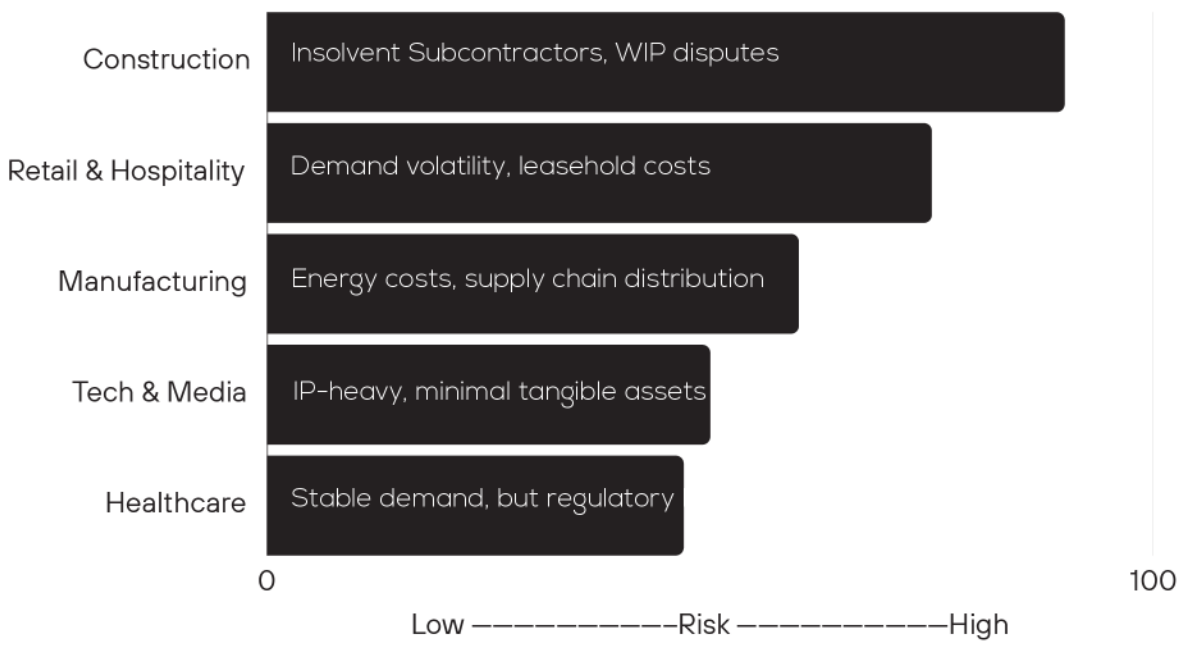


Maximising Recoveries in Distressed Lending Portfolios

High-Risk Sectors: Understand the Sector Pressures

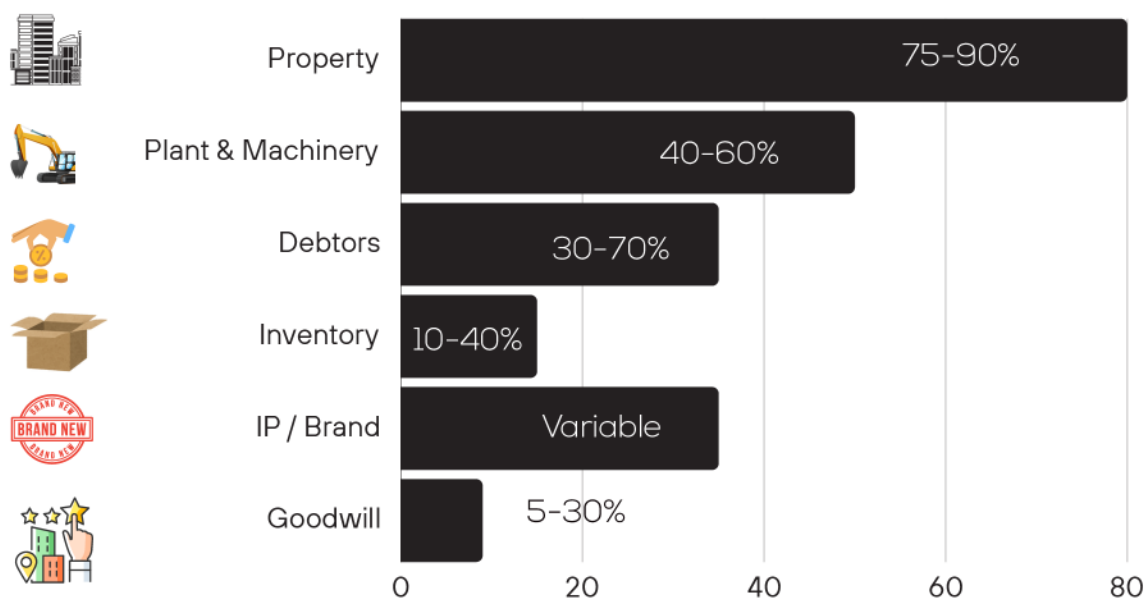


🚩 Early warning signs: covenant breaches, liquidity squeeze, creditor pressure, asset deterioration.

Enforcement Challenges: What Areas Can Block Recovery

Valuation Gaps	Timing of Appointment	Counterparty Interface	Unsecured Creditor Risk
Assets may be overvalued on the balance sheet vs market value	Delay reduces options; early action = better asset control and sale strategy.	Director resistance, third-party claims, or legal obstruction.	Floating charge recoveries diluted by preferential or unsecured claims.

Typical Asset Recovery Ranges in Insolvency



Source: Internal

Maximising Recovery: Lender Playbook

Get IPs involved before insolvency – improves continuity and market preparation.	Generic auctions lose value; sector buyers pay a premium for strategic assets.	Ensure security reviews, collateral listings, and document trails are audit-ready	Higher overall recovery and faster resolution, especially in services and IP-rich sectors.