Non-Strategic Assets (NPLs) — a strategic lever for an Amplified Organization

"No one ever won a game by resigning." — Savielly Tartakower*

**All quotations are from chess players.*

by Philippe Duclos, Nicolas Pellen and Pierre Nouvel

NPLs — a non-issue? By no means.

By June 2025, the stock of non-performing loans (NPLs) at France's major banks (BNP Paribas, Crédit Agricole, BPCE, Société Générale and Crédit Mutuel Alliance Fédérale) stood at €110 billion, up by €3 billion over six months. Since 2023, the cumulative Cost of Risk booked by these banks over the period has exceeded €27.8 billion, equivalent to 20% of their cumulative Gross Operating Income (RBE).

Under the logic of an Amplified Organization, NPLs can no longer be managed as a marginal, purely technical issue or confined to collections teams. They become a field of strategic coherence where internal and external resources converge. This integrated approach multiplies the effects: holistic decision-making, finer control of risk and resources, a more dynamic allocation of capital while respecting economic and social balances — a dynamic framework that secures the model while amplifying its performance.

And because French banks' financial results are currently exceptional, the time is ripe to convert NPLs into a strategic source of value. The examples are clear: Banco Santander, UniCredit and J.P. Morgan have moved beyond a defensive posture and turned NPLs into sources of profitability, agility and leadership. They amplified their action.

But is this truly a priority? Is the current model sufficient? Does the benefit justify the effort? Above all: how do you turn a liability into a strategic opportunity? At Antheus, our thinking is built around three pillars: Direction, Value, and Action.

1. Set the Direction for an Amplified Strategy

"The beauty of the move lies not in its appearance but in the thought behind it." – Aaron Nimzowitsch

Keep treating NPLs as a mere prudential indicator? Or integrate them fully into the bank's strategy alongside capital, liquidity and funding?

The classic argument is familiar: with a low NPL ratio, the issue is marginal and doesn't justify large investments. But that assessment leaves out two realities: first, the NPL-stock has been steadily growing, quarter after quarter since December 2021; second, banks' financial resources are increasingly tied up as the Cost of Risk rises and already represents more than 20% of Gross Operating Income (RBE) over the 2023–June 2025 period. Treating NPLs as a non-issue is letting the problem grow until it becomes too large to be managed without disruption.

Setting the Direction — i.e., developing an amplified strategy — requires examining the structural internal and external drivers of NPL management, the scenarios available, their respective impacts and their acceptability.

2. Maximize Value with an Amplified Operating Model

"Strategy requires thought, tactics require observation." — Max Euwe

Keep tinkering with the status quo? Or accept investing in a model that can turn a cost center into a source of value?

Many believe their internal processes are enough; that improving tools and harmonizing practices will suffice. The assumption is that rationalization alone will do, and that a full reset of the existing model would be too heavy, too complex, too disruptive. But value is not created by cosmetic adjustments. Value is built.

Value arises from an amplified operating model — a coherent linkage between capital, proactive asset management and governance.

3. Deliver Transformation and Achieve Amplified Action

"I used to attack because it was the only thing I knew. Now I attack because I know it works." — Garry Kasparov

Wait for a more favorable context? Or act now to turn a constraint into a competitive advantage?

The default reaction — often unconscious — is to wait: "Too complex, too long, too risky, we have other priorities…". Behind such caution often lies costly inertia: each quarter of delay does not reduce the stock, it degrades portfolio quality, increases the Cost of Risk, consumes capital and reduces capacity for action. Problems don't age well.

The gap between stasis and successful transformation rarely comes down to intrinsic project difficulty: it depends on momentum, will and appetite, on method, cadence and the ability to generate visible results quickly.

A successful transformation combines clear objectives, an aligned target model and an integrated roadmap, producing amplified action and tangible results from the first steps.

The Antheus answer: three integrated modules

"In chess, you have to take your time, but also be quick and flexible when the situation demands it." — Magnus Carlsen

An Amplified Organization does not pile up isolated programs; it activates the right levers simultaneously, aligns its assets and amplifies what works — while preserving overall balance.

For NPLs, that means: stronger P&L, better-managed RWAs, smoother operations, improved governance, tighter risk control, reinforced compliance and enhanced credibility with investors.

To deliver these results with speed and precision, Antheus has designed an integrated approach in three modules:

- Diagnostic — understand the nature of credit portfolios in depth and position the bank within its environment.
- Roadmap & Transformation Plan — define the NPL 360° Strategic Vision and align the target operating model.
- End-to-end Implementation Support — implement the transformation through to sale completion, leveraging our mastery of complex programs, our deep knowledge of the ecosystem and our transaction expertise.

With an extensive track record across Europe on large transactions and transformations, and close relationships with the market's main players, Antheus merges strategic advice with operational execution support. We help Executive Committees decide on these complex trade-offs and drive the transformation with method and impact. At a time of record results, it is time to turn non-strategic assets into amplified value drivers.

Philippe Duclos, Managing Partner | **Nicolas Pellen**, NPL expert | **Pierre Nouvel**, Manager