



AZƏRBAYCAN MİKROMALİYYƏLƏŞDİRMƏ BANKI
Micro Finance Bank of Azerbaijan

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PRESS RELEASE

Debut Bond issued for MFBA and Azerbaijan

Baku, Azerbaijan, 31 August, 2007: Bonds providing senior debt to **Micro Finance Bank of Azerbaijan** in the amount of USD 11.4 million and a term of five years were issued on 29 August to international capital markets investors through a Luxembourg securitization vehicle. The funding will be used by MFBA for on-lending to Azeri small business.

The transaction is a triple "first":

- the first international capital markets bond issue for MFBA;
- the first international capital markets bond issue for an Azeri issuer;
- the first international capital markets bond issue for a single microfinance lender anywhere.

As such it marks a historic step in the development of capital markets both for Azerbaijan and the world of microfinance.

The bond issue was sponsored and arranged by Developing World Markets (DWM), a US-based socially responsible financial group.

MFBA General Manager, Dr Andrew Pospelovsky said: "The successful issue of this bond is a landmark for MFBA, for Azerbaijan, and microfinance financial institutions worldwide. It marks the successful entry and integration of all three into the world's capital markets. The successful debut issue of the bond, in such turbulent market conditions is all the more significant and demonstrates the confidence world capital markets now have in MFBA, Azerbaijan, and the microfinance sector."

The bonds were issued in Luxembourg by MFBA Bond I, a special-purpose legal vehicle. The proceeds of the Bond will be used to provide a senior loan to MFBA for financing its portfolio growth.

Micro Finance Bank of Azerbaijan was established in 2002 to provide financial services to Azeri small business. It is 100% foreign owned by six shareholders: the European Bank of Reconstruction and Development, the International Finance Corporation, the Black Sea Trade and Development Bank, KfW Development Bank – the Development Bank of the German Government, and LFS Financial Systems GmbH – a German consulting company, as well as AccessHolding - a strategic investor in microfinance. Participation of such international organizations in the activity of the bank strengthens our customers' trust and confidence in the bank.

DWM assists micro and small businesses throughout the emerging markets to enter the international capital markets. More information can be found on its website, www.dwmmarkets.com.