

# The True Sale Securitisation of Loans by ProCredit Bank Bulgaria

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# True Sale securitisation PCB Bulgaria

## Introducing PCB Bulgaria

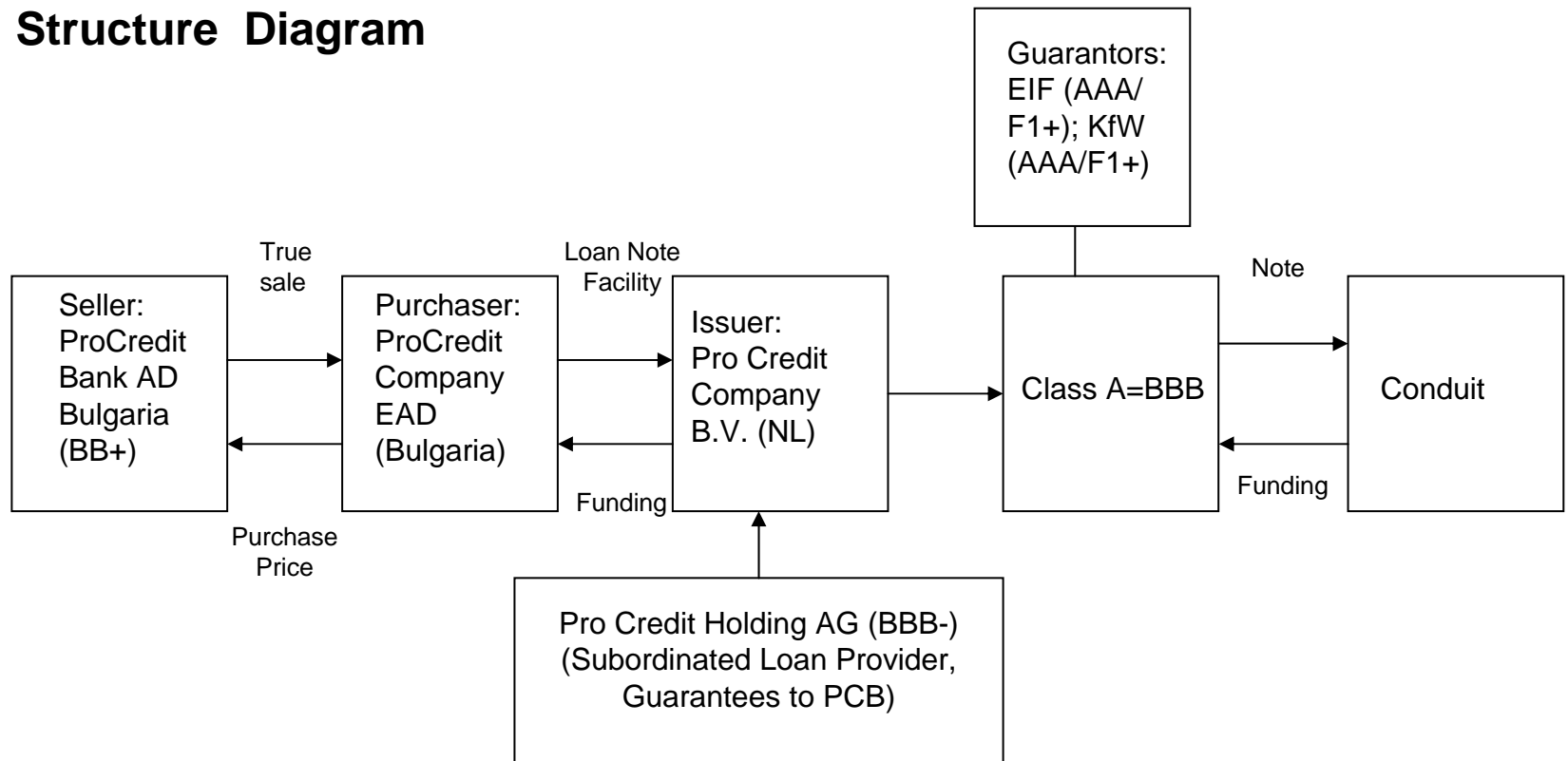


- **ProCredit Bulgaria (PCB)**
  - founded in 2001
  - leading provider of financial services to micro, small and medium enterprises servicing urban and rural areas
  - more than 93,000 customers
  - high portfolio growth
  - GLP ~ EUR 245 m (March 2006)
- **Motivation for securitisation:**
  - changes in regulatory environment
  - regulatory capital relief necessary to permit future growth of loan portfolio

# True Sale securitisation PCB Bulgaria Structure of Transaction



## Structure Diagram



Source: Transaction documents

# True Sale securitisation PCB Bulgaria Accomplishments



- ✓ **first true sale securitisation** in Bulgaria (benchmark transaction for region)
- ✓ first securitisation **worldwide** containing microloans
  
- ✓ Risk transfer allows for **capital relief** (capital adequacy ratio)
- ✓ Permitting future **expansion of loan portfolio**  
=> With positive effects for **employment and poverty reduction**
  
- ✓ Diversification of **funding sources** (investor base) and extension of maturities for funding, **better pricing**
- ✓ Strengthening of the Bulgarian **financial sector**
- ✓ Bridging to the **international capital market**

# Thank you for your attention!

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