



**Education loans for medical
students in emerging markets**

MedEd provides loans to medical students in emerging markets

Ability to access higher education has big impact on their livelihood

Indonesia, like many emerging markets, suffers from lack of educated doctors

Non-Graduates

\$140

income / per month

97%

of the poor don't go to university

3

Doctors per 10,000 in Indonesia is insufficient



Medical Graduates

\$1,300

income / per month

31%

of the rich go to university, impact lasts generations

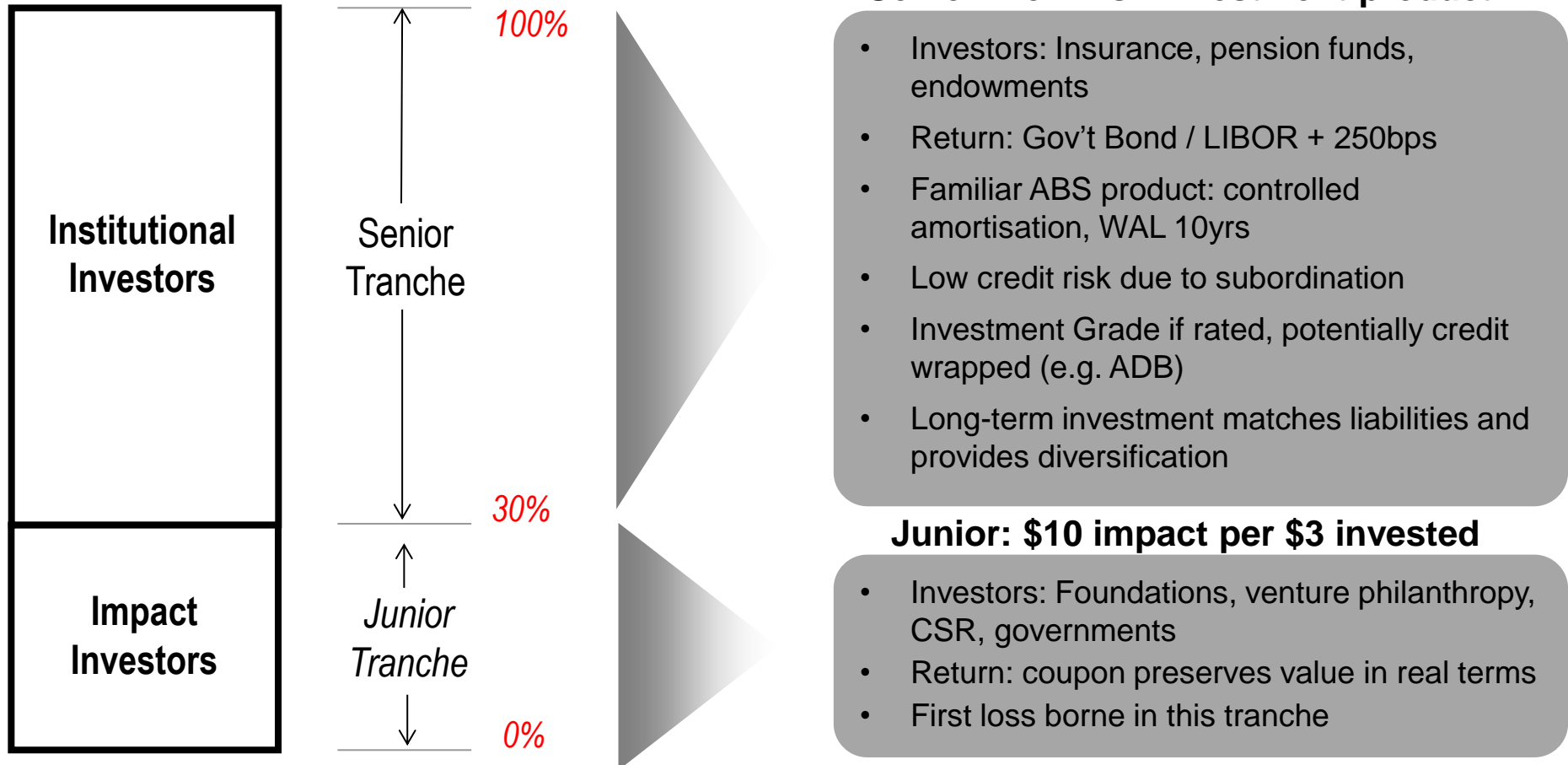
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Doctors per 10,000 required to provide primary healthcare services (WHO)

Innovative tranching matches investor needs

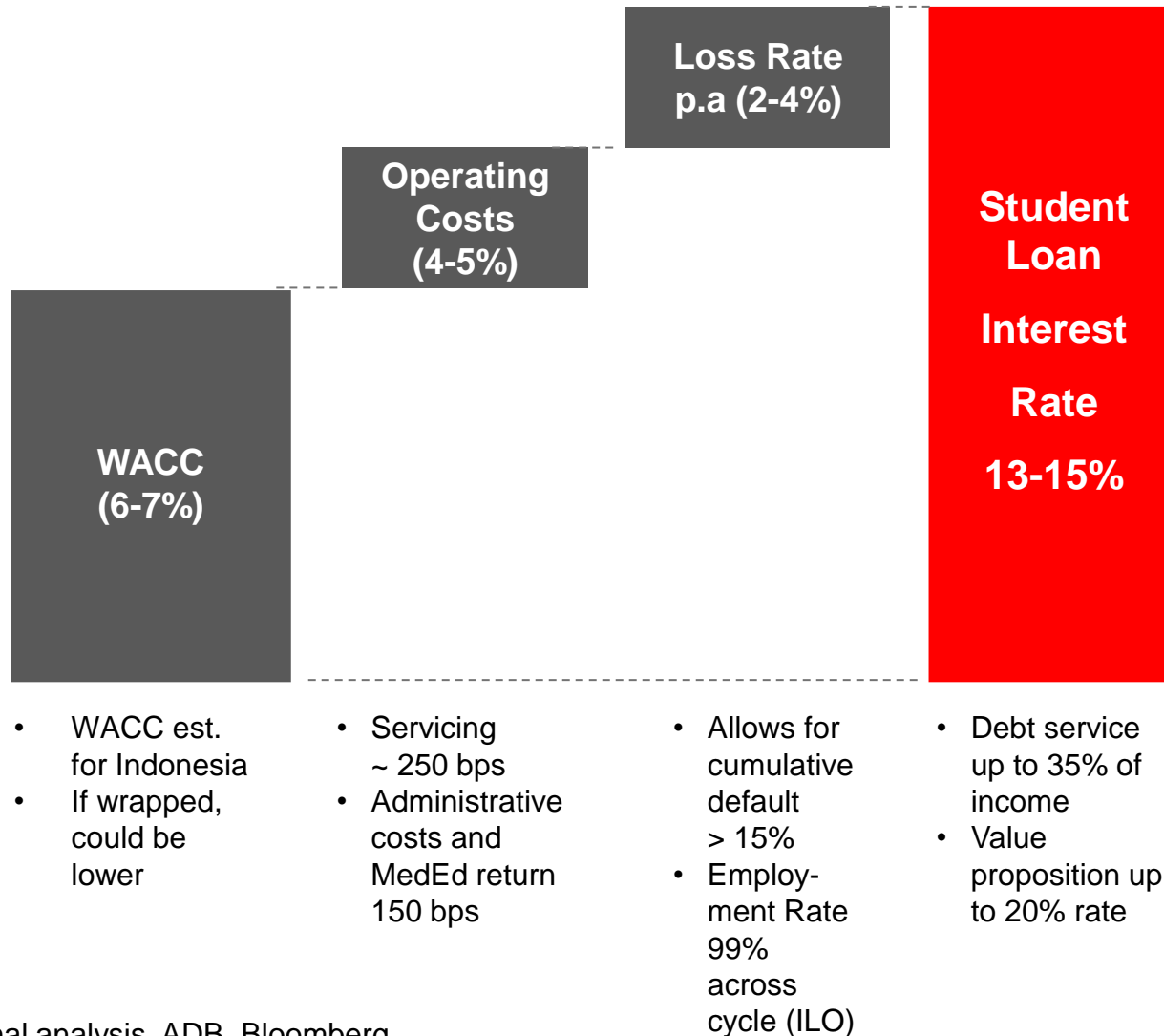
Delivers 3x levered social impact, creates investible senior tranche

Product brings Institutional and Impact Investors together



Student interest rate at 15% is strong value proposition

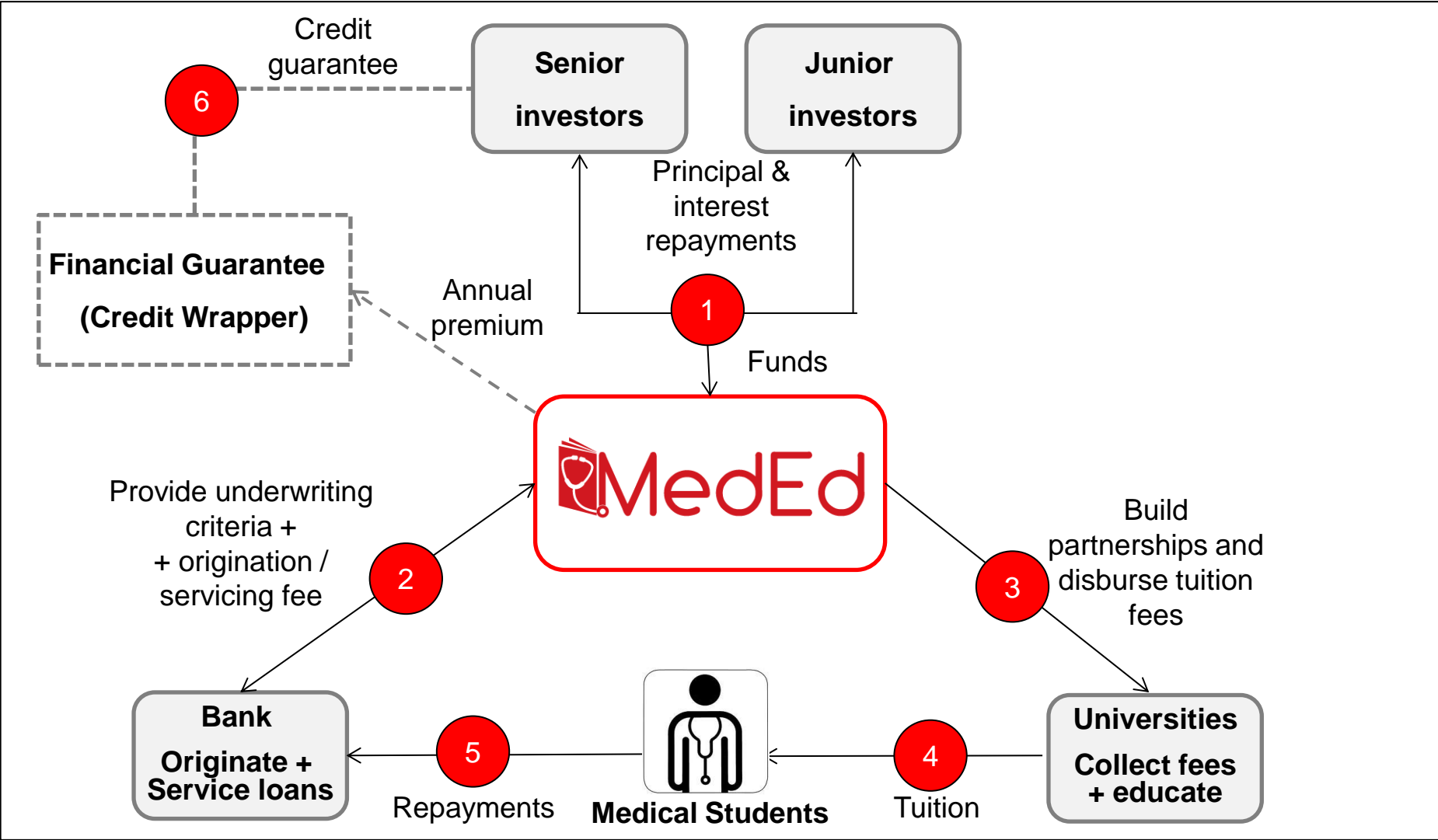
Expenses account for WACC, OPEX, and student default



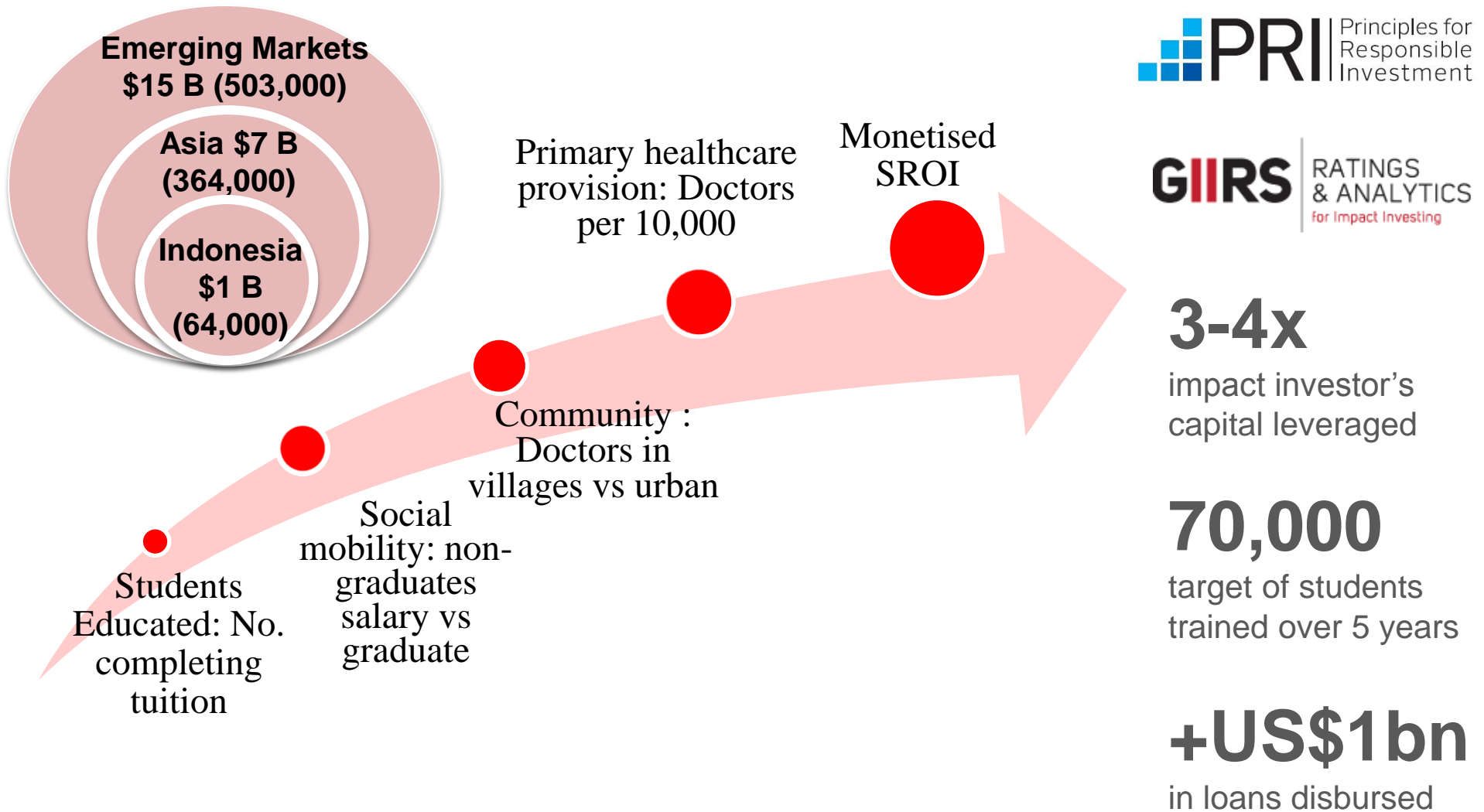
Source: Internal analysis, ADB, Bloomberg

Leveraging partners enables MedEd to scale to multiple countries

MedEd partners with local servicers, universities, and dev. funding



MedEd has measurable social outcomes at individual, community and national scale



Source: WHO, Ministry of Health Indonesia

MedEd mitigates risk through underwriting criteria and partners

Mitigating Activities

Default

- Segment borrowers based on risk; doctors have highest employment rate across business cycles
- Enforce strong underwriting criteria, require co-signors

Operational

- Partner with strongest performing and rated servicers
- “Skin in the game” – require servicers to bear some risk

Financing

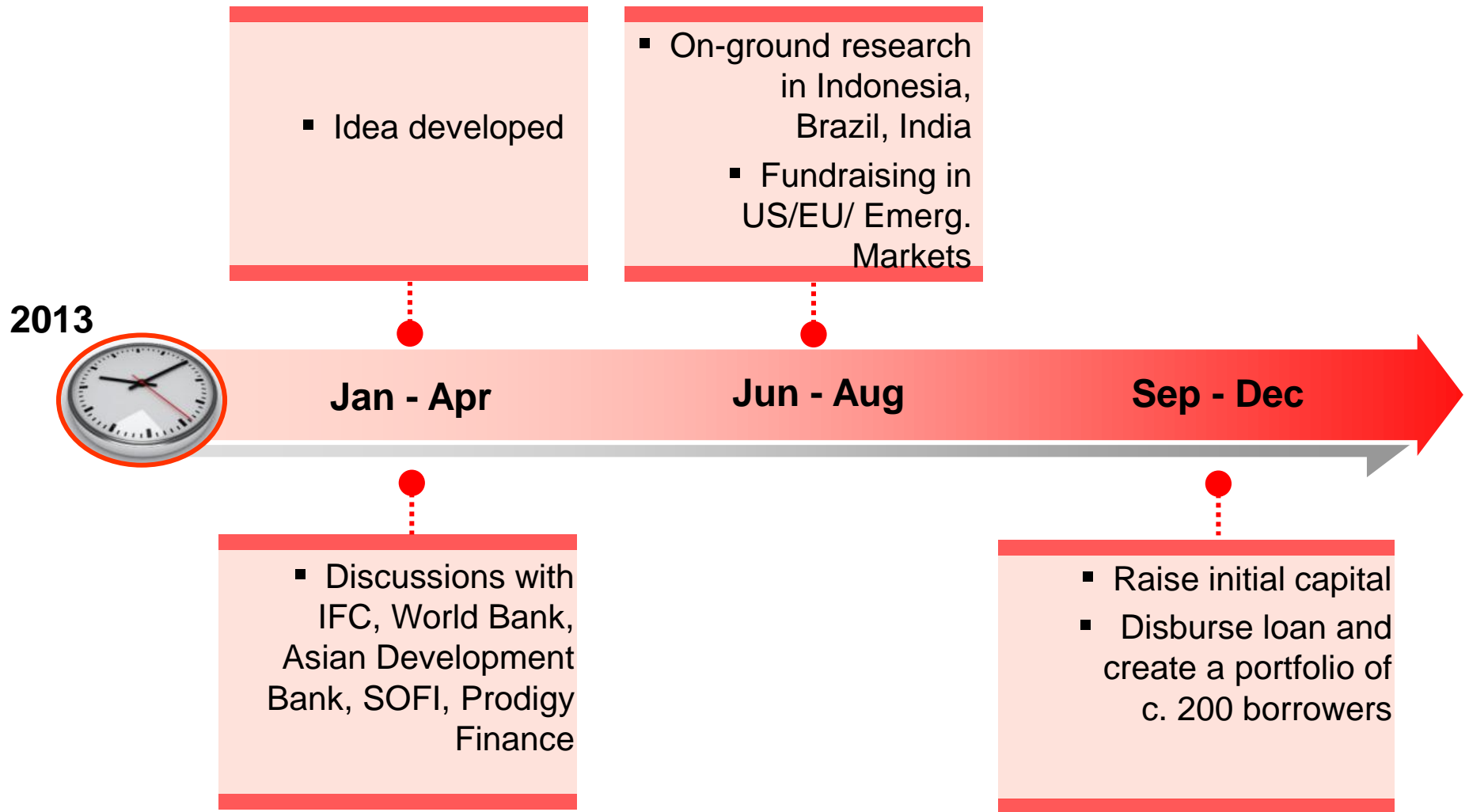
- Adjust terms based on anchor investor requirements
- Credit wrapping from rated institutions (e.g. ADB)

Legal

- Form bankruptcy remote entities (SPVs)
- Select country markets based on maturity of legal system, previous issuances, and legal advisory services

MedEd to launch in January 2014

Team to refine framework in next two months and incorporate



Our innovative strategy creates real value for multiple stakeholders.
We welcome your questions and comments

Institutional Investors

- ✓ Full market return ABS product
- ✓ Low-risk familiar looking security
- ✓ Deploy capital for impact

Impact Investors

- ✓ Social impact levered 3-4x
- ✓ Fully collateralised loan/security
- ✓ Capital preservation

Students

- ✓ Social mobility and status
- ✓ Excellent earning prospects
- ✓ Support family livelihoods

Governments

- ✓ Economic development
- ✓ Better primary health care
- ✓ Build-up of skilled professionals

Questions ?