



## PRESS RELEASE

### **President Bush Announces Creation of America for Bulgaria Foundation to Promote Private Sector Development**

**JUNE 11, 2007** During their meeting in Sofia on June 11, 2007, President Bush informed President Parvanov of the creation of the “America for Bulgaria Foundation,” which over the coming years will be endowed with \$200 million from the Bulgarian American Enterprise Fund (BAEF). The Foundation will assist in the development and growth of a vibrant private sector for the benefit of a free and democratic Bulgaria. Support will be provided to private organizations and NGOs that focus on entrepreneurship, business education, leadership development and support for private sector philanthropy, and to key business sectors such as tourism and technology.

Established in 1991 by the U.S. Congress through the Support for East European Democracy (SEED) Act, the BAEF mission has been to support the development of the Bulgarian economy by investing in the private sector. Throughout Bulgaria’s many economic and political changes, the BAEF continued its investment activities, including in 1997 when the Bulgarian economy collapsed, the currency lost 90 percent of its value, and many banks failed. During this period BAEF, through its bank, the Bulgarian American Credit Bank (BACB), established itself as one of the primary lenders to private business. Together, BAEF and BACB contributed to the modernization of Bulgaria’s banking sector by sponsoring legislation that created the mortgage bond market and BACB issued the first mortgage bonds in Bulgaria. BAEF has also been active in real estate finance, assisting in writing the law for Special Purpose Investment Vehicles (SPVs), which have achieved wide acceptance on the Sofia Stock Exchange.

Beginning with an initial capital base of \$58 million, the BAEF has made a significant contribution to the Bulgarian economy and its legal and financial framework. The BAEF and BACB have extended loans and made investments in excess of \$900 million to more than 5,200 small and mid-sized Bulgarian companies employing thousands. Its clients and partners have served as role models of professionalism, transparency, and good governance. BAEF assets now have a value of approximately \$260 million.

As the BAEF gradually winds down its investments, its assets will be transferred to the America for Bulgaria Foundation. The new Foundation will be guided by a volunteer board of directors comprising Americans and Bulgarians and will be organized in the United States as a 501 (c) (3) non-profit entity and registered in Bulgaria.

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