



Grameen-Abdul Latif Jameel Pan-Arab Initiative
1st Dubai Microfinance Forum
Dubai, UAE
November 6, 2006

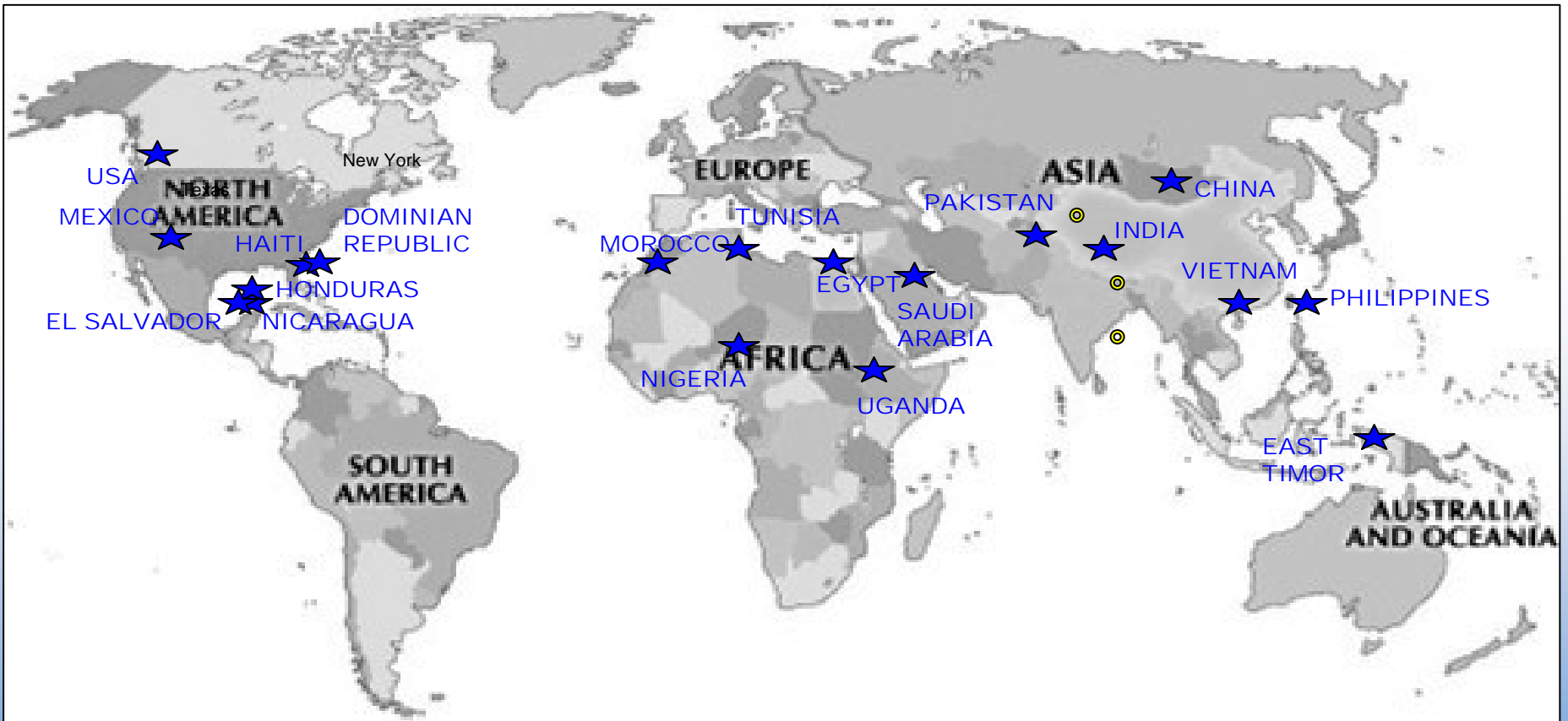
Agenda

- Introduction to the Grameen-Abdul Latif Jameel Pan-Arab Initiative
- Our current partners and programs
- Expansion plans
- Grameen-Jameel Guarantee Program and closed deals

Who is Grameen Foundation?

- Global Microfinance Network (U.S. non-profit)
- Founded by Dr. Muhammad Yunus in 1997
- More than **50 partners** in over **20 countries**
- Promote microfinance to empower the poor and to reduce poverty
- Partner with microfinance providers focused on
 - Empowering women
 - Reducing poverty
 - Financial self-sustainability

Grameen Foundation Partner Network



Types of Partnerships

- **High-Growth Partners**
 - High-performing microfinance providers
 - Potential for significantly increased growth in outreach and impact
 - > 25,000 clients at nomination
 - 5 year client growth > 100,000
- **Seedbed Partners**
 - Microfinance providers working towards reaching financial sustainability
 - Excellent potential to expand and become high growth partners
 - < 5,000 clients at nomination
 - strong need for institutional capacity-building

Who is Abdul Latif Jameel Group?

- Private sector business headquartered in Jeddah, Saudi Arabia with operations in western Europe, Middle East, North Africa, and Asia
- Founded by the late Sheikh Abdul Latif Jameel in 1945
- In 1955, he was granted the sole distributorship for Toyota vehicles in Saudi Arabia which the ALJ Group has maintained ever since.
- Mohammed Jameel, son of the founder, is today's president
- History of corporate social responsibility
 - Advocational training and self-employment
 - Endowment of MIT Poverty Lab
 - Health and social services

Grameen-Jameel Initiative: Who we are

The Grameen – Abdul Latif Jameel Initiative is a unique partnership between Grameen Foundation (GF) and the Abdul Latif Jameel Group (ALJ) that was launched in 2003 in order to strengthen the microfinance industry in the Middle East and North Africa (MENA). The Initiative is in the process of being incorporated in Cyprus with a representative office in Lebanon, and will be structured as a 50-50 joint venture between GF and ALJ.

- **VISION**

The vision of the Initiative is to double the size of the industry by reaching 1 million new active clients by 2011.

- **VALUES**

The Initiative believes in promoting best practice microfinance in the region provides support to MFIs that share its values:

- Commitment to reaching women and the poorest
- Aggressive plans for growth
- Financial Sustainability

- **STRATEGY**

The Initiative plans to increase the capacity of microfinance institutions (MFIs) in the region through financial support, technical assistance, training, and access to translated resources on best practice microfinance. This assistance will enable MFIs in the region to increase the breadth and depth of their outreach, as well as improve their financial and operational sustainability in order to better serve their clients on a long-term basis.

Grameen-Jameel Initiative: What we do

The Initiative supports regional MFIs through two principal means: 1) Capacity Building; 2) Direct Financing.

The Initiative's capacity building activities seek to disseminate and promote overall best practice microfinance throughout the region to all MFIs, while strategic partnerships enable the Initiative to work directly with promising MFIs in order to provide specific on-site training and technical support as well as financial assistance for on-lending and training.

1) Capacity building

- Scholarships for Training & Learning Opportunities
- Translation
- Technical Assistance
 - Business planning and product development
 - Technology
 - Social Performance

2- Direct Financing

- Loans
- Guarantees
- Equity



Grameen-Jameel Initiative Partners

- The Grameen-Jameel Initiative currently has 8 partners and 1 affiliate partner.

PARTNER	# of Clients (9/30/06)	# Clients by 2010
Al Karama	6,874	60,000
FONDEP	53,793	230,000
ENDA	27,503	100,000
DBACD*	63,870	103,500
Al Tadamun	14,641	100,000
RADE	8,101	50,000
Hodeidah*	3,519	15,000
Abyan	1,500	9,000



Al-Karama FONDEP ENDA Al Tadamun RADE

Abyan

Hodeidah

DBACD

PFP

Total current partner outreach:

179,801 Active Clients

Total current partner outreach by 2010:

667,500 Active Clients

Projected Growth of 271%

Grameen-Jameel Initiative: Progress to date

The Grameen-Jameel Initiative has :

- Funded over 200 scholarships to practitioners
- Financed a total of \$4,545,000 in direct partner financing and guarantee transactions
- Provided business planning workshops and technical assistance to partners
- Conducted three market assessments and 45 due diligence evaluations of potential partners
- Launched the Arabic Microfinance Gateway in collaboration with CGAP and Sanabel, which now holds over 100 translated documents in its online library
- Sent over 60 participants to the 2004 and 2006 Grameen Dialogue for the Arab World in Bangladesh
- Developing innovative microfinance products such as the Microfinance Virtual Training Academy for loan officers, and an open-source MIS system to benefit entire microfinance sector



Grameen-Jameel Partners

- **What we expect of our partners:**
 - Passion and commitment to serve the poor and increase outreach
 - Responsiveness and good communication
 - 5 year business plan that is built bottom-up by the MFI
 - Quarterly financial and operational statements
- **What we provide to our partners:**
 - Access to the Grameen Family
 - Financing
 - Grants for training & technical assistance
 - Loans (just below commercial rates) for onlending
 - Guarantee for loan, line of credit, securitization
 - Technical assistance
 - MIS support from our regional MIS specialist and Grameen Technology Center in Seattle

Grameen-Jameel Initiative: Expansion Plans

- Start-up in Algeria
- New partners in Jordan, Sudan, Syria, Lebanon, and Palestine
- Guarantee transactions in pipeline for Morocco, Tunisia, and Jordan



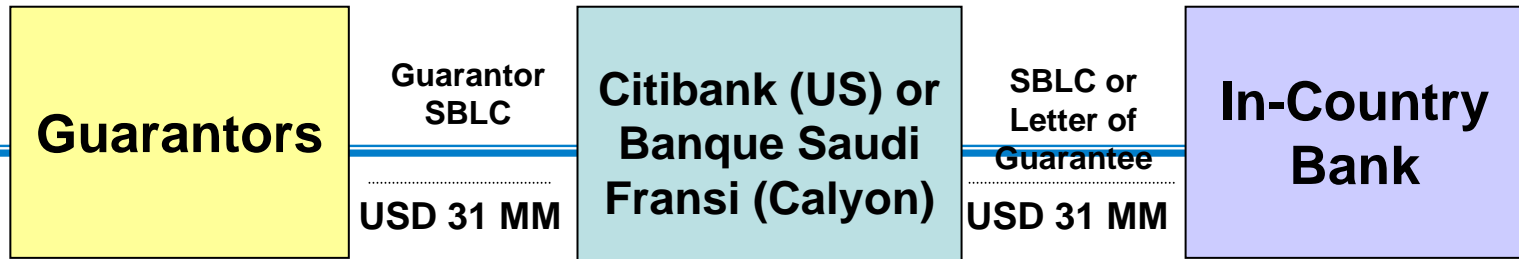
Grameen-Jameel Guarantee Program

To harness the vast resources of the financial markets to support rapid expansion in outreach to poor families by leading, poverty-focused MFIs

- Establish microfinance as a commercial investment opportunity
- Form linkages between poverty-focused microfinance and the capital markets
- Develop the local capital markets as a source of long-term commercial financing for MFIs
- Reduce MFI exposure to forex risk

Grameen–Jameel Guarantees

- **The Basics**
 - Up to \$50 million available to support debt transactions in the Arab region
 - Backed by either a standby letter of credit (SBLC) from Citigroup and/or a letter of guarantee issued from Banque Saudi Fransi (Calyon) backed by Mohammed Jameel
 - Citi and/or Banque Saudi Fransi in turn issue a USD denominated SBLC/LG to banks in the MFI's country
 - Program aims to support local currency financing
- **Guarantee Structure**
 - Irrevocable and available on first demand
 - Negotiable
 - Structures include pari passu (proportional sharing) or first loss guarantees
- **Applicability**
 - Guarantees seek to improve terms and conditions of financing for MFIs
 - Supports a variety of financing instruments and legal structures
 - Leading poverty-focused MFIs meeting Grameen-Jameel due diligence standards



Regular reporting

USD 50 MM

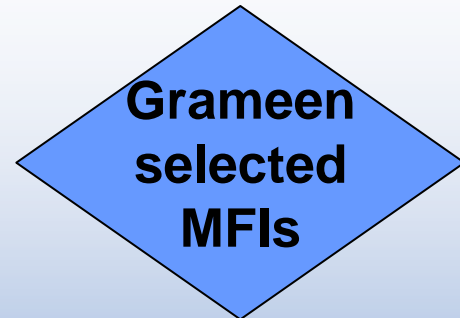
Non-recourse
Line of Credit

Leveraged
local
currency
financing

6x
leverage



Selection, evaluation,
quarterly monitoring



- = SBLC / LG
- = Line of Credit
- = Cash financing
- - - - - = GF responsibilities

Closed Guarantee Transactions

ENDA – Term Loan

Country: Tunisia
The Deal: US\$375,000 guarantee leveraged 2x for \$750,000 in local currency financing
Bank: UIB

ProMujer – Credit Line

Country: Bolivia
The Deal: US\$750,000 guarantee leveraged 2x for \$1.5 million in local financing
Banks: Two local commercial banks

CCT – Revolving Promissory Note Line

Country: Philippines
The Deal: US\$400,000 guarantee leveraged 2x for \$800,000 in local currency financing
Bank: BPI

Cashpor – Tranched Term Loan

Country: India
The Deal: US\$110,000 guarantee leveraged 10x for US\$1.1 million in local currency financing
Bank: HDFC

ACODEP – Credit Line

Country: Nicaragua
The Deal: US\$500,000 guarantee leveraged 3x for US\$1.5 million in dollar financing
Bank: BanPro

DBACD – Term Loan

Country: Egypt
The Deal: US\$2,000,000 guarantee leveraged 1.25x for US\$2.5 million in local currency financing
Bank: BNP Paribas Egypt

Thank You!

Contact Information

Heather Henryon

General Manager

Grameen-Jameel Pan-Arab Initiative

hhenyon@grameenfoundation.org

+961 (1) 975 522 (Tel)

+961 (3) 828 154 (Mobile)

www.grameen-jameel.com