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## **Microfinance: Testing its Resilience to the Global Economic Crisis**

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## Agenda

Impact of Global Financial Crisis

Regional Highlights

Outlook



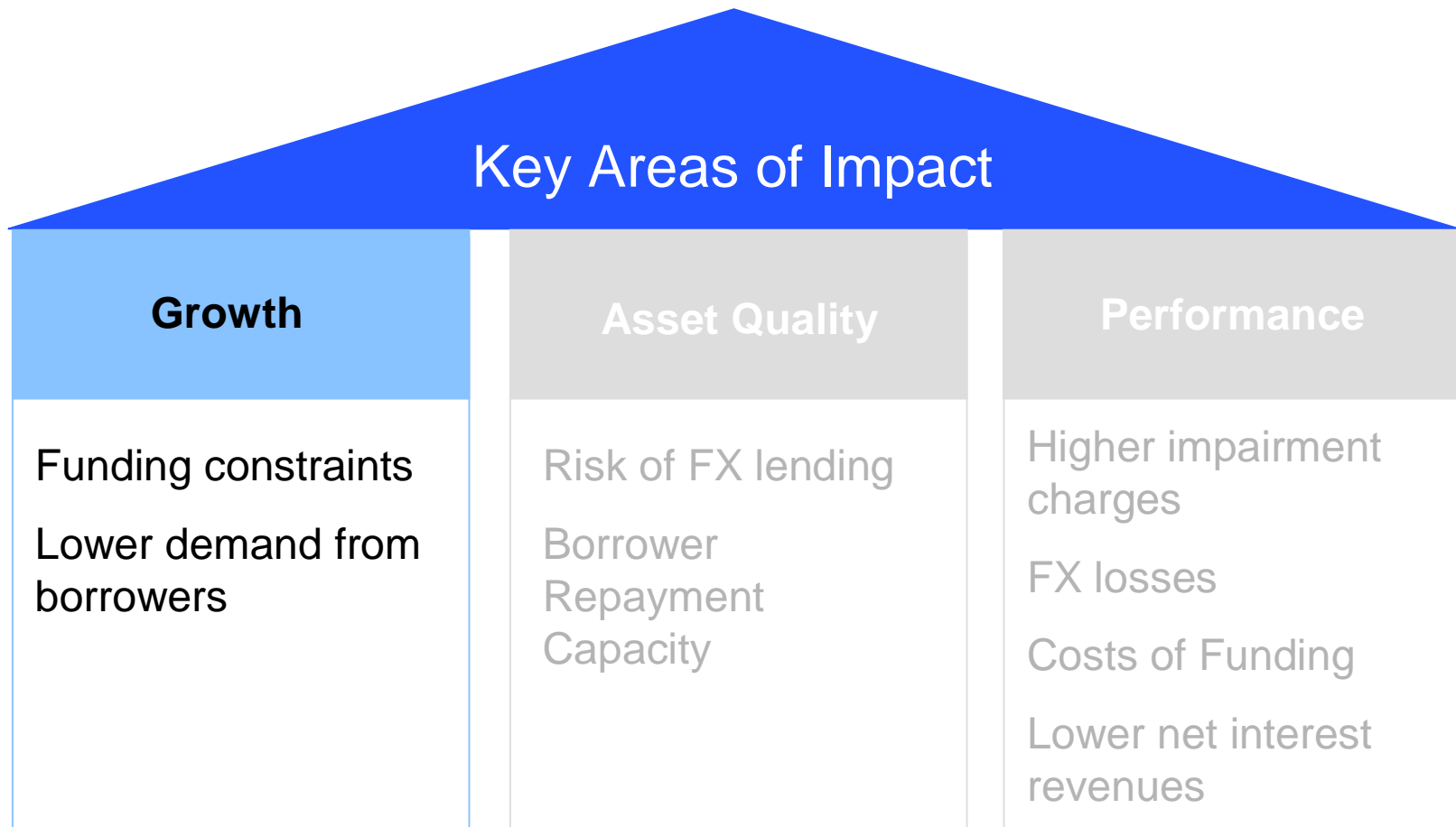
## Impact of Global Financial Crisis on MFIs

### Key Areas of Impact

Growth	Asset Quality	Performance
Funding constraints Lower demand from borrowers	Borrower Repayment Risk of FX lending	Higher impairment charges FX losses Costs of Funding Lower net interest revenues

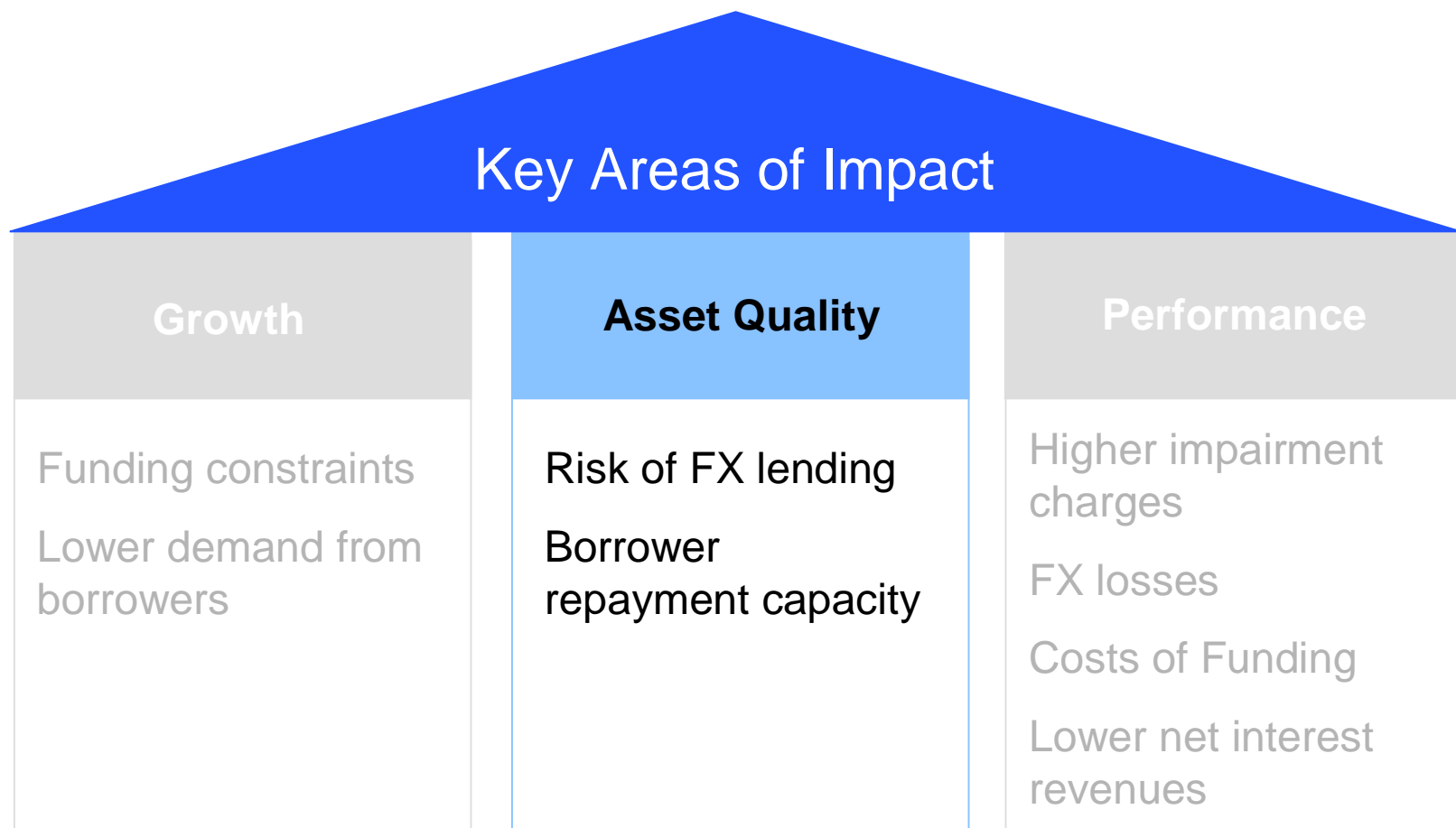


## Impact of Global Financial Crisis on MFIs





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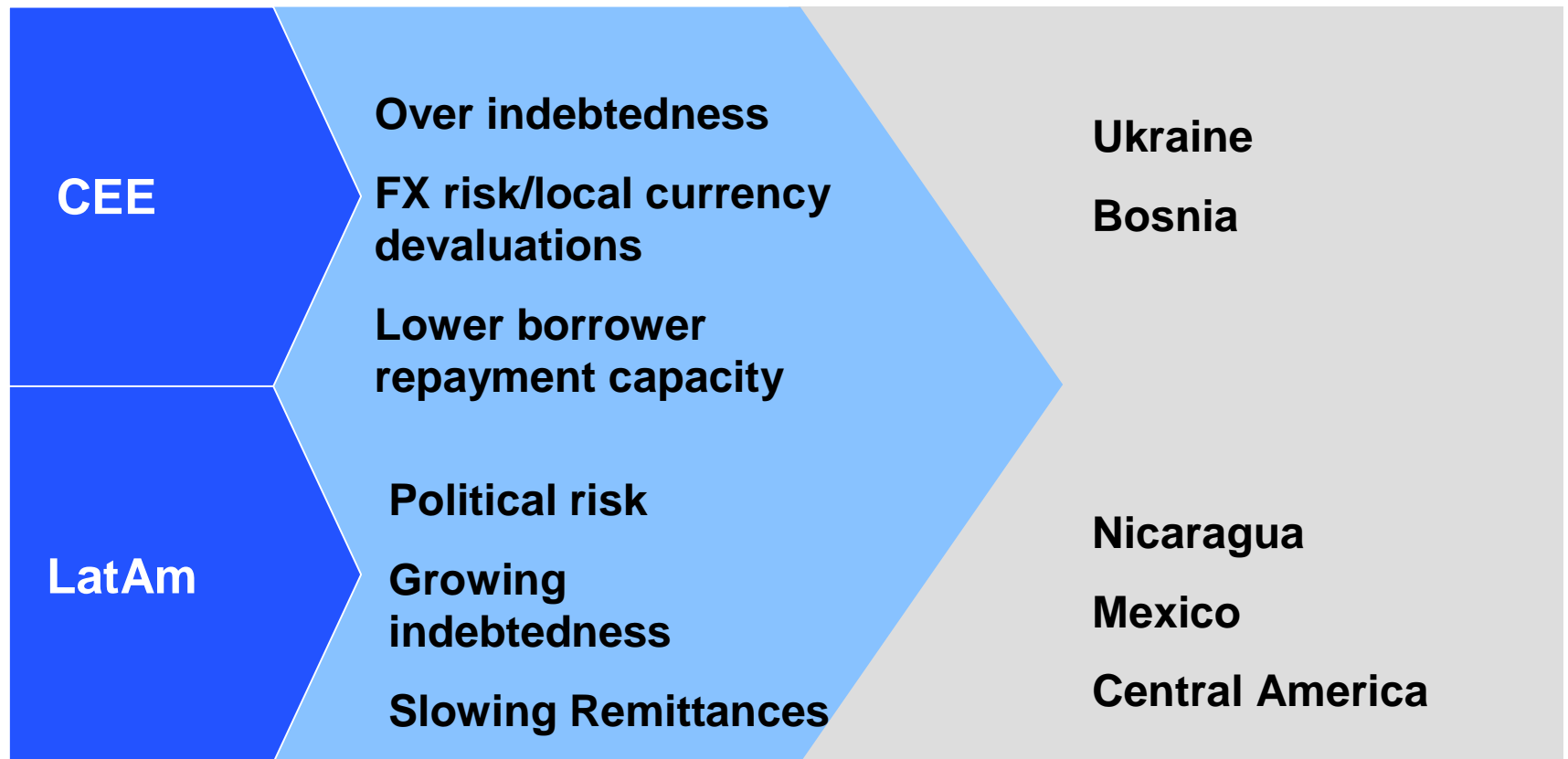
## Impact of Global Financial Crisis on MFIs

### Key Areas of Impact

Growth	Asset Quality	Performance
Funding constraints Lower demand from borrowers	Risk of FX lending Borrower repayment capacity	Higher impairment charges FX losses Costs of Funding Lower net interest revenues



## Regional Highlights





## Outlook - Differentiating Factors / Not all MFIs are equal?

- > Quality of underwriting standards
  - > Access to local currency funding
    - Importance of deposit-mobilisation
  - > Management and Corporate Governance
    - Change in focus from “high growth” to slow growth and arrears management
  - > Strategy
    - How much “mission drift”?
    - Levels of convergence with financial sector
  - > Support from IFIs and networks
-



## Fitch Microfinance Ratings: Latin America

(As at February 2009)

	Issuer name	National scale	
		Long-Term	Short-Term
<b>Bolivia</b>	Banco Los Andes ProCredit Bolivia	AA (Bol)	F1+(Bol)
	FFP Ecofuturo Bolivia	BBB (Bol)	F2 (Bol)
	FFP Fie Bolivia	A+ (Bol)	F1 (Bol)
	FFP Prodem Bolivia	A+ (Bol)	F1 (Bol)
	Fundacion AgroCapital Bolivia	BBB (Bol)	F2 (Bol)
	FFP Fortaleza	A- (Bol)	F1 (Bol)
	FFP Fondo de la Comunidad	BBB (Bol)	F2 (Bol)
	FFP Fossil	BBB (Bol)	F2 (Bol)
	C. Jesus Nazareno	BBB (Bol)	F2 (Bol)
	C. San Martin	BBB- (Bol)	F3 (Bol)
	C. Fatima	BBB- (Bol)	F3 (Bol)
	C. Loyola	BBB- (Bol)	F3 (Bol)
	C. San Pedro	BBB- (Bol)	F3 (Bol)
	Crédito con Educación Rural - CRECER	BBB (Bol)	F2 (bol)



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		Long-Term	Short-Term
Dominican Republic	Banco de Ahorro y Credito PyME BHD	A+ (Dom)	F1 (Dom)
	Banco ADOPEM	A- (Dom)	F2 (Dom)
	Fondo para el Desarrollo (FONDESA)	BBB+ (Dom)	F2 (Dom)
	Banco ADEMI	BBB (Dom)	F3 (Dom)
	Banco Micro	BB (Dom)	B (Dom)
El Salvador	Banco ProCredit SA El Salvador	AA (Slv)	F1+ (Slv)
Honduras	Banco ProCredit Honduras	AA (Hnd)	B (Hnd)
Mexico	Banco Compartamos	AA- (Mex)	F1+ (Mex)
	Grupo CrediExpress (Credex)	BB (Mex)	B (Mex)
Nicaragua	Banex (formerly FINDESA)	BBB+ (Nic)	F2 (Nic)
	Banco ProCredit SA Nicaragua	AA- (Nic)	F1+ (Nic)
	Financiera Fama	BBB (Nic)	F2 (Nic)
Venezuela	Bangente	BBB+ (Ven)	F2 (Ven)

Source: Fitch



# Fitch Microfinance Ratings

(As at 17 April 2009)

Issuer name		International scale				National Scale	
		Long-Term IDR	Short-Term IDR	Individual Rating	Support Rating	Local Currency LT IDR	Long-Term Short-Term
<b>Eastern Europe</b>							
Albania	ProCredit Bank Albania	B+	B	D/E	4	BB-	
Azerbaijan	Access bank	BB+	B	D/E	3	N.A.	
Bosnia Herzegovina	ProCredit Bank Bosnia & Herzegovina	B	B	D/E	4	B+	
Bulgaria	ProCredit Bank Bulgaria	BB+	B	D	3	BB+	
Georgia	ProCredit Bank Georgia	B+ (RWN*)	B	D	4	BB- (RWN*)	
Kosovo	ProCredit Bank Kosovo	B-	B	D	5	N.A.	
Macedonia	ProCredit Bank Macedonia	BB+	B	D/E	3	BB+	
Romania	ProCredit Bank Romania	BB+	B	D	3	BB+	
Serbia	ProCredit Bank Serbia	BB-	B	D/E	3	BB	
Ukraine	ProCredit Bank Ukraine	B	B	D/E	4	B+	AAA (Ukr)
Uzbekistan	Microfinance Bank of Uzbekistan	B-	B	D/E	5	N.A.	



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(As at 17 April 2009)

		International scale					National Scale	
Issuer name		Long-Term IDR	Short-Term IDR	Individual Rating	Support Rating	Local Currency LT IDR	Long-Term	Short-Term
<b>Western Europe</b>								
Germany	ProCredit Holdings	BBB-	F3	D	2	N.A.		
<b>Asia</b>								
Indonesia	PT Bank Rakyat Indonesia (Persero)	BB	B	C/D	3	N.A.	AAA (IDN)	
Mongolia	Khan Bank	B	B	D	4	B		

Source: Fitch  
\*Rating Watch Negative



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[www.fitchratings.com](http://www.fitchratings.com)

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