

We are specialists in unlocking value from high-return niches

Arrow specialises in targeting high yielding and granular assets that are often smaller in size and therefore below the target volume thresholds of the largest credit funds investing in the sector.

- Arrow targets three core asset classes, comprising unsecured and secured non-performing, and performing portfolio investments
- Typical portfolio investments are granular, containing hundreds or thousands of loans, providing diversification within and across portfolio investments
- Portfolio investments typically require a significant amount of operational management expertise to efficiently convert from distressed state into beneficial cash-flowing assets
- Arrow's target assets can trade at high-teen gross returns – this can significantly increase when purchasing in a dislocated market

Arrow has increasingly co-invested with third-party capital to capture the full scale of market opportunity. Fund Management will enable Arrow to capture more of the market opportunity



Creating broad value for our stakeholders

Customers

Our goal is to deliver better financial futures for our customers by enabling them to service their debt in a more affordable way and to rebuild their credit score. Excellent customer outcomes are a core focus for the Group and contribute to how our staff get rewarded.

Employees

Our people provide the essential talent and energy to fulfil our purpose and goals. We rely on them to drive premium customer service and deliver excellent customer outcomes and in return we offer challenging and rewarding job opportunities and career paths alongside attractive remuneration.

Communities

We believe in working with the communities where we operate, ensuring that we do all we can to have a positive influence through supporting local charities and initiatives.

We have a clear strategy to support organisations that focus on financial education and support. We work closely with Citizens Advice, as well as a range of debt charities and advisory firms, including StepChange, Payplan and Christians Against Poverty.

Shareholders

By operating with integrity and striving to deliver against our plans and strategy, we aim to build long-term value for our investors.

Clients

We exist to help our clients create value. We enable our bank clients to transfer assets from their balance sheets into the capital markets – encouraging a stronger financial system – and assist our institutional clients with valuing and servicing the assets that they own, creating value for both us and them.



The Arrow DNA

Arrow has a track record of over 600 deals, generating attractive returns. Our deep local market connections provide prime access to off-market opportunities.

Specialist debt investor

Arrow's investment strategy is highly differentiated from the typical large credit fund. Arrow's local operating platforms and operational expertise allow us to focus on smaller, high-return niches. This has resulted in the majority of Arrow's deals being executed outside of competitive auctions in off-market bilateral trades – in 2019, over 70% of Arrow's investments were transacted off-market. Arrow also has a track record of co-investing with investment clients to diversify risk.



Asset Management and Servicing

Rapidly growing capital light income

Arrow services a large amount of assets for both its own investment business and for its clients. Arrow's co-investment strategy with its investment clients means it increasingly services entire portfolios where it has only a small balance sheet equity exposure, earning servicing fees from other capital providers, which drives capital light revenues. In 2019, gross AMS revenue formed 36.4% of gross total Group revenue.

Fund Management

Developing the discretionary Fund Management business

With our strong track record of successfully investing our capital into assets and servicing assets on behalf of clients, developing a discretionary Fund Management business was the logical next step. Investor demand for the exposure that Arrow can provide to our specialist, high-return asset class is strong from a wide range of alternative investors. Arrow has already raised €838.0 million of total capital commitments, with a target to achieve €2.0 billion of total FUM by the end of 2020.