

Cerberus Capital Management



Background Note

March 19, 2015

John W. Snow - Chairman of Cerberus Capital Management

Secretary Snow joined Cerberus in 2006.

- 2003 - 2006: 73rd Secretary of the Treasury of the United States of America
- 1994 - 1996: Chairman of the Business Roundtable, comprised of 250 CEOs of the US's largest companies
- 1977 - 2003: Multiple positions with CSX Corporation, including as President, CEO and Chairman
- 1976 – 1977: Administrator of the National Highway Traffic Safety Administration
- 1975 – 1976: Deputy Undersecretary in the US Department of Transportation
- 1974 – 1975: Assistant Secretary for Governmental Affairs for the US Department of Transportation
- 1973 – 1974: Deputy Assistant Secretary for Policy, Plans and International Affairs
- 1972 – 1973: Assistant General Counsel of the US Department of Transportation

John has served on various corporate and non-profit boards, including Johnson & Johnson, USX, Verizon, the University of Virginia Darden School and Johns Hopkins University. He is a graduate of the University of Toledo and the George Washington University Law School. Additionally, he holds a Master's Degree from the Johns Hopkins University, a Ph.D. in Economics from the University of Virginia, and numerous honorary degrees.

Cerberus Background

Founded in 1992 and headquartered in New York City with affiliate and/or advisory offices throughout the United States, Europe and Asia, Cerberus has approximately \$25 billion under management and invests globally across:

- Distressed securities and assets
- Corporate mid-market lending
- Control and non-control private equity
- Real estate-related investments

Cerberus and its affiliates manage funds for many of the world's most respected investors, including prominent government and private sector pension and retirement funds, charitable foundations, university endowments, insurance companies, family savings and sovereign wealth funds.

Former Vice President of the United States Dan Quayle, chairman of Cerberus Global Investments, and former United States Secretary of the Treasury John W. Snow, the Firm's chairman, work closely with the Firm's investment and operating professionals.

The Minister met with Dan Quayle in September 2014 for a general catch up and to discuss Cerberus' commitment to Ireland following the acquisition of NAMA's Northern Ireland portfolio.

European Activity

Last year Cerberus affiliates completed over a dozen deals across Europe, acquiring loans and assets in the United Kingdom, Germany, Spain, Italy, Ireland, France and Denmark, among other countries. The firm has in-market presence in key locales, including a recently opened office in Northern Ireland, to effectively source, manage and service these complex NPL portfolios and their underlying properties.

Cerberus affiliates invested approximately €17.7 billion in European NPLs in 2014, constituting nearly 22% of the €80.6 billion in closed commercial real estate and real estate-owned transactions for the year. This is the second year in a row that Cerberus has topped this category of investor.

“Cerberus is pleased to support ongoing efforts to stabilize and strengthen those financial institutions as well as local real estate markets, and we are looking forward to additional opportunities in 2015.”

Irish Activity

- Permanent TSB** Project Lansdowne: Cerberus recently agreed to acquire Permanent TSB’s CHL book of UK residential mortgage loans with a gross value of €3.5bn
Capital raise: Cerberus are an interested party
- Project Eagle:** On April 4, 2014, Cerberus acquired NAMA’s Northern Ireland portfolio. The portfolio, which had a par value of £4.5 billion, consists of loans owned by Northern Ireland-based debtors and secured by assets in Northern Ireland, the Republic, Great Britain and other European locations. This remains NAMA’s biggest loan sale to-date. The sale of the Northern Ireland portfolio has now closed and transitional services support from NAMA concluded in mid-September. Underlying document and file delivery completed ahead of schedule. Operationally the transition from NAMA to Cerberus has been a success. The sale was also well received by the Northern Ireland authorities.
- Project Aran:** Ulster Bank portfolio with a par value c€5.6bn of non-performing Irish real estate loans for c.£1.1bn. Comprises over 6,200 loans with c.5,400 properties. More than 75% by loan balance is secured by Irish assets and about 20% in Northern Ireland, with more than 90% of the loan portfolio in default.
- Greenstar:** Cerberus owns Irish waste firm Greenstar which they acquired in early 2014 after a protracted sales process.

European Activity

In addition to the Irish transactions above, European transactions completed in 2014 include:

- Project Avon:** Lloyds Banking Group **UK** commercial real estate loan portfolio with a par value c.£536m bought for c.£352m;
- Project Henrico:** National Australia Bank portfolio with a par value £1.2bn **UK** non-performing CRE loans for c.£950m. Comprises 1,300 borrower groups and 5,400 properties
- Project Chestnut:** National Australia Bank **UK** non-performing loan portfolio with par value of c.£625m bought for c.£485m; and
- Project Mermaid:** Finansiel Stabilitet’s (**Danish** bad bank) portfolio of non-performing loans from 360 separate borrowers, predominantly backed by commercial real estate in Denmark with a par value DKK 7.5bn (circa €1bn).
- Project Carlisle:** Nationwide’s **UK** commercial property loan portfolio with a par value of c.£1.0bn, comprised of 115 loans which are secured by 176 properties throughout the United Kingdom and Northern Ireland and Jersey for c.£680m

Previous Meetings with Cerberus

September 25, 2014: *Dan Quayle: Chairman of Cerberus Global Investments, LLC*

Vice President Quayle joined Cerberus in 1999. Prior to joining Cerberus, Mr. Quayle served as the 44th Vice President of the United States of America from 1989 through 1993. Vice President Quayle was elected to the US Senate from the State of Indiana in 1980 and reelected to the US Senate in 1986. He was elected to the US House of Representatives from Indiana's Fourth Congressional District in 1976 and reelected to the House of Representatives in 1978. He has served on many boards of directors of both private and public entities. Mr. Quayle is a graduate of DePauw University and the Indiana University School of Law (Indianapolis).

March 2014: *Liam Strong and Matthew D. Hansen*

Declan Reid and Des Carville of the Shareholding Management Unit within the Department of Finance met with Liam Strong (CEO – Cerberus European Capital Advisors) and Matthew D. Hansen (Partner, Private Equity Managing Director, Cerberus European Capital Advisors) for a general update on Cerberus' interest in Ireland and various processes they had been / were involved in.

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