

Teaser

March 2023

Strictly Private & Confidential



Sale of the Non-Performing Loan Receivables

of Sberbank CZ, a.s. v likvidaci

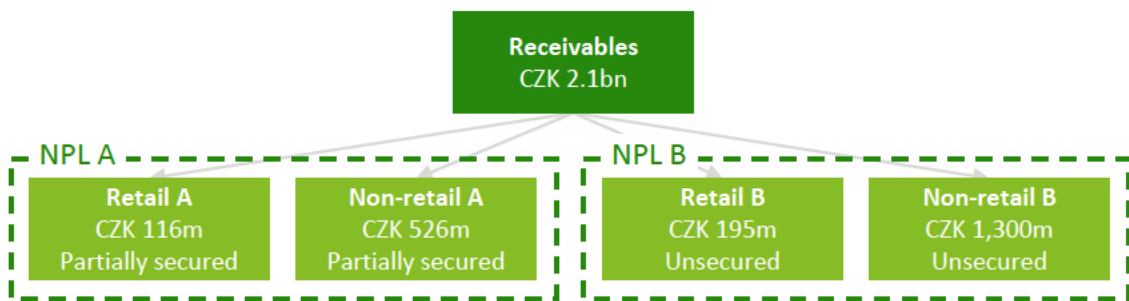


Investment Opportunity

Opportunity to acquire receivables arising from a portfolio of non-performing loans with a total exposure of CZK 2.1bn.

Opportunity Summary

- Sberbank CZ, a.s. v likvidaci (hereinafter “Sberbank CZ” or “SBCZ”) is a 100% subsidiary of Sberbank Europe AG, headquartered in Vienna, Austria. As a direct result of the unfavorable geopolitical development following the Russian attack on Ukraine, Sberbank CZ experienced an unprecedented liquidity crisis on 25 February 2022, which undermined the bank’s stability.
- CNB revoked the banking license and initiated the orderly liquidation of Sberbank CZ. On 29 July 2022, Sberbank CZ filed a petition for insolvency. The Municipal Court in Prague declared the company bankrupt and appointed Dr. Jiřina Lužová as the bank’s insolvency trustee on 26 August 2022. Deloitte Advisory s.r.o. (hereinafter “Deloitte”) was mandated to assist the insolvency trustee with the sale of the debtor’s estate, alongside legal advisors Baker & McKenzie s.r.o., advokátní kancelář and White & Case, s.r.o., advokátní kancelář.
- As a part of the sale of the Sberbank CZ’s assets, the insolvency trustee is offering for sale **receivables stemming from the portfolio of non-performing (“NPL”) loans of Sberbank CZ with a total exposure of CZK 2.1bn** (hereinafter “the Receivables”).
- The Receivables are split into **four segments** – Retail A, Non-retail A, Retail B and Non-retail B. Non-retail encompasses both Corporate and SME sub-segments.
- Retail A and Non-retail A (“NPL A”)** are **receivables with complete documentation**, containing both **secured and unsecured receivables**, while Retail B and Non-retail B (“NPL B”) consist of unsecured receivables of lower quality, mostly written-off receivables, with limited documentation.
- The Receivables are planned to be sold by way of **a transparent transaction process split over two phases: Phase I (non-binding) and Phase II (binding)** concluding in June 2023. The sale will be in the form of **an assignment of receivables**.



Investment Highlights

- CZK 2.1bn Gross Exposure** – The Receivables stem from **standardized Retail products** of Sberbank CZ as well as from **standardized and individualized loans in the Non-retail segment**.
- 95%+ Local Exposure** – **Over 95% of the exposure** and over 85% of the claims are **towards CZ residents**.
- Minimal Exposure to Higher-Risk Markets** – Exposure related to residents of Russia, Ukraine, or Belarus accounts for only **0.3%** of the Receivables.
- CZK 201m Real Estate Collateral Capped Market Value** – The Receivables in NPL A are secured by **Real Estate (“RE”) collateral with uncapped Market Value of CZK 357m (capped Market Value of CZK 201m)**.
- Attractive Real Estate Collateral Locations** – **Nearly two thirds of the Real Estate collateral Market Value (“MV”) arises from Real Estate located in Prague and Brno**, the two largest cities in the Czech Republic.

Transaction Milestones

- | | |
|-----------------|--|
| 31 January 2023 | Phase I Data Tape Cut-Off Date |
| 20 March 2023 | Phase I VDR Opening |
| 27 March 2023 | Deadline for Declaration of Interest in Participating in Phase I |
| 7 April 2023 | Last Q&A Submission |
| 14 April 2023 | Indicative Offer Submission Deadline |
| Late April 2023 | Expected Launch of Phase II |
| 31 March 2023 | Phase II Data Tape Cut-Off Date |
| Late May 2023 | Expected Binding Phase II Bid |
| June 2023 | Expected Signing of the Assignment Agreement |

Key Receivables Characteristics (1/2)

The exposure of NPL A amounts to CZK 642m, while receivables of lower quality in NPL B amount to CZK 1.5bn.

Receivables Overview

- The total exposure of CZK 2.1bn is distributed across all segments – Retail, SME and Corporate.
- Various retail and non-retail products are represented in the Receivables, with investment loans, overdrafts and revolving loans having the largest exposure.
- By the closing of the transaction, the Receivables will be either terminated or expired – the buyer is not required to hold a banking license.
- Before as well as during the insolvency of SBCZ, the Receivables have been serviced by a standard workout process of Sberbank CZ with only exception represented by inability to execute and contract loan restructurings and reorganizations.
- More than 25% of the NPL A exposure is subject to execution, insolvency or court (lawsuit) proceedings.
- Vast majority of the NPL B exposure consists of written-off receivables.
- No receivable toward borrowers under U.S. or European sanctions is part of the Receivables.

Main Figures

	NPL A	NPL B
Number of borrowers	382	1,217
Number of loans	542	1,755
Total exposure	CZK 642m	CZK 1,495m
Average exposure per loan	CZK 1.2m	CZK 0.9m
Weighted average DPD	477	n/a ¹
% of Receivables exposure fully or partially secured by RE	62%	0%
Capped Market Value of Real Estate collateral ²	CZK 201m	CZK 0m
Other collateral value registered by SBCZ ³	CZK 86m	CZK 0m

¹ Due to limited documentation, SBCZ is not able to provide exact DPD at this stage.

² MV of RE collateral is allocated to all receivables it secures and is further capped by the Exposure of each receivable.

³ Value registered by SBCZ refers to the value of the collateral as registered in the internal systems of SBCZ.

NPL A

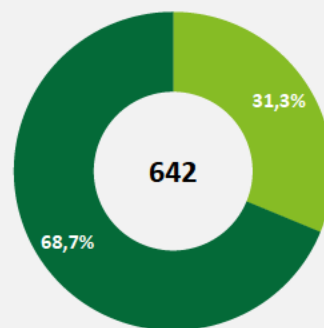
Receivables by Segment (CZK, %)

- Retail
- Non-retail



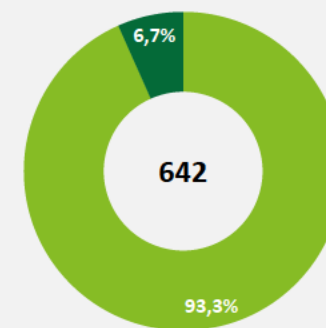
Exposure Covered by RE Collateral (CZK, %)

- Collateral secured
- No collateral



Receivables by Currency (CZK, %)

- CZK
- EUR



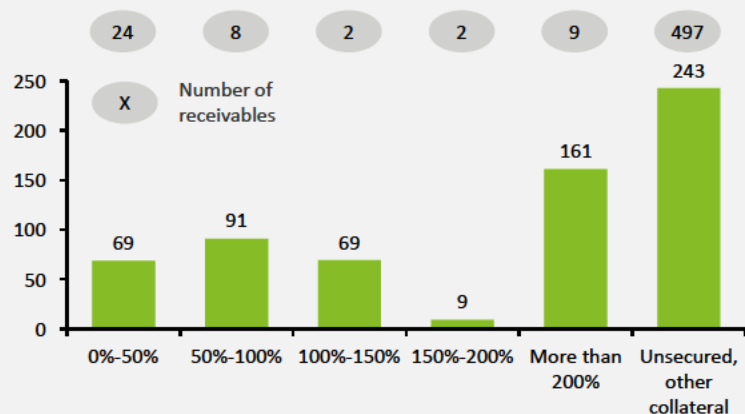
Note: Exposure Covered by RE Collateral refers to the amount of exposure which is covered by collateral (e.g. 80% secured loan would be 80% Collateral secured and 20% No collateral).

Key Receivables Characteristics (2/2)

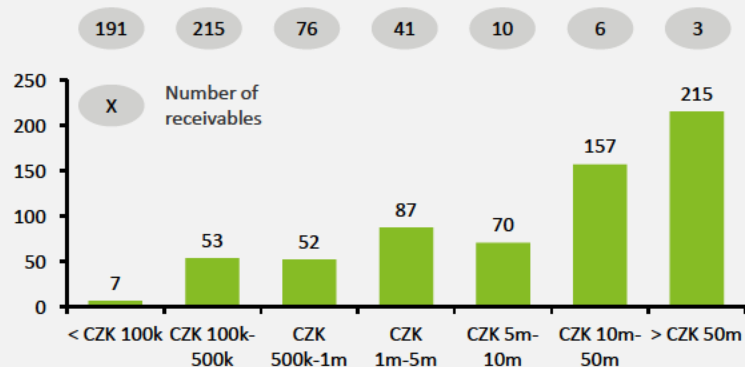
Real Estate collateral is concentrated primarily in Prague/Central Bohemian Region and in the South Moravian Region.

NPL A

Receivables by LTV – Real Estate (CZKm)

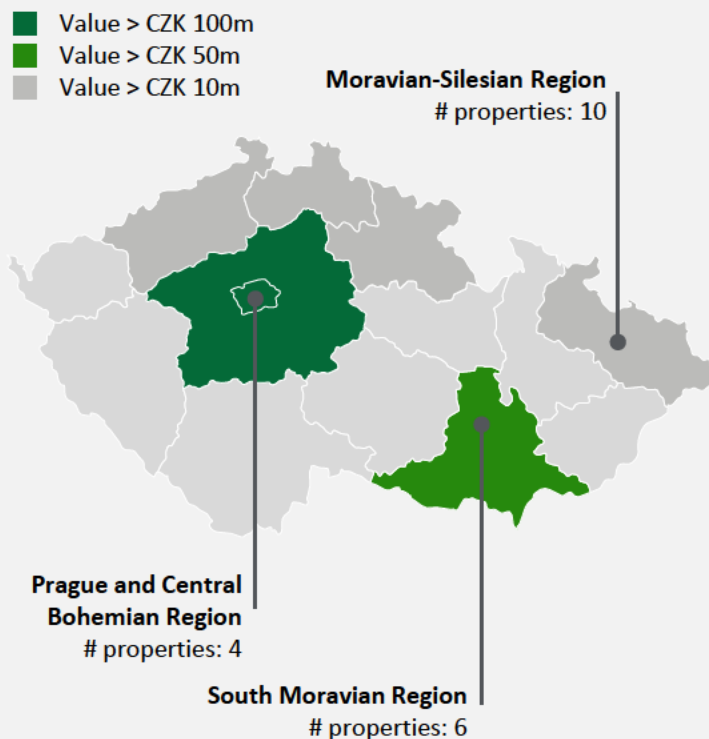


Receivables by Ticket Size (CZKm)



- The top 10 largest receivables represent 59% of the total NPL A exposure.

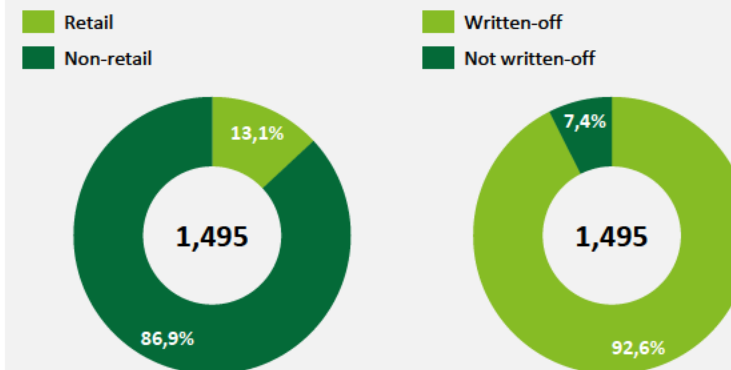
Real Estate Collateral Value Distribution



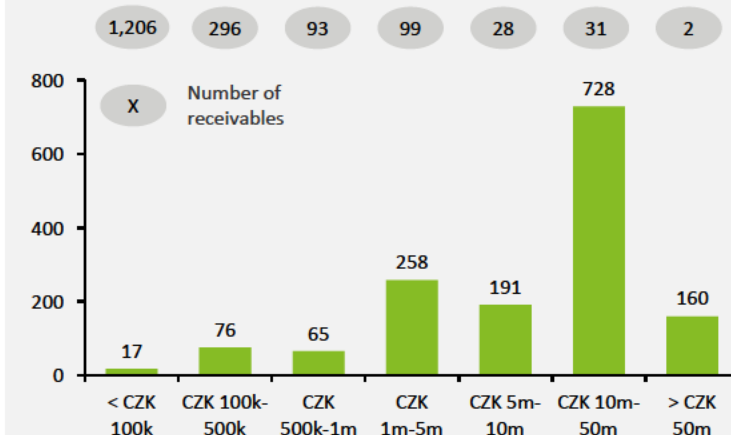
- Uncapped Market Value of Real Estate (CZK 357m) consists of 34 individual properties.
- Almost two thirds of the Market Value stems from properties in Prague or Brno. The rest is spread throughout the Czech Republic.

NPL B

Segment and Write-Off Status (CZKm, %)



Receivables by Ticket Size (CZKm)



Important Notice

The court-appointed insolvency trustee of Sberbank CZ, a.s. v likvidaci (“Sberbank CZ”, or the “Subject of the insolvency process”) has initiated the sale of receivables stemming from the portfolio of non-performing loans of Sberbank CZ (the “Receivables”). Deloitte Advisory s.r.o. (“Deloitte”, or the “Advisor”) was mandated to assist with the sale process.

This Teaser has been prepared by Deloitte with the assistance of Sberbank CZ. The insolvency trustee has approved and authorized the delivery of this Teaser to potential investors interested in the acquisition of loan portfolio subject to the terms and conditions of confidentiality as specified in the process letter provided alongside this Teaser.

In case there is a discrepancy between the information presented in this Teaser and in the process letter provided alongside this Teaser, the process letter takes precedence.

The Advisor draws to the attention of the reader of the Teaser the fact that certain parts of the financial information included in this Teaser have been extracted from the data package of the Sberbank CZ.

Neither the Sberbank CZ, the Advisor, nor any other person or entity make any representation of any kind regarding the accuracy or completeness of any such data or other information or the reasonableness of any projections, assumptions or opinions, if any, contained in this Teaser, nor do any of them assume any responsibility or liability of any kind with respect thereto. Any potential investor must rely solely on its own independent due diligence investigation and on any representations, warranties, or undertakings, which may be contained in any final agreement.

This Teaser is not intended to provide a basis for the valuation of the Receivables or any other evaluation and does not contain or purport to contain all of the information that may be required to evaluate the subject of the sale. Each potential investor must rely solely on its own independent appraisal, evaluation or valuation of the Receivables and its own independent verification of the information in this Teaser and any other investigation it may deem necessary.

The Teaser may include certain statements and estimates provided by the Sberbank CZ with respect to the anticipated future performance of the Receivables and its industry. Such statements and estimates reflect various assumptions by the Sberbank CZ's management concerning anticipated results, which assumptions may or may not prove to be correct. Actual results may vary from such statements and estimates and such variations may be material.

The Teaser makes use of some external information prepared by different private and public research organizations. As the information used has been collected from multiple sources and prepared based on different methodology particular sets of data may not be totally consistent with one another.

The sole purpose of this Teaser is to assist the recipient in deciding whether it wishes to proceed with its own independent investigation of the subject of the sale upon the expressed understanding that such recipient will use it only for this purpose. This Teaser is not intended to form the basis of any investment decision. The Teaser does not constitute a prospectus or an offer, invitation, or recommendation for the sale, purchase or underwriting of or subscription for shares of the Sberbank CZ in any jurisdiction.

No representation or warranty by the Sberbank CZ or the Advisor expressed or implied, is or will be made in or in relation to this Teaser. No responsibility or liability is or will be accepted by the Sberbank CZ, the Advisor or any of its subsidiaries, or any of their respective partners, directors, officers, employees, representatives, advisers or agents in relation to this Teaser and no liability is accepted by such persons for any of the information or opinions contained herein or for any errors, omissions or misstatements. The Advisor does not undertake to provide the recipient with access to any additional information or to update this Teaser or to correct any inaccuracies herein which may become apparent subsequent to the date hereof.

Neither the Sberbank CZ nor the Advisor nor any of their respective directors, officers, employees, representatives, advisors or agents give, have given or have any authority to give any representations or warranties (expressed or implied) in relation to the Sberbank CZ. Only those particular representations or warranties which may be made in appropriate legal agreements (which will not contain any representations or warranties as to this Teaser, but will contain an acknowledgment by the potential investor that it has not relied upon or been induced to enter into such agreement by any representation or warranty except as set forth in such agreement) when and if they are finally executed, and subject to such limitations and restrictions as may be agreed, shall have any legal effect. Accordingly, neither the Sberbank CZ nor the Advisor nor any of their directors, officers, employees, representatives, advisers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of reliance on any statement or on the basis of any omission in any document supplied with this Teaser or in any other written or oral information made available and any such liability is expressly disclaimed. Neither the information contained in this Teaser, nor any further information made available in connection with the Sberbank CZ or any part thereof, shall form the basis of any contract or commitment whatsoever in any jurisdiction.

The Sberbank CZ or their Advisor reserve the right, without prior notice, to negotiate with one or more potential investors who have signed the Confidentiality Agreement, to change the procedure for the investor search for the Sberbank CZ and to terminate the discussions and the delivery of information at any time before signing of any agreement relating to partnering with the Sberbank CZ without stating any reasons, and without the assumption of any liability with respect to any such change or action by them.

It is forbidden to provide this Teaser or any part thereof to third parties without the prior written approval of the Sberbank CZ and the Advisor.

Contacts

Having considered the information contained in this Teaser, parties interested in proceeding with the investment opportunity shall contact the below listed representative of Deloitte Advisory s.r.o. acting as an advisor to the court-appointed insolvency trustee in line with the requirements specified in the process letter, which has been distributed alongside this Teaser:

Roman Lux
Director
+420 603 250 837
rlux@deloitteCE.com

Deloitte Advisory s.r.o.
Italská 2581/67
120 00 Prague 2
Czech Republic

Deloitte.

Deloitte has prepared this document with due care based on information provided by the Sberbank CZ and on information provided by the Sberbank CZ's management. Deloitte does not accept any liability whatsoever for the contents or interpretation of the information provided herein. Deloitte makes no representation or any other form of assurance as to the accuracy or completeness of this document. Deloitte has no obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prospective investors shall rely on their own investigation, financial plans and conclusions.

This document does not represent investment advice, its exclusive purpose is the provision of information. This document and its contents are confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person in whole or in part without the prior written consent of Deloitte.