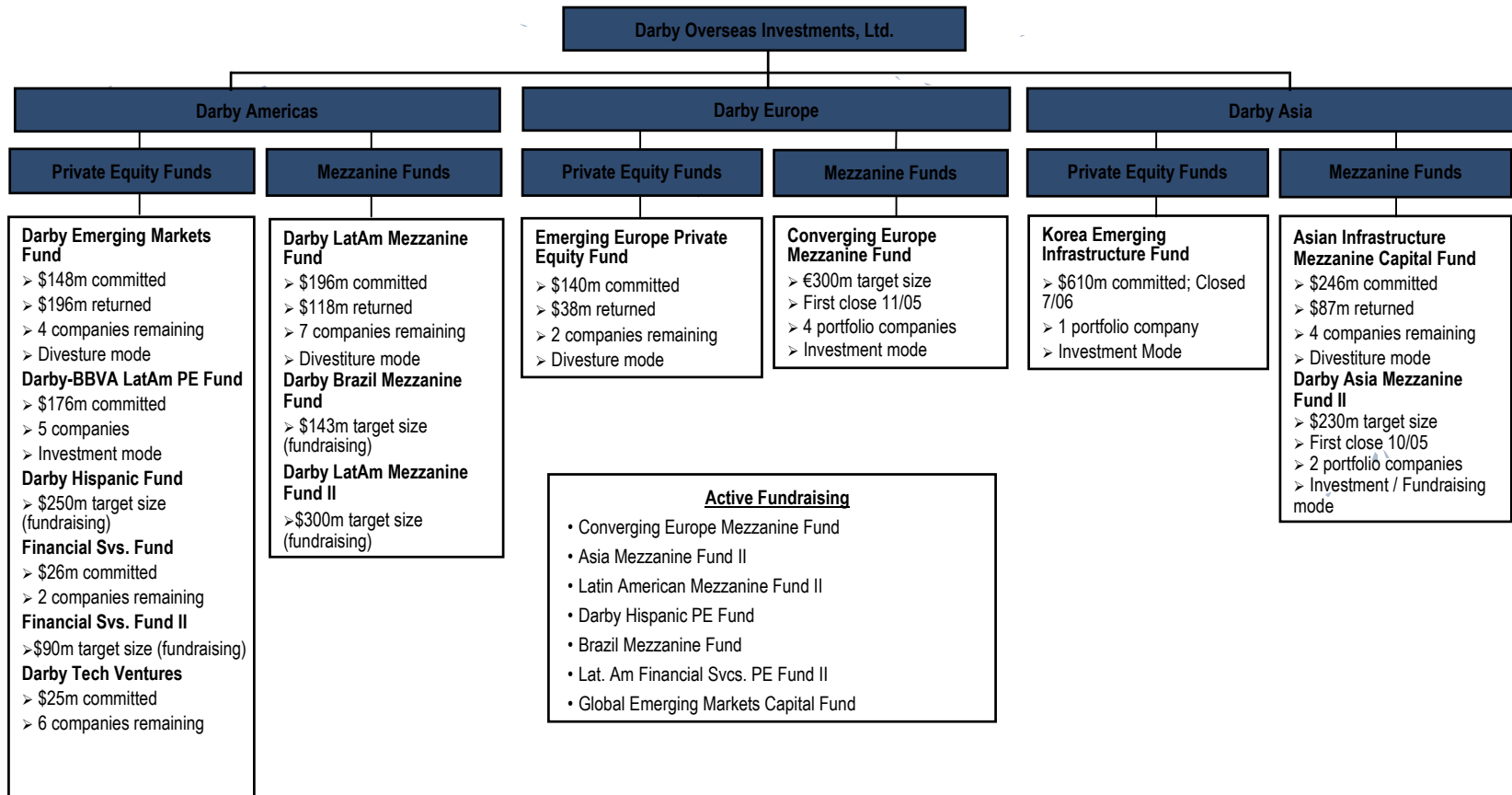


# Darby Overseas Investments: Financial Sector Experience

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Darby Overseas Investments, Ltd. is a global emerging markets investment firm that manages private equity and mezzanine funds for institutional investors, multilateral agencies and high-net-worth individuals. Nicholas F. Brady, former U.S. Treasury Secretary, established the firm in 1994 and continues to serve as Chairman. Richard Frank, CEO of Darby, joined the firm in 1997, after a distinguished career as a World Bank Managing Director and as CFO of the International Finance Corporation (IFC). In October of 2003, Franklin Templeton Investments, one of the largest global investment management organizations, with over \$560 billion in assets under management, acquired Darby, to become the organization's Private Equity/Mezzanine Finance arm.



- Active Fundraising**
- Converging Europe Mezzanine Fund
  - Asia Mezzanine Fund II
  - Latin American Mezzanine Fund II
  - Darby Hispanic PE Fund
  - Brazil Mezzanine Fund
  - Lat. Am Financial Svcs. PE Fund II
  - Global Emerging Markets Capital Fund

## Darby's Financial Sector Activities

- Darby's financial sector experience goes back to the beginnings of the firm.
  - Investments totalling \$57 million in 7 financial services companies.
  - Successful exits have been concluded for 4 of these positions
  - Total return to investors projected at \$163 million, for a gross IRR of 20%.
- This experience evolved as follows:
  - 1994 to 2001: Investments through Darby's Emerging Market Fund and through Darby Overseas Partners
    - **Interbank** (Peru) – sold
    - **Merchant Banking Asociados** MBA (Argentina)
    - **Banorte** (Mexico) - sold
    - **Vida Corp** (Chile) - sold
  - 2001: Darby takes over management of the ProBanco Fund. This fund is specialized in the Central American Financial Sector
    - **Interfin** (Costa Rica) - sold
    - **Cuscatlan** (Regional) – in process
    - **Improsa** (Costa Rica)

## What's special about the Financial Sector

- Higher governance and transparency standards
- Advances in regulation
- Macroeconomic stability
- Political stability
- Exogenous environment: Liquidity and low rates
- Releasing pent-up demand
- Expect high growth to continue

**Thank You**