



Study Released: Financial Crisis and Microfinance in Latin America

Will microfinance in Latin American & the Caribbean survive in the face of the financial crisis?

ARLINGTON, VA, March 23, 2009- MicroRate releases its latest *MF Insights* industry study, “Cautious Resilience: The Impact of the Global Financial Crisis on Latin American & Caribbean Microfinance Institutions.” The study combines data and interviews from 52 microfinance institutions (MFIs), 23 microfinance investment vehicles (MIVs) and MicroRate’s own observations since the crisis began.

In the midst of the global financial crisis, microfinance will be tested. Well-run MFIs will find opportunities to grow despite the crisis. Weak MFIs, particularly those that are not solely involved in true microfinance --short-term lending for wealth creation to highly flexible clients -- will come under pressure. Preliminary data show that by the end of 2008, portfolio growth had already slowed dramatically.

Sebastian von Stauffenberg, MicroRate’s general manager and author of “Cautious Resilience” commented that, “this is a critical time for the global microfinance industry which is often considered to be countercyclical to the global financial market. Our findings show that the microfinance industry’s reaction to this financial crisis may differ from past crises because it is now more integrated with the global economy.”

To obtain a copy of the study click [here](#) or visit www.microrate.com.

MicroRate is the leading microfinance-rating agency, dedicated to evaluating performance and risk in microfinance institutions. MicroRate was the first agency to specialize in rating of microfinance institutions and also performed the first rating of a microfinance CDO. As the oldest and most well-respected organization of its kind, MicroRate’s primary goal is to promote growth in the microfinance industry by facilitating the efficient flow of money from capital markets to MFIs through independent evaluation and increased transparency. Since its inception in 1997, MicroRate has conducted over 450 MFI ratings of 200 MFIs.

“Cautious Resilience” is part of MicroRate’s paper series, *MF Insights*, which also includes:

“Role Reversal: Are Public Development Institutions Crowding Out Private Investment in Microfinance?”

“Microfinance Investment Vehicles: An Emerging Asset Class.”

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