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## **IFC Partners with EOS to Tackle Nonperforming Loans in Central, Eastern Europe**

**Moscow, Russia, June 30, 2010**—IFC, a member of the World Bank Group, today announced that it will partner with EOS Group of Hamburg, Germany to address the growing problem of nonperforming loans in Central and Eastern Europe and help restore lending to businesses and consumers.

EOS and IFC have earmarked close to \$100 million to co-finance the acquisition and resolution of distressed debt. Over a period of three years, IFC and EOS expect to resolve nonperforming debt with a face value of up to \$2 billion. Activities initially will focus on Russia where nonperforming loans are valued at about \$50 billion. IFC and EOS have agreed to jointly invest in consumer debts in Russia and assets will be managed by local the EOS subsidiary. The co-investment program is expected to expand to other markets in the region.

“We are pleased to partner with IFC,” said Justus Hecking-Veltman, Member of the EOS Group’s Board of Directors and Chief Financial Officer. “This co-investment will allow us to grow our business in markets which have been hard hit by the financial crisis, while sharing risks and upside with a strong partner.” Owned by Germany’s Otto Group, EOS has more than 30 years experience in debt collection and is a market leader in many CEE countries.

[Snezana Stojiljkovic, IFC Director for Central and Eastern Europe], said, “Dealing with distressed assets is a key component of IFC’s crisis response. Tackling nonperforming loans will help ensure that banks can continue to provide access to finance for businesses and individuals, which is essential for economic recovery.”

The initiative is part of IFC’s Debt and Asset Recovery Program (DARP), which was launched by IFC during the World Bank Group’s 2009 Annual Meetings in October. IFC will contribute up to \$1.55 billion to the DARP over three years and expects to mobilize additional funding from other international financial institutions and private sector partners. DARP invests directly in businesses that need to restructure debt, and in distressed assets and restructuring funds. The program also invests indirectly via funds targeting pools of distressed assets. To date, under DARP, deals have been closed in Europe and Central Asia, East Asia, and Latin America and the Caribbean.

**About IFC**

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing capital for private enterprise, and providing advisory and risk mitigation services to businesses and governments. Our new investments totalled \$14.5 billion in fiscal 2009, helping channel capital into developing countries during the financial crisis. For more information, visit [www.ifc.org](http://www.ifc.org).

**About the EOS Group**

The EOS Group is a leading international provider of tailor-made services covering the entire life cycle of a customer relationship – from customer acquisition to electronic payment processing, debt collection and purchase of receivables portfolios. The core business is receivables management. EOS is committed to high standards of debt collection to protect creditors and consumers. With over 4000 employees, EOS serves its 20,000 customers in more than 20 countries worldwide through over 40 subsidiaries. For more information, visit: [www.eos-solutions.com](http://www.eos-solutions.com).