

GERMAN DISTRESSED PROPERTY DEBT: MINEFIELD OR GOLDMINE

NOVEMBER 17, 2004

FRANFURTER HOF HOTEL
FRANKFURT, GERMANY

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November 17, 2004

7:15 - 8:00 am Registration

8:00 - 8:15 am Opening Welcome

*John F. Tsui, Conference Chairman
President, Peninsula House, LLC*

*Prof. Dr. Karl-Werner Schulte
Real Estate Academy, European Business School*

*Michael Buckley, Director
Real Estate Development Program, Columbia University*

8:15 - 8:35 am Opening Remarks

*Lord Mayor Petra Roth
City of Frankfurt*

8:35 - 9:30am German Distressed Debt: Current Trends and Impact on Banking System

Europe's non-performing loans (NPL) have mushroomed to more than Euro 900 billion, Euro 280 billion or 25% are held by financial institutions. German NPL account for 14% of their outstanding loans and many of the NPL are secured by real estate.

9:30 - 10:15am German Banks: An Overview of Hausbanken, Sparkassen, Volksbanken, Landesbanken, Bausparkassen and Private Banks

Stricken by the worst financial sector downturn since WW II, Germany's banks are forced to clean up their balance sheet in view of the looming Basel II rules on capital adequacy. This is further exacerbated by the termination of public subsidies of its state-owned regional banks or Landesbanken in 2005

10:15 - 10:45 am Coffee and Tea

10:45 - 12:00 noon Non-Performing Loans - Disposition Considerations

Issues confronting German banks relate to: (1) workout vs. on-going relationship with borrower; (2) impact of loan write-off on balance sheet; (3) employees of work-out departments; (4) workout internally or outsource or shift into a separate asset management company; (5) share price and negative publicity.

12:15 - 2:00pm Luncheon Keynote Speaker

2:00 - 3:15pm Non-Performing Loans - Due Diligence, Valuation, Pricing, Servicing and Recovery

Though most US troubled loan buyers gained much experience in Japan, France and Korea, foreclosure and creditor rights in Germany are not so clearcut. Bid and ask spread are still deemed the biggest barrier to loan portfolio acquisition. This panel will discuss creditor and debtor rights, as well as inter-creditor agreements and other troubled loan underwriting issues.

3:15 - 3:45pm Coffee and Tea

3:45 - 4:45pm Distressed Debt Investors - Deal and Deal Structure That Works

Globally, about 40 investors account for 90% of NPL investments. The sale of Hypo Real Estate Bank of a Euro 490 million of non-performing loans points to German banks serious resolve to purge troubled loans. Some estimate that over Euro 10 billion of NPL may trade hands in 2004.

4:45 - 5:45pm Exit and Loan Workout Strategies

Resolution strategies to liquidate NPL portfolios are integral to achieving risk adjusted returns. Foreclosure, discounted pay payoff or negotiated settlement, liquidation, bankruptcy or securitization are common recovery techniques.

5:45 - 7:00pm Cocktail Reception

Invited Speakers

Petra Roth
Lord Mayor
City of Frankfurt

Karl Heinz Rensmann
Loan Workout
Westdeutsche Immobilien Bank

Olivier Piani
President - Europe
GE Real Estate

Heinz Hilgert
Member of the Board of Managing Directors
DZ Bank

Jan W. Giessler
Partner
Droege & Comp. GmbH

Marcellino Hoensbroech
Investment Manager
Cargill Value Investment

Dr. Hoger Berndt
Executive Member of the Board
Deutscher Sparkassen-und Giroverband

Dr. Karsten von Koller
former Chairman
Euro Hypo

Steve Williams
Senior Vice President
GMAC

Dr. Karl-Werner Schulte
Academic Director
European Business School

Andreas Gotthardt
Loan Workout
IKB Bank

Leonard Van Drunen
Managing Director
JP Morgan Partners

Werner Rohmert
Vorstand
Der Immobilienbrief

Edward Siskind
Managing Director
Goldman Sachs International

John M. Nussbaum
Partner
Sandell Asset Management Corp.

Andreas Schiller
Herausgeber
Immobilien Manager

James H. Zukin
Managing Partner
Houlihan Lokey Howard & Zukin

Guido Damian
Loan Administrator
Allgemeine Hypotheken Bank

Carsten Lucht
Geschäftsführer
Verband Geschlossene Immobilienfonds

Matthias Moser
Head - Germany
Fortress Investment Group, LLC

Ronald E. Roark
Chairman
Crown North Corp.

Alfred Hagebusch
Rechtsanwalt
Wellensiek Grub & Partner

Roger Orf
Head of European Operations
Lone Star Europe

Michael Nash
Managing Director
Merrill Lynch

David Knower
Geschäftsführer
Cerberus Deutschland GmbH

Glenn R. August
President
Oak Hill Advisors, Inc.