

S02.02-AS-05-I.2-securitization ex

I - Financial Assets: General principles

2. Content of financial assets: Securitization - Example of posting entries

Comments

- Trade receivables do not take into account the **outstanding securitized receivables** that represent the difference between the total of securitized receivables and the related payments received. These outstanding receivables form part of the working capital (treated within A41100 - Trade receivables).
- The securitized receivables collected to reimburse to the financial institutions also form part of the working capital . The cash cashed in on behalf of the financial institutions is reversed in the same way as the payable toward these institutions (to avoid counting twice the same cash).
- The costs related to securitization are reported under "**R53730 - Costs on transferred receivables**" among the financial charges on net debt, below EBIT.
- The related PF1 companies COCA accounts are the following:
 - Under R53730:
 - 6533000000 - Expenses related to securitized transactions
 - Under A41100:
 - 2500000000 - Outstanding securitized receivables
 - 2500010000 - Guarantee reserve of trade receivables
 - 5090000000 - Securitized receivables collected and to reimburse to financial institutions

Posting entries to reflect the following scenario

Securitized amount of 1.000; of which 100 is retained by the bank as guarantee reserve.

Payment from the customer = 340

1. Transfer of the receivable to the bank:

Debit	506xxxxx30	Bank current account	900	
Debit	2500000000	Guarantee reserve of trade receivables	100	
Credit	2500000000	Outstanding securitized receivables		1000

2. Payment from the customer:

Debit	506xxxxx30	Bank current account	340	
Credit	2200000000	Trade receivables		340

3. Simultaneously with previous entry, adjustment of the outstanding securitized receivables and recognition of a debt towards the bank:

Debit	2500000000	Outstanding securitized receivables	340	
Credit	5090000000	Securitized receiv collected and to reimb to fin inst		340

WORKING CAPITAL																																																				
<p style="text-align: center;">Trade receivables BFC: A41100 COCA: 2200000000</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; width: 50%; text-align: center;">1000</td> <td style="border-top: 1px solid black; width: 50%; text-align: center;">340</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(2)</td> <td style="text-align: left;">(3)</td> <td></td> <td></td> </tr> </table>	1000	340							(2)	(3)			<p style="text-align: center;">Outstanding securitiz. BFC: A41100 COCA: 2500000000</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; width: 50%; text-align: center;">340</td> <td style="border-top: 1px solid black; width: 50%; text-align: center;">1000</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(1)</td> <td style="text-align: left;">(3)</td> <td></td> <td></td> </tr> </table>	340	1000							(1)	(3)			<p style="text-align: center;">TOT BFC: A41100</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; border-top: 1px solid black; text-align: center;">100</td> <td style="width: 10%;"></td> <td style="width: 10%; border-top: 1px solid black; text-align: center;">1000</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: center;">340</td> <td></td> <td style="border-top: 1px solid black; text-align: center;">340</td> <td></td> <td style="text-align: right;">(2)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">340</td> <td></td> <td style="text-align: right;">(3)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: center;">1240</td> <td></td> <td></td> </tr> </table>				100		1000		(1)		340		340		(2)				340		(3)				1240		
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<p style="text-align: center;">Bank BFC: A451100 COCA: 506xxxxx30</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="border-top: 1px solid black; width: 50%; text-align: center;">900</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td style="text-align: left;">(1)</td> <td style="border-top: 1px solid black; text-align: center;">340</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">1240</td> <td></td> <td></td> </tr> </table>			900					(1)	340								1240		
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Total amount of securitized receivables	-1000
Guarantee withheld by the bank	100
Net amount received by the bank	-900
Amounts collected from customers to reimburse to the bank	-340
Outstanding securitized receivables (- 900 + 340)	-560

Other posting entries:

- Payment to the bank of the receivable cashed in:

Debit	5090000000	Securitized receiv collected and to reimb to fin inst	340	
Credit	506xxxxx30	Bank current account		340

- Once the customer has paid his debt, reimbursement by the bank of the guarantee reserve:

Debit	506xxxxx30	Bank current account	100	
Credit	2500010000	Guarantee reserve of trade receivables		100

- Payment of securitization expenses to the bank:

Debit	6533000000	Expenses related to securitized transactions	x	
Credit	506xxxxx30	Bank current account		x