

NPL Services

On the back of the economic recovery the European Non-Performing Loans (NPL) markets in South Europe, Central Eastern Europe and South Eastern Europe are expected to experience significant growth over the next couple of years. Consequently, the demand for flexible global presence and excellent local services for the investors to acquire and manage these portfolios will increase proportionately. TGS with its dynamic global network of independent firms specialising in the provision of accounting, audit, tax, business advisory and commercial legal services is the ideal partner over the whole LifeCycle of the portfolio.



Service Portfolio

TGS offers services especially **for secured real estate NPLs** alongside all phases of the portfolio LifeCycle and sets its focus on small and midsized portfolios up to a Volume of EUR 200 Million.

Services which cannot be offered by TGS offices themselves will be done in co-operation with external partners (i.e. investment banks, lawyers, etc.).

Investment
Phase

Management
Phase

Exit
Phase

Investment Phase – before the purchase of the portfolio

- Assistance – Identifying portfolios | Evaluation of portfolios
- Project management – Pre-purchase | Due diligence | Closing
- Advisory services – Development tax | Legal structures
- Due diligence – Evaluation | Financial structuring | Tax | Legal
- Support – Selection of local technical and/or legal experts.

Management Phase – until sale of assets or portfolio

- Portfolio management – Asset, Client, Tenant and Cash management
- Tax advisory services – Accountancy | Audit | Tax
- Organisational services – Local MDs | Company addresses | Office services.

Exit Phase – sale of assets or portfolio

- Sales service – Management and structuring of the sale processes.

USP

TGS will offer different USPs to potential clients

- Global approach guarantees direct client contact on all levels
- Professional reputation of an international accountancy and audit network
- Local know how and structures without the need to set up own structure
- Full service approach over LifeCycle
- Acquisition of multinational portfolios possible
- Higher flexibility and faster than Big 4.



Corporate Structure

As the different entities have to co-operate in teams, often cross border regionally as well as globally, a three level approach which also should be reflected in the fee structure might be useful.

Client acquiring office of TGS – Acquisition of potential investors | Client relationship management

Global Expert Team – NPL product knowledge | Project management | Co-ordination of experts

Local Expert Team – Identifying portfolios | Local services (e.g. Tax Advisory including accounting,...)

Fee Structure

PHASE	SERVICES	FEE	RANGE (EXAMPLE)
Investment Phase	Assistance Support	One time success fees for identifying targets	0.5 - 1.5% of purchase price.
	Project management	Lump sum or hourly fees	t.b.d.
	Advisory services	Lump sum or hourly fees	t.b.d.
	Due diligence	Lump sum or hourly fees	t.b.d.
Management Phase	Portfolio management	Fixed fee per asset NAV or yearly lump sum	1% - 1.5% of the acquisition price during the first 5 years, declining thereafter by e.g. 20% p.a.
	Tax Advisory services	Lump sum or hourly fees	t.b.d.
	Organisational services	Fixed fee per company asset	EUR 15,000, -- /company/year.
Exit Phase	Sales service	Performance fee	Investor to receive their drawn down capital back plus a x% minimum return p.a.; thereafter investors will receive 80% and the managers will receive 20%.

TGS Global, an international network of professional business advisors