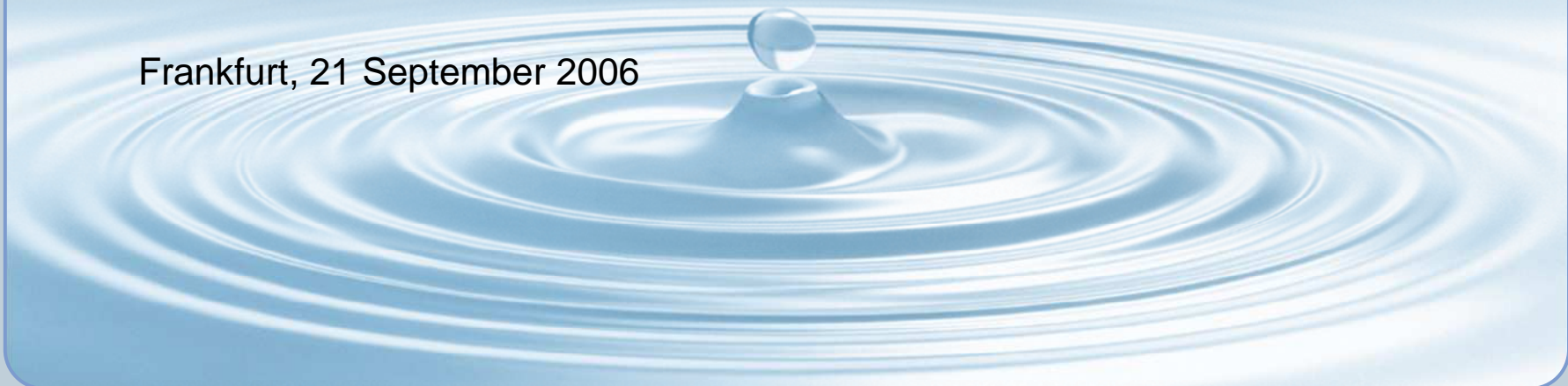




The True Sale Securitisation of Loans by ProCredit Bank Bulgaria

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True Sale securitisation PCB Bulgaria Introducing PCB Bulgaria

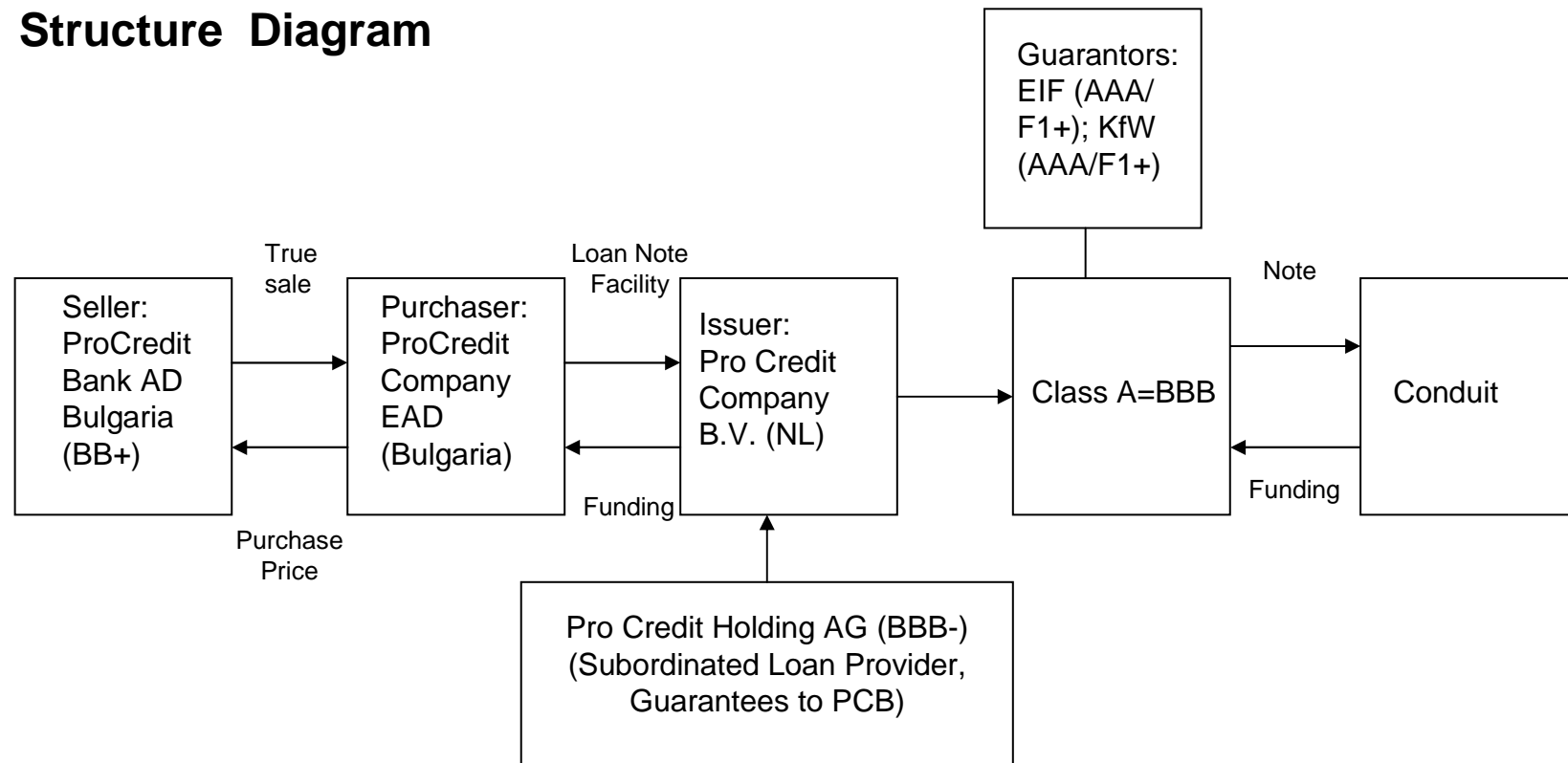


- **ProCredit Bulgaria (PCB)**
 - founded in 2001
 - leading provider of financial services to micro, small and medium enterprises servicing urban and rural areas
 - more than 93,000 customers
 - high portfolio growth
 - GLP ~ EUR 245 m (March 2006)
- **Motivation for securitisation:**
 - changes in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