

STRESSED ASSET MANAGEMENT

Capability
Statement 2024

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GBRW



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About GBRW

GBRW was established in London in 1995 and has a management team composed of former senior commercial, investment, or development bankers. In addition to our London headquarters, we have a presence in Asia and North America.

“ ... management team are all former senior financial industry practitioners. ”

GBRW's aim has always been to provide emerging market clients with the same standard of high quality, specialised consulting on finance and banking as would be expected in developed markets.

Furthermore, we want to connect the banking, government, investment, and economic development sectors with industry best-practice in financial services and enterprise development, and to help develop and implement practical interventions and outcomes for emerging markets.

GBRW's team has completed contracts in over 60 developing, transition and post-conflict countries. Our clients include governments and government agencies, International Financial Institutions (IFIs), local and regional Development Finance Institutions (DFIs), commercial banks and other financial institutions, and other private sector companies. Regional experience includes the UK and Western Europe, the Middle East, Africa, Central and Eastern Europe, the Caribbean, and Central and South East Asia.

Drawing on extensive practical experience at some of the world's leading banks, IFIs, and regulators,

we emphasise implementation, working shoulder-to-shoulder with counterparts to deliver change as well as planning for the future.

GBRW has a deep pool of intellectual capital to share, including policies and procedures, models, methodologies, tools, and templates. We have delivered tailored training courses to senior audiences globally, on a wide range of topics, presented in-person or remotely.

We regularly update our website with details of our recent assignments. These can be found here: www.gbrw.com/consulting/assignments.

As former bankers and current financial sector consulting professionals, we have expertise in core commercial banking topics and products including:

- ✓ Corporate Governance
- ✓ Strategy
- ✓ SME Lending
- ✓ Sustainable & Green Finance
- ✓ Project Finance
- ✓ Trade Finance
- ✓ Retail Banking
- ✓ Financial Inclusion & Microfinance
- ✓ Credit, Market & Operational Risk
- ✓ Treasury & Asset / Liability Management
- ✓ Compliance
- ✓ Regulatory Policy & Supervision
- ✓ HR & Performance Management
- ✓ Training & Development

Expertise

GBRW has advised and trained banks and other financial institutions around the world on managing and resolving Non-Performing Loans (NPLs) for many years.

As seasoned bankers with extensive lending experience, we recognize that economic turbulence and macroeconomic shocks are ongoing market occurrences that expose FIs to upsurges in NPLs. This undeniable and unavoidable fact is particularly challenging in markets lacking a long history in problem loan management.

We view problem loans as a by-product of the lending process, and they cannot be eliminated. Therefore, if an institution lends money, it should expect some problem loans.

We have successfully delivered practical workshops on Problem Loan Management to FIs in Azerbaijan, Cambodia, Ethiopia, Jordan, Kenya, Lebanon, Mongolia, Nigeria, Serbia, Tajikistan, Ukraine, and Uzbekistan. All the training workshops were well attended and received.

Also, we have successfully delivered related advisory services in Afghanistan, Croatia, Serbia, and Tanzania. The advisory services involved supporting clients in their efforts in:

- Developing non-performing loan management manuals.
- Establishing stressed asset management units ("SAMU") that increase and expedite recoveries and maximize earnings.
- Converting NPLs to performing loans through rescheduling or other methods per Client's policies; and
- Implementing a rehabilitation & restructuring plan for a state-owned bank.

Over the years, it has become increasingly apparent that there is a high degree of similarity in the issues and challenges that clients face, notwithstanding the differences between the banks attending the workshops and the countries and markets they represent. In fact, and this may be no surprise, the FIs, and the markets were more alike than they were different.

It is similarly apparent that while training opens the participants' eyes to the needs and available solutions to resolving and managing problem loans, there is a big difference between learning about what to do and implementing the required interventions to improve an institution's position and capacities.

Problem loan management entails developing the strategies, policies, procedures, and internal capacities required to enable financial institutions to keep problem loans within reasonable and manageable limits. Also, experienced workout officers understand that success in managing problem loans frequently comes down to early recognition. The earlier a problem is identified, the easier it is to resolve it.

GBRW's capabilities include a suite of Problem Loan Management Training and Advisory Services designed to support FIs' efforts to develop the strategies, policies, procedures, and internal capacities required to keep problem loans within reasonable and manageable limits.

Expertise

GBRW offers Problem Loan Management training and advisory services that clients can contract on a stand-alone basis or combined to yield a robust and tailored solution to build capacity and enhance your institutional frameworks, methodologies, and procedures. Thus, our well-established and well-received training programmes can be supplemented with optional advisory services.

Training Services

Our training courses include, but are not limited to:

- Executive Forums – that provide executives the opportunity to exchange information regarding problem loan trends in the market, stressed asset management strategies and best practices for managing problem loans.
- Operational Problem Loan Management Workshops – that enhance the knowledge and practical experiences of senior banking professionals responsible for managing and resolving problem loans.
- Loan Restructuring Workshops – that provide senior lending and credit risk management professionals a comprehensive understanding of loan restructuring concepts, tools, and techniques, designed to improve an FI's position.
- Cash Flow Analysis Workshops – that provide senior lending and credit risk management professionals a comprehensive understanding of the use and benefits of the direct cash flow statement and cash budget.

Advisory Services

Our advisory services include, but are not limited to:

- Review and Enhancement of Operating Procedures
- Review and Enhancement of Problem Loan Management Policies & Procedures
- Develop Early Warning Signals and Response Procedures
- Review and Enhancement of Appraisal and Transfer Tools
- Review and enhancement of credit quality appraisal and asset transfer tools
- Review and Enhancement of the Reporting Framework
- Review and Enhancement of Organizational Structure of Unit Responsible for Managing and Recovering Problem Loans
- Review and Enhancement to Client's Analysis of Borrowers' Cash Flow Statements
- Review and Enhancement to Client's Analysis of Borrowers' Cash Budgets

GBRW is a leading specialist in managing stressed assets and problem loans. We have extensive credentials in developing and emerging markets in Eastern Europe, including Asia, the Caribbean, and Central America, Europe, and Central Asia, North Africa and the Middle East, North America, and Sub Saharan Africa regions

Our team has extensive hands-on experience in supporting FIs to manage some of the most challenging portfolio positions and is available for a no-obligation, confidential consultation at your convenience.

Selected Case Studies



Strategic Framework for Management of Non-Performing Loans Portfolio

GBRW conducted a Diagnostic Review of the African Development Bank's non-sovereign operation non-performing loans (NSO NPLs), including tactical and strategic recommendations. The review identified specific initiatives for reducing NSO NPLs over the short, medium, and long term and highlighted the Bank's approach and objectives regarding effective management of NSO NPLs.

The NSO NPL review also presented recommended operational activities that the Bank could undertake to mitigate the growth of NPLs. The strategic management of NSO NPLs covered both proactive and corrective actions, which require good governance, quality at entry, close monitoring, efficient processes, tools adoption, and regular reporting.



The Role of Regulators in Non-Performing Loan Management

In 2018, the International Finance Corporation (IFC), the World Bank Group organized a Workshop on NPL Management for Lending Institutions in Hohhot, Inner Mongolia China. The Workshop, which was attended by more than 200 Regulators and Lenders, was hosted by the Bank of Inner Mongolia (BOIM). The workshop brought together commercial banking, investment banking and asset management professionals, as well as regulators, lawyers, consultants, and scholars to share their experiences and encourage the use of best practices with the workshop participants. Nate Dickerson, representing GBRW was asked to address the topic: "The Role of the Regulators in Non-performing Loan Management".



Problem Loan Management Training for Egyptian Banking Institute

GBRW is a regular provider of training services to the Egyptian Banking Institute (EBI). This intensive three-day course provided EBI clients with a rigorous and comprehensive framework for managing problem loans, from a strategic and operational perspective. The program provided a sound approach and methodology for identifying, assessing and managing problem loans from origination to resolution. Beginning with how problem loans impact an institution's soundness and reputation, the programme also explored the root causes, both internal and external which contribute to problem loans. The programme addressed the implementation of an effective early warning system, as well as the benefit of scenario planning and stress testing. In addition, the programme covered practical options, approaches and methods for resolving both non-performing portfolios and individual loans, illustrated with real-life case studies.



Rehabilitation and Restructuring of Privredna banka Zagreb

Privredna banka Zagreb is the second largest bank in Croatia. As a state owned bank it had been required to make significant contribution to the war effort and in consequence much of its portfolio was in default (and was subsequently transferred to the state work out agency, the State Agency for the Insurance of Deposits and Bank Restructuring or DAB). As part of a post-conflict restructuring exercise, the bank was scheduled for restructuring and privatisation. GBRW supported the restructuring of Privredna Banka, with a particular focus on reviewing the strategy and organisation structure, overseeing the non-performing asset resolution, reforming the risk management and internal audit functions, and capacity building of the treasury department and the approach to Asset and Liability Management in the bank. The bank was successfully taken private with a majority stake taken by Banca Commerciale Italiana (now Intesa Sanpaolo).

Selected Case Studies



Non-performing and Problem Loan Management Training in Ethiopia

GBRW designed, developed, and delivered two courses focused on managing problem loans for the International Finance Corporation ("IFC"). The curriculum was separated into two paths. The first course was a Forum ("Executive Forum") for executives and senior management. The Executive Forum provided participants an opportunity to obtain and exchange information on the state and trends of problem loans in the market, and discuss procedures used by practitioners managing problem loans. The second course was a Problem Loan Management Workshop ("Workshop"), designed for Senior SME and Commercial banking professionals with relationship and credit risk management responsibilities. These remote instructor-led sessions allowed participants to discuss topics and concerns, exchange thoughts, share experiences with the instructor and peers, and receive constructive feedback in a supportive environment.



Stressed Asset Management for Major Bank in Tanzania

GBRW was appointed by a leading Tanzanian commercial bank to develop and deliver a detailed suite of policies and procedures for identifying and transferring problem loans to a specialised unit of the bank, and then managing and recovering those problem loans. GBRW worked on-site with the Bank to deploy turnaround and recovery operating procedures, implement practical early warning indicators, review the bank's delinquent loans assessment tools, develop the process for monitoring and transferring delinquent loans, and implement an overall framework for performing loan sector analysis. The process involved reviewing, assessing, and assisting the Stressed Asset Management Unit in the Bank in developing turnaround and recovery operating procedures in line with the prevailing credit policy.



Strategy, Governance, and Risk Management Consulting for KreditpromBank

KreditpromBank was a mid-tier universal bank in Ukraine with a franchise of over 400,000 retail customers and nearly 20,000 corporate customers. With headquarters in Kiev it had a total of 12 main branches across the country controlling 158 sub-outlets. GBRW was engaged by the management of the bank to undertake a capacity building project providing advice to the Chairman, the Board of Supervision and the Chief Executive Officer covering strategy, corporate governance, the risk management, audit and the operations and management reporting of the bank. During the assignment the bank went into default and GBRW's mandate was extended to include the management and recovery of Non-Performing Loans, negotiation with individual customers in default for maximum recovery and the financial restructuring of the bank including advising the Chairman and the Board of Supervision on the extended negotiations with the creditors.



Bank Liquidation and Bankruptcy Administration Services

GBRW was retained by the Agency for Deposit Insurance, Rehabilitation, Bankruptcy and Liquidation of Banks (the "BRA"), under a World Bank contract, to assist the BRA implement its restructuring plans. The main objective was the centralization of asset administration for the receiverships of 6 State Banks to achieve the following tasks: 1) sales of the banks' "exotics" portfolios and a number of the minority and majority equity investments; and 2) the establishment of a centralised Bank Consolidation Unit (BCU) to support the administration of impaired Non Performing Loan (NPL) assets. More specifically, GBRW completed a loan stratification and review of the loan portfolios of the liquidated banks; identified target sectors and loans where recovery is most likely and effort should be concentrated; and provided detailed Policies and Procedures on loan collections. Finally, GBRW assisted in the preparation for and sale of all eligible banks' non-impaired loan and equity assets.

Selected Case Studies



Problem Loan Management Training in Azerbaijan and Tajikistan

GBRW designed, developed and delivered three-day courses in Azerbaijan and Tajikistan focused on the management of problem loans for the International Finance Corporation (IFC). The course was aimed at senior operational staff responsible for detecting, assessing, monitoring, managing and resolving problem loans. The workshop included case studies and group exercises. Delegates were asked to perform tasks as an individual and a member of the team. In order to make the most effective use of time they were asked to complete the assignments contained in an attached, "Our Market, Ltd. Financial Statement and Cash Flow Analysis Case Study Exercise ". Whilst the training itself is compliant with international standards, each course was customised to take account of the prevailing legislation, regulation and banking practice which vary from country to country. Each course included complete guides for both instructor and delegates, as well as the case study materials.



Delivery of a Non-Performing Loan Management Manual

GBRW was retained by a major Serbian bank to support the development of a detailed policies and procedures manual for the Delinquency Management Department (DMD), responsible for the identification, management, and reporting of Non-Performing Loans (NPLs) in the Bank. The key principles in the manual were to establish clear departmental roles and responsibilities in the flow of stressed assets from Business-as-Usual (BAU) front-office departments to the specialist stressed asset management unit. It also aimed to set a Key Performance Indicator (KPI) framework to incentivize the cost-effective management of stressed assets, and maximise recoveries. This involved emphasizing the swift realization of cash to enhance shareholder value while reducing administrative and legal costs.



Problem Loan Management Training in Cambodia and Mongolia

GBRW designed, developed and delivered three-day courses in Cambodia and Mongolia focused on the management of problem loans for the International Finance Corporation (IFC). The course was aimed at senior operational staff responsible for detecting, assessing, monitoring, managing and resolving problem loans. The workshop included case studies and group exercises. Delegates were asked to perform tasks as an individual and a member of the team. In order to make the most effective use of time they were asked to complete the assignments contained in an attached, "Our Market, Ltd. Financial Statement and Cash Flow Analysis Case Study Exercise ". Whilst the training itself is compliant with international standards, each course was customised to take account of the prevailing legislation, regulation and banking practice which vary from country to country. Each course included complete guides for both instructor and delegates, as well as the case study materials.



Problem Loan Management Training for major Tanzanian bank

GBRW was retained by a major Tanzanian Bank to deliver an intensive three-day workshop on providing a comprehensive framework for managing problem loans, from a strategic and operational perspective. The training provided participants with a sound approach and methodology for identifying, assessing and managing problem loans from origination to resolution. Beginning with how problem loans impact an institution's soundness and reputation, the programme explored the root causes of problem loans, the importance of effective early warning systems, as well as the benefit of scenario planning and stress testing. The programme also covered the practical options, approaches and methods for resolving both non-performing portfolios and individual loans.

Indicative Personnel



Nate Dickerson

Managing Director, Credit Risk

Stressed Asset Management Expert

Joining in 2012, Nate Dickerson is the Director of Credit Risk Management at GBRW. Nate's banking career started with Chase Manhattan, where he enjoyed a 13-year career. Responsibilities included domestic and international debt restructuring, credit administration, and relationship management. While at Chase, Nate also developed and delivered credit risk management training for Chase's Credit Training Program. Nate has been engaged as a consultant for over twenty-five years providing consulting and training in more than 20 countries in Asia, Latin America and the Caribbean, Europe, Africa, and the Middle East. Nate holds a Master of Business Administration from the Wharton School.



Jeremy Denton-Clark

Director, GBRW

Stressed Asset Management Expert

Jeremy joined the GBRW group of companies after 32 years of experience as a professional commercial banker in the City of London, the last 8 years of which he was the Chief Executive Officer of a merchant bank. Jeremy started his career in the foreign exchange department of Kleinwort Benson before moving on to the control of advances made by the French and Belgium branches of the National Westminster Bank. Moving back to London he joined for 13 years a bank owned by commercial banks in the United States, Scandinavia and Germany where he was appointed a Director and General Manager. Jeremy was then appointed the Chief Executive Officer of a merchant bank in London specialising in trade finance, private banking and lending to SMEs.



Philippe Belot

Joint Managing Director, GBRW

Stressed Asset Management Expert

Philippe Belot has more than 30 years of banking experience, financing the corporate sector. In his last position in 2014-2017, he put in place and led as Managing Director the corporate lending activity of B&C PLC, a newly created merchant bank supervised by the Bank of England and focused on privately-owned SMEs. Prior to B&C, Philippe was for 18 years Portfolio Manager and Senior Banker at the European Bank for Reconstruction and Development (EBRD). There, he carried out complex financing transactions and designed programmes destined to foster the development of SMEs and the private sector in Eastern Europe.



Bruce Leighton

Consultant, GBRW

Stressed Asset Management Expert

Bruce Leighton has over 35 years of experience in development finance, project financing, and loan restructurings. Before joining GBRW, he was Lead Specialist at the Inter-American Development Bank (IADB). Bruce implemented the migration of IADB's private sector loans into a new subsidiary, IDB Invest, and participated in various IDB Invest Committees establishing credit guidelines and operational and administrative policies. With International Finance Corporation (IFC), he was also responsible for an innovative off-balance sheet financing vehicle for Mozambique SMEs. Bruce also managed an 'Africa Initiative' to oversee restructuring/ resolution of IFC's portfolio of distressed SME loans member of EBRD's SME Credit Committee.

Contact Us

GBRW is headquartered in the City of London, with a presence in Asia and North America.

Our management team are all former commercial, investment, or development bankers, whose global experience includes significant time spent in roles at British International Investment, Chase Manhattan Bank, Crédit Agricole, EBRD, Federal Reserve Board, HBOS, HSBC, IFC, ING, Inter-American Development Bank, Lloyds Bank, Mizuho, RBS, Rothschilds and Royal Bank of Scotland.

As well as our dedication to banking and finance expertise, GBRW's approach emphasises fellowship, and values honesty and humility. Good interpersonal skills and the pleasure we take in mutual problem-solving comes through in our work, demonstrated by the long-term relationships we have with many of our clients.

Please don't hesitate to get in touch via our contact details below, we would be delighted to hear from you.

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