

NPL

GUIDE

A short guide
to successful
management of
non-performing
loans*

*by the
example
and with
the experience
of DCA,
part of B2Holding

MOTIVATION OPPORTUNITY PRECISION SKILLS MANAGEMENT SOLUTION GOAL ANALYSIS TALENT SKI
NALISM RESPONSIBILITY 100% TEAM SKILLS CONTROL
ANALYSIS GOAL SKILLS SUCCESS QUALITY PRECISION
FINANCE ANALYSIS OPPORTUNITY EFFICIENC
GOAL SKILLS ANALYSIS MOTIVATION QUALITY 100% PRECISION
MANAGEMENT TEAM SUCCESS SKILLS SOLUTION ANALYSIS MANAGEMENT
CESS REQUIRES PROFESSIONALISM GOAL
100% RESPONSIBILITY TRUST SKILLS MOTIVAT
SKILLS SECURITY SUCCESS FINANCE
FINANCE TEAM PRECISION GOAL QUALITY
FESSIONALISM QUALITY FINANCE SKILLS
TIVATION CONTROL MANAGEMENT SOLUTION SKILLS MOTIVATION TALENT GOAL MOTIVATION CONT



Dear
partners,

In the changing world nowadays the driving force is the ability to adapt, to modernize and take forward the efforts and results you have achieved personally and as a team. In our more than 10-year history we, at Debt Collection Agency EAD (DCA), adhere to this principle and welcome the change as an inspiration to surpass ourselves.

Every step we take is for better development for us and our partners. Our team always works with a clear, pragmatic, and achievable goal - effective completion of each case and mutual satisfaction for all. The ups & downs often come and go, essentially changing our familiar environment. Everyone needs a stable partner to overcome it and to turn the problems into opportunities.

In this NPL guide we would like to share the experience and expertise of DCA as a leading company in the receivables management sector. You can rely on us to get through the financial challenges together.

Enjoy reading!

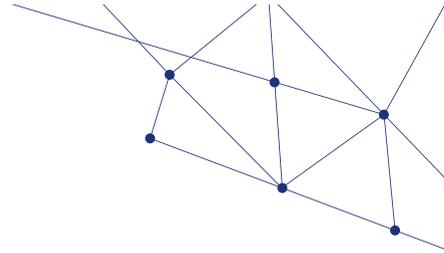
Yulia Yurgakieva,
CEO
DCA, part of B2Holding

CONTENTS

10 Six reasons to sell your NPLs

16 Four approaches to selling NPLs

18 Steps in selling NPLs



24 B2Holding - facts and figures

26 B2Holding presence

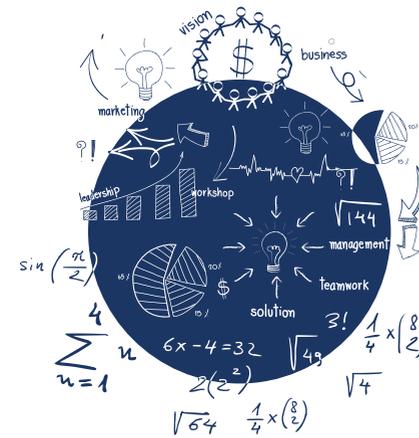
28 B2Holding in SEE - facts and figures



32 DCA Bulgaria - facts and figures

38 DCA's business partners

44 Corporate social responsibility



50 Addendums

PUBLISHER

Debt Collection Agency EAD (DCA),
part of B2Holding

1335 Sofia, 25 Dr. Petar Dertliev Blvd., office-building Labyrinth, floor 2
tel. 02 483 55 35; office@theagency.bg; theagency.bg

PRODUCTION

Content and edit - Alfa Communications Consulting;
Graphic design - Vihar Laskov;



In the summer of 2018 four young Bulgarians - Andreas, Dimitar, Zornitsa and Ivaylo took the paddles of their kayaks and sailed across the cold Norwegian waves to tour the majestic Sognefjord, called the King of fjords.

The four of them passed 400 km for 15 days. During their journey they had to manage with sea winds and low temperature. The preparation for this feat took more than a year, with not the least detail having been missed.

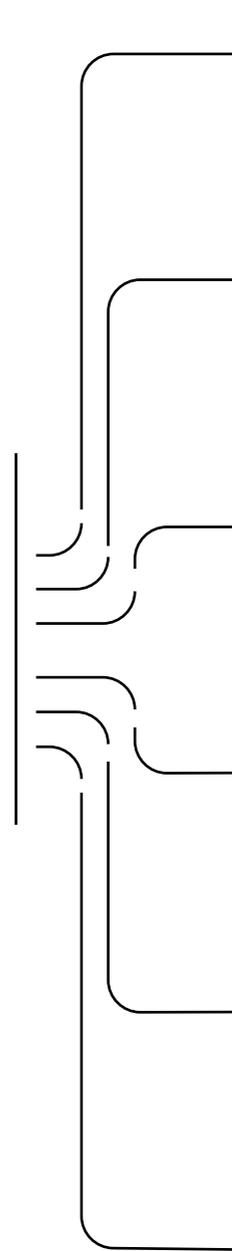
Strong motivation, good preparation in advance, proper and detailed planning of goals, accurate assessment of the situation and synchronization among team members are the key to success in respect to managing outstanding debts. The good team is everything - if you have built it the success is guaranteed.

”
We succeed because we are open, transparent and correct. We are stable because we believe in people. We reach our goals because we work in synchronous and cooperation. We are strong because we are a team of professionals.

Zhenina Zhileva,
Head of „Administration and Personnel Management“ department, DCA



6 reasons
to sell your
non-performing
loans



1.

Improve your financial results

2.

Focus on your main activity

3.

Increase the quality of your assets

4.

Save on lawsuits

5.

Release financial resources, time and efforts

6.

Keep good reputation



The peaks Evil Tooth, Orlovets and Malyovitsa in the highest Bulgarian mountain - Rila, are a challenge to conquer for a lot of cliffhangers.

Accumulated pile of debts often seems difficult to be overcome as well. For us, who have the expertise and capacity to buy huge volumes of non-performing loans, climbing of such walls is a daily routine. To succeed we use innovative approaches and tailor-made technologies designed according to the specifics of our business.



”

To be on track! This is the key of success. We use and integrate new generation technologies and constantly develop our people. Our goal is not only to collect money – we strive to leave a better world behind us.

Nikolinka Hristova,
Operations Director, DCA

4

• APPROACHES
to SELLING
NON-PERFORMING
LOANS.



1.
Forward Flow
agreements



2.
Joint-venture
deals

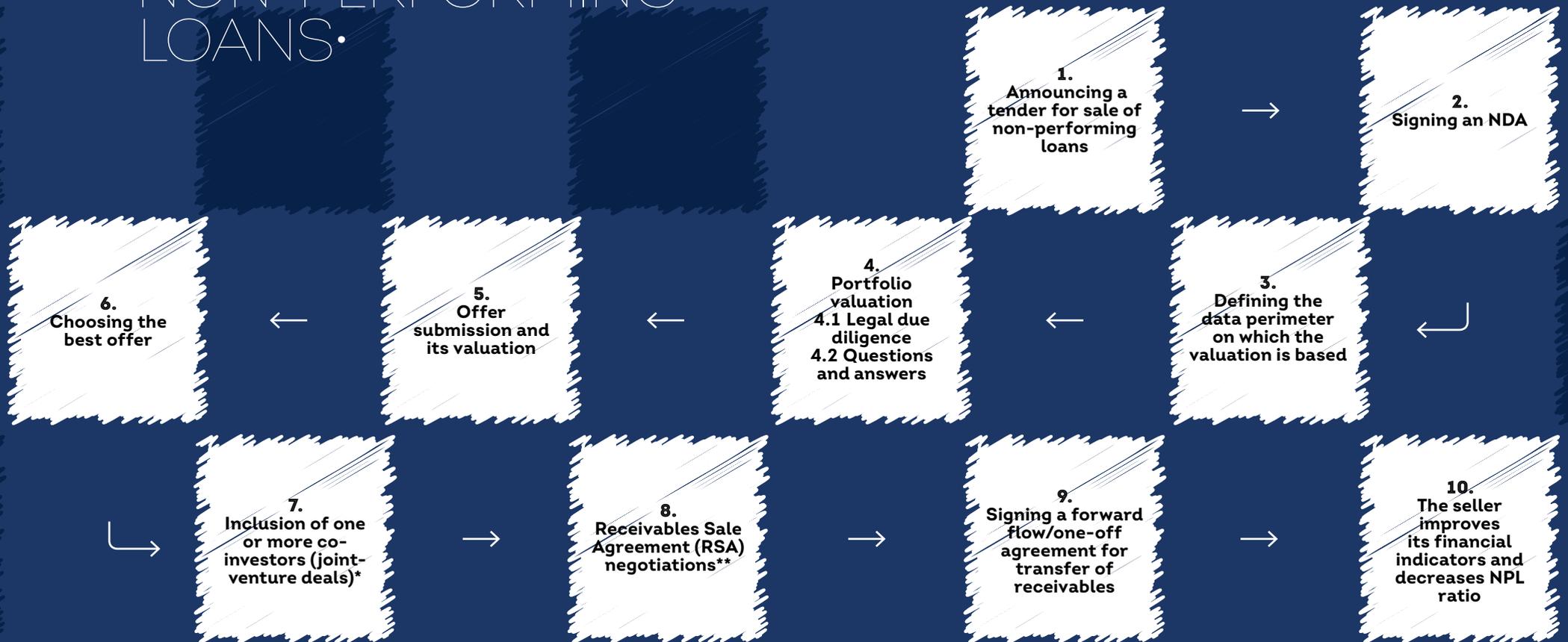


3.
Tenders for single
portfolios/group
of portfolios for
secured/unsecured
claims



4.
Secondary market
deals

• STEPS IN SELLING NON-PERFORMING LOANS.



*A possible step in the acquisition of larger portfolios

**It could be an earlier step in the sale process



Kadin Bridge over Struma River in the village of Nevestino which was built more than 5 centuries ago is one of the most remarkable construction monuments in Bulgaria standing out for its strength.

In the business of managing non-performing loans sustainable and lasting cooperation between partners and clients is very important. In order to achieve high efficiency, relationships need to step on sound foundation and trust. Mutual trust is possible only when it is built on principles of good and ethical behavior that we invariably follow.



”

We do not set limits in trying to deliver to our clients flexible and innovative solutions. Our long-term relations with the big names in the financial and telecommunications sectors define us as a trustworthy partner and this is the most valuable attestation for us.

Zornitsa Bankina,
Business Development Director, DCA

• FACTS & FIGURES •

as of June 2019



*as of 2018

·B2Holding PRESENCE·



SEE FACTS & FIGURES.

as of June 2019

In top 3
of debt purchasing
companies
in SEE

1.1^{**}
million
receivables

€47^{*}
million
revenue

4
countries

510
employees

€25.7^{*}
million operational
profit (EBITDA)

€1.6^{**}
billion portfolio

*as of 2018

**data for Greece is not included where
B2Holding is part of joint-ventures



The Atlantic Ocean Road in Norway (Atlanterhavsvegen) is one of the most picturesque in the world. It is over 8 km long and spreads through an archipelago in the Norwegian Sea. Its construction is associated with many challenges, including powerful hurricanes. In times of storms, high winds and huge ocean waves this road can be extremely dangerous and passing it should be done with utmost caution.

By acquiring non-performing loans, we provide our partners with security and stability in developing their business, so that they can withstand the strongest storm and the most powerful ocean wave.



BULGARIA FACTS & FIGURES.

as of June 2019

250
employees

€61*
million assets

**FINANCIAL
INSTITUTION**

in the Register of BNB

€4*
million profit

€747
million portfolio

**MEMBER
OF ACABG**

professional association
in the sector

459
thousand acquired
receivables

€15*
million revenue

#1*
in terms
of assets

*as of 2018



The knife-edge ridge Koncheto in the most beautiful mountain in Bulgaria - Pirin. At some places, the width is only 40-50 cm and passing it seems to be a challenge at first glance. In fact, the metal rope along the edge makes it the safest part of the route around. One just has to hold with one arm to the rope and go confidently ahead.

Managing non-performing loans is often associated with obstacles. With the right external partner who has the tools, the training, the experience and the capacity needed, overcoming an obstacle is relatively easy.



”

We aim to be a partner in the true sense of the word – building long-term relations and supporting our clients in reaching financial stability.

Nadezhda Gonova,
Commercial Manager, DCA

• DCA's BUSINESS PARTNERS. •





On the XXIII Winter Olympic Games in PyeongChang, South Korea, in 2018 the Norwegian team set a historic record – they won 39 medals in total (14 gold, 14 silver and 11 bronze). This is the highest number of medals won by a single country. It is impressive that a small nation accomplished what many bigger ones have not succeeded to do so far.

Professionals in debt management set the bar for their targets high and constantly try to raise it. The achievement of targets and persistence in good results are some of the milestones of building confidence in them.



”

We are proud of what we do because we feel useful and empathetic to an important mission - we return working capital in the economy and assist our clients with unpaid debts to repay them and be solvent again.

Petar Ormanov,
Financial Director, DCA

DCA is a long-term partner of SOS Children's Villages Bulgaria

We organize charity events and participate in charity marathons

We donate for social causes

”

DCA are our friends who support us constantly

Valeria Georgieva,
National CEO
SOS Children's Villages
Bulgaria





Paragliding is an expression of a person's longing to be free, to fly and be able to look at the world from above. Paragliding requires courage, determination and effort, advanced abilities and skills, good management and control over the wing. Having acquired these qualities and skills, the results in paragliding come quickly.

The business of managing non-performing loans requires an approach similar to paragliding and a set of skills and abilities. We know that from our own experience.

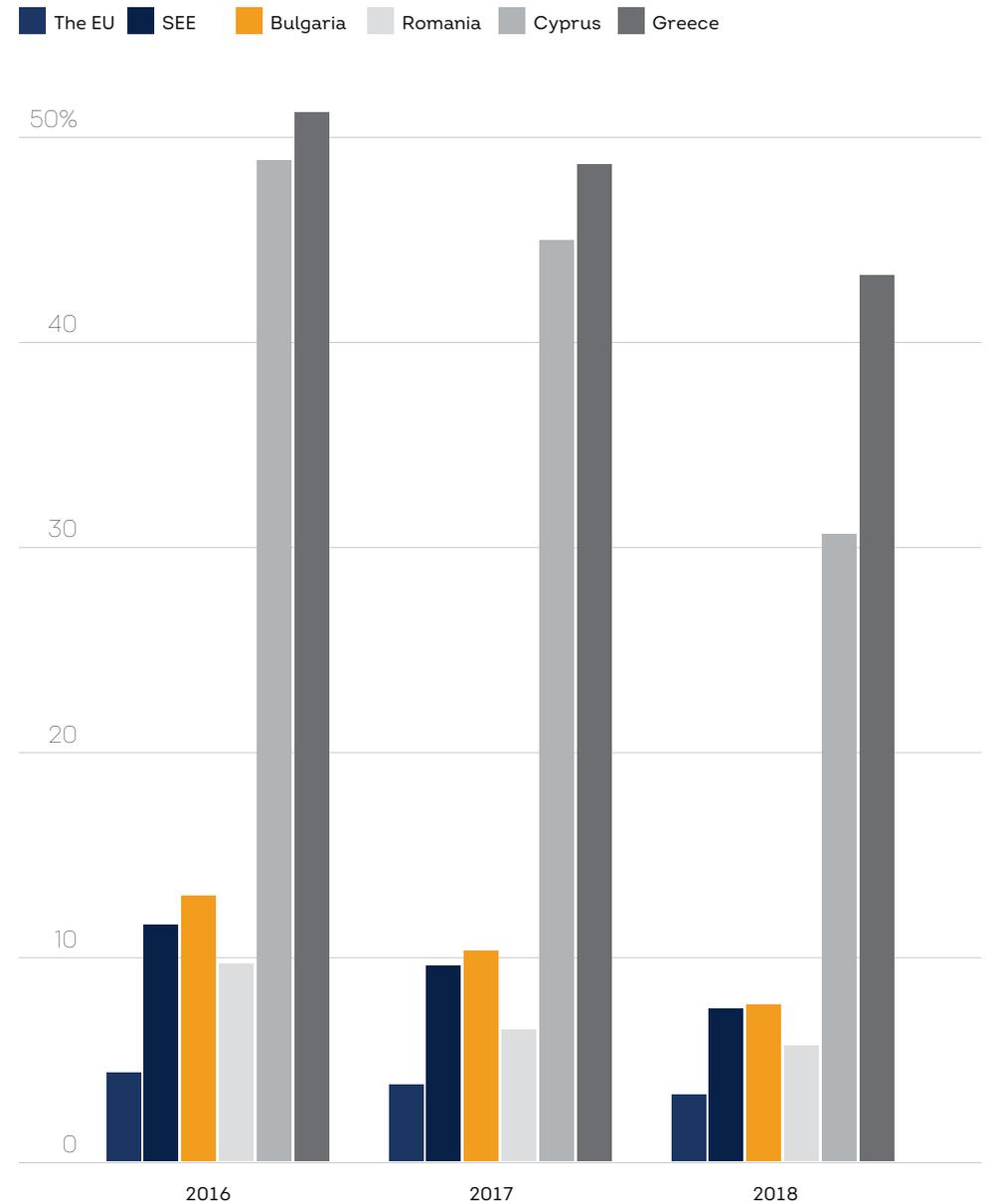


”

“Success requires trust” and trust is built with care and persistency, applying clear rules and policies. In DCA we know how important it is to find balance between rights and interests of all participants in the debt collection process whilst following regulatory requirements and high ethical and moral principles. That is why we strive to do it constantly.

Yoanna Krasteva,
Chief Legal adviser and Head of Legal
Department, DCA

• SHARE of
**NON-
 PERFORMING**
 LOANS
in the EU
 and **SEE**•



Source: Central Banks data; the World bank; EBA Risk Dashboard

• VOLUME *of*
NON-
PERFORMING
LOANS
in the EU.

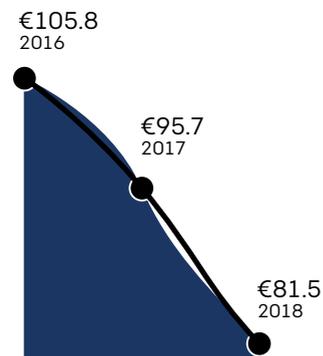
in billion



Source: Central Banks data; the World bank; EBA Risk Dashboard

• VOLUME of
**NON-
 PERFORMING
 LOANS**
 in the **SEE**.

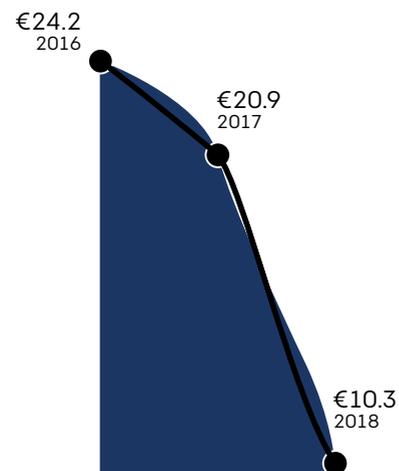
Greece
 in billion



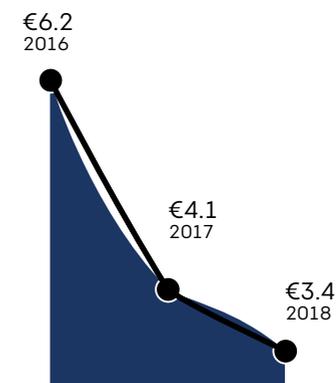
Bulgaria
 in billion



Cyprus
 in billion



Romania
 in billion



• NOMINAL VALUE
OF SOLD
NON-PERFORMING
LOANS in BULGARIA.
in million



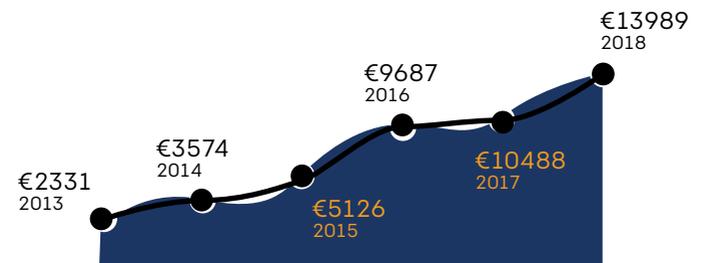
Source: ACABG - its members cover 75% of the non-performing loans market in Bulgaria

FINANCIAL RESULTS of DCA

Net profit
thousand



Revenue
thousand

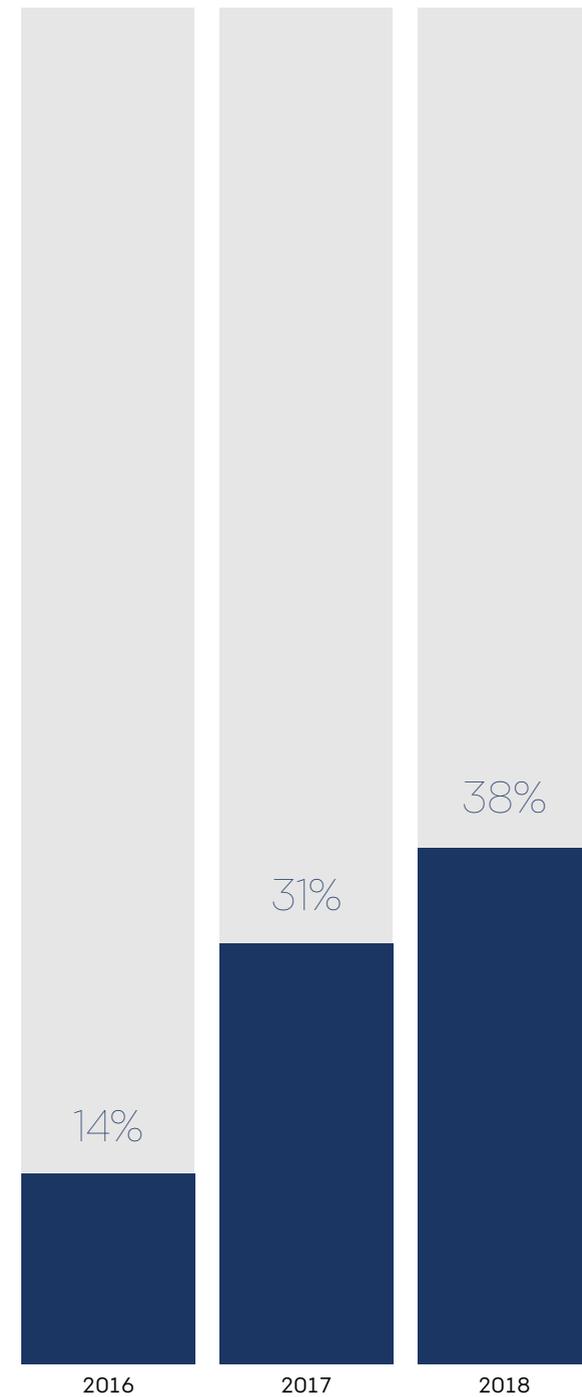


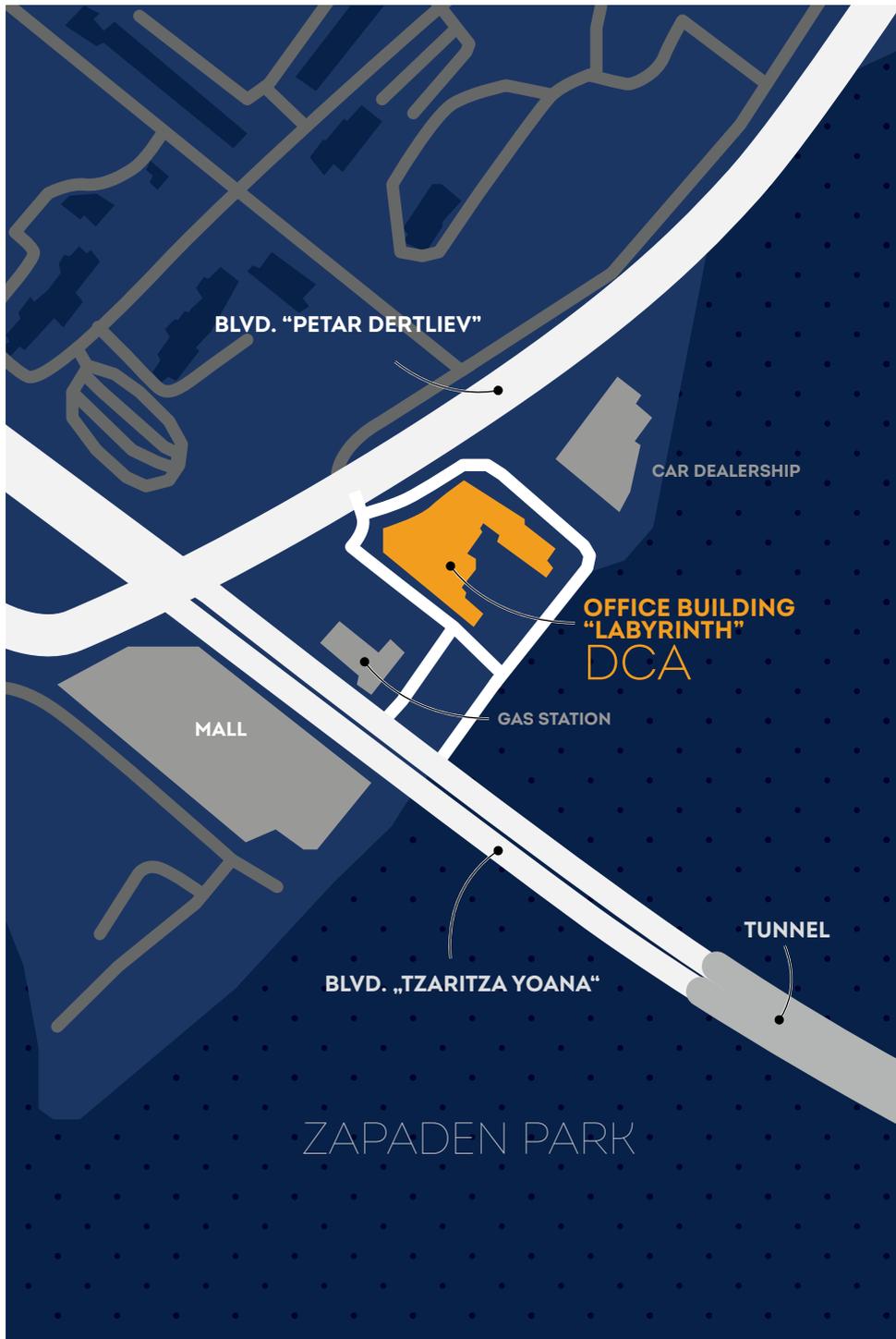
Assets
thousand



• MARKET POSITION of **DCA** •

*in terms of assets





Contacts

1335 Sofia,
25 Dr. Petar Dertliev Blvd.,
office-building Labyrinth,
floor 2

- ☎ 02 483 5535
- @ office@theagency.bg
- 🌐 theagency.bg
- in /debt-collection-agency-jsc

MOTIVATION OPPORTUNITY PRECISION SKILLS MANAGEMENT SOLUTION GOAL ANALYSIS TALENT SKI
NALISM RESPONSIBILITY 100% TEAM SKILLS CONTROL
ANALYSIS GOAL SKILLS SUCCESS QUALITY PRECISION
FINANCE ANALYSIS OPPORTUNITY EFFICIENCY
GOAL SKILLS ANALYSIS MOTIVATION QUALITY 100% PRECISION
MANAGEMENT TEAM SUCCESS SKILLS SOLUTION ANALYSIS MANAGEMENT
CESS REQUIRES PROFESSIONALISM GOAL
100% RESPONSIBILITY TRUST SKILLS MOTIVATION MANAGEMENT
SKILLS SECURITY SUCCESS FINANCE
FINANCE TEAM PRECISION GOAL QUALITY
FESSIONALISM QUALITY FINANCE SKILLS
TIVATION CONTROL MANAGEMENT SOLUTION SKILLS MOTIVATION TALENT GOAL MOTIVATION CONT



Part of **B2**Holding

www.theagency.bg