IT’S A TIE
SECURITIZATION DEALS OF THE YEAR

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Winner</th>
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<tbody>
<tr>
<td>Seaco’s GSCF IV limited 2017</td>
<td>Deutsche Bank</td>
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<tr>
<td>Northwest Portfolio</td>
<td>Nord/LB, Christofferson, Robb &amp; Co</td>
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<tr>
<td>Alpha Shipping Finance</td>
<td>Citibank</td>
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There is a reason for the tie.

Each transaction exemplifies the benefits of a securitized structure, but each contributes in a very different way to businesses engaged in value building.

For Nord/LB, the securitized transaction lowers the bank’s risk weighted assets by almost €4 billion and strengthens the bank common equity tier 1 capital ratio.

For Seaco, a subsidiary of HNA, with the second largest overall fleet in the container leasing industry, cost of capital is the single greatest competitive advantage. Thus, its securitized transaction, co-structured by Deutsche Bank, is part of what enables the company to be a market leader.

While looking at securitization among shipping’s important banks, we would be remiss not to mention Alpha Bank’s securitization and Citibank’s $255 million follow on upsize to Alpha’s $500 million original securitization deal. This is yet another significant transaction in returning European shipping centric banks to health.

The Nord/LB transaction Northwest 2 placed a large credit portfolio with institutional investors. Of the €10 billion collection of high-quality loans, ship financings totaling €1 billion were included. This was the biggest securitization of shipping credits placed in the market in a long time.

The total portfolio constituted a cross-section of Nord/LB’s business model. The securitized portfolio contains credit risk from the asset classes of renewable energy, infrastructure, aircraft and German medium-sized businesses. But it was for the billion-euro collection of ship financings that we single out this transaction.

Within the structure of the transaction, a tranche of credit default risk was placed with a long-term investment fund and strategic partner Kristofferson, Robb & Co. The other tranches remain with Nord/LB, which continues to be the contract partner for its borrowers.

The platform enabled institutional investors to invest directly in the credit-based business model of Nord/LB — a sign we take as an important indicator of a return to health.

Over at Seaco, with whom Deutsche Bank has had a long constructive relationship, the securitized structure received an ‘A’ S&P rating. The structure featured a 10-year maturity and a yield of 3.89%. The trust benefits from a high concentration of long term leases — in fact, 85% — which provided stable cash flows. Seaco was able to engage a broad range of investors and offer a full suite of credit protections to facilitate that appetite. This was particu-
larly important given the general challenging container market and large-scale lessee bankruptcy backdrop.

Key in that regard was a concentration limit for bankrupt leases which provided that a maximum of 10% of the borrowing base could consist of defaulted receivables, with the remainder falling out of the borrowing base subject to a recovery period of 270 days.

For a business facing economic challenges but reliant upon a competitive capital structure, this was an elegant solution.

It would be wrong of us not to provide an honorable mention to the Alpha Bank and the Citi follow on upsized securitization. Alpha Bank, as our readers know, is one of the four Greek systemic banks that emerged following the extensive consolidation within the local Greek banking world and is currently a leading shipping bank in Greece. The transaction entailed Citi acquiring from Alpha Bank a portfolio of 17 shipping loans provided to different shipowning groups.

For Alpha, it was a provision of financing at a period of time in which long tenure financings have been very scarce. It provided US dollar funding without recourse to the parent at an acceptable pricing, a diversification of funding sources, allowed for a redeployment of funds for the shipping division, and Alpha Bank continues to operate its business and is responsible for the administration and reporting of the shipping portfolio.

While the two bank securitizations are tied to an important recapitalization, they also demonstrate the value and, therefore, structural flexibility that professional shipping banks with their informed credit approaches may offer.

For Seaco, already the leader in container leasing space, the securitization proves the company’s leasing model and, therefore, the future continues to look bright.

We congratulate all those involved in these exceedingly complicated but very important securitized transactions.

Seaco: GSCF IV Limited, 2017-1
Deutsche Bank role: Co-Structuring Agent

<table>
<thead>
<tr>
<th>Transaction Structure</th>
<th>Global SC Finance IV Limited Statistics</th>
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<tbody>
<tr>
<td><strong>Series 2017-1</strong></td>
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<tr>
<td><strong>Class</strong></td>
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<tr>
<td><strong>Ratings (S&amp;P)</strong></td>
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<tr>
<td><strong>Size</strong></td>
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<tr>
<td><strong>Call Feature</strong></td>
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<tr>
<td><strong>Advance rate</strong></td>
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<tr>
<td><strong>WAL (years)</strong></td>
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<tr>
<td><strong>Scheduled maturity</strong></td>
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<tr>
<td><strong>Yield</strong></td>
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<tr>
<td><strong>No call for two years from closing, after which, the notes may be called without penalty</strong></td>
<td><strong>Tank 15%</strong></td>
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<tr>
<td>78%</td>
<td><strong>Dry 47%</strong></td>
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<tr>
<td>5.19 years</td>
<td><strong>HoReCa 33%</strong></td>
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<tr>
<td>10.0 years</td>
<td><strong>MLA 3%</strong></td>
</tr>
<tr>
<td>3.89%</td>
<td><strong>DFL 3%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>LT 85%</strong></td>
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