



ProCredit
H O L D I N G



ProCredit Bulgaria – True Sale of an SME Loan Portfolio

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ProCredit Holding AG – Overview

Shareholder structure of voting capital:

	20.7 %		18.1 %
ipc-invest	4.8 %		13.7 %
	17.7 %		7.1 %
	2.9 %		7.5 %
responsAbility	1.4 %		3.0 %
ANDROMEDA	1.4 %	Omidyar Tufts	1.8 %



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Voting capital	€ 152 million
Non-voting capital	€ 28 million *
Reserves	€ 45 million
Total	€ 225 million

* held largely by TIAA CREF and Omidyar Tufts



Mission:

To expand the “**frontier of finance**”: to extend downward the range of market segments served by formal and commercial financial institutions.

Key data: (as per 2006, unaudited)

	ProCredit Group	ProCredit Bulgaria
Loan Portfolio	2.1 billion EUR	311.7 million EUR
Number of Loans Outstanding	743,000	49,700
% of business loans (volume)	88.5%	90.9%
Growth rate of Loan Portfolio	40.0% p.a.	40.6% p.a.
Total Assets	3.1 billion EUR	414.6 million EUR
Total Equity	335.0 million EUR	27.1 million EUR
RoE	12%	19%

The transaction - Highlights

- First time securitisation in Bulgaria, (one of) the first true sales of a SME loan portfolio in Eastern Europe, one of the first securitisations in Eastern Europe at all;
- Executed in 4 months (between kick-off and funding event);
- Initial pool of 48 million EUR loan portfolio, to be increased to 100 million EUR during 2007;
- Off-balance sheet treatment in Bulgaria, on-balance on a (consolidated) ProCredit Group level (ProCredit took 5% FLP);
- Fitch Rating BBB confirmed in February 2007; not a single loan sold in default.

Timely execution

- New legal ground;
- 15 parties, therefore five law firms involved;
- Operational challenges for ProCredit Bulgaria (IT, degree of senior management involvement, client's signatures);

Agreement on who ...

- ProCredit Holding, ProCredit Bulgaria, KfW, EIF, Deutsche Bank Conduit

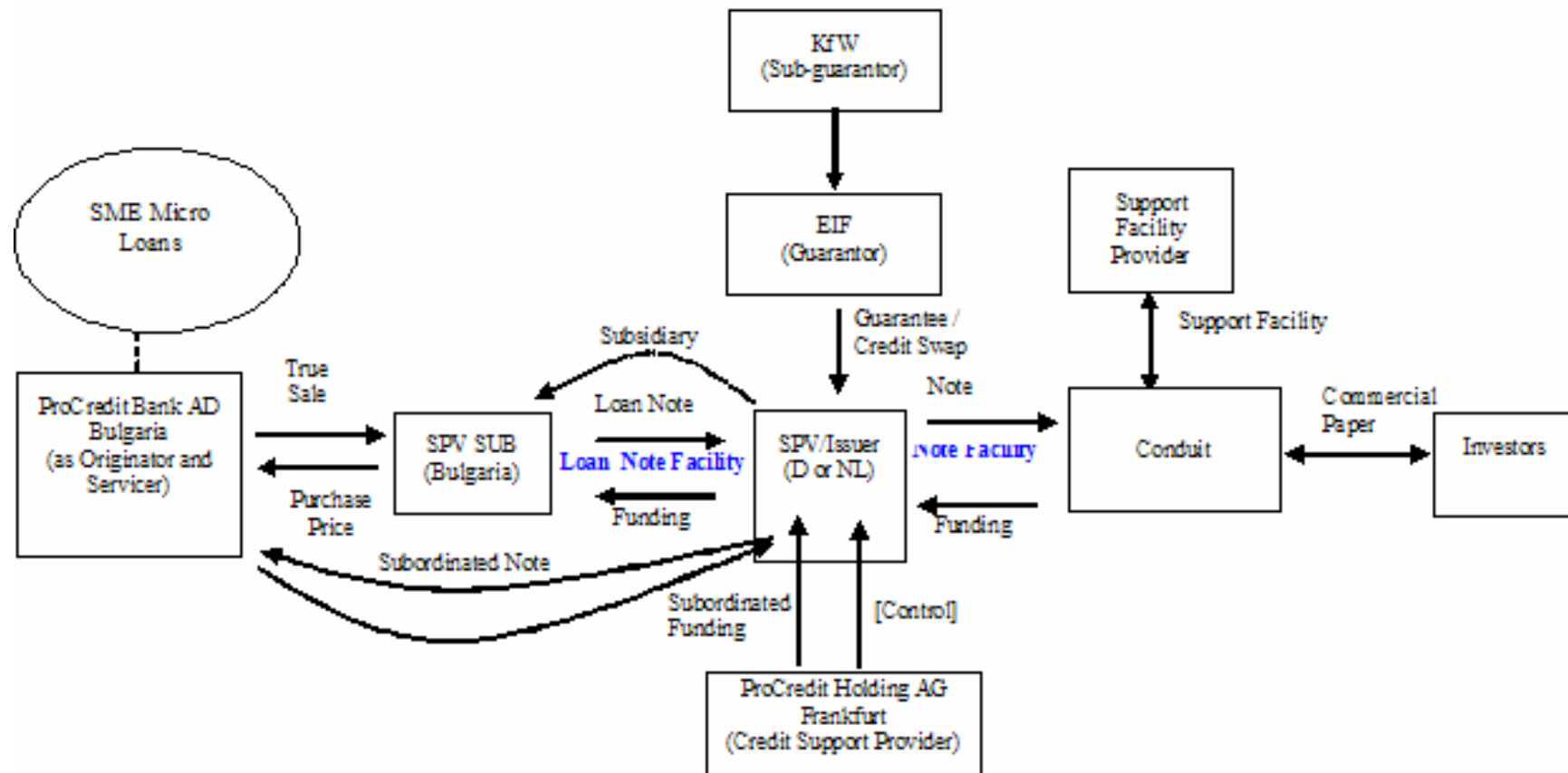
... takes which risks ...

- Credit risk, country risk, etc.

... at what price.



The transaction - Structure



Lessons learned:

- Common sense helps a lot;
- Operational excellence helps a lot;
- Communicate, communicate, communicate...

Key success factors:

- Absolute determination to execute the deal on time;
- No “weak” party in the transaction, high degree of commitment;
- ProCredit Bank’s excellent client relationship.