



Financial Services in Uncertain Time

Non-Performing Loan Portfolio Services

Context

- NPL portfolio transactions can assist banks.
- Improved liquidity position: freeing up funds for new lending and investment.
- Better capital & debt market perception and improved ratings.
- Improved capital adequacy position—particularly in light of Basel II requirements for weighting on NPL's.
- Immediate and future positive impact on P&L via possible provision write backs, utilisation of tax assets, accelerated recoveries and savings on human resource costs.
- Overcoming resource constraints to manage problem loans in-house effectively.
- Freeing up management time to focus resources on more profitable activities/collections.
- Transaction can be focused on single contracts or a portfolio of loans.

Risks and Challenges

- The market for all assets including NPLs has changed dramatically since mid 2008 and as a result realising a portfolio transaction requires more planning and more careful management than it did previously. There are new players in the market with new requirements.
- The current rapid deterioration in credit quality in some markets in the last 12 months makes valuation more difficult, as does predicting developments in collateral markets.

How Deloitte can help

Knowing the market improves results. Advisors who have contact with, and knowledge of, market players in the field of stressed and distressed loan portfolio investors and/or investors in stressed or distressed companies will help to improve and predict recoveries.

Tried and tested transaction experience—based on Deloitte's global NPL portfolio network and deep regional expertise.

Contact us for more information: deloitte.sk@deloittece.com

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