



CHALLENGE

ACCEPTED

Insights

The annual report of the
EOS Group 2017/18

EOS. FOR A DEBT-FREE WORLD



CHALLENGE ACCEPTED





Dear reader,

'Challenge accepted' is the theme running through this year's annual report. It reflects how we deal with change. It has now become a way of life, whether it involves new technologies, new communication channels or the way we work together. Very little stays the same. And the transformation is happening at warp speed. Both for us and for our clients. We react to this with creativity, a solution-oriented approach to our work and by being open to lifelong learning.

We do not bury our head in the sand; we hold it high and say: Challenge accepted! That is reflected in this report. For every big story, our employees, clients and partners have identified their greatest challenge in the 2017/18 financial year and how they coped with it.

The upheavals in society and the workplace challenge us and spur us on. We view them as an opportunity to develop new ideas. For example, we are setting up an international platform for our Center of Analytics so that we can analyse pseudonymized data in just a few seconds and recommend how debts should be processed. That doesn't just help us. Our goal here is quite clear: We primarily want to help our clients' customers by providing top-speed processing and a customised approach to ensure their optimum debt recovery. You can read all about this from page 14 onward.

Of course, we are always on the lookout for new business models. Thus, we have been buying portfolios secured by real estate over the past few years. We are currently expanding this segment internationally, in Hungary, for instance. Turn to page 39 to find out why our local colleagues took that decision. The ins and outs of purchasing secured receivables are described starting on page 36. And by the way: If you want to know what my own personal challenge was, go to page 6 to find out. I can let you know in advance that I am still not done with this task. Quite the contrary: As a group we are still in the midst of the change and renewal process.

If you would like to learn more, you can find additional information and videos at eos-solutions.com/insights.

Keep questioning. We do too!

Yours

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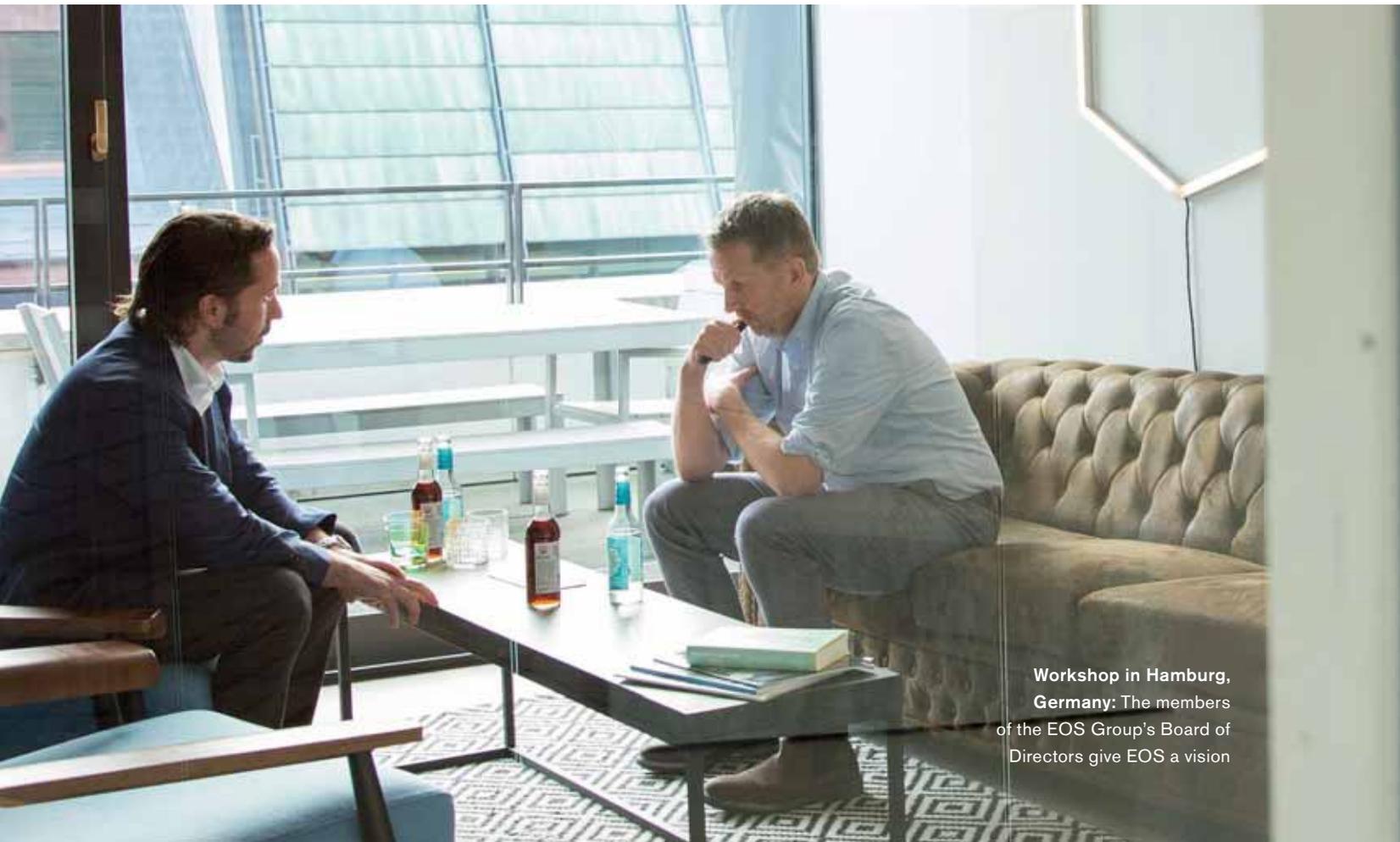
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Workshop in Hamburg, Germany: The members of the EOS Group's Board of Directors give EOS a vision

BEST NEXT EOS

THE FUTURE WHERE WILL EOS BE TEN YEARS FROM NOW?
THE GROUP'S BOARD OF DIRECTORS SETS A
CLEAR COURSE: NEW TECHNOLOGIES,
MORE INVESTMENTS AND ENTREPRENEURIAL SPIRIT
WILL ENSURE THE FUTURE SUCCESS OF EOS.

Shaping the future of the EOS Group



aving a strategy is the main thing. That was the creed of many enterprises for decades. But the times when companies could work through ten-year plans item by item are long gone. Digitisation is changing the world way too quickly. Nevertheless, companies still need a goal they can work towards. Klaus Engberding is well aware of this. In recent months, the CEO of the EOS Group has worked with his four colleagues on the Board of Directors to develop a vision for the future of EOS: 'We are a globally connected financial investor driven by technology and entrepreneurial spirit.'

'The first question to answer was what constitutes the core of our business and what areas of growth can we occupy with the help of our digital technologies', explains Mr Engberding. 'In the past we were an analogue debt collection company. But new developments such as advanced analytics open up completely new opportunities for assessing receivables and portfolios and managing the way we process them.'

The Center of Analytics is a good example. 'The self-learning platform we are developing can analyse large volumes of data very quickly to ascertain the most expedient next step in processing receivables. We call this the "best next action"', explains Justus Hecking-Veltman, Member of the EOS Group's Board of Directors and Chief Financial Officer. 'Among other things, the platform represents the analytical basis for the "Best Next Inkasso" debt collection system which we are developing in Germany. With the aid of

WE ARE A GLOBALLY CONNECTED FINANCIAL INVESTOR DRIVEN BY TECHNOLOGY AND ENTREPRENEURIAL SPIRIT

The EOS Group is on the move. Its vision reflects this. EOS is increasingly using digital technology to assess and manage receivables packages. Investments in all asset classes constitute another growth area. EOS relies on an entrepreneurial spirit to achieve this transformation.



Shaping tomorrow: Andreas Kropp, Marwin Ramcke, Justus Hecking-Veltman, Klaus Engberding and Dr Andreas Witzig (from left) drawing inspiration from Frank Niehage, CEO of the FinTech Group (standing)



- advanced analytics we will know in the future how and when we can best contact slow-payers to quickly find satisfactory solutions for all concerned', says Andreas Kropp, Member of the EOS Group's Board of Directors and responsible for the German market (see also page 14).

Digital technology will considerably improve the valuation of portfolios offered for sale. 'This means that we can do more than just provide outstanding results for our clients. By coordinating and customising collection procedures for every late payer, we are opening up new pathways for them to achieve a debt-free life. We are therefore approaching our purpose "For a debt-free world"', explains CEO Mr Engberding.



Investments in all asset classes

EOS sees a great deal of potential in debt purchases. 'In the future we will further intensify our activities as a globally networked investor. We intend to grow primarily in the secured business', says Mr Hecking-Veltman. The EOS Group already has plenty of experience in this field. 'In the last two years we purchased a large number of secured portfolios in Eastern Europe. We want to increase the present level further in future', explains Marwin Ramcke, Member of the EOS Group's Board of Directors and responsible for the Eastern European region.

Until now EOS has concentrated on unsecured transactions in the Western European market. But here too the Group is focusing more on secured portfolios. 'From now on, we also aim to purchase carefully chosen secured receivables packages in Spain as we currently do in France. In future we can see ourselves purchasing portfolios in countries where we are not represented by our own company. We have already implemented this successfully in Portugal by working with a partner', says Dr Andreas Witzig, Member of the EOS Group's Board of Directors and responsible for the Western European region.

EOS will invest in further asset classes in future. For example, EOS has been acquiring property portfolios for some time. 'Lastly, as a result of the acquisition of secured portfolios, we have ample experience in the valuation and sale of real estate', says Mr Engberding. 'Until now, we have acquired mostly defaulted receivables. For the future I can certainly envisage purchasing assets in danger of default and regularly serviced receivables. In all these changes I am relying on the entrepreneurial spirit of our employees. With the courage to change and trust in our strengths, we can work together to transform our vision into reality. This is how we will secure the success of the Group over the long term', says the CEO.



Defining areas of growth:

The members of the EOS Group's Board of Directors setting the course for the digital age

SPEED BEATS STRATEGY

INTERVIEW AS FORMER BOSS OF GOOGLE GERMANY, CHRISTIAN BAUDIS KNOWS HOW THE DIGITAL SECTOR TICKS. HE EXPLAINS HOW COMPANIES CAN BOOST THEIR INNOVATIVE STRENGTH.

How do companies position themselves properly for digitisation?

Christian Baudis: First, the management should get an overall view of the technological options that challenge the business model. Then it can appoint small teams to seek solutions to current problems and develop new market opportunities. In doing all this, senior management should not set any specifications. It can prioritise solutions and present them to the workforce. A positive side effect is that the entire company takes part in the process and backs the procedure of digitisation and change in the company.

How must companies adjust their organisation and work methods in order to implement the required changes?

Mr Baudis: Distinct hierarchies impede innovative power. That power is exactly what companies need so they can keep pace with the market. Companies should encourage employees' personal responsibility. This so-called empowerment is just as important as small, agile teams in flexible organisational structures.

What responsibilities do managers have?

Mr Baudis: Managers orchestrate a diversified and constantly changing organisation. They have to contribute the appropriate know-how, but most of all they have to define the right tasks, which the teams then realise independently across departments. Letting go instead of controlling is the management principle of the future.

Start-ups are often considered to be role models in digital disruption.

What can corporations learn from them?

Mr Baudis: From digital start-ups, for example, they can learn how to frame crazy ideas simply, implement them pragmatically while accepting high risk tolerance and an error management culture.

Digitisation is rapidly changing the world. How tenable are strategies in such a world?

Mr Baudis: The new strategy is called reaction speed. I need a competent team that pinpoints changes like a lighthouse and indicates them to management. Then, the latter must initiate a transformation process from scratch again and again. ■



Christian Baudis:
The digital entrepreneur has supported the EOS Board of Directors in elaborating on their vision



DIGITAL PERSPECTIVES

INTERVIEW WHAT DOES DIGITISATION HAVE TO DO WITH DEBT COLLECTION? KLAUS ENGBERDING, CEO OF THE EOS GROUP, HAS PUT A LOT OF THOUGHT INTO THE FUTURE – AND VENTURED A BOLD MOVE.

As CEO of the EOS Group, for the first time you can look back on a complete financial year. It is no coincidence that the theme of this year's annual report, 'Insights', is 'challenge accepted'. What was your biggest challenge over the past months?

Klaus Engberding: Although I took over the Group at a very successful moment, it was clear to me that I would have to deal with some issues with regard to the future: What stimuli do I want to give the EOS Group? In what direction do we have to develop in order to continue our success story? And finally: How can a digital perspective contribute to this? Purpose, heartbeat and vision now provide the answers.

What was, in fact, the most difficult task in this respect?

Mr Engberding: It was an enormous challenge to answer these questions for all the almost 7,500 employees in 26 markets, which are to some extent very different. I was aware that first of all, we need a common central theme, namely: Why do we actually come to work every day? Together, we have worked out a purpose 'For a debt-free world' with all our employees and not simply put it in front of them. This is important. We did not wish to come up with a meaningless platitude but something meaningful that affects everyone – something found in this form only at EOS.

And do you notice any change amongst the employees?

Mr Engberding: Absolutely. We look at ourselves and our business differently. In our purpose we have formulated our wish: 'For a debt-free world'. But of course, we know that there will always be loans in the world, for example, to finance a house or promote a business with investments. And naturally, that is as it should be. But we want to support those people who are no longer able to pay their bills and who are looking for a way out. We achieve this through realistic payment plans, an individual approach and fast processing. In line with our purpose, we analyse where we meet our self-imposed standards and where we do not. If we should not do this in one instance, we work full steam ahead on finding a solution. That too, also means 'For a debt-free world' for us.

Apart from the purpose, why does it still require the heartbeat?

Mr Engberding: The heartbeat describes how we meet our targets and how we intend to work together. We have agreed on seven principles, for instance 'be courageous', 'embrace change' and 'trust'. An example: When entering new

territory, we analyse all risks and immediately search for solutions. As the EOS Group we accomplish this very well. I trust my employees to be able to manage problematic situations. For me, this is entrepreneurial spirit.

There is also a new vision for EOS. Why does it guarantee success?

Mr Engberding: The vision illustrates what we will do in future and what our core business will be, namely: 'We are a globally connected financial investor driven by technology and entrepreneurial spirit'. Today we are a successful debt collection company. We know how to process receivables and are able



to assess them. That is why, as an investor, we will in future concentrate even more on debt purchase – particularly with regard to portfolios secured by real estate. The new technologies that come along with digitisation – like artificial intelligence and many others – separate two aspects: processing receivables, in other words, traditional debt collection and know-how concerning receivables. We accumulate this knowledge with complex data analyses and can use it to control the processing of receivables. We will do this using our self-learning, debtor-centric software solutions. As I have already said, this will in turn benefit people who have a genuine interest in getting out from under a mountain of debt. ■

Forward thinker:

CEO Klaus Engberding is taking the EOS Group in a new direction

EMBRACING CHANGE



CULTURAL JOURNEY@EOS THE EOS GROUP IS DIFFERENT TODAY THAN IT WAS JUST ONE YEAR AGO. A FAR-REACHING CULTURAL CHANGE IS MAKING EOS QUICKER, MORE AGILE AND MORE DIGITAL. THE GOAL IS CLEAR: 'FOR A DEBT-FREE WORLD'.

iving by guiding principles gives a person a sense of direction. Or almost 7,500 people. As is the case at EOS. The purpose, 'For a debt-free world', has been pointing the way for employees throughout the world since November 2017. 'We see ourselves as part of a bigger picture. The purpose motivates us to give our best every day', says Klaus Engberding, Chairman of the EOS Group's Board of Directors. He is particularly proud that management and employees developed this mission statement together: 'It is not an artificial slogan; it is embedded in our DNA'. The cross-hierarchical way in which EOS developed the purpose is exemplary of the

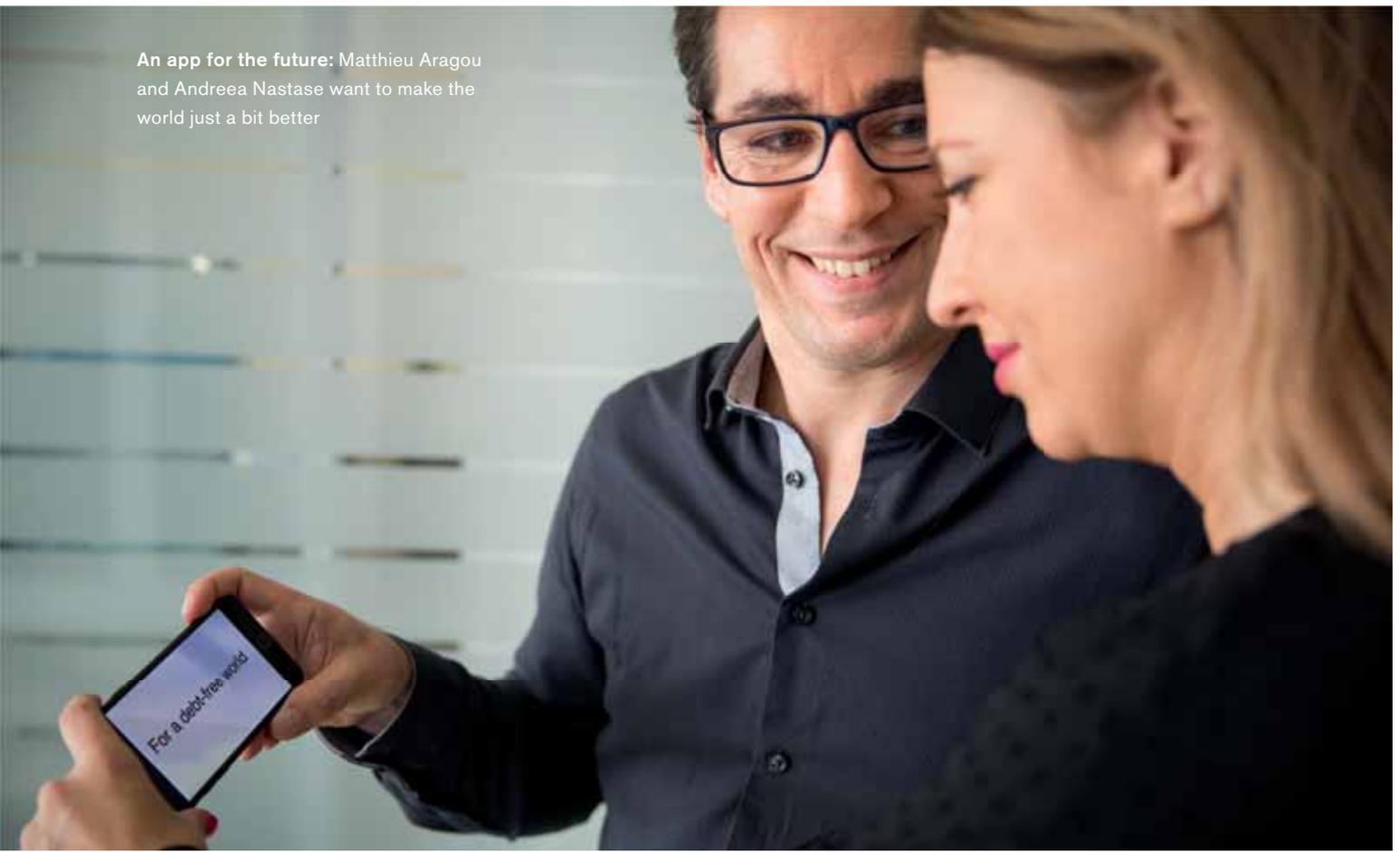
Group's new organisation. Employees are increasingly acting more flexibly and taking on more responsibility. Managers empower the teams to resolve tasks independently. This entrepreneurial spirit is encouraging the Group along the Cultural Journey@EOS, which began two years ago.

Sensing the heartbeat everywhere

This is how EOS is reinventing itself for digital transformation. 'We are developing from an analogue company into a digitised, technology-based investor. We need new forms of collaboration to achieve this change', says the CEO. That is why EOS defined seven principles which form the basis of how employees work with one another, with customers and defaulting payers. These principles form the heartbeat of EOS: 'Trust', 'Walk your talk', 'Love to learn', 'Strive for excellence', 'Embrace change', 'Share your knowledge' and 'Be courageous'.

The international change process cannot be managed from headquarters. This is why employees from around the world applied to be Culture Companions. Acting like guides on the Cultural Journey@EOS, they help embed

An app for the future: Matthieu Aragou and Andreea Nastase want to make the world just a bit better



the purpose in their respective countries. One of the 44 Culture Companions is Connie Neira from the legal department at EOS in Spain. 'We will conduct workshops with all our employees to find out what each individual can do to implement the purpose and heartbeat in daily work', she says.

An app for fewer debts in the world

Customers and defaulting payers will benefit from the changes. 'For a debt-free world' is ultimately a global claim. EOS wanted to find out from all its employees how it could be put into practice. They responded with 263 ideas submitted to the Board of Directors. A proposal from Romania came out on top: 'We are currently developing an app which will make it easier for customers to settle their debts', explains Andreea Nastase, Process Manager at EOS in Romania. She is implementing the application with an international team, which includes Matthieu Aragou from internal quality control at EOS Credirec in France: 'The app will enable consumers to receive information about their payment status and payment agreements in real time. They can use it to gain access to various payment plans and pay directly. This makes settlements easier and reduce the costs of the collection process', he says. EOS clients also benefit. 'Defaulting payers will be able to settle their outstanding balances more quickly, so creditors will receive their money faster', explains Ms Nastase. By late 2018, the app should be ready for use in its test country, Romania.

'Developing the app is just one step on our Cultural Journey@EOS. But it shows how we think and work today', says CEO Mr Engberding. 'Employees from around the world exchange and realise ideas, which means we can make use of the know-how of a large number of people. We are one step closer to our goal of becoming the industry's technological leader'. ■

'FOR A DEBT-FREE WORLD'

There will always be debts. They are indispensable to the economy and consumers as loans for investments or mortgages for homes. 'If borrowers cannot service their debts, we find a solution. Every day, we give companies and consumers a chance to settle their liabilities fairly. That's how we help them to a debt-free life. At the same time, we help creditors obtain their money', says Klaus Engberding, CEO of the EOS Group.

THE FUTURE WORKS HERE



CENTER OF ANALYTICS HOW IS DEBT COLLECTION GOING DIGITAL? THE DATA ANALYSTS AT EOS HOLDING KNOW THE ANSWER. THEIR MOTTO: EXPERIENCE IS GOOD, BUT WITH THE RIGHT TECHNOLOGY IT GETS EVEN BETTER.

Looking for and finding solutions based on solid experience is not a bad idea. At EOS, that has worked very well for over 40 years. Until now, when a client handed over a receivable, debt collection systems would advise collection agents of the best course of action. They would send a letter to the defaulting payer, for example, because letters had achieved good results in past decades. Now, however, the company is combining its know-how in receivables management with algorithmic models and machine learning. Since June 2017, the EOS Group's central access point for data analysis has been the Center of Analytics (CoA) in Hamburg, Germany. Patrick Witte, Team Manager Business Analytics at the CoA, explains its purpose: 'In future we'll be able to reach even more precise and objective decisions on how best to address

an individual defaulting payer'.

Knowing in advance how things work

'The centrepiece of our system is the analytical platform. It ploughs through large data volumes at high speed and structures them', says Joachim Göller, Head of the Center of Analytics (see interview on page 16). The platform consists of two parts. The segment used by developers contains data accumulated by EOS in the past. They are pseudonymised, which means no conclusions about individual defaulting payers can be drawn from them.

Data scientists seek patterns in order to programme models. For instance, such a model can predict the likelihood of a defaulting payer settling his outstanding amount within the next three months. Another model could calculate how great the prospects of success are when sending a letter. A third model could, for example, determine the rate of success of a telephone call. 'With the aid of such models, we can initiate the best subsequent debt collection measure', says Mr Witte.

Preliminary examples at EOS show how that works in practice. For the analytical platform's second area has begun working live with real receivables. Successfully tested models are put into practice here. They provide the inter-connected debt collection systems with information to determine the ideal next step in the debt recovery process.

'In Germany, the Data Driven Decisions project (see page 17) is docked to the platform along with the new debt collection system "Best Next Inkasso", which a project team is currently developing', explains Mr Witte. With 'Best Next Inkasso' EOS has started processing select receivables. 'When we get a new receivable, the new system calculates in real time which measure is most likely to allow the collection agents to succeed the fastest with this particular receivable and this defaulting payer', explains Mr Witte. Next, the model processes the information on whether the measure has worked. Through this machine learning, the forecasts are becoming increasingly accurate.

Plans call for other debt collection systems within the EOS Group to be connected to the platform by the end of 2018. The 'Oyo' system in France and the 'Kollecto' system in an Eastern European country will be added. Gradually, the company will initiate the most effective subsequent operation in the debt collection process. 'By relying on solid data instead of only decades of experience, we can achieve even better results for our clients and their customers', says Mr Göller. ■

DATA TURN INTO INFORMATION AND DECISIONS

The Center of Analytics (CoA) in Hamburg, Germany, produces self-learning digital tools which evaluate and use pseudonymised data from the debt collection process. Based on the information obtained, sound decisions can be reached on which debt collection measure should be applied next in order to achieve the best results. Data analyses thus improve debt collection processes and results.



The data wranglers:
Mohammed Maamoun,
Joachim Göller und Patrick
Witte of the Center of
Analytics (from left)

MISTER DATA



INTERNATIONALISATION JOACHIM GÖLLER FROM THE CENTER OF ANALYTICS EXPLAINS WHAT THE NEW EOS DEBT COLLECTION CAN DO AND WHY IT DOES NOT WORK THE SAME WAY IN EVERY COUNTRY.

urope-wide know-how and a data-driven debt collection at EOS are the objectives of the Center of Analytics, CoA for short. As Head of the department, you are working with your team to implement the CoA analytical platform. How do you go about it?

Joachim Göller: The technical connection of the debt collection systems to the platform is just one aspect. We also train the data scientists of EOS companies. On the platform they should develop algorithmic models which can assess the prospects for success of the different collection operations. We also encourage networking among the developers so they can share their results. After all, we

ask similar questions everywhere, such as when should we hand over a recovery procedure to the courts. If an EOS company has produced a model for that, other EOS companies can adapt it. Of course, the debt collection systems must take into account national statutory provisions, which stipulate, for example, how we are allowed to contact defaulting payers. We adjust our models and systems accordingly.

Is the platform used only for debt collection?

Mr Göller: For the time being, yes. In future, the platform will also help us with the evaluation of unsecured B2C packages. It shows its strengths when we have to analyse larger data volumes. Later on, the algorithms will allow us to offer even fairer prices for receivables purchases.

What advantages does the new debt collection give defaulting payers?

Mr Göller: We will be able to communicate with defaulting payers more easily via a channel that is the most convenient for them. By contacting them sooner, we can help them avoid unnecessary costs – and can process their cases faster.

How do EOS clients benefit from data-driven debt collection?

Mr Göller: If we take the right debt collection action at the right time, there is a greater likelihood of consumers settling their outstanding accounts. Furthermore, by combining our experience with digital technologies, we can develop new procedures. For instance, we are testing how a letter should be worded so that it best addresses a defaulting payer in terms of content, tone and comprehensibility. With data-driven processes, we help our clients to get more of their money faster and, at the same time we protect their relationships with their own customers. ■

THE RIGHT DECISION



DATA-DRIVEN DECISIONS CAN DATA ANALYSES REALLY IMPROVE THE RESULTS OF DEBT COLLECTION? YES, SAYS STEFAN THEUERKAUF. WITH D3, THE HEAD OF DATA SCIENCE PROVIDES EVIDENCE OF THIS IN GERMANY.

ot exploiting the possibilities of digitisation calls future success into question', is Stefan Theuerkauf's conviction. Don't mistake the statement for just another platitude. The Head of Data Science at EOS Deutscher Inkasso-Dienst (EOS DID), Germany, can back it up with hard facts. Since the launch of the pilot project Data-Driven Decisions (D3), in July 2016, he has been proving that the data-driven control of debt collection processes improves recovery results. Mr Theuerkauf and his team want to show that not only the new debt collection system 'Best Next Inkasso' but also the existing German system 'Fidibus 2' can be optimized with the analytical

models and machine learning. To measure the effect of D3 in real conditions, they have compared the success of previous receivables processing with the D3 process in recent months. In 'Fidibus 2', EOS DID processed receivables as always. At the same time an experimental group also set to work. They calculate the analytical models of D3 and of the Center of Analytics (see page 14) in the background and specify the next best collection operation to employees.

The objective is always to create a personalised receivables management. Every delinquent payer receives a realistic, customised solution with which they can settle their outstanding amounts. 'In addition, the algorithms take into account the expected incoming payments and the costs of the measure', explains the expert.

Expectations exceeded

Preliminary results of D3 have already exceeded expectations. In 2017, the project achieved about ten per cent more payments than 'Fidibus 2'. 'Because we already know how a late payer will react to our work tomorrow, we can provide our customers with better results more quickly', says Mr Theuerkauf. 'At the same time, we relieve the pressure on consumers. Because we take into account their individual situation, we can keep costs low'.

That is just the beginning. In future, D3 should answer questions such as: Should EOS offer a certain consumer a rebate so that he starts paying? How long should employees wait for a response before initiating further measures? Mr Theuerkauf promises: 'With today's functions of D3 we are far from exhausting all the possibilities of digital debt collection'. ■



Forward thinkers: Stefan Theuerkauf (left) and Stefan Thomas of the D3 team

A PROJECT IS DEVELOPING INTO A GREAT PRODUCT

The initial assumption was that data analyses can help improve the collection success. The D3 team successfully turned the idea into a pilot project. In the meantime, D3 has proved itself in the everyday debt collection reality of EOS DID.

SPRINT INTO A NEW GALAXY



GERMANY EOS IS DEVELOPING A NOVEL CUSTOMER PORTAL. THE OBJECTIVE: INNOVATIVE FEATURES, FASTER WORK PROCESSES, SIMPLE COMMUNICATION. THE USERS DECIDE WHAT THE TOOL WILL BE ABLE TO DO.

iant strides into another galaxy: This works with a Stargate. Anyone passing through it lands on a distant planet in seconds – at least in sci-fi space films. Project Stargate by EOS Deutscher Inkasso-Dienst (EOS DID) and EOS Technology Solutions in Hamburg, Germany, also opens up new dimensions. That is where a team of seven employees is working on a new customer portal to simplify work processes. The portal helps users navigate through the giant data universe and gain access to all important information easily and securely. All this happens based on state-of-the-art technologies. 'In this way we are responding to the needs of our clients for faster processes and digital services', says project manager Torben Hiller, Consultant Client Onboarding & Projects at EOS DID.

In future, for instance, a customer's specialist employees will be able to communicate conveniently with their EOS contact partners via the portal. With a single click they can see data on receivables, submit payment reports and call up settlement documentation. In addition, they have the round-the-clock ability to retrieve reports on the development of their receivables.

A chest full of functions

In their development, Mr Hiller and his team are relying on user-experience-design, which yields a system tailored entirely to users' needs. The customer portal is designed for intuitive operation, simple navigation and clear presentation of content. For example, the user can view important metrics on active receivables, payment receipts or realisation and settlement rates. 'Our portal should make the work not just easier, but more fun too', says Mr Hiller.

So that they can really meet the wishes of users, the Stargate team employs agile work methods. Employees and clients formulated their requirements for the portal from the very beginning. The project team then placed them in a so-called backlog. 'That's like a chest of all the features we want

Signposts through the data universe:
Torben Hiller and his team are developing
a new kind of customer portal



to implement in the portal, placed in order of their importance', says the project manager. Among others, the users of OTTO, one of the biggest clients of EOS, provided valuable input. Users there suggested, for example, that the complete chronology of all debt collection activities should be displayed with each receivable. The customer can see at a glance what EOS has undertaken in this case so far.

Incorporating customers' feedback

In two-week cycles, so-called sprints, the project team develops such functions one after the other and adds successive modules to the portal. The sprints also include retrospectives in which the participants evaluate the previous two weeks. What went well? Where did things go wrong? What can be improved? 'Thanks to the agile procedures, we quickly achieve visible results. We can have them evaluated by our customers and by EOS users at an early stage. Then, their feedback is incorporated into further development', says Mr Hiller.

The project team also relies on the extensive in-house network. It benefits from such things as the know-how of employees in the specialist departments and in IT who develop the interfaces to the systems due to be connected, and from colleagues in the IT security and data protection areas.

The next step is a 'Minimum Viable Product'. That is a simple initial version of the customer portal that works with all the modules developed thus far. In this way, customers get a first impression of how it feels to obtain precisely the information they need from the gigantic universe with just a few clicks. ■

FULFILLING OUR CLIENTS' DIGITAL NEEDS

How can digital technology be used to improve exchanges between EOS and its clients? This was the challenge faced by Torben Hiller's seven-member team at EOS DID and EOS Technology Solutions. The new customer portal provides the answer. It takes user wishes into consideration and in future will excite them with an outstanding user experience.

DIGITAL **INGENUITY**

INTELLIGENCE IS **REWARDED**

It doesn't hurt at all:

Artificial intelligence simplifies invoicing for dental practices



How can the work of field service employees be facilitated and organised more efficiently? The answer from EOS KSI in the Czech Republic is with 'Trace'. That is a tablet app the company is currently developing with external software experts. After a test phase, it will be launched in summer 2018.

Field service employees will have mobile access to the 'Kollecto' debt collection system and the cases they are handling. Thanks to the built-in route planner, they will be able to coordinate their journeys for the coming days.

They can then organise their visits so as to save a lot of time. 'During visits to customers our colleagues will have all the information available on the tablet. The payments agreed upon in a meeting are conveyed directly to the head office via the app, so we speed up the collection process', explains Team Leader Martina Bednářová.

The clients also stand to benefit from the digital innovation. As the process is more transparent, they will be more quickly informed of the progress with their cases. ■

MEASURING BRINGS **SUCCESS**

Outstanding software:

EOS Serviceline uses a digital platform to increase incoming payments at call centres



TRANSFORMATION THE EOS GROUP IS GOING IN NEW DIRECTIONS WITH ARTIFICIAL INTELLIGENCE, MOBILE DEVICES AND HELPFUL SOFTWARE. THE RIGHT TECHNOLOGY MAKES EOS AND ITS CLIENTS FASTER AND MORE SUCCESSFUL.

The new software from German Health AG, Hēa Ratio, uses artificial intelligence to help dental practices invoice their fees more quickly and easily. Hēa Ratio knows all the legal requirements for fees and how they interact. Health AG has defined more than 9,000 rules from the 215 fee numbers in the German fee schedule for dentists (GOZ). The software checks the rules to verify whether invoices being created by practice employees are GOZ-compliant. This takes no more than 0.9 seconds. On top of that, Hēa Ratio ensures that no fee goes missing. 'Up to 40 per cent of dentistry services are forgotten in treatment documentation', explains Jan Schellenberger, CTO of Health AG. That's why the software lists the services for which billing may have been overlooked. The

program generates suggestions based on previously checked invoices. The algorithm learns continuously.

Health AG developed the software in collaboration with around 600 partners, including many dentists who contributed their experience in day-to-day dental practice. 'It was important to us that our technical solution would work with all popular software systems used in practices', says Schellenberger. The next stage is already planned. In future, dentists will be able to document treatment through voice recording. The software will use the recording to automatically draw up a treatment plan with costs and generate an invoice. This makes Hēa Ratio the most intelligent and precise software for improving cash flow in practices. ■



ALWAYS IN THE SYSTEM

**Updating while out
and about:** EOS KSI in
the Czech Republic makes field
service operations more efficient

Make successes visible in order to increase them. It was this idea that led to German telephone collection specialist EOS Serviceline being nominated for the 2017 Digital Leader Award. Out of nearly 100 competitors, the Potsdam company won third place in the 'Spark Collaboration' category for its digital success measurement tool 'Win Win'. With help from the digital platform developed in-house, call centre employees can identify whether defaulters transfer agreed-upon amounts on time. 'Because call centre agents can precisely track

the success of their calls, they are in a position to optimise their work processes', says Thomas Wagler, Head of Operations Management at EOS Serviceline. Adjustments have been made to the bonus system in which employees receive a bonus for payments that are made on time.

The effect is measurable. Today, payment arrangements are completed more frequently and reliably than without 'Win Win'. EOS Serviceline uses the digital transformation to increase payments received for its customers. ■



THE END? NO WAY!



UNITED ARAB EMIRATES AL WADI HOLDING KNOWS THE GULF REGION VERY WELL. EOS CUSTOMERS ALSO PROFIT FROM ITS LOCAL KNOW-HOW AND HIGH INTERNATIONAL STANDARDS.

nd of story. Until a few years ago, that was the verdict when defaulting payers from the United Arab Emirates (UAE) or a member state of the Gulf Cooperation Council (GCC) moved to another country. 'Creditors had almost no chance of getting their money and usually had to write off their receivables', says Ayman Al Wadi, Executive Chairman of AL WADI HOLDING in the UAE. This region on the Arabian peninsula is a melting pot. Its nine million inhabitants come from more than 200 countries, so the likelihood of cross-border migration is relatively high. Therefore in 2009



Problem solver in Dubai:

Ayman Al Wadi recovers receivables in the Arab world for EOS customers

AL WADI HOLDING stepped up to solve this problem for companies in the UAE. The AL WADI debt collection unit offers companies receivables management at a high professional standard.

Today's 2,500 or so customers do not come only from Arabia. AL WADI also works for companies in places such as Germany, Poland and Hong Kong. Some of them are EOS Group customers, for EOS has collaborated with AL WADI in international debt collection since 2013.

Finding a common language

The Dubai-based company is among the top ten enterprises in the industry and a Preferred Partner of EOS. 'With the help of specialists like these, we offer debt collection services in countries where we ourselves are not domiciled. They work according to the same exacting quality standards as EOS Group companies', explains Anke Elias, Relationship Manager International Partners at the

EOS Cross-border Center in Hamburg, Germany. Via its Global Collection platform, the international cases of EOS customers automatically reach the region where the defaulting payer lives. Thus, customers always retain the contact person they have grown accustomed to.

If cases from the Gulf reach AL WADI, the experts put their local know-how to use. They understand the cultural conditions and the multilingual population in the Emirates. The 60 or so employees of AL WADI's debt collection unit originate from many different countries. The company also has its own translation agency. In this way, the debt collection specialists always find a common language with defaulting payers, no matter what country they are from. AL WADI sets great store by a good relationship between creditors and their customers. 'We try to understand why a business partner can't pay. To do this, we establish professional communications between all parties concerned and produce solutions acceptable to all', explains Mr Al Wadi. For example, the debt collection specialists frequently see to it that creditors and defaulting payers resume their business relationships as soon as the debts have been cleared away.

Skip tracing: finding customers who moved abroad

The customer advisors regularly evaluate the level of client satisfaction. Each week, the company checks whether it has fulfilled its internal objectives. In 2017, AL WADI handled about 400 cases for EOS clients, of which one quarter were B2B receivables. Overall, the company handles 26.000 cases yearly. In addition to pre-court collection, AL WADI performs legal debt collection. 'We are closely cooperating with a business oriented law firm specialising in debt collection', says Mr Al Wadi. Even if the defaulting payer no longer resides in the UAE, the debt specialist in the Gulf can help. 'With the aid of skip tracing, we can find customers who moved without telling us or we can find out whether a company is insolvent by finding the owner', says the Executive Chairman. Simply writing off receivables is not an option for AL WADI HOLDING. ■



Multilingual partner: AL WADI employs an international team

OFFERING THE BEST RECEIVABLES MANAGEMENT IN THE UAE

Exceeding customer expectations is the goal of AL WADI HOLDING. Each year, the EOS Preferred Partner solves several hundred cases in the Arab region for EOS Group clients all over the world. Whether in pre-court or court debt collection proceedings, AL WADI banks on high international standards of quality. Thus, the company protects the reputation of its clients and its own.



CHALLENGE CASH FLOW

DECISION-MAKERS SEE HURDLES WITH DIGITISATION

With artificial intelligence, big data and machine learning, the digital transformation is opening up new opportunities in receivables management. Yet many industrial, retail and service companies are facing new challenges brought by digitisation. Both findings come from the EOS Survey 'European Payment Practices' 2018.

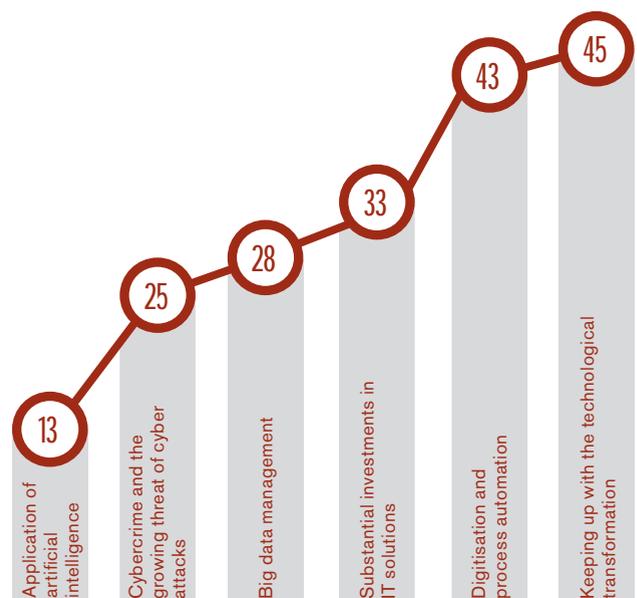
In the study of 3,400 decision-makers from 17 countries, 45 per cent of the respondents said keeping up with the technological transformation in receivables management is a challenge (see chart below). The respondents also said reducing costs (49 per cent) and qualifying their employees (48 per cent) were even more important tasks. Following in fourth place (43 per cent) is the digitisation and automation of debt collection processes. Thirty three per cent of the respondents also foresee substantial investment in IT solutions. On the other hand, only 13 per cent of the study participants said the use of artificial intelligence is relevant.

'The survey results indicate that many companies have to adopt new technologies and enhance their know-how', says Klaus Engberding, Chairman of the EOS Group's Board of Directors. EOS has already initiated the greatest investments in its IT systems since the company's founding. 'This is how we consistently support our clients with solutions at the highest technological level. By providing them with the best results in debt collection and in the sale of receivables, we boost their cash flow. Professional receivables management helps companies to build a strong financial foundation on which to implement their digital agenda.'

Change requires investments

Managers of receivables view technological innovations as challenges in their business. For instance, 45 per cent of the respondents said it is important to keep up with the technological transformation.

Figures in per cent



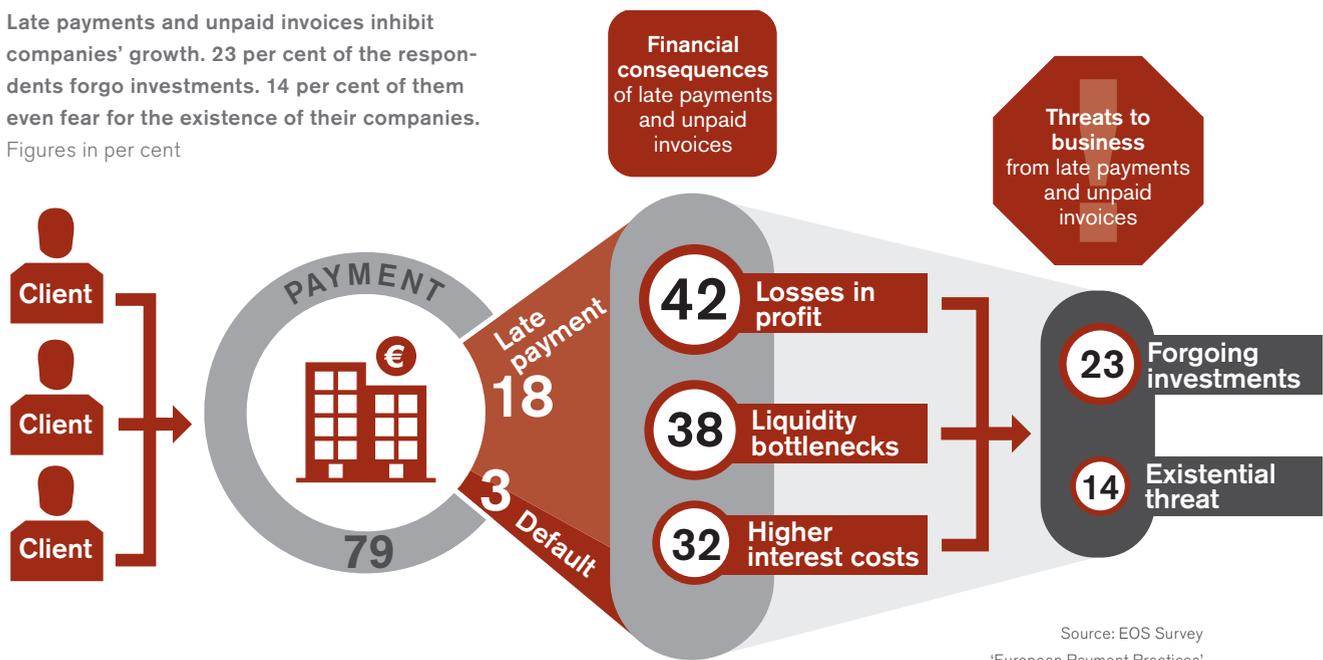
Source: EOS Survey 'European Payment Practices' 2018; n = 3,400

EUROPE WHAT ANIMATES DECISION-MAKERS WHO ARE ENGAGED IN RECEIVABLES MANAGEMENT EVERY DAY? EOS ASKS THIS QUESTION EACH YEAR IN ITS 'EUROPEAN PAYMENT PRACTICES' SURVEY. AT PRESENT THEY ARE PRIMARILY CONCERNED WITH THE DIGITAL TRANSFORMATION, WHICH OFTEN REQUIRES LARGE INVESTMENTS. BUT ONE FIFTH OF FIRMS LACK FUNDS BECAUSE CLIENTS DO NOT PAY THEIR BILLS ON TIME.

MORE PUNCTUAL PAYERS – BUT NOT ENOUGH

Unpaid invoices slow down the economy and companies

Late payments and unpaid invoices inhibit companies' growth. 23 per cent of the respondents forgo investments. 14 per cent of them even fear for the existence of their companies. Figures in per cent



Source: EOS Survey
'European Payment Practices'
2018; n = 3,400

The economic recovery is having a positive impact on European payment behaviour. A look-back over the past five years shows that from 2014 to 2018, the number of punctually paid bills rose by four percentage points to reach 79 per cent. During the same period, late payments fell by three percentage points to 18 per cent. In 2018, enterprises need only write off three per cent of their invoices as irrecoverable, in 2014 the figure was four per cent.

Nevertheless, companies continue to suffer from the bad payment behaviour of consumers. 42 per cent

of respondents are registering losses in profits on account of late payments and unpaid invoices (see diagram above). 38 per cent of them have problems with liquidity. 14 per cent even fear their companies could go bankrupt.

A further 23 per cent of respondents say they do not have the required liquidity for investments because customers do not pay their bills. 'Companies can boost their cash flow by collaborating with professional debt collection services. They can then invest this money and thus secure their corporate success', says Klaus Engberding, CEO of the EOS Group. ■



Award-winning loan provider: Irena Polášková of Home Credit helps consumers make their dreams come true



It starts are easy. That's the maxim embodied by consumer loan specialist Home Credit's business model. 'We also help people with low incomes to fulfil their consumer desires', explains Irena Polášková, Head of Early Collection. Home Credit's services are geared primarily toward consumers with little to no previous experience with credit financing.

If a person wants to take out a loan to buy a washing machine or fridge, for example, Home Credit is the place to go. Consumers can find a Home Credit employee on the premises in lots of shops in Slovakia. They help the buyers fill out a loan application and submit it for checking. If it is approved, the seller receives the money. Consumers pay their downpayment right then and there in the shop, and settle the remainder in monthly instalments.

Reducing the workload in peak times

For many customers, small consumer loans such as these are often an entry point to further financing. Home Credit extends car and bank loans to people with track records as reliable payers, for instance. The concept has enabled the company to grow exponentially since it was founded in the Czech Republic in 1997. By the end of 2016, it had lent money to more than 70 million consumers in eleven countries.

'We always act responsibly and in the consumer's interest', emphasises Ms Polášková. First-time customers in particular enjoy especially favourable terms with Home Credit. Borrowers can also rescind the contract within a specified period. 'In 2017, we received two awards in the Czech Republic commending us as a safe and responsible loan provider', adds the departmental head. Based in Brno in the Czech Republic, she manages the domestic market as well as the small market in neighbouring

LOANS FOR FIRST-TIMERS

SLOVAKIA HOME CREDIT HAS HELPED MILLIONS OF CONSUMERS OBTAIN A LOAN. THE COMPANY IS EXTREMELY CUSTOMER-ORIENTED. WHICH IS WHY IT RELIES ON EOS KSI, RENOWNED FOR ITS TACT, TO COMMUNICATE WITH LATE PAYERS.

Slovakia. Until recently, her department's 36 call centre employees faced a special challenge: for most Home Credit customers, monthly instalments are due between the 15th and 20th of the month. If the money is not received on time, Ms Polášková's department contacts the late payers between the 20th of that month and the 5th of the next month to remind them of their outstanding amounts. The workload increases during that time.

'We have been working with EOS KSI since the beginning of 2017 to relieve our employees during this period', notes the departmental head. At EOS, 37 call centre specialists now process cash, consumer and revolving loans of Slovak consumers. 'Each morning, Home Credit sends us the latest cases. We then make two to three attempts to contact the late payers that same day. In the evening, we return the cases to our client – regardless of whether we have reached an agreement with the consumer. Home Credit takes the cases from there', explains Peter Hetteš, Head of Sales at EOS KSI.

The success rate speaks volumes

'The EOS KSI experts call our customers according to the high quality standards we demand and the necessary tact. This is reflected in monthly reports from our specialists who regularly monitor conversations at our service provider', details the debt collection specialist. The success rate speaks volumes. 'We processed around 120,000 cases in the first ten months of our partnership. And we reached about 45 per cent of late payers within one day. Thus we came to an agreement in roughly half of all cases', says Mr Hetteš.

Ms Polášková thinks that by dividing up the work this way, everybody wins: 'By outsourcing cases to EOS KSI during peak times, we can make sure we contact late payers promptly'. The consumers benefit as well, as EOS KSI shows them ways to repay their loans. After all, Home Credit customers should remember their first loan as a good experience.



CUSTOMER-FRIENDLY COMMUNICATION

Home Credit's top priority is the well-being of its customers, including the times when they are late with instalments. 'Our experts created a guideline for debt collection phone calls', says Irena Polášková, Head of Early Collection. It also applies for call centre employees at EOS KSI. For example, after reaching an agreement they always ask late payers to repeat the agreed amount back to them. This helps both partners to ensure there won't be any misunderstandings and that customers always feel well cared for.

SETTLING ACCOUNTS LIKE THE BIG GUYS



GERMANY SMALL AND MEDIUM-SIZED ENTERPRISES ARE A SUCCESS STORY. TO KEEP THINGS THAT WAY, SMALL ENTERPRISES CAN NOW MANAGE THEIR ACCOUNTING PROFESSIONALLY VIA A DIGITAL PLATFORM.

Creating equal opportunity for small and medium-sized companies: The plumbing business around the corner, the owner-run gardening shop or the internet start-up – small and medium-sized enterprises (SMEs) with fewer than 250 employees form the backbone of the German economy. In contrast, the share of large companies is only about one per cent. While big companies naturally have complex IT systems for accounting and receivables management at their disposal, until recently such solutions were unavailable to SMEs.

Yet it is precisely the smaller firms that often lack the know-how and the time for sophisticated accounting.

Jens Kassow thinks that SMEs deserve more support. With the Deutsche Verrechnungsstelle (DV for short; in English: German Clearing House) founded in 2015, he provides the solution. 'We give SMEs professional accounting and receivables management that is in no way inferior to that of corporations', explains Managing Director Mr Kassow.

Only every hundredth bill is a debt recovery case

Over 1,500 companies already use the DV online portal. DV creates and sends bills on their behalf, monitors outstanding payments and writes reminders when necessary. In the latter case, DV relies on the experts of EOS Deutschland, B2B business unit, in Germany. They deal with reminders and debt collection for clients of DV. 'Together we offer SMEs in different industries and with varying know-how a convenient and efficient service in accounts management', says Stephan Spieckermann, Managing Director at EOS Deutschland, B2B Business unit, in Germany. The application is simple and convenient for clients. Companies upload their invoices to the platform and DV passes them on to EOS as necessary. Its responsible persons issue reminders in writing or by telephone. Incoming payments reach the client's account on the same day.

The professional dunning procedure helps avoid bad debts. 'Each year, EOS settles amounts for our customers running into triple-digit millions. Only every hundredth invoice turns into a debt recovery case', explains Mr Kassow. Via the portal, customers can assign EOS to recover the outstanding payments. That leaves SMEs room to consolidate their business. ■



Jens Kassow: The Managing Director of Deutsche Verrechnungsstelle knows what SMEs need

A UNIQUE SYSTEM FOR SMALL AND MEDIUM-SIZED ENTERPRISES

The Deutsche Verrechnungsstelle (DV) and EOS offer SMEs professional digital accounts management. The challenge was to develop an IT system that can be scaled to high-volume business and adapted to a very heterogeneous clientele. Both sides are constantly working on making the system even simpler, more user-friendly and thus permanently innovative.

GUARDIAN OF THE HOLY GRAIL



INTERVIEW KIRSTEN PEDD IS RESPONSIBLE FOR DATA SUPERVISION AT EOS. WITH A WORLDWIDE DATA PRIVACY STRATEGY, SHE IS MAKING THE GROUP FIT FOR DIGITISATION AND GROWING REQUIREMENTS.

Chief Compliance Officer and Chief General Counsel, can you tell us why EOS needs a worldwide data privacy strategy?

Kirsten Pedd: Data are our most important assets. The protection of sensitive customer and consumer data is the basis of our success. At the same time, the demand for data privacy and protection is growing, including as a result of regulations such as the latest EU General Data Protection Regulation (GDPR). European legislation has brought personal data more sharply into focus with this regulation. The EOS Group is represented in 26 countries. Therefore, different legal systems require a strategic examination of the topic. From Hamburg, Germany, EOS coordinates the work of data protection officers in companies all over the world.

How do you establish the strategy around the world?

Ms Pedd: The subject of data privacy is growing more and more complicated. That is why we've created the Corporate Compliance area. However, we don't centralise responsibility here. The companies in the different countries and their data protection officers remain responsible for compliance with data protection tasks in their region. However, the new area at EOS headquarters in Hamburg decides how certain legal passages should be interpreted. It goes without saying that we always offer our customers legal certainty.

How does EOS make sure that the EU GDPR is observed?

Ms Pedd: Since 2016 we have worked to make ourselves fit for GDPR. For example, an advisory and strategy body – with representatives from data protection, IT and operations – advises top management. With this cross-segment collaboration, we always know where the challenges lie and, inside the team, we find the best solutions.

What role does digitisation play in data protection?

Ms Pedd: A very big one. It leads to greater transparency. At the same time, the need to protect personal data is increasing. For example, the subject of data erasure is very important for our new tailored strategy. The algorithms we use in our Centre of Analytics also play an increasing role. With them, we can plan the next best debt collection action even better.

What advantage does the data protection strategy offer EOS customers?

Ms Pedd: Their data and those of consumers remain secure. ■

IMPLEMENTING THE GDPR

With the General Data Protection Regulation (GDPR), European legislation is imposing extensive documentation duties on enterprises that process data. The appropriate data protection supervisory authority is entitled to examine the documentation at all times. The preparations to introduce the GDPR in May 2018 gave the EOS Group an opportunity to develop a uniform worldwide strategy on corporate privacy, or data protection.

EOS NEWS



FULL CONCENTRATION

European banks are increasingly selling secured non-performing loans. EOS is prepared for this business. The new Secured Portfolio Valuation department at the headquarters in Hamburg, Germany, will strengthen the Group's position as an investor in the secured segment. 'In recent years, we have helped EOS companies in many countries with transactions. Now our international colleagues have an entire team of specialised portfolio valuers at their disposal', says Sebastian Pollmer, Head of Secured Portfolio Valuation (see photo above).

One of the key tasks of his team is to assess the quality and value of the property that is held as loan collateral in the portfolios. The objective is to determine fair prices for the packages and to remain competitive. Because: 'In future we want to reinforce this segment in the EOS Group and expand into new markets', explains Mr Pollmer. ■



'A' RATING: FOR 14TH TIME

For the 14th time in succession, EOS Holding has been awarded an 'A' rating. In delivering its assessment, credit rating agency Euler Hermes Rating emphasised in particular the company's market leadership in Germany and its strong market position in Western and Eastern Europe. The longstanding experience of EOS in receivables purchasing and the processing of non-performing loans also contributed to the decision.

This year, Euler Hermes Rating also praised the company's ongoing development and expansion of expertise in property valuation, development and realisation. As a result, the auditors attested to the EOS Group's low financial risk due to its very stable cash flow and continually very high and consistent level of income. ■

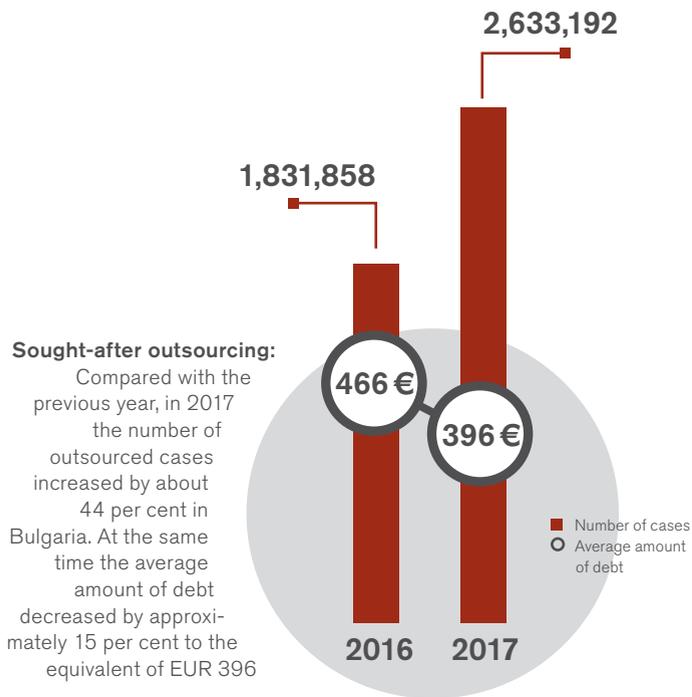


SPECIALIST FOR DIFFICULT PORTFOLIOS

Once again, EOS Immobilienworkout proved its expertise in acquiring secured receivables: In April 2018, the German EOS subsidiary purchased a secured B2B portfolio from investment company Oaktree Capital Management. The loan-based receivables totalling EUR nine million are secured against a warehouse complex in Celle and a multi-purpose property in Cuxhaven – both in Lower Saxony – and against a shopping centre on the island of Rügen in the Baltic Sea.

Lennard Istel, Vice President Real Estate Germany at Oaktree, says: 'The portfolio is of good quality – but required a great deal of explanation. In EOS Immobilienworkout, we found a buyer with outstanding expertise in this area'.

Jochen Prinz, Managing Director of EOS Immobilienworkout, confirms: 'The portfolio fits perfectly into our investment pattern. We have many years' experience in evaluating and handling commercial and retail property'. ■



NEW TRENDS ON THE BULGARIAN MARKET

In 2017 the Bulgarian debt collection market was characterised by economic growth, according to the annual survey conducted by EOS Matrix and the other 15 members of the Association of the Collection Agencies in Bulgaria (ACABG).

As a result of rising wages, the average debt amount decreased from the equivalent of EUR 466 in 2016 to EUR 396 (see chart above). At the same time, consumers were more optimistic about their ability to meet their financial obligations and took out more loans. 'The number of loans granted increased as did the number of receivables which financial institutions in particular passed to specialist service-providers in 2017. Compared with 2016, the number of assigned cases almost doubled', says Rayna Mitkova, Chairperson of the ACABG and Managing Director of EOS Matrix in Bulgaria.

On the other hand, debt purchases declined by about 14 per cent in 2017 compared to the previous year. 'Because of the stress test, banks increasingly sold non-performing loans in 2016. This trend was not maintained during the next year', says the Chairperson of the ACABG. But there was a 'first' in one segment. In 2017, for the first time large secured portfolios were offered. 'This development is typical for mature markets, where banks regularly sell secured loans', explains Ms Mitkova.

HELP WITH FREEZING ACCOUNTS

With a new service, EOS helps companies have the accounts of debtors within the EU frozen quickly and easily. Regulation (EU) 655/2014 has made this possible since the beginning of 2017. The European legislation makes it easier to effect preliminary cross-border account seizures. 'To be able to seize an account prior to court proceedings, the creditor must prove that it has initiated legal proceedings against the defaulting payer', explains Jennifer Nieswandt, Consultant Legal Affairs at the EOS Cross-border Center. It must also prove that its enforcement would not succeed without such a security measure. 'It can then have an account temporarily blocked without a legally valid decision – until such time as the resolution is revoked, the enforcement is completed or a measure to enforce a court decision takes effect', says the expert.

However, providing the necessary evidence often proves to be a major obstacle for creditors. The requirements for this vary from one country to another. 'The procedure to garnish accounts is still alien to many companies', says Ms Nieswandt. With her team, she provides support to the clients of all European EOS companies in their cross-border seizure initiatives. An example from EOS KSI in Slovenia: 'For one client, we arranged to have one of his customer's foreign accounts frozen. All that customer's Slovenian accounts had already been garnished. But we were able to find another account in Austria and then obtained the decision regarding European account seizure. We thus prevented the defaulting payer from blocking the creditor's access to its money', explains Natalija Zupan, Managing Director of EOS KSI in Slovenia. The ordinance applies to all of Europe with the exception of the United Kingdom and Denmark.

REAL STRENGTH COMES FROM WITHIN



BELGIUM BECOMING NUMBER ONE IS HARD WORK. AND IT'S EVEN HARDER TO REMAIN FIRST. TO ALLOW BNP PARIBAS FORTIS TO FULLY FOCUS ON THIS OBJECTIVE, EOS AREMAS TAKES THE LOAD OFF.

Existing and remaining on its first place position is one of the challenges BNP Paribas Fortis deals with. The Belgian banking specialist is number one in the country in terms of market share and penetration. 'We are a central pillar of the Belgian economy', says Frédéric Fontaine, Head of Special Credits & Recovery. The company serves 3.6 million consumers, 100,000 affluent customers in Private Banking and about

1,000 customers in Wealth Management. Moreover, companies of all sizes trust the bank.

In 2017, the respected trade journal 'The Banker' named BNP Paribas Fortis the 'Bank of the Year in Belgium'. In their rationale, the jury hailed the bank's solid financial results, despite the low interest phase. The basis of the success is its corporate strategy: In other words, organising processes in such a way that BNP Paribas Fortis can devote its full attention to its core business.

Sharing competencies

'We can't take care of all aspects of our business with equal intensity and efficiency', explains Mr Fontaine. 'So we outsource, for example, major parts of our receivables management to EOS Aremas in Belgium'. For hardly anyone knows as much about banks as the Belgian EOS company. After all, its origins are in the banking industry: In 1995, AlphaCredit, the consumer credit arm of the BNP Paribas Group, founded its receivables section under



Each in his own area: Frédéric Fontaine (left) and Roel Dumont deliver good financial results

the name Aremas. 'First, Aremas took over fiduciary collection for BNP Paribas', explains Roel Dumont. He is Managing Director of EOS Aremas, as the company has been known since the EOS Group acquired a stake in it in 2007. Today, the Belgian EOS subsidiary is the biggest provider of debt recovery services in the country.

Risk management

When the Fortis Bank became part of BNP Paribas in 2008, it entered into a contract with EOS Aremas for the sale of receivables. 2018 marked the second time that both partners renewed their cooperation for another five years. Tasks are clearly assigned: The bank itself recovers secured cases. It leaves unsecured debts in the private and business customer area – such as consumer credit, overdrafts, investment loans and bank guarantees – to its service provider. Thus, the cases are handed over to debt collection specialists on a daily or monthly basis.

Such forward-flow sales are a current trend. 'On the ripe Belgian market, more and more banks are selling their fresh receivables on a regular basis. This way they relieve their balance sheet, for under the terms of Basel III, non-performing loans require high levels of risk management', explains Mr Dumont. Mr Fontaine confirms: 'By selling part of our non-performing receivables, we are reducing these risk-adjusted assets. In the past few years, EOS Aremas has shown that it is the best partner to support us in this business'.

REINVENTING PROCESSES

Like all banks, Belgium's industry leader, BNP Paribas Fortis has to cope with a highly regulated environment. To brace for the challenges of the market and digitisation, the bank consistently adapts its work processes and methods. For instance, it relies increasingly on the sale of receivables to EOS, so that it can focus on its core business.

OLD HANDS AND NOVICES

DEBT PURCHASING THE EOS GROUP IS EXPANDING ITS GLOBAL POSITION AS AN INVESTOR AND RESPONDING TO BANKS' GROWING INTEREST IN TRANSACTIONS.

The year 2017 ended extremely successfully for Jelena Jović Milentijević. On the last day of the year, the Managing Director of EOS Matrix in Serbia signed her name to the purchase agreement for a mixed B2B portfolio of Sberbank. 'After 14 years of experience in debt purchasing, we are the market leaders in Serbia today', said Jović Milentijević. In the past few years, the banks there have increasingly been selling non-performing loans (NPLs).

Marko Micanović, Head of the Restructuring and Workout Department at Sberbank, explains why: 'In years past, banks mainly wanted to relieve their balances by selling debt portfolios. Today they want to use such transactions to reduce their risk provisioning for bad credit'. Such measures are needed because bank regulators require high capital buffers from European financial institutions for NPLs. However, Sberbank is not selling en masse. 'Before a sale, we analyse the product groups or customer segments for which a transaction makes sense on a case-by-case basis. In the case of the portfolio that we sold to EOS, the advantages far outweighed the costs'.

The EOS Group is expanding its global position as an investor, having spent EUR 167 million during the previous financial year in Eastern Europe alone. It has taken advantage of numerous opportunities in Western Europe as well. Take Spain, for example: In 2017, the Iberians dominated the European NPL market alongside the Italians. Spanish banks have around EUR 131 billion in NPLs on their books – a great potential for sales. EOS Spain has profited. Among other things, the company acquired an unsecured NPL portfolio from Abanca in 2017 with a nominal value of EUR 476 million. 'We have further expanded our position as one of the most important institutional investors in the country', says Manuel González, Managing Director of EOS Spain.

Sales instead of fiduciary collection

On the other side of the Atlantic, however, EOS has only just made its début as a debt purchaser. At the beginning of 2018, EOS Canada succeeded in its first deal with Canadian Tire Bank. 'With a nominal value equivalent to EUR 39 million, the portfolio includes 17,000 B2C cases', explains Managing Director Jim Shaw. 'We have seen that more and more credit institutions here are relying on debt sales instead of on fiduciary processing'. It therefore stands to reason that the first purchase in Canada will not be the last. ■



Taking advantage of global opportunities:

The EOS Group is increasing its international activities as an investor

THE RECORD BREAKER



BULGARIA THE UNITED BULGARIAN BANK HAS SOLD THE BIGGEST PORTFOLIO IN CENTRAL AND EASTERN EUROPE. ONLY FEW CAN HANDLE SUCH AN ACQUISITION. EOS MATRIX SHOWS HOW IT'S DONE.

ortfolios like these are breaking all records. In 2018, the United Bulgarian Bank (UBB), owned by the Belgian KBC Group, sold a package with a nominal value of EUR 243 million. The package with mostly unsecured non-performing loans (NPLs) of private customers went to EOS Matrix in Bulgaria. 'That's the biggest single transaction in Central and Eastern Europe that we know of so far', says Nikolay Lazarov, Director of Problem Loans Collection at UBB. It should make the Bulgarian NPL market, which has been booming for years, pick up speed again this year. 'I expect the volumes traded in 2018 to be above half a billion euros', says Mr Lazarov. In 2017, the figure was almost EUR 400 million.

With deals of this size and scope, the air on the purchaser side gets rather thin. 'We're one of the few Bulgarian specialists to have the financial clout and know-how to buy and process such a large portfolio', says Rayna Mitkova, Managing Director of EOS Matrix in Bulgaria. In the bidding procedure, the company had a further advantage: UBB is no stranger to EOS Matrix. The bank has sold almost all of its portfolios to the EOS subsidiary in recent years. 'We know the client so well that we were able to assess the latest receivables package very accurately and therefore calculate a particularly fair price', explains Ms Mitkova.

Working under high pressure

'Thanks to the sale of receivables, we clear our balance sheet and can focus more intensely on our core business', says Mr Lazarov. He praises his preferred buyer: 'EOS Matrix is a sound and serious partner with an excellent reputation'. Apart from that, the international corporation has an extensive network of experts who already have a lot of experience with secured receivables packages. 'Thus, EOS can properly evaluate portfolios and bring about acquisitions quickly'.

Acting quickly after the purchase of the funds is also the rule at EOS Matrix. In next to no time, the company created a team of 45 employees. 'Our personnel department hired qualified employees under high pressure', says Ms Mitkova. Because most receivables are in court, EOS Matrix works with both internal and external lawyers. The Managing Director is satisfied: 'Everything is going according to plan'. She and her team have shown how record acquisitions can be mastered with confidence. ■



Appreciates high speed transactions: Nikolay Lazarov, Director of Problem Loans Collection at UBB

FINDING ADEQUATE BUYERS

Finding suitable buyers for non-performing receivables is a great challenge facing Nikolay Lazarov, Director of Problem Loans Collection at the United Bulgarian Bank. With EOS Matrix in Bulgaria, he has pulled off a record deal.

KEEPING A COOL HEAD IN A HOT PHASE



EASTERN EUROPE TEAMWORK IS EVERYTHING WHEN BUYING SECURED RECEIVABLES. THE EOS EXPERTS FROM THE INTERNATIONAL CONTRACTS DEPARTMENT AND THE TRANSACTION CENTER NPL SECURED SUCCESSFULLY CONCLUDE COMPLEX DEALS.

The weather's great and the Elbphilharmonie concert hall sparkles in the sunlight, but it is only rarely that Karel Smerak can enjoy the view from his office at EOS headquarters in Hamburg, Germany. For once, the weather in Northern Germany is not to blame. Next to the latest issue of the 'Economist', dozens of business cards collected on a recent trip are arranged on his desk. 'On average I am away from the office for three weeks each month', says Mr Smerak, one of the two directors of the Transaction Center NPL Secured Eastern Europe.

Croatia, Romania, Bulgaria, Hungary, Poland: The Czech citizen establishes direct contacts with local banks, transaction advisors and property appraisers. Mr Smerak hardly ever misses a business forum or conference. He reserves five days each month for relationship management. His objective is to keep his ear close to the ground, to know when a new secured portfolio of non-performing loans (NPLs) will come onto the market for purchase – ideally before the competition gets wind of it.

Mr Smerak spends even more travel time – about two weeks a month – working on current acquisitions of secured portfolios. He is regularly accompanied by colleagues from the International Contracts department. One of these is Konstantin Pistorius. 'We work together during the entire purchase process and often for a long time afterwards', says the Senior Consultant. 'In this process we do more than just analyse the contracts from a legal perspective. We are also involved, for example, when EOS is negotiating with sellers and co-investors. That's how we contribute to bringing transactions to a successful closing'. Minimising risk and ensuring that EOS can comply with its contractual obligations are also part of the job. The interdisciplinary cooperation generally starts when a non-disclosure agreement has been concluded between the seller and EOS. At that time, disclosure of initial information about the portfolio and the formal expression of interest

Ensuring successful deals: Karel Smerak, Freda Stockfleth, Head of International Contracts, and Senior Consultant Konstantin Pistorius (from left to right)



on the part of EOS are already taken care of. A non-binding phase often follows in which the seller shares more detailed information about the portfolio with select investors. 'The quality of this data is one of the decisive aspects', says Mr Smerak (see interview on page 38).

Good standing established

On this basis, investors make offers from which the seller chooses the most attractive. 'The price is not the only factor in the process', says Mr Pistorius. The reputation of the investor is also important. Will he protect the seller's good name? Can he comply with contractual commitments? 'We have established a very good standing', says Mr Smerak. If the offer made by EOS is among the best, which is usually the case, the sales process enters its binding phase. 'This is when our work really starts', says Mr Pistorius. In order to be in a position to gauge the value of the collateral which consists mostly of real estate, EOS involves local appraisers. The next step is for colleagues from the EOS Secured Portfolio Valuation department to take a very close look at the collateral. The experts then model cash flows, develop scenarios for the realisation of the portfolio and use these factors to derive a bid price. It is also important to find local lawyers with a deep knowledge of the applicable legal system, coordinate consultants, explore the optimal acquisition structure and finally to work on the seller's draft purchase contract. If everything goes according to plan, EOS ultimately signs the contract.

Secured NPL transactions demand real teamwork and stamina as several months may elapse between the offer and the closing of a transaction. On average, Mr Smerak deals with 15 projects simultaneously, two or three of which can be in the critical phase at the same time. So he is constantly on the go. 'Maintaining direct contact with sellers and advisers is very important', he says. In the future he will also get to enjoy the view of the Elbphilharmonie concert hall only on rare occasions. ■

PROFITABLE, WATER-TIGHT DEALS

The different legal systems in the countries of Eastern Europe represent a challenge when purchasing secured NPL portfolios. The experts at EOS have more on their hands than simply completing transactions. As applicable laws and regulations vary among the countries, the experts at the headquarters in Hamburg, Germany, build on local know-how. They work closely with local advisors and with the twelve EOS subsidiaries in the Eastern European region.

FULL PIPELINE



INTERVIEW KAREL SMERAK, ONE OF THE TWO DIRECTORS OF THE TRANSACTION CENTER NPL SECURED FOR EASTERN EUROPE, SEES GOOD OPPORTUNITIES FOR RECEIVABLES PURCHASES IN THE REGION. A CHALLENGE: THE DATA QUALITY OF THE PORTFOLIOS.

EOS is constantly expanding its activities as an investor in secured portfolios. Where do you see the greatest opportunities for NPL deals in future?

Karel Smerak: Since 2015, Romania, Croatia and Hungary have accounted for 70 per cent of all NPL deals in Eastern Europe. In all three countries we succeeded in investing significant amounts in secured portfolios, either alone or in cooperation with other financial investors. Many investors continue to focus on Greece which, with an NPL stock of over EUR 100 billion, is the biggest NPL market in

the region. At EUR 12 billion, Poland is the third biggest market after Greece and Ukraine. We've successfully closed three secured transactions in Poland over the past twelve months. We're expanding the servicing team there and have several major secured transactions in the pipeline, mainly involving residential real estate as collateral. I'm convinced we're going to hear more from Poland in the coming months.

How important is data quality for the purchase of secured portfolios?

Mr Smerak: Data quality is one of the crucial elements of a transaction. In Eastern Europe there are many very professionally organised tenders with exhaustive information on such things as owner relationships and on the condition of properties used as collateral. This often involves months of preparation by the seller, who usually engages an external consultant.

Is that the rule?

Mr Smerak: No. Spontaneous sales by less experienced players also take place. With these, not only can the data turn out to be missing or even outright wrong, but the perimeter of the portfolio – in other words what is actually being sold – can also change at the last minute. The poor data quality is frequently understandable. Secured NPL portfolios often include older assets that have 'survived' several restructurings, mergers and IT system migrations. They are sold because they are no longer part of the core business. These assets receive scant attention. Very often the sellers don't want to process any further data for a sale because they don't think it's worth the effort. Sometimes the current owner doesn't even know what he has. Generally, one can say: The better the data quality, the greater the seller's chance of obtaining a good price. ■



DISCOVERERS OF THE SILVER LINING

HUNGARY THE FUTURE BELONGS TO SECURED B2C PORTFOLIOS. EOS RECOGNISED THAT EARLY ON – AND IS NOW EXPLOITING THIS OPPORTUNITY WITH A NEW TEAM.

Discussions that went on past midnight were a regular occurrence', says Janos Baksa, Director NPL Transactions Eastern Europe at EOS when he recalls what went on at the end of 2017. During that period, he often spent a great deal of time in meetings with experts from EOS in Hungary and EOS Holding to discuss the details of a major private client secured portfolio for sale in Hungary. 'We really wanted to have that receivables package', Mr Baksa remembers. After all, EOS in Hungary had spent a lot of time preparing for exactly such transactions. The reason being that the Hungarian market for non-performing loans (NPLs) from B2B loans secured by real estate had started slowing down in recent years. But, in an opposite development, a Hungarian bank sold for the first time ever a portfolio of secured private client loans in 2016. 'Faced with increasing regulatory requirements, financial institutions want to strengthen their balance sheets', explains Tamás Lencsés, Managing Director of EOS in Hungary. 'In addition, here in Hungary prices of property serving as security for loans are currently going up. This makes an NPL sale more interesting for banks'.

1,000 properties at one go

Starting in 2016, EOS repeatedly won tenders for smaller B2C portfolios secured against a total of about 300 properties. For Mr Lencsés it was clear that these sales were just the first glimpse of a silver lining. EOS established a new department to be ready for the boom. 'Our team specialises in the valuation of secured receivables. We now have twelve finance and real estate experts and lawyers on board', says Éva Mikolay, Head of Department Secured Collections. Mr Baksa explains what's special about purchasing secured NPLs: 'We can't fall back on the statistical valuation methods we use for unsecured receivables. In every case we have to examine fiscal and financial influences, risks and value potential'.

At the end of 2017 the team demonstrated its capabilities. 'We purchased a major portfolio with a nominal value of more than EUR 50 million with about 1,000 properties', says Managing Director Mr Lencsés. The deal made EOS in Hungary one of the largest purchasers of secured NPLs. The late night discussions had paid off. ■



Experts at turning concrete into gold: Janos Baksa, Éva Mikolay and Tamás Lencsés (from left) specialise in secured real estate portfolios

BUILDING UP NEW BUSINESS

In 2016, banks in Hungary offered the first portfolios with receivables from private loans secured by real estate. Initially, the volumes were small. EOS in Hungary used the time to develop a department for this expanding segment. The timing was ideal: In 2017, the opportunity arose for a major transaction.





WE DID IT! THE EOS GROUP AND ITS CUSTOMERS HAVE MASTERED NUMEROUS CHALLENGES IN THE PREVIOUS FINANCIAL YEAR, WITH TEAMWORK, TECHNOLOGY AND OUTSTANDING COMMITMENT.

OPPORTUNITIES AND CHALLENGES: THE BOTTOM LINE

FINANCIAL YEAR 2017/18 THE BOARD OF DIRECTORS' REVIEW OF AN OUTSTANDING FINANCIAL YEAR. THEY EXPLAIN HOW EOS CONSOLIDATED HAS STOOD OUT AGAINST STRONG COMPETITION.



The EOS Group has seen strong development during the recent financial year. I am not just thinking of the excellent results. To me, success is much more. Above all, I am referring to the EOS Group's progress with digitisation and cultural change. How we work together and the way we develop new ideas at EOS is crucial to me. In this respect, we are laying the foundation for our future success. With our new motto 'For a debt-free world', we have established a mindset at the EOS Group that is unique in the industry. Each and every day, we are giving defaulting payers a fair chance to pay off their debts. This underscores our goal of remaining the quality market leader in receivables management.

Our new vision opens up additional scope for action: 'We are a globally connected financial investor driven by technology and entrepreneurial spirit'. In recent years, we have increasingly acquired defaulting debt and thus expanded our role as an investor. We want to further consolidate this in the future. We are supported by the development of a modern IT facility, in which we are making the largest investment worldwide in the history of the EOS Group. In future, we will use advanced analytics on a group-wide level with the Center of Analytics. Data analyses are the prerequisite for the functioning of our self-learning debt collection software, which allows us to carry out the best next action individually for each defaulting payer.

But digital technology is just one of the keys to our future successful development. We are creating the basis for collaborative, flexible and sustainable work in many areas. By giving our employees greater scope in decision-making, we become more agile and more efficient. This enables us to make our decisions better and more quickly. At the same time, we are embedding a modern mindset at EOS. We are strengthening the entrepreneurial spirit. For me, the courage to try something new and the confidence that we will be successful is the essence of the new attitude of EOS.

With high-quality services and digital technologies, we are committed to pursuing our goal of maintaining our leadership position in the industry. Performance, digitisation and cultural change are the central building blocks of our future success. ■

KLAUS ENGBERDING
CHAIRMAN OF THE EOS
GROUP'S BOARD OF
DIRECTORS

An outstanding financial year – that is how EOS Consolidated's 2017/18 results can be summed up. Due to very strong operational performance, earnings before taxes (EBT) were 39 per cent above the previous year at EUR 271.5 million. This substantially exceeded expectations. In line with EBT, EOS Consolidated also significantly increased its revenue to EUR 795 million, 19.8 per cent more than 2016/17. As we switched the financial year for EOS Consolidated as a whole to February 28th, 30 companies in Western and Eastern Europe contributed to the revenue development with two additional months.

EOS has once again held its own in a very competitive environment. In the debt purchase segment, the majority of the world's leading players increased their investments in the purchase of non-performing loans. Low inflation rates, base interest rates and an expansive monetary policy are depressing the yield expectations of many investors, including those outside the industry. As their liquidity position grows at the same time, competition and price pressure increase. At EUR 0.5 billion, EOS Consolidated's investment volume in receivables purchases remains at a high level. Over the past three years, we have invested heavily in strong portfolios internationally. We benefit from our many years of experience in the valuation of unsecured receivables and also from the fact that we have expanded our expertise in the valuation and processing of secured receivables packages in numerous regions.

In the future, we want to expand our investments even further. We see the purchase of secured non-performing receivables as a priority area for growth. At the same time, we will increasingly examine acquisitions in other asset classes. We also will use our extensive experience in the valuation and development of property for direct investments in real estate.

In order to be able to assess portfolios even better and to outsource their processing in an increasingly efficient manner, we are continuously investing in our IT systems and will make even greater use of the potential for managing them by means of analytical processes. In this way we increase our efficiency and secure our performance rate and competitiveness for the future. ■

JUSTUS HECKING-VELTMAN
MEMBER OF THE EOS GROUP'S BOARD OF
DIRECTORS AND CHIEF FINANCIAL OFFICER





In Germany, we are pleased about the significant growth in revenue during the 2017/18 financial year. At EUR 327.5 million, there was a 7.2 per cent increase over the previous year's figure. Earnings before taxes (EBT) also greatly exceeded our expectations. One of the factors contributing to this very positive development was the strong operating performance of EOS Health Honorarmanagement, the result of which was above both the target and the previous year.

In the area of unsecured debt collection, we were able to exceed the previous year's result, despite the planned increase in costs. EOS benefited here from its many years of experience and excellent reputation.

In the processing of receivables secured by property and the purchase of real estate, the results in Germany clearly surpassed that of the previous year. Investments in this area of operations were below the very high level of the previous year. This was due to very aggressive price competition and a high one-off investment in the property-backed segment during the 2016/17 financial year. The investment volume in unsecured debt collection was lower than in the previous year. The German fiduciary debt collection market continues to have low margins. Here we will proceed to focus on high-quality and sustainable services in the future.

In the year under review, we again invested heavily in the development of the new receivables management software 'Best Next Inkasso'. We will gradually introduce this system from 2018 to 2022. As a result, the business and operational processes of German B2C debt collection companies are changing fundamentally. With the help of this new technology, we will significantly increase the productivity and speed of our debt collection processes. This brings advantages for customers and defaulting payers alike. As the largest market within the EOS Group, this will continue to make a major contribution to the high level of earnings in the future.

ANDREAS KROPP
MEMBER OF THE
EOS GROUP'S BOARD
OF DIRECTORS
AND RESPONSIBLE
FOR THE GERMAN
MARKET

With an increase in revenue of 46.4 per cent, we again achieved an outstanding result in the Western European region during the past financial year. Overall, we generated EUR 240.4 million in revenue. One reason is the positive operating performance in France, Belgium, Spain and Switzerland. In France and Belgium, the increase in revenue is due to the first full-year inclusion of the Contentia Group of companies which were acquired in July 2016. In addition, the companies in France, Spain, Belgium and EOS Switzerland contributed two additional months to revenue as a result of the harmonisation of the financial year.

DR ANDREAS WITZIG
MEMBER OF THE EOS
GROUP'S BOARD OF
DIRECTORS AND
RESPONSIBLE FOR
THE WESTERN
EUROPEAN AND
NORTH AMERICAN
REGIONS

High investments in debt purchases in France and Spain during the financial year 2016/17 also had an extremely positive effect on revenue development. Earnings before taxes (EBT) were significantly higher than in previous years.

Adjusted for Portugal, investments in debt purchase are moderately above budget. Since EOS Consolidated does not operate its own subsidiary in Portugal, a partner company processes the assets we acquire there. In particular, the companies in France, Spain and Denmark clearly were capable of exceeding their planned investments despite a persistently difficult market environment.

In the North American region sales were unfortunately below the level of the previous financial year. In the USA, the contract for handling government student loans expired at the beginning of the financial year. However, we were able to achieve a slight increase in revenues in the healthcare sector. In Canada, sales and earnings were significantly higher than in the previous financial year and above projections. For the first time, we also invested in receivables purchases there. ■



At EUR 183.2 million, revenues in the Eastern European region in the past financial year were at their highest level in the history of EOS Consolidated to date. We were able to increase the already excellent level of the previous year by 39.4 per cent. This growth was due in particular to the significant growth in revenue from debt purchases in Croatia and Hungary. Russia was also able to improve its revenue due to a strong improvement in the performance of purchased receivables. And so too, the companies in Poland and Romania exceeded the high sales level of the previous year.

MARWIN RAMCKE
MEMBER OF THE EOS GROUP'S
BOARD OF DIRECTORS AND
RESPONSIBLE FOR THE EASTERN
EUROPEAN REGION

In addition, earnings before taxes (EBT) reached a new high. Record figures in Croatia, Hungary and Romania and the positive development in the Czech Republic, Russia, Slovakia and Poland significantly bolstered the excellent result. In addition, some companies contributed

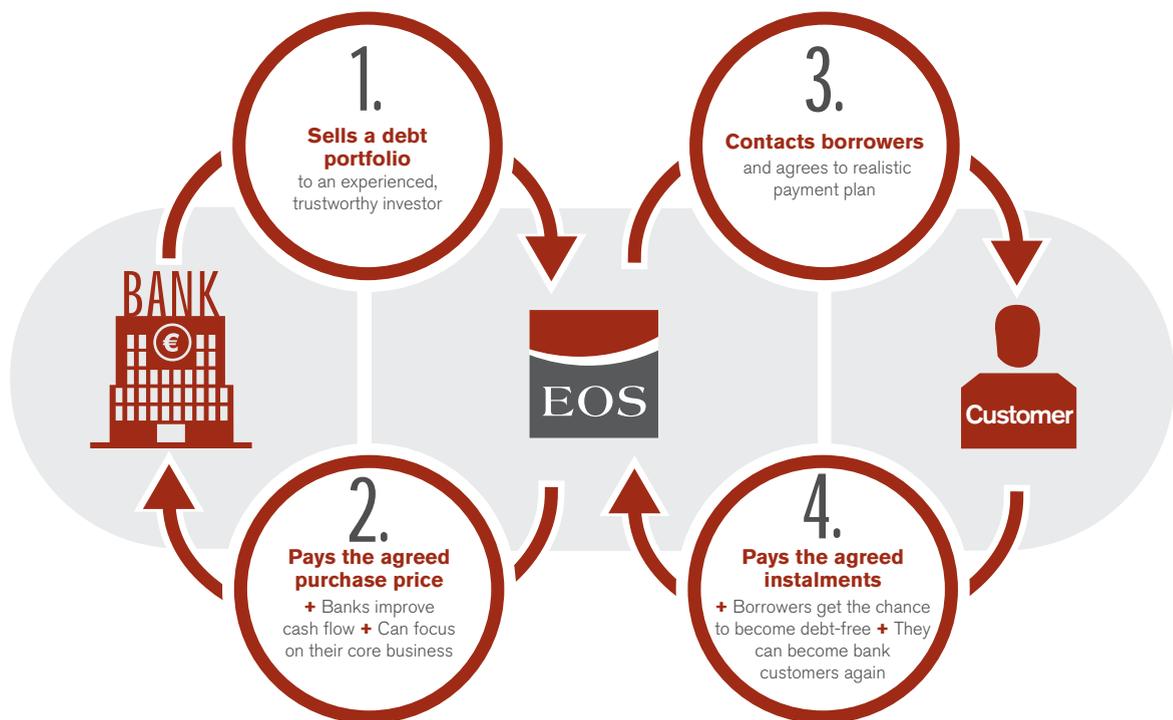
14 months to the annual result due to the harmonisation of the financial year.

We have once again substantially boosted investments in receivables purchases in Eastern Europe even compared with the already very high level of the previous year. Above all, the acquisitions in Croatia, Bulgaria and Hungary were well above projections. Investments in Romania, Slovakia, Poland and Serbia were also higher than in the previous year. The strategy of investing in secured non-performing loans (NPLs), which began at the end of 2016 is paying off here. We are expanding our capacities for processing secured NPL portfolios in an increasing number of Eastern European countries.

With our 'Kollecto plus' software, we are also focusing on the smart management of receivables packages in Eastern Europe and are continuously expanding that business. This is how we will ensure our competitiveness in the future. ■

INVESTMENT FOR A THRIVING ECONOMY

RECEIVABLES PURCHASES BY BUYING UP DEBTS THE EOS GROUP STRENGTHENS BANKS' LIQUIDITY AND THE ECONOMIC CYCLE. BENEFITS GO TO FINANCIAL INSTITUTIONS, COMPANIES AND CONSUMERS.



! **Non-performing loans** are a strain on bank balance sheets

! **Risk prevention** for defaulting loans ties up capital

! The **management** of non-performing loans demands a lot of attention

Bank loans allow companies to invest in growth and help consumers to make major acquisitions. Both these things boost demand and economic growth. For this cycle to work, banks need financial leeway to issue loans. That's where the EOS Group comes in. It has many years of experience in buying non-performing loans (NPLs). By selling their NPLs to EOS, banks take the pressure of their balance sheets, boost their cash flow and can concentrate more intensely on their core business.

After EOS has bought the receivables, it contacts the borrowers involved. The top priority is to find a mutually acceptable solution. By agreeing on realistic payment plans with consumers and companies, EOS experts help them to reduce their debt and remain active participants in the economy. All EOS activities are based on clearly defined values. Thus the company protects the good reputation of the seller of the receivables. ■

THE YEAR IN FIGURES

REPORTING YEAR 2017/18 THE BROCHURE SHOWS HOW
EOS CONSOLIDATED PERFORMED IN THE PAST FINANCIAL YEAR.



Digital figures:

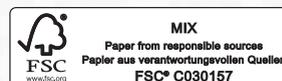
The results for the financial year are also available online at eos-solutions.com/insights. Or simply scan the QR code.

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