



Social Banking in Emerging Markets

Asset Management & Advisory

Global Presence



A VERY INFLUENTIAL ASSET MANAGER

With more than 15y experience generating investments in microfinance institutions worldwide, Cyrano is one of the most respected players in the Social Banking (SB) investment industry.

Cyrano offers three types of Services

Advisory, Deals Generation and Fund Management

Cyrano's long term relationship with SB generates a large scope of investment opportunities. Cyrano started structuring loans to SB in 1999 and, currently, some of these credit clients are among the top 5 financial entities of their respective countries. Cyrano has loaned US\$500m to 66 financial entities in 18

countries. Deals are generated and assessed by a highly specialized international team based in Accra, Bishkek, Houston, Lima and Paris.

Cyrano has never generated a default or delayed payment to investors.

GMF, a fund managed by Cyrano, reached a pre-sale AA rating (Fitch), the highest of the sector.

→ PIONEER ACTIVITIES

- ▶ Manager of the **first microfinance credit fund** in the world (LA-CIF).
- ▶ Manager of the **first mezzanine microfinance fund** in the world (SOLIDUS).
- ▶ First fund manager in microfinance with **operating offices in the field** (Lima and Accra).
- ▶ First **fund manager providing permanent quarterly dividend** and interest payments to investors.
- ▶ The only manager providing investors a thorough **risk evaluation and monthly risk report**.

KEY ASPECTS OF CYRANO SUCCESS

» IN-DEPTH RISK ASSESSMENT

Country, industry and counterpart risk factors are identified, understood, analyzed and disclosed.

» MONTHLY RISK MONITORING

including a Risk Report sent to investors and investees.

» RISK ANTICIPATION AND QUICK REACTION

During 2008 crisis, Cyrano performed actions that anticipated adverse effects in FuM.

» CREDIBILITY THAT ATTRACTS OTHER INVESTORS IN SBs

With Cyrano's loans, SBs attract new investors in a very efficient manner.

» THE DISCIPLINE AND THE PROFESSIONAL PROFILE OF HUMAN RESOURCES

Cyrano's Risk Officers are specialized accountants with auditing skills.

» A PERMANENT REMUNERATION PAID TO INVESTORS

The portfolio quality generated by Cyrano generates the highest returns of the industry.

REFERENCES

Cyrano’s experience, global presence, excellent portfolio quality and permanent return generated to investors make it one of the leading worldwide microfinance fund managers.

Cyrano’s Key Figures:

- ▶ 15y in the market
- ▶ Over US\$ 300 million AuM in 2014
- ▶ Offices in Accra, Bishkek, Houston, Lima and Paris
- ▶ Only one loan defaulted in 15 years
- ▶ Monthly Financial Statements
- ▶ KPMG quarterly audits
- ▶ Investments in 25 countries
- ▶ Loans extended to 63 MFIs
- ▶ 40 investors

INSTITUTIONAL REFERENCES

SOCIALLY RESPONSIBLE INVESTORS	MULTILATERAL & BILATERAL INVESTORS	INSTITUTIONAL INVESTORS
Calvert	IFC	NYC Citi London
CARE	KfW	AXA
Cordaid	OPIC	Desjardins Pension Fund
Desjardins	EBRD	Crédit Coopératif Bank
Etimos	IDB & CAF	SSNIT Pension Fund
MEDA	A10	Deutsche Bank Singapur
Gray Ghost	AECI / ICO	Calvert
SIDI	SECO / SIFEM	SNS Asset Management
Omidyar Network	BIO	JP Morgan Chase
Omidyar Tufts	Norfund	SG-SSB (Ghana)
Argidius	SCC	Banco del Credito
ASN Novib	Swedfund	SocGen
Fundapro	Finnfund	BNP - Paribas
OVF	COFIDE	
CRS		

THE SERVICES

- 1** Fund Management and Funds
- 2** Deals Generation
- 3** Advisory

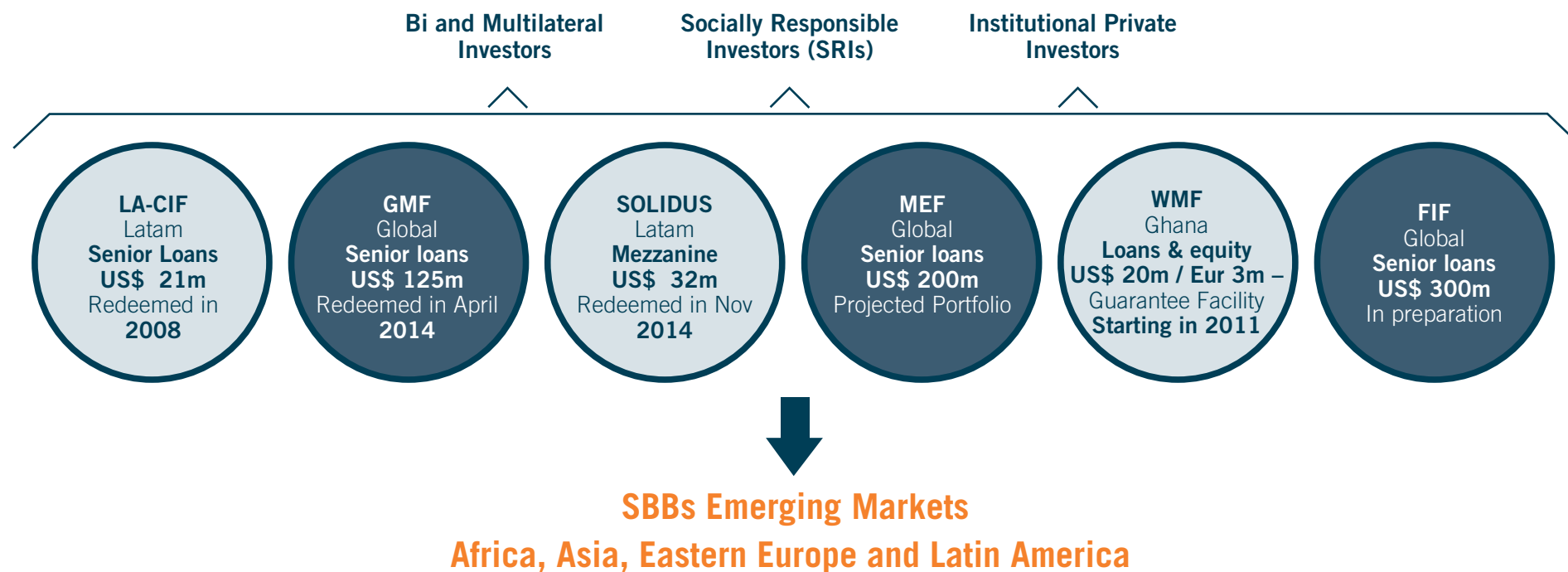
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The Fund Management Service

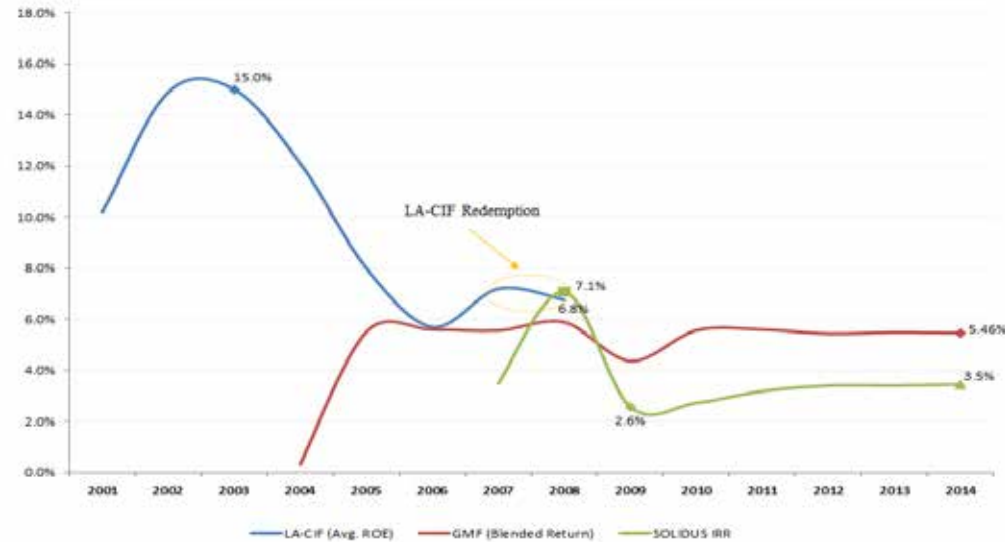


FUND FAMILY STRATEGY

The Fund Family includes different funds investing in SBs. Each fund has a specific risk profile based on the portfolio strategy: by geographical diversification, by type of financial exposure (senior loans or quasi-equity) and/or by counterparty risk. In addition, each fund offers to investors different risk exposures in its capital structure, including equity, subordinated loans and senior loans. This strategy allows investors, based on their risk understanding and exposure appetite, the possibility to establish an investment allocation according to a matrix including a mix of risk exposure, expected returns, social orientation and geographic specialization.



RETURN TO INVESTORS



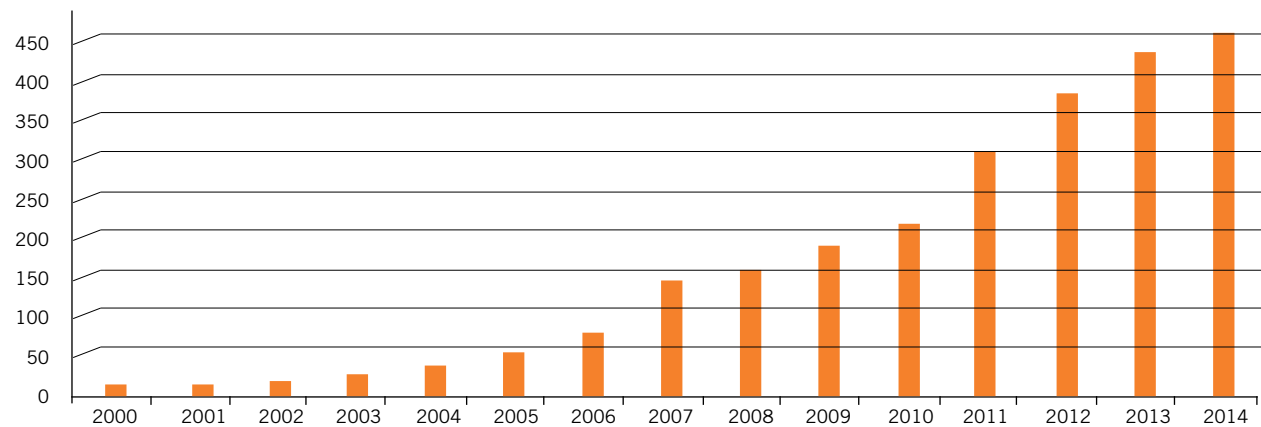
LOAN PORTFOLIO GENERATION BY REGIONS AND COUNTRIES

Accumulated in US\$m (2000 – 2014)

	2000	2004	2008	2012	2013	2014
Central Asia & Caucasus	0.0	57.2	288.2	519.4	361.6	188.8
Armenia	0.0	0.0	10.0	42.0	57.0	57.0
Azerbaijan	0.0	0.0	14.7	39.7	39.7	44.7
Georgia	0.0	0.0	11.1	16.1	16.1	16.1
Kazakhstan	0.0	0.0	7.5	7.5	7.5	7.5
Kyrgyzstan	0.0	0.0	4.0	22.5	22.5	28.5
Mongolia	0.0	0.0	0.0	30.0	30.0	35.0
Latin America	4.1	36.8	81.7	151.2	171.2	171.2
Peru	2.0	10.6	32.0	78.5	88.5	88.5
Paraguay	0.0	0.0	3.0	16.0	26.0	26.0
Mexico	0.0	0.0	8.4	18.4	18.4	18.4
Nicaragua	0.3	7.3	14.7	14.7	14.7	14.7
Bolivia	1.8	9.5	9.5	9.5	9.5	9.5
El Salvador	0.0	2.1	6.8	6.8	6.8	6.8
Ecuador	0.0	5.5	5.5	5.5	5.5	5.5
Dom. Republic	0.0	1.9	1.9	1.9	1.9	1.9
South East Asia	0.0	0.0	9.5	39.0	53.5	58.5
Cambodia	0.0	0.0	9.5	39.0	53.5	58.5
Africa	0.0	0.0	7.5	24.8	26.1	28.3
Kenya	0.0	0.0	7.5	22.5	22.5	22.5
Ghana	0.0	0.0	0.0	2.3	3.6	5.8
Eastern Europe	0	0	12	12	12	12
B&H	0	0	12	12	12	12
TOTAL (US\$m)	4.09	93.99	399.20	746.74	624.70	459.07

CYRANO'S LOAN PORTFOLIO GENERATION

Accumulated Loan Portfolio in US\$m (2000 – 2014)



Pre-Operating Stage

- ▶ Identification of the Investment Opportunity
- ▶ Draft of Prospectus & Financial, Legal and Operational Documentation / Procedures Manual
- ▶ Financial Structuring & Margin Generation
- ▶ Business Plan and Financial Modeling / Structure of Potential Portfolio
- ▶ Identification of potential investors and Road Shows

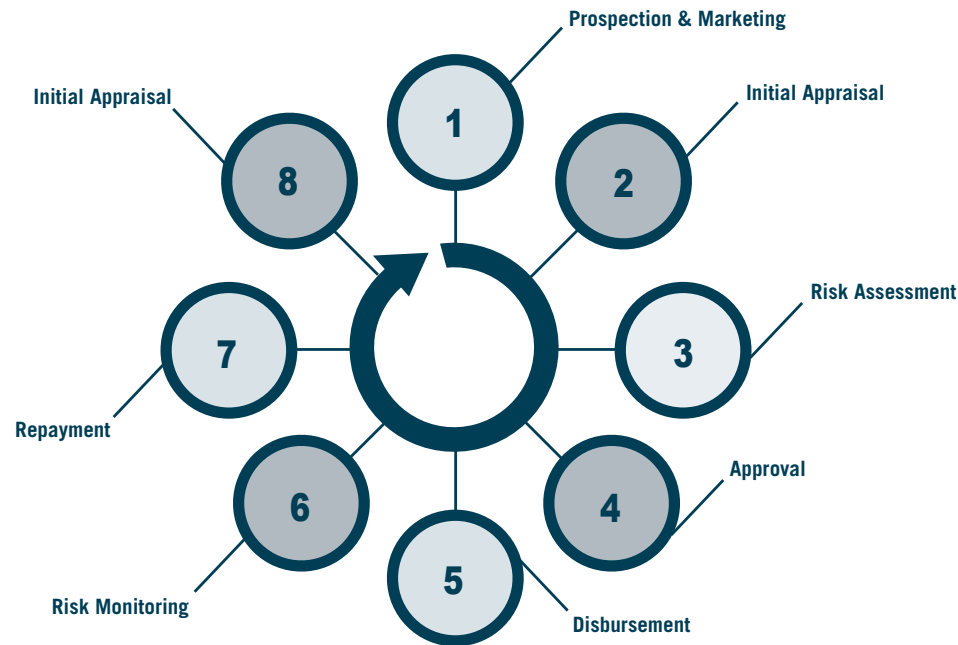
Operating Stage

- ▶ Governance, Secretary, Accounting & Meetings Organization
- ▶ Fund's strategy for each specific stage
- ▶ Loan Generation and Portfolio Management
- ▶ Risk Assessment and Due Diligence
- ▶ Structure of Investment and Protection Strategy
- ▶ Monthly Portfolio Monitoring, Compliances and risk & performance reporting
- ▶ Loan Collections and Payments to Investors and Services Providers

CREDIT STRATEGY

- ▶ Thorough understanding of risks and investment opportunities of the local market.
 - ▶ Commercially-oriented pricing with an adequate protection structure.
 - ▶ Portfolio risk diversification.
 - ▶ Risk evaluation and monthly risk monitoring.
 - ▶ Deal returns set as a function of risks and margins.
 - ▶ Main covenant protections on senior loans:
 - Portfolio Quality
 - Provisioning
 - Profitability
 - Leverage
 - Currency and Maturity Matching
 - Country Risk
- 
- ▶ Potential MFI investees:
 - Require supplementary funding to finance portfolio growth
 - Can demonstrate strong financial performance
 - Good governance and transparency
 - Have achieved good levels of solvency
 - No arrears or defaults on financial obligations
- 
- STRONG PORTFOLIO QUALITY**

CREDIT PROCESS



RISK MANAGEMENT

Cyrano's risk assessment methodology is designed specifically for the Social Banking industry:

- ▶ Maturity and Currency matching
- ▶ Liquidity
- ▶ Assets and Portfolio Quality
- ▶ Capital Adequacy
- ▶ Provisioning
- ▶ Capital Structure
- ▶ Efficiency
- ▶ Profitability
- ▶ Repayment Capacity



- ▶ Country Risk and Regional Correlation
- ▶ Interest Rates and Investment Policies
- ▶ Regulatory Framework
- ▶ Performance of the Microfinance Sector
- ▶ Competition
- ▶ Government Intervention as Microlender

- ▶ Information Quality & Transparency
- ▶ Governance and Institutional Vision
- ▶ Human and Capital Resources
- ▶ Strategic Plan
- ▶ Market Position
- ▶ Shareholders Solvency
- ▶ Audit and Internal Control

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Deals Generation

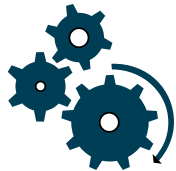


PRODUCT DESCRIPTION

THE INVESTEE ASSUMES THE COST OF SERVICES EQUIVALENT TO 50bps

1. Cyrano suggests potential transactions based on previously agreed risk appetite and objectives of the investor. Furthermore, investors may request Cyrano to structure transactions with entities identified by them.
2. The potential investee is contacted by Cyrano in order to establish an initial agreement, with no commitments with respect to the terms and conditions of the potential loan to be structured. Cyrano provides the investor an initial quantitative financial analysis of the potential investee.
3. If the investee and the investors are in agreement, Cyrano performs the risk assessment of the country, the analysis of the local social banking industry, and of the quantitative and qualitative risk of SBs.
4. Following the submission of the risk assessment report to the investor, and if the loan is internally approved, the transaction is then legally structured and disbursed by the investor.
5. During the term of the loan, Cyrano permanently assesses the country, the industry and the counterpart risks. A monthly risk monitoring report is presented to the investor, including covenants compliance and performance trends.

BENEFITS TO INVESTORS



EFFICIENCY IMPROVE

The intensity of work of the internal human resources of Investors will dramatically decrease as Cyrano assumes several time- consuming and important steps of the Credit Process.



TRANSACTION COSTS DECREASE

The Counterparts assume the cost of Cyrano's services, that is equivalent to around 50bps. This implies that the investor will not reduce its income generation. For SBs, the transaction cost is also reduced as Cyrano will assist investees to comply with the requirements of Investors.



RISK CONTROL IS PRESERVED

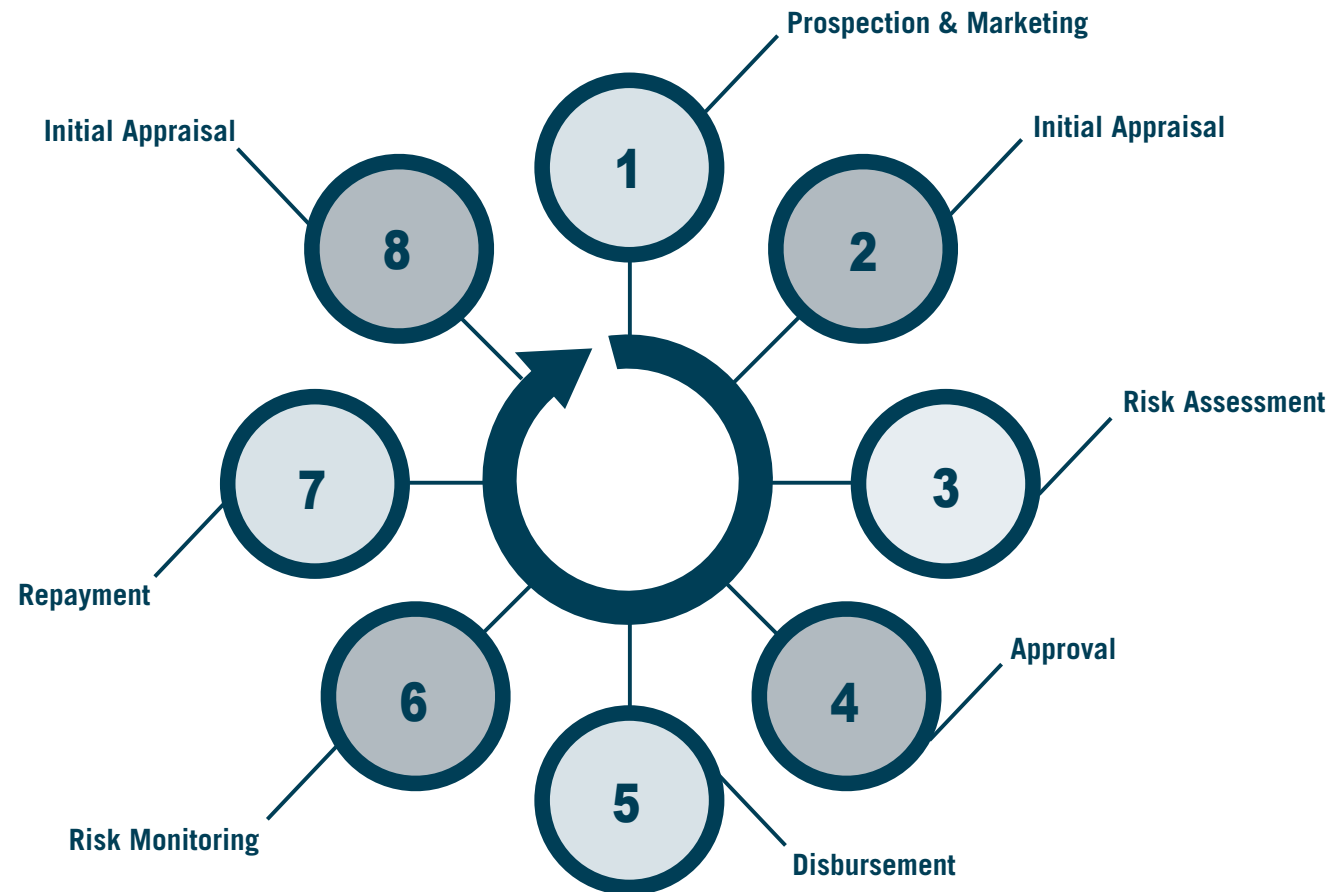
Prior to the extension of the Loan, Cyrano performs a very strict assessment of the country, industry and counterpart risks. In addition, Cyrano performs a monthly risk monitoring report to be sent to the investor jointly with the Covenant Compliance control and the description of major market events.



BUSINESS GENERATION INCREASE

The capacity of the Investor to generate supplementary transactions increases and associated costs are minimized.

CREDIT PROCESS



3 Advisory Consultancies



Cyrano provides consultancy services based on its deep knowledge of emerging markets, finance for low-income people, and risk assessments.

Cyrano performs Consultancies and Technical Services to a large scope of entities that require its interventions in social projects with financial components.



A. Financial Advisory

B. Implementation and Management of Projects

C. Training

FINANCIAL ADVISORY

- ▶ Mergers & Acquisitions.
- ▶ Conversions in regulated financial entities.
- ▶ Collections and management of investments in stress.
- ▶ Evaluation of investment vehicles.
- ▶ Evaluation of regulatory frameworks.
- ▶ Identification and evaluation of investment opportunities in SB.
- ▶ Structuring of special purpose investment vehicles.
- ▶ Legal documentation of structured investment vehicles.

Examples

INVESTMENT VEHICLES

Africa

KfW / Ghana / Preparation of a wholesale microfinance investment vehicle.

Asia

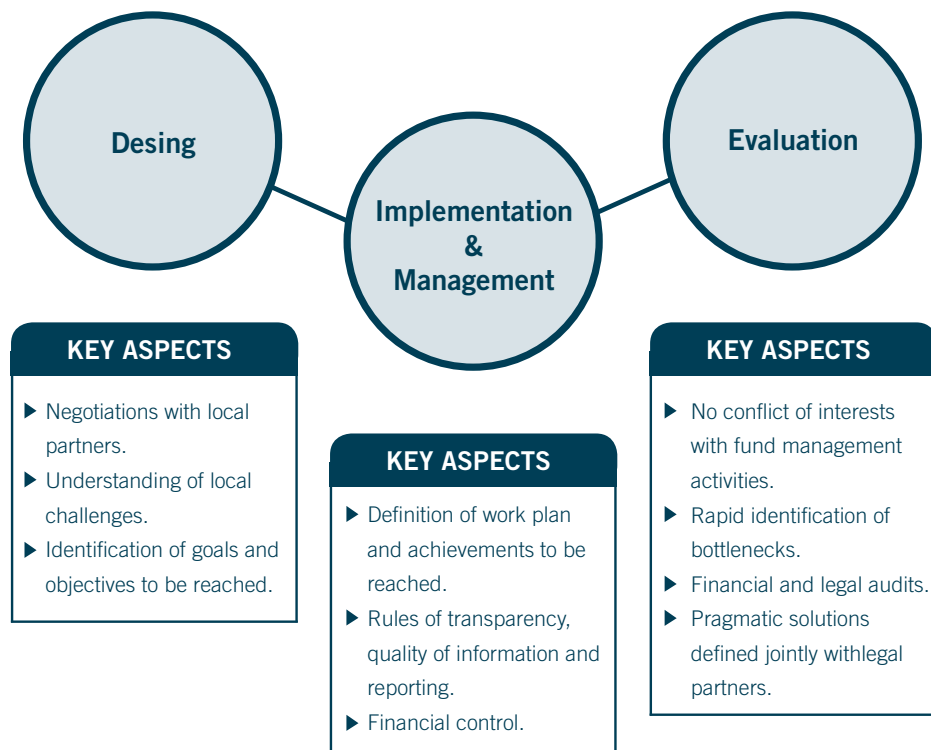
Cordaid / Philippines / Risk Assessment of an investment Fund
Cordaid / Indonesia / Evaluation of an equity investment fund.

RISK ASSESSMENT OF FINANCIAL ENTITIES

Latam

KfW / Mexico and Peru / Maxi Prenda, Mibanco and Caja Arequipa
IDB / Bolivia, El Salvador, Mexico, Peru and Paraguay / Risk Assessment of 10 MFIs.

IMPLEMENTATION AND MANAGEMENT OF PROJECTS



Examples

Renewable Energy

US Solar Development Group / Feasibility study of potential investments in renewable energy

Policy Making

IDB / Impact evaluation of the elimination of the loan rate ceiling in Colombia

Market Intelligence

University of Anahuac in Mexico / Mapping of SBB sectors in Mexico, Colombia and Peru

Financial Products

IDB / Bolivia, Haiti, Colombia, Peru and Nicaragua Feasibility study of the potential mobilization of remittances through MFIs

Project Evaluation

KfW / Ghana / Pre-feasibility study for the 2nd phase of "SPEED", a project to promote SMEs

TRAININGS

- ▶ Country Profile
- ▶ Risk assessment
- ▶ Structuring of financial statements
- ▶ Business Plan
- ▶ Financial analysis of SBs
- ▶ Treasury and Liquidity Management
- ▶ Analytical margin calculations
- ▶ Standards of performance of SBs
- ▶ Operational efficiency
- ▶ Prudential regulations
- ▶ Social Impact

Examples

Performance Standards of MFIs

(Ghana / Mexico / Brazil / Guatemala)

Risk Analysis Methods

(Indonesia / Bolivia)

Microfinance Benchmarks and Risk Analysis of Peruvian Market

(Peru)



Cyrano Profile

HUMAN CAPITAL

Key Staff

Fernando Lucano Urioste

PRESIDENT AND FOUNDER, BASED IN PARIS.

Over 25 years of experience in structuring and monitoring debt and equity investments in MFIs, banks, financial companies and venture capital funds.

Edmond de Capele

SENIOR FINANCIAL ADVISOR, BASED IN PARIS.

CFO for more than 30 years in a variety of leading French chemical companies managing more than 300 affiliates worldwide. Over 18 years of experience in microfinance with Cyrano, CRS (USA) and SIDI (France)..

Magally Fouscas

SECRETARY OF FUNDS, GOVERNANCE AND REPORTING. CEO OF CYRANO LIMA, BASED IN LIMA.

Over 13 years of experience in microfinance. In charge of the preparation of the legal documents of the investment funds, coordinating and reporting to investors.

Bibiana Vásquez

DEVELOPMENT PROJECT USA BASED IN HOUSTON.

Over 17 years of experience in the microfinance sector. Involved in all operating activities of Cyrano USA and in the risk assessment of microfinance institutions worldwide. Specialist of TA programs.

Ernest Yerekuu

FUND MANAGER / CEO OF CYRANO GHANA, BASED IN ACCRA.

Over 10 years of experience in microfinance in Ghana. Former CFO of a leading microfinance entity.

Ramilya Abdrashitova

INVESTMENT OFFICER CENTRAL ASIA, BASED IN BISHKEK.

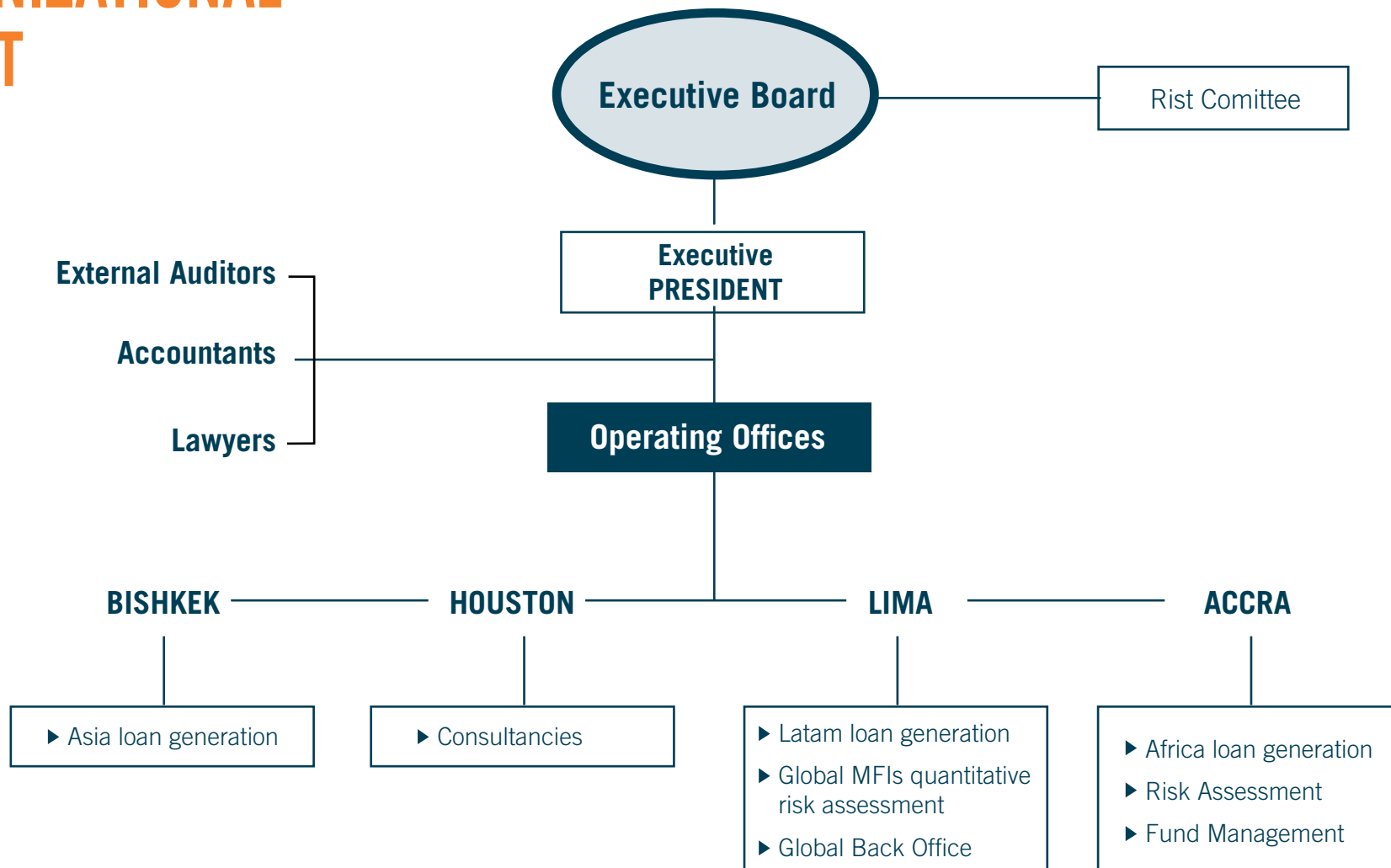
Former Finance Manager of Investment Funds and Direct Loans to SMEs.

Silvia Ramos

RISK MANAGER, BASED IN LIMA.

Former team leader in banking audit of KPMG. Over 5 years of experience in the microfinance sector. Involved in the risk assessment and monitoring of MFIs worldwide.

ORGANIZATIONAL CHART



Cyrano Management

Legal Name:	Cyrano Management S.A. ("Cyrano")
Legal Status:	Sociedad Anónima (S.A.) LLC company by shares
Incorporation and Registry:	Sociedad Anónima, registered at Third Public Notary of the Circuit of Panama with the Registry number 16834, dated October 25th, 2000.
Operating Offices:	<p>Peru Calle Bolivar No. 472, Of. 702, Lima 18, Peru</p> <p>Ghana No 8 Blohum Street - Dzorwulu Accra, Accra, Ghana</p>
President:	<p>Mr. Fernando Lucano fernandol@cyrano-management.com Phone: + 336 2301 9399</p>
External Auditors	<p>Caipo y Asociados Lima Peru Mr. Eduardo Alejos Phone: +(511) 611 3000</p>

External Accountant	<p>Bureau Consulting Av. Encalada N° 1388 Surco, Lima, Peru Ms. Fryda Argote Phone: + (511) 434-4110</p> <p>Douglas Godwinson World C 904/15, Olusegun Obasanjo Way Pig Farm Junction R/A, Accra, Ghana Mr. Godwin Asazu Phone: + (233) 302 238 242</p>
Counsels	<p>Tapia, Linares & Alfaro P.O. Box 0816-02984Panama, Republic of Panama Mr. Mario Correa / Mr. Fernando Linares Phone:+ (507) 263-9355</p> <p>Rebaza, Alcázar & De Las Casas, Abogados Financieros Av. Canaval y Moreyra 452 Pisos 15 – 17, Lima 27, Peru Mr. Juan José Cárdenas Phone: +(511) 442-5100</p> <p>Bentsi-Enchill, Letsa & Ankomah 1st Floor Teachers' Hall Complex, Education Loop (Off Barnes Road), Adabraka, Accra, Ghana Mr. Seth Asante Phone: + (233) 302 221 171</p>