliates, officers, directors, employees and agents do not accept responsibility or liability for this Presentation or its contents (except to the extent that such liability cannot be excluded by law).

Statements and opinions regarding the Recipient's investment case, positioning and valuation are not, and should not be construed as, an indication that Deutsche Bank will provide favourable research coverage of the Recipient or publish research containing any particular rating or price target for the Recipient's securities.

This Presentation is (i) for discussion purposes only; and (ii) speaks only as of the date it is given, reflecting prevailing market conditions and the views expressed are subject to change based upon a number of factors, including market conditions and the Recipient's business and prospects. The Information, whether taken from public sources, received from the Recipient or elsewhere, has not been verified and Deutsche Bank has relied upon and assumed without independent verification, the accuracy and completeness of all information which may have been provided directly or indirectly by the Recipient. No representation or warranty is made as to the Information's accuracy or completeness and Deutsche Bank assumes no obligation to update the Information. The Presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Deutsche Bank. The analyses contained in the Presentation are not, and do not purport to be, appraisals of the assets, stock, or business of the Recipient. The Information does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

The Presentation is not exhaustive and does not serve as legal, accounting or tax advice. Nothing herein shall be taken as constituting the giving of investment advice and this Presentation is not intended to provide, and must not be taken as, the basis of any decision and should not be considered as a recommendation by Deutsche Bank. Recipient must make its own independent assessment and such investigations as it deems necessary. In preparing this presentation Deutsche Bank has acted as an independent contractor and nothing in this presentation is intended to create or shall be construed as creating a fiduciary relationship between the Recipient and Deutsche Bank.”

General Process



General Process (continued)



Sourcing	<ul style="list-style-type: none"> ■ Sourcing transactions from major FIs 	
Credit analysis	<ul style="list-style-type: none"> ■ Analysis of current status / structure of borrower, covenants, collateral, repayment capacity ■ Evaluation of long-term value of underlying assets and company's business plan 	
Valuation / Fair Value Calculation	<ul style="list-style-type: none"> ■ Clear identification of value creation strategy and exit strategy ■ Evaluation of returns under various alternative scenarios ■ Pricing / fair value appointing based on risk-adjusted discount rates 	
Legal/ due diligence	<ul style="list-style-type: none"> ■ Review of loan documentation ■ Assess transferability and enforceability 	
Closing	<ul style="list-style-type: none"> ■ Settlement of payments ■ Transfer of ownership 	
	<ul style="list-style-type: none"> ■ Assignment of collateral and proceeds 	

General Process (continued)



	<ul style="list-style-type: none"> ■ Participate / lead creditors' committees 	
<p>Restructuring</p>	<ul style="list-style-type: none"> ■ Restructuring objectives; ensure <ul style="list-style-type: none"> – adequate level of collateralisation (security portfolio) – credible payment schedule supported by asset sales/operations – proper documentation – tradability of restructured debt – proper governance and reporting 	
<p>Servicing and monitoring</p>	<ul style="list-style-type: none"> ■ Timely collection of payments 	
<p>Risk management</p>	<ul style="list-style-type: none"> ■ Monitor key financial indicators (and compliance with covenants) and participate in monitoring committees 	
<p>Reporting</p>	<ul style="list-style-type: none"> ■ Evaluate exposure across sectors, asset types, maturity and liquidity profile ■ Constantly evaluate performance of underlying collateral ■ Assess price movements of portfolio and key risks to determine rebalancing 	

General Process (continued)



Hold-to-maturity	<ul style="list-style-type: none">■ Identify investments which yield a higher IRR by holding to maturity■ Monitor market movements to assess earlier exit
Trading	<ul style="list-style-type: none">■ Trade small positions to enable price discovery (if possible)■ Trade positions where market has re-priced the restructured asset
Market-making	<ul style="list-style-type: none">■ Market making in underlying restructured debt investments in order to develop market for underlying instruments and enhance tradability
Securitisation	<ul style="list-style-type: none">■ Consider securitisation of pool of re-performing assets in order to exit large positions

Key elements

