

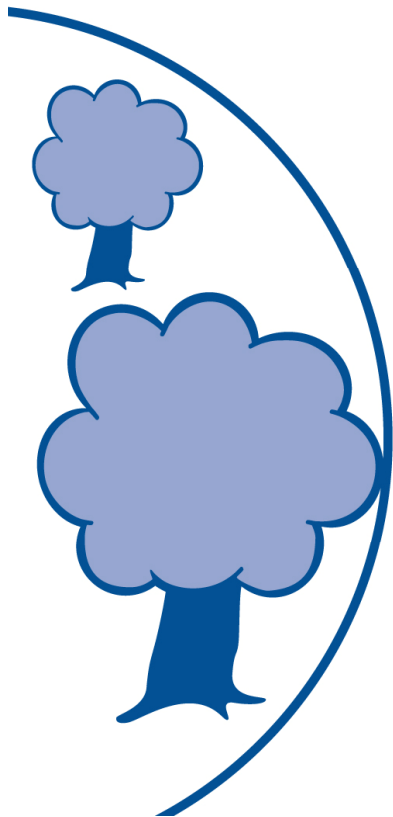


BlueOrchard[®]
Microfinance Investment Managers

Microfinance deals in 2007

21 January 2008

Jack Lowe
CEO



BlueO

Microfinance Inv



Transaction in 2007

The transactions in 2007 were split in 3 categories:

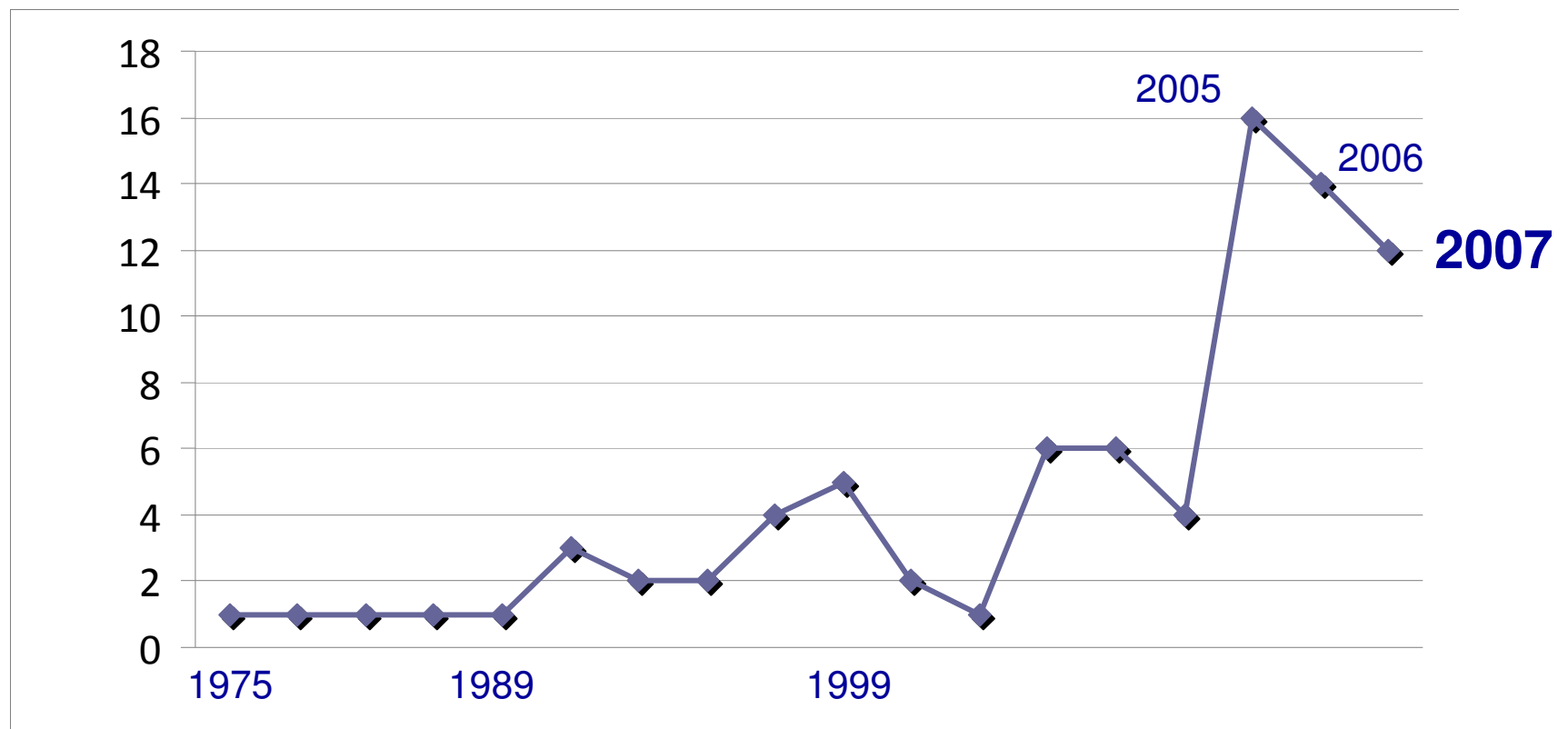
- 1 New funds launched
- 2 Capital markets transactions
- 3 Equity transactions





New funds launched

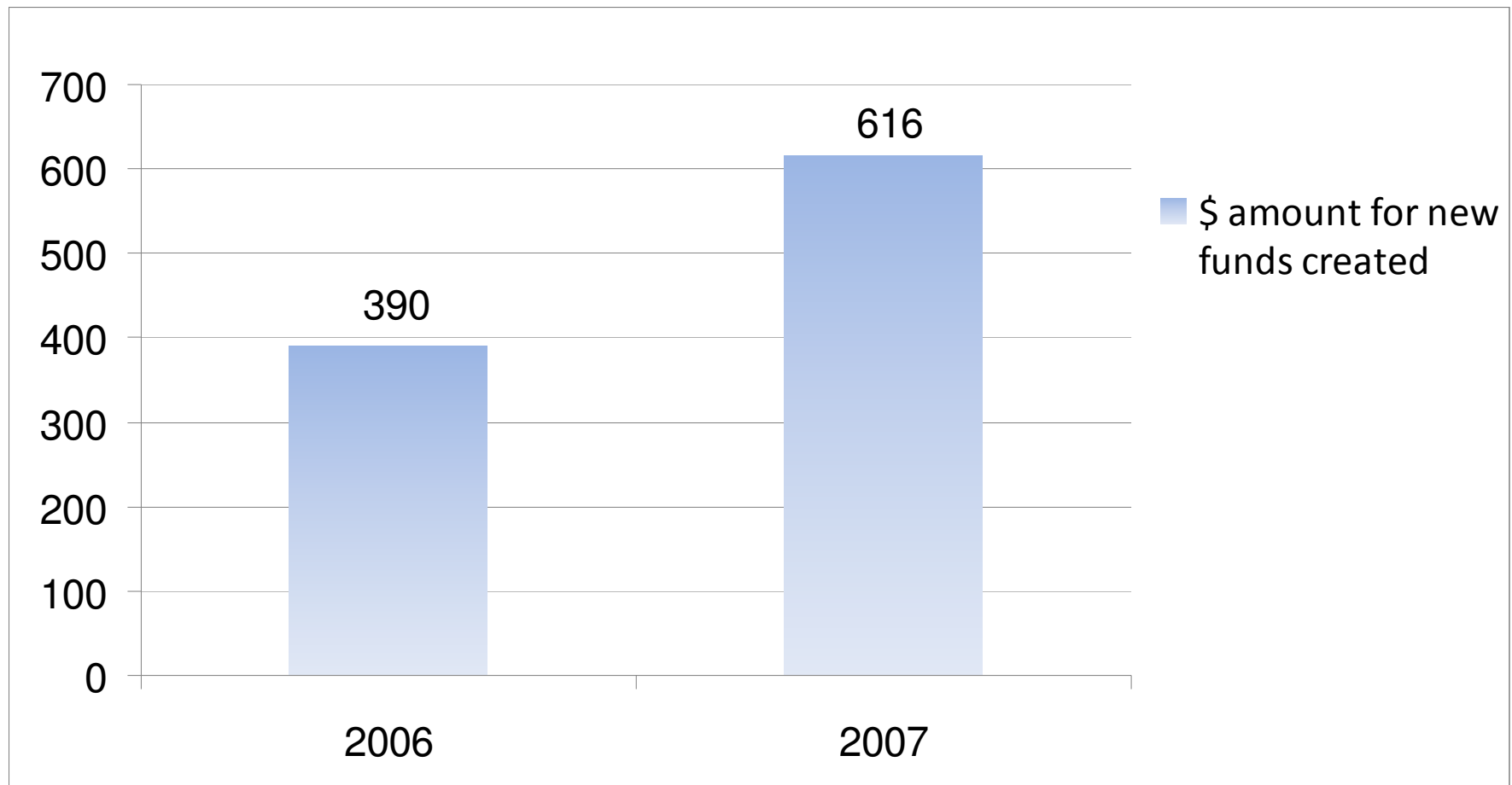
42 MIVs created in 3 years: a plethora of new funds came on the market from 2005 to 2007:



Source: MicroRate 2005 survey + Microfinance Capital Markets newsletter



New MIVs in 2006 and 2007

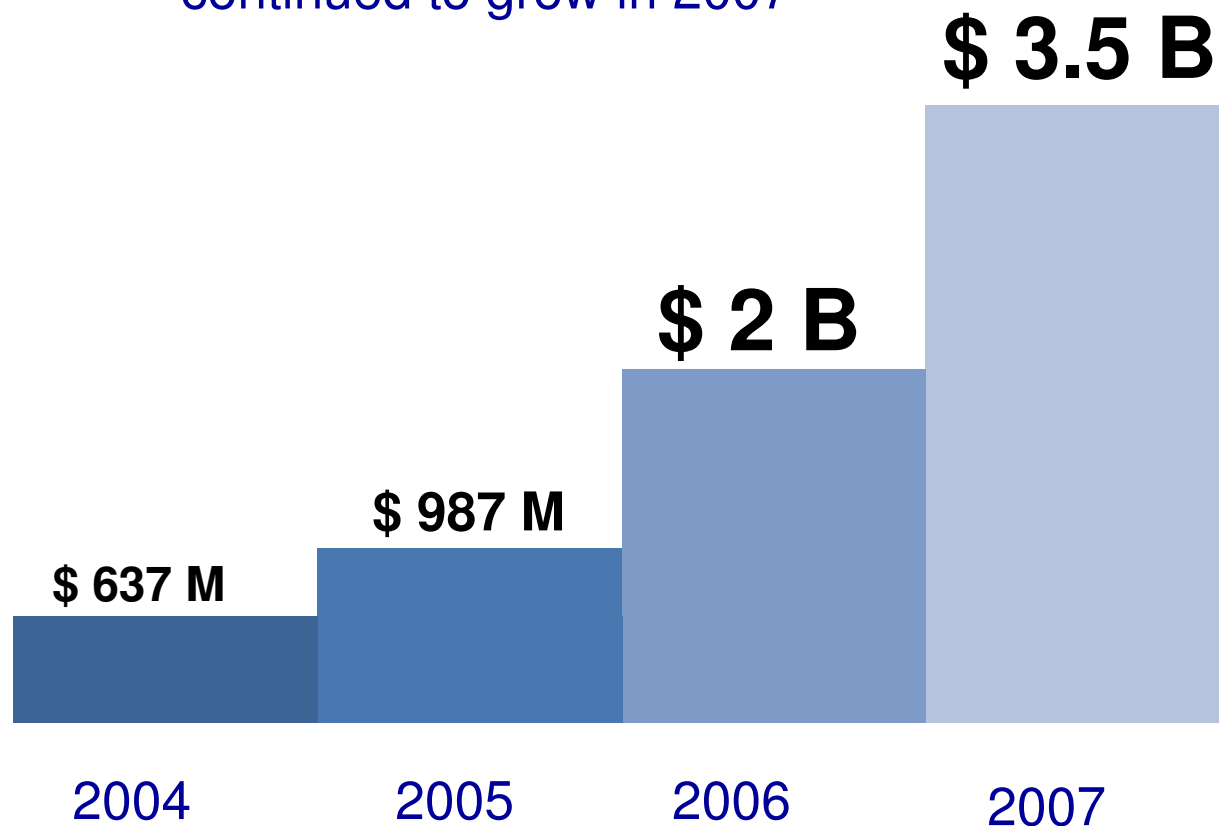


Source: Microfinance Capital Markets newsletter



MIVs investment growth

MIV investment doubled in 2006 and continued to grow in 2007



Source: CGAP-MicroRate 2006 survey + CGAP estimates for 2007



Largest deals (to September 2007)

Funds

- Oikocredit
at \$455 M
- Dexia
at \$294 M
- RespA
at \$180 M

CDOS

- BOLD – 2007
at \$110 M

Equity

- Public Issue of
Compartamos
(Mexico)
at \$280 M
- BlueOrchard Capital
Fund at \$100 M





BOLD – 2 transaction

Organiser and
structuring:
BlueOrchard

Largest transaction done (to September 2007)

Placing agent:
Morgan Stanley

Trustee:
Deutsche Bank

- \$110 M
- 11 countries
- 21 MFIs
- About 50% in local currency
- Ratings tranche 1 = AA, tranche 2 = BBB



Trends

- 0 The market is moving toward more **long-term financing** and **restructuring** of balance sheet due to **tightening of liquidities**.

This means **more CDOs** and **more equity** deals.

- 0 Also, it is clear that the **private sector** is now taking a **lead** in developing transactions and **public-private cooperation** is now the norm for structured finance.



Questions

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