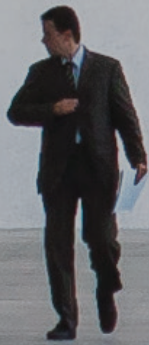


Non-Performing Loan Purchase and Management Strategy



Client:
Manufacturing Firm "SteelWorks Ltd."

Field of Expertise:
Debt Advisory and Restructuring

The financial experts of EROP Consulting have been lead advisors and participated in a few hundred mandates and in order to provide an overview over the industries, we are giving insight and presenting a case studie below.

Due to GDPR and privacy reasons of our clients, the names of our clients and their companies have been altered but the scope of work and the industry focus have remained unchanged.

Overview:

The information provided in this case study reflects real-life scenarios, but for confidentiality purposes, the names have been changed. EuroBank, a leading banking institution, faced challenges with a portfolio of non-performing loans (NPLs) affecting their profitability. They engaged EROP Consulting Ltd. for specialized NPL advisory to maximize returns.

Background:

When EuroBank sought to optimize their non-performing loan (NPL) portfolio for improved profitability, they turned to EROP Consulting Ltd., a consulting group based in Austria and focused on businesses in south-eastern Europe. With a specialization in operational, strategy, and advisory services tailored to private corporations, investors, public companies, and family offices, EROP was well-equipped to handle EuroBank's NPL challenges.

Problem & Task at Hand:

- **Problem:** High volume of non-performing loans impacting balance sheet health and profitability.
- **Task:** EROP Consulting was tasked with developing a strategy for the purchase and management of NPLs to optimize recovery and minimize losses.

Initial Assessment:

EROP's NPL advisory specialists conducted a detailed review of EuroBank's NPL portfolio, assessing debtor profiles, collateral values, and recovery potential. They identified opportunities for strategic acquisitions and improved recovery processes.

Applied Steps:

1. **Portfolio Evaluation:** EROP analyzed EuroBank's NPL portfolio to identify high-potential assets for acquisition and recovery.
2. **Negotiation and Acquisition:** Engaged in negotiations with sellers to acquire select NPLs at favorable prices.
3. **Asset Management:** Implemented a robust asset management strategy, including workout plans and legal actions where necessary, to maximize recovery rates.

Results:

- **Improved Recovery Rates:** EuroBank achieved a 40% increase in NPL recovery rates through EROP's strategic asset management approach.
- **Profitability Enhancement:** The optimized NPL portfolio contributed to a significant improvement in EuroBank's overall profitability.
- **Risk Mitigation:** EROP's strategy reduced EuroBank's exposure to NPL-related risks, strengthening their balance sheet and resilience.

Testimonial:

"EROP Consulting's NPL advisory services have been invaluable in optimizing our non-performing loan portfolio. Their expertise in negotiation and asset management has led to substantial improvements in recovery rates and profitability."

Head of Risk Management, EuroBank

Conclusion:

The engagement of EROP Consulting for non-performing loan advisory was instrumental in EuroBank's profitability and risk mitigation efforts. By developing a strategic approach to NPL acquisition and management, EuroBank achieved improved recovery rates, enhanced profitability, and a more resilient balance sheet. Despite the financial cost of engaging EROP, the substantial financial benefits realized by EuroBank underscore the value of strategic consulting.