



Preserving Access to Finance

December 2009

CAF

A multilateral financial institution which promotes sustainable development and regional integration



Andean

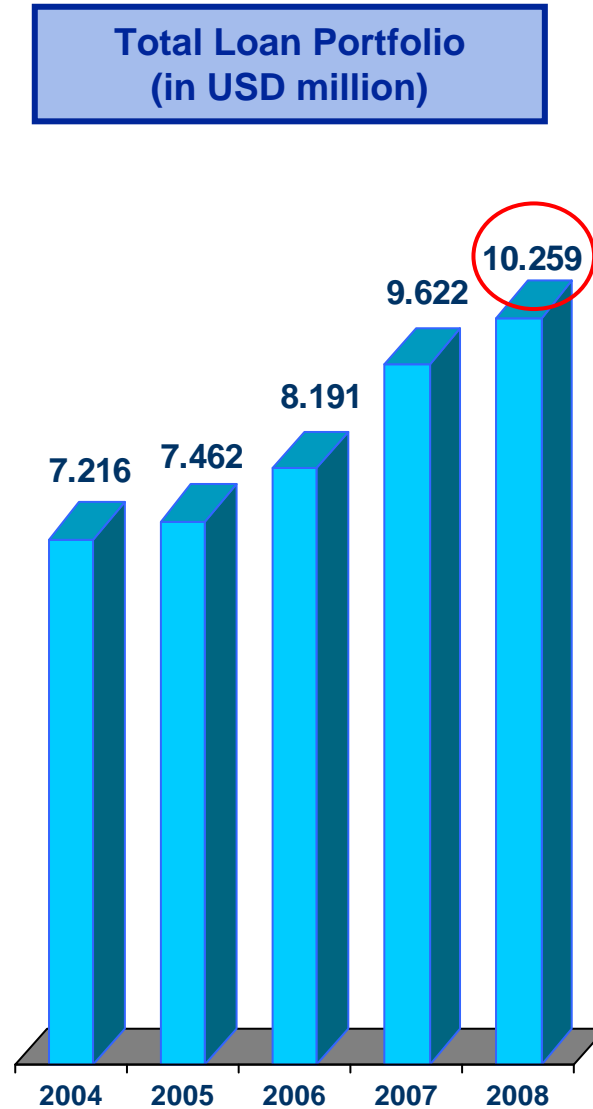
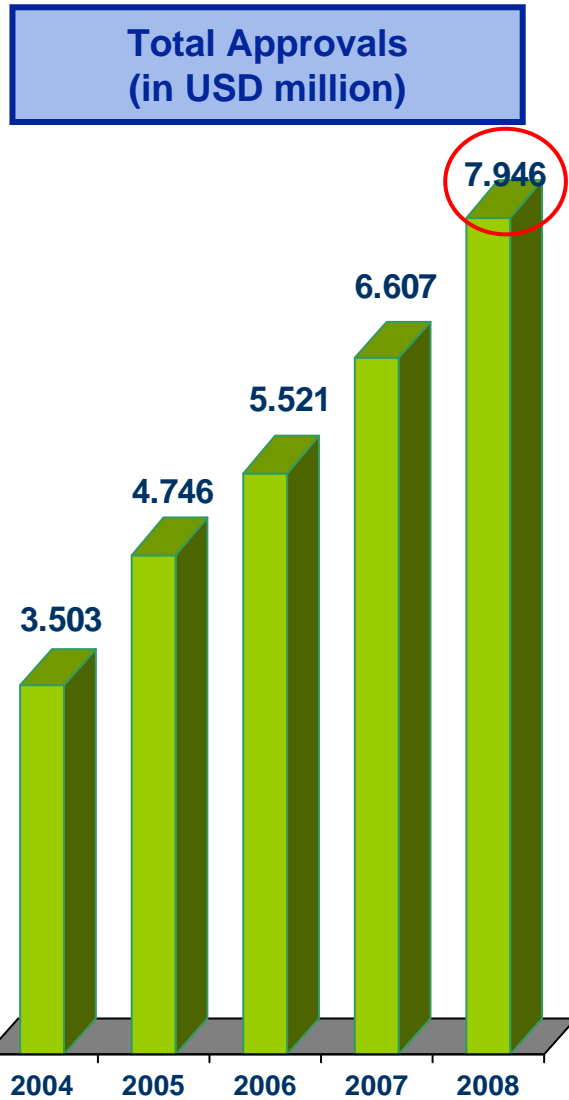
- Bolivia
- Colombia
- Ecuador
- Peru
- Venezuela

Other Countries

- Argentina
- Brazil
- Chile
- Costa Rica
- Spain
- Jamaica
- Mexico
- Panama
- Paraguay
- Portugal
- Trinidad & Tobago
- Uruguay
- Dominican Republic
- 14 Private Regional Banks

- Letters of intention (Guatemala and Italy)

Last five years' operations



CAF: Best Latin American issuer

STANDARD
& POOR'S



FitchRatings

Investment
Grade

1	AAA		Aaa		AAA	
	AA+		Aa1		AA+	
	AA		Aa2		AA	
	AA-		Aa3		AA-	
2	A+	CAF Chile	A1	CAF Chile	A+	CAF
	A	Trinidad & Tobago	A2		A	Chile
	A-		A3		A-	
3	BBB+	Mexico	Baa1	Mexico / Trinidad & Tobago	BBB+	Mexico
	BBB		Baa2		BBB	
	BBB-	Peru / Brazil	Baa3		BBB-	Peru / Brazil

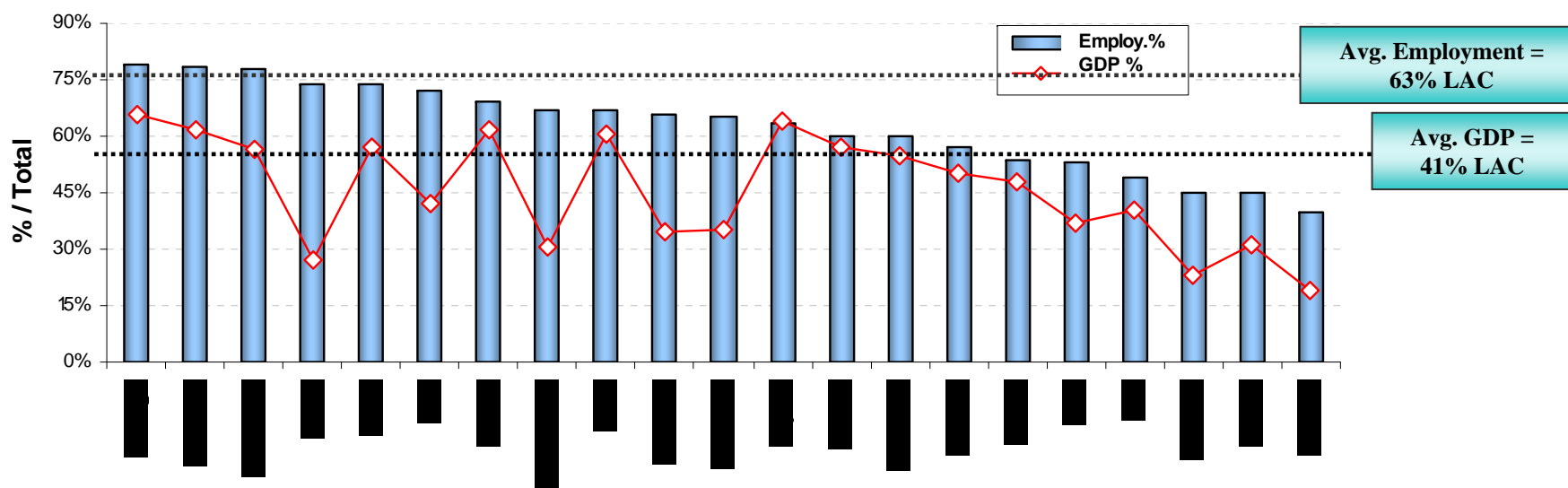
Non Investment
Grade

5	BB+	Colombia/Panama	Ba1	Peru/Col/Brazil/CR/Panama	BB+	Colombia/Panama/Guatem.
	BB	Costa Rica/Guatemala	Ba2	Guatemala	BB	Costa Rica
	BB-	Venezuela / Uruguay	Ba3	Uruguay	BB-	Uruguay
6	B+		B1	Jamaica	B+	Venezuela
	B	Dominican Rep./Paraguay	B2	Venezuela/Dominican Rep.	B	Dominican Rep. / Jamaica
	B-	Bolivia / Argentina/ Jamaica	B3	Bolivia / Argentina/Paraguay	B-	Bolivia
7	CCC+	Ecuador	Caa1		CCC+	
	CCC		Caa2		CCC	
	CCC-		Caa3		CCC-	
8	n.a.		n.a.		n.a.	
	CC		Ca	Ecuador	CC	
	n.a..		n.a..		n.a..	
9	n.a.		n.a.		n.a.	
	C		C		C	
10	n.a.		n.a.		n.a.	
	S.D				RD	Argentina / Ecuador

Why support the MSMEs? A critical component of our economies

Contribution to the economy of Latin America & the Caribbean:

- +95% of the businesses
- +60% of jobs
- +40% of GDP



Source: Based on IERAL, CEPAL, CAN, Venezuelan Stock Exchange.

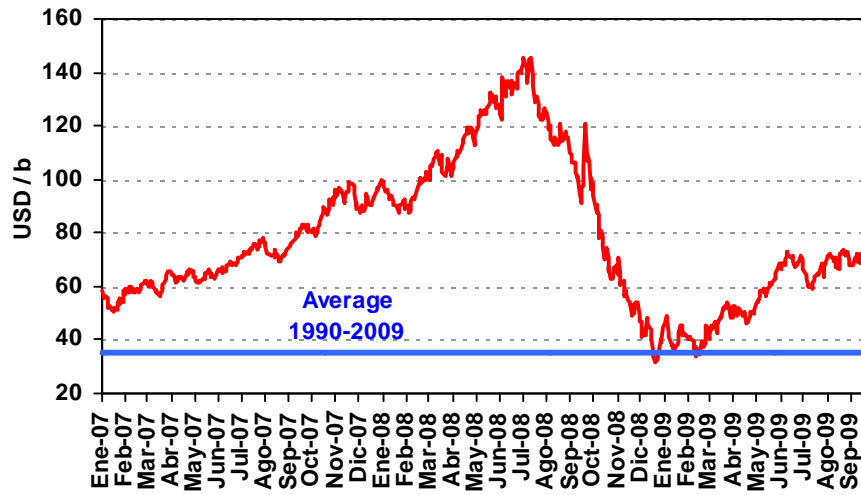
GROWTH BY COUNTRY & REGION 2007-2010

	2007	2008	2009 e	2010 e
EEUU	2,1	0,4	-2,7	1,5
Euro Zone	2,7	0,7	-4,2	0,3
Japan	2,3	-0,7	-6,0	1,7
Latin America	5,7	4,2	-2,5	2,9
Emerging Economies	8,3	6,0	1,7	5,1
China	13,0	9,0	8,5	9,0
World	5,2	3,0	-1,1	3,1

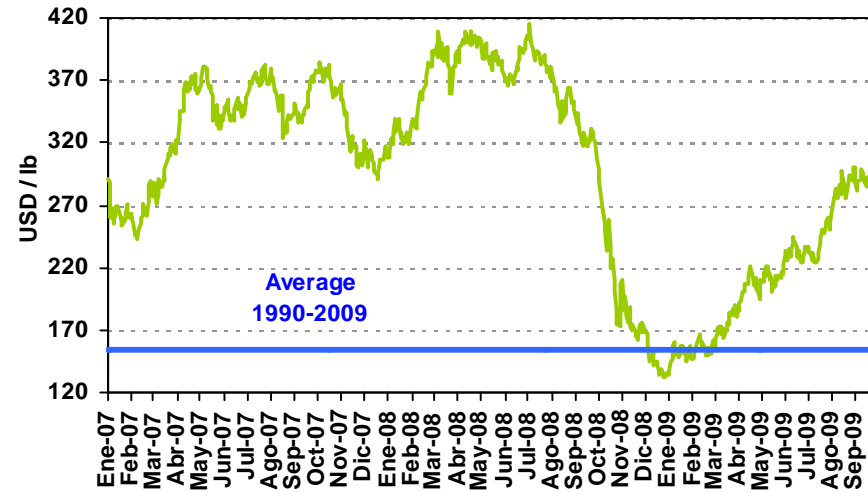
Source: IMF, WEO, CAF

Prices of minerals rebound

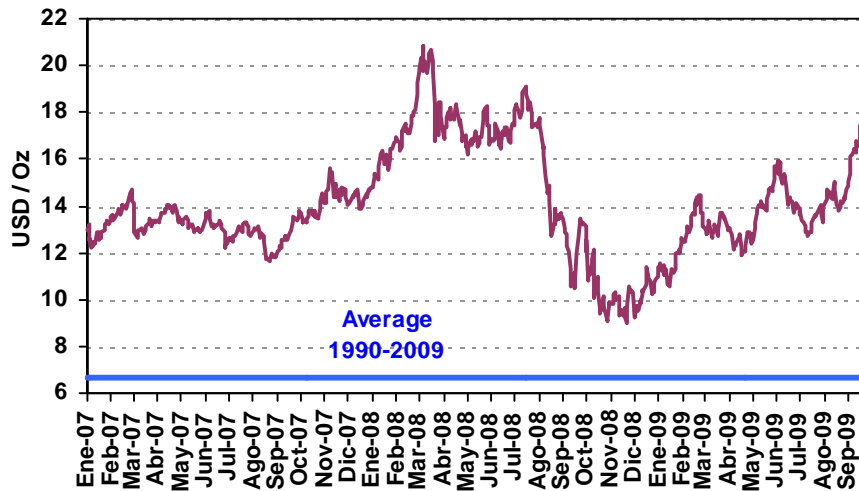
Oil (WTI)



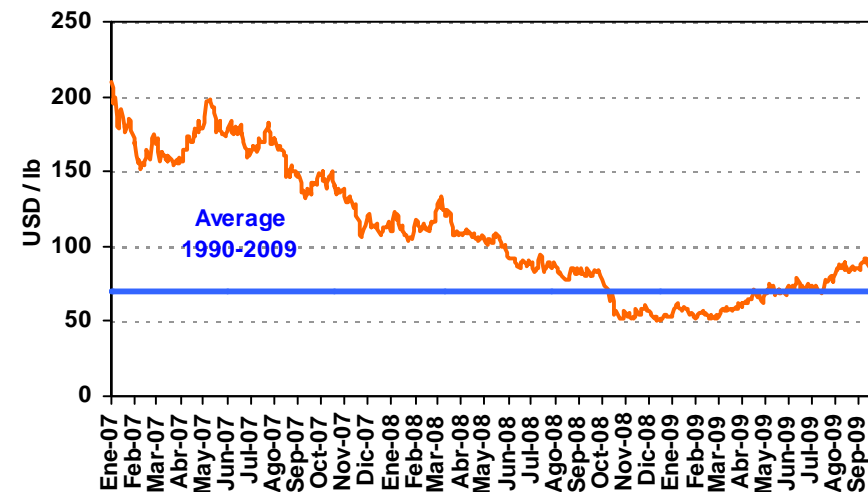
Copper



Silver

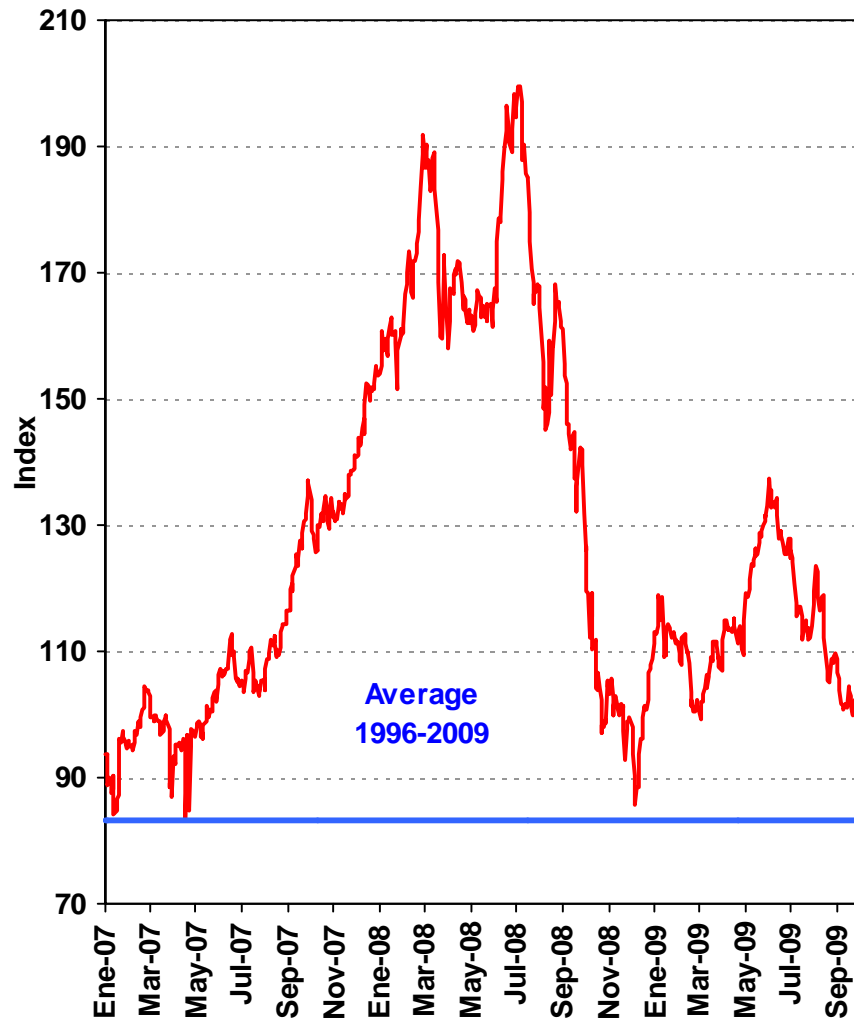


Zinc

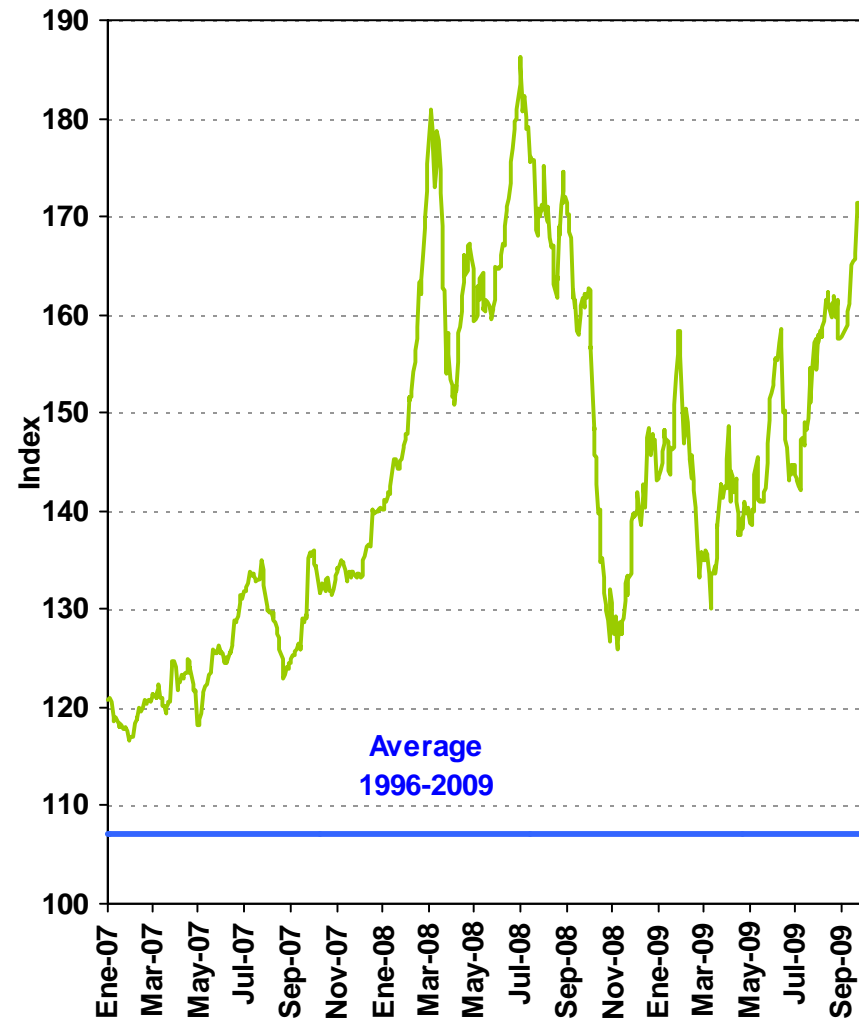


Prices of agricultural commodities

Grain prices index
(Mais, soya and wheat)

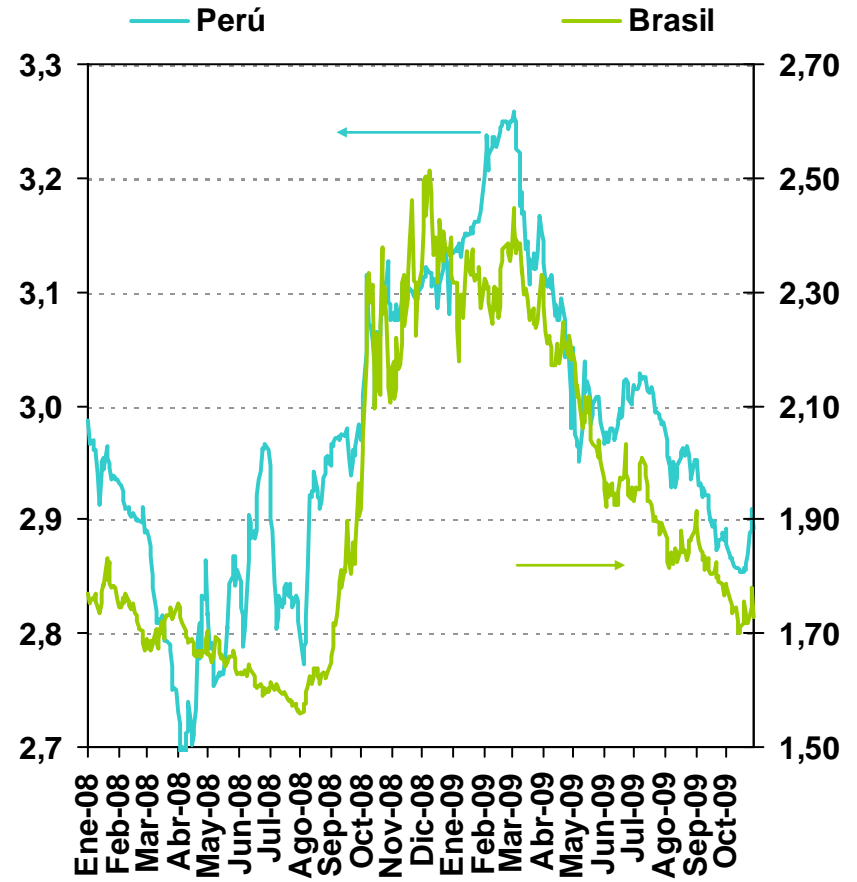
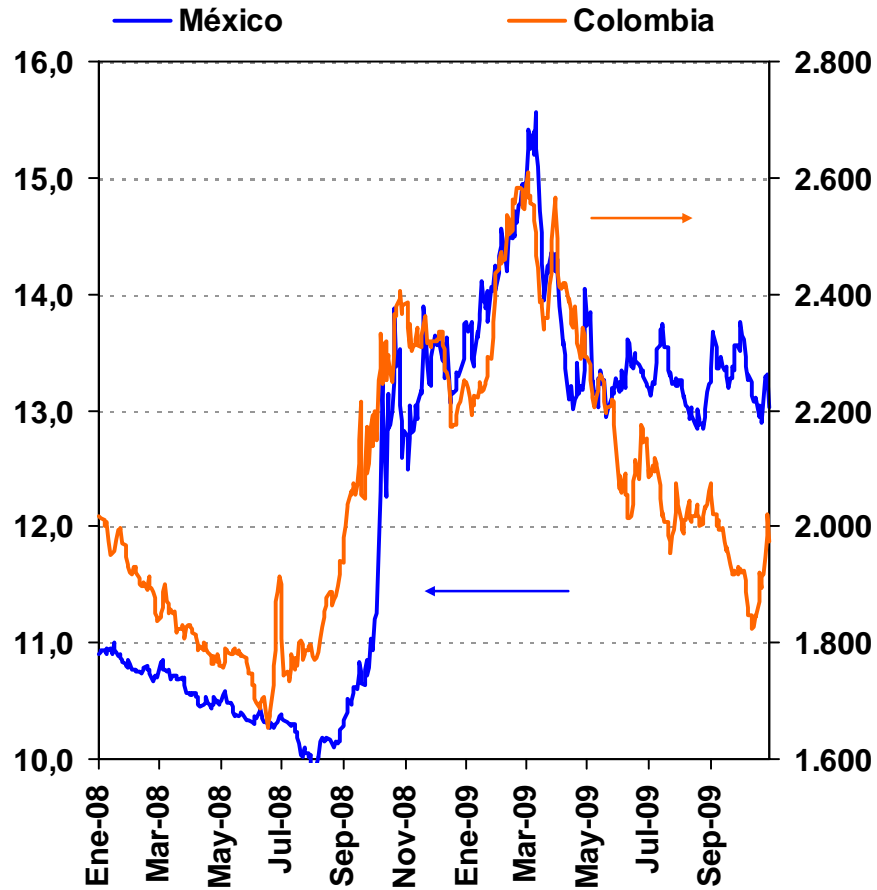


Agricultural commodities price index
(Sugar, cocoa, coffee and cotton)

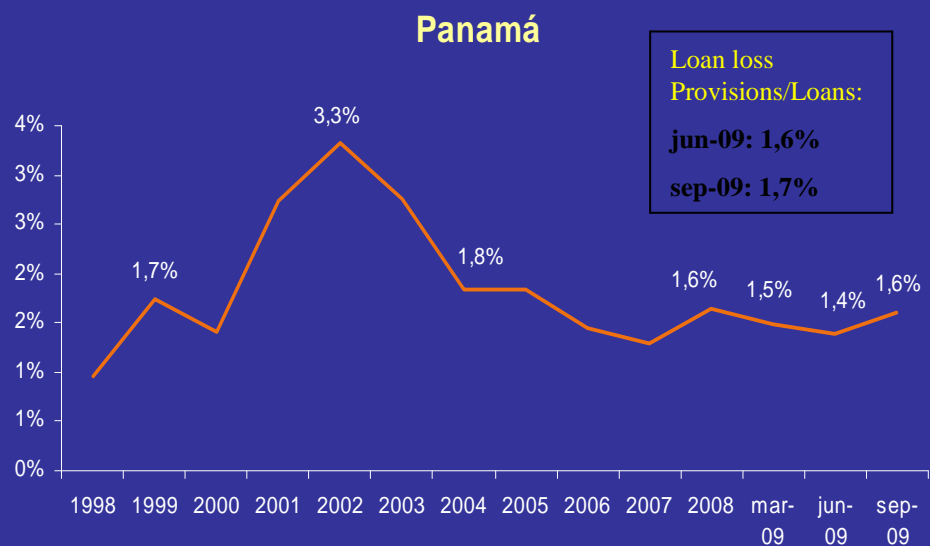
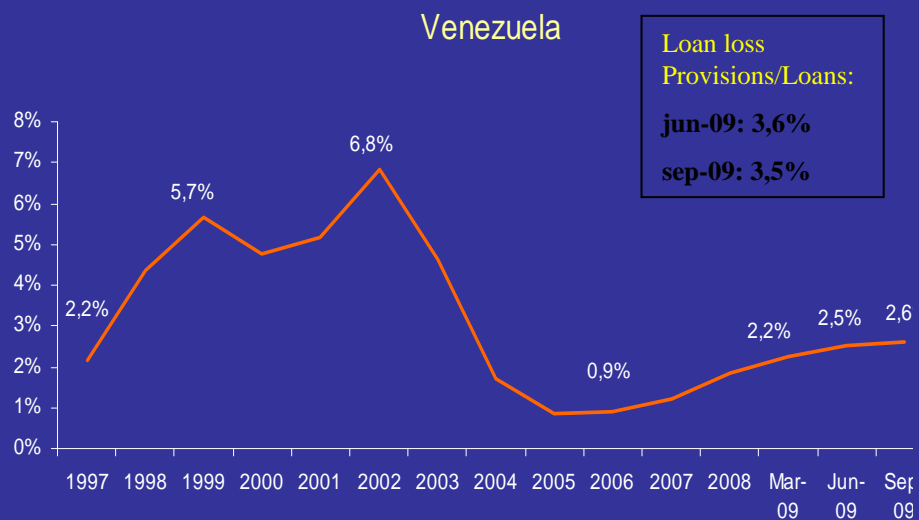
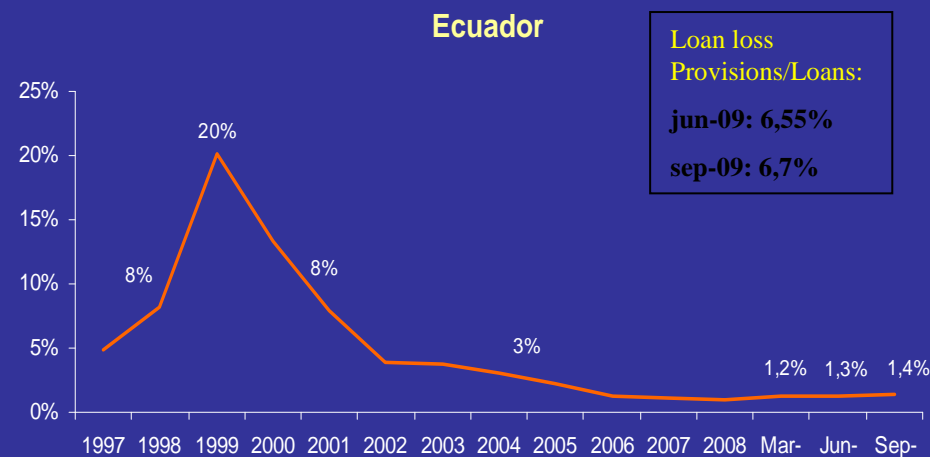
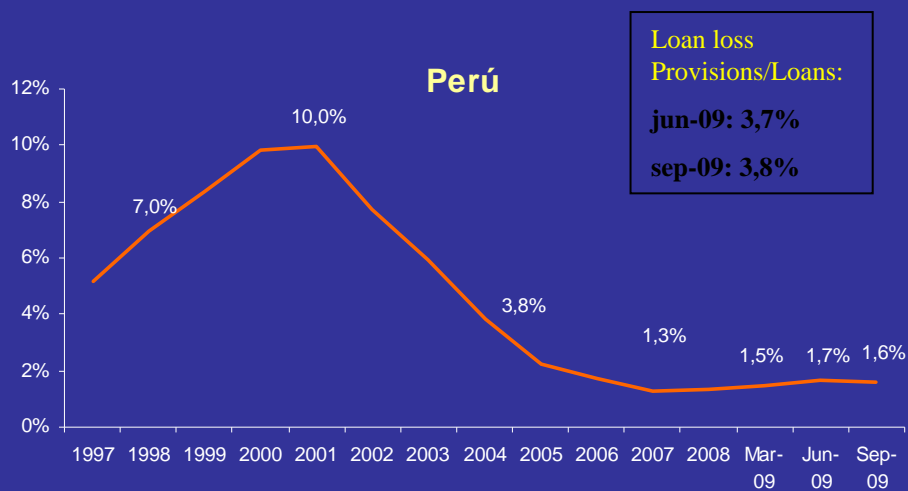


FX Rates

Nominal exchange rates
(2008-2009)

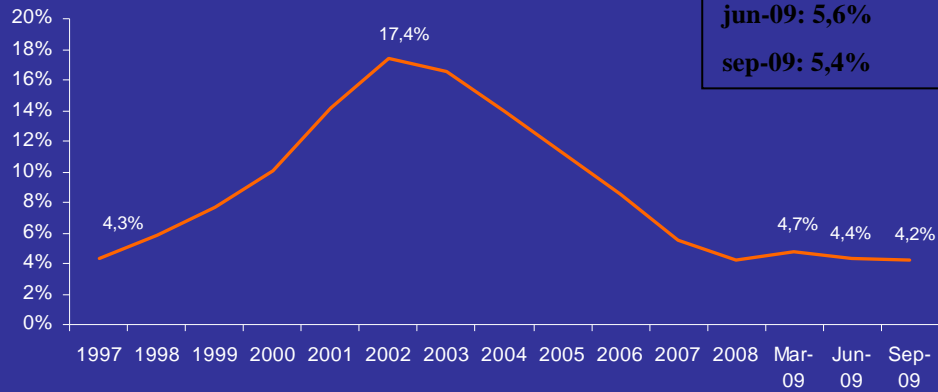


Past due loans as a percentage of total loans

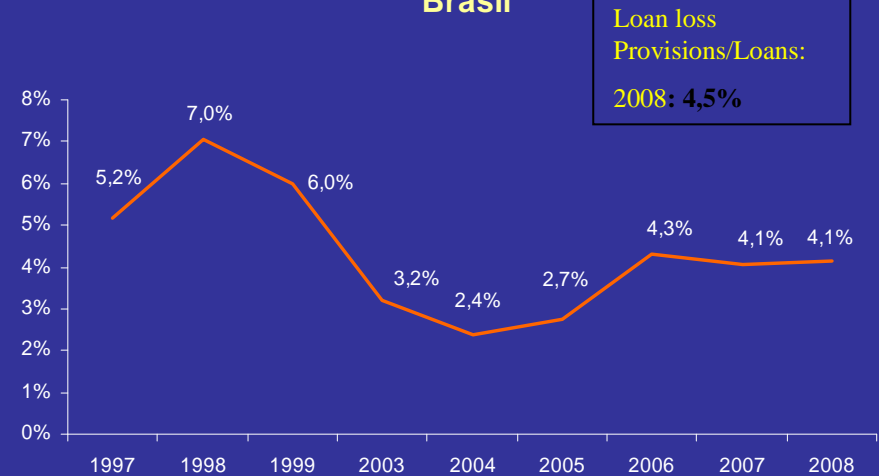


Past due loans as a percentage of total loans

Bolivia



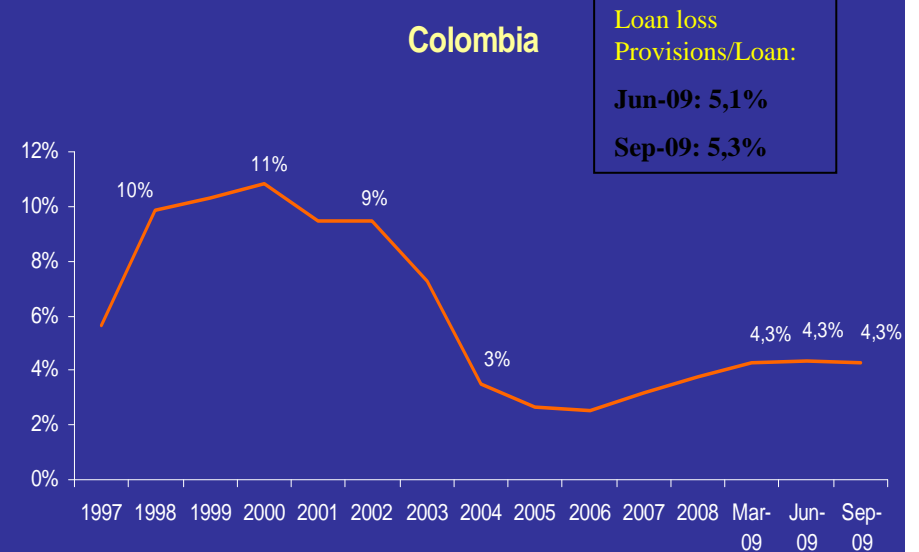
Brasil



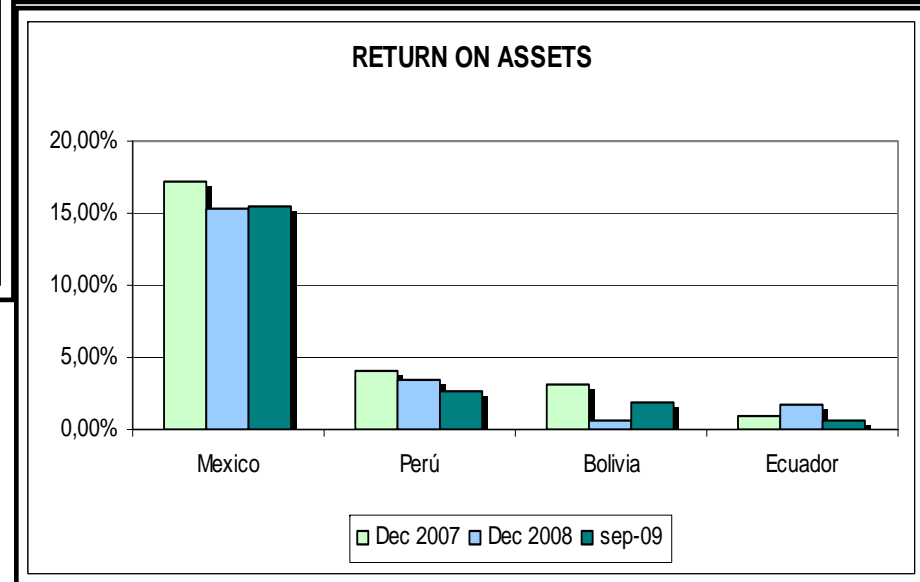
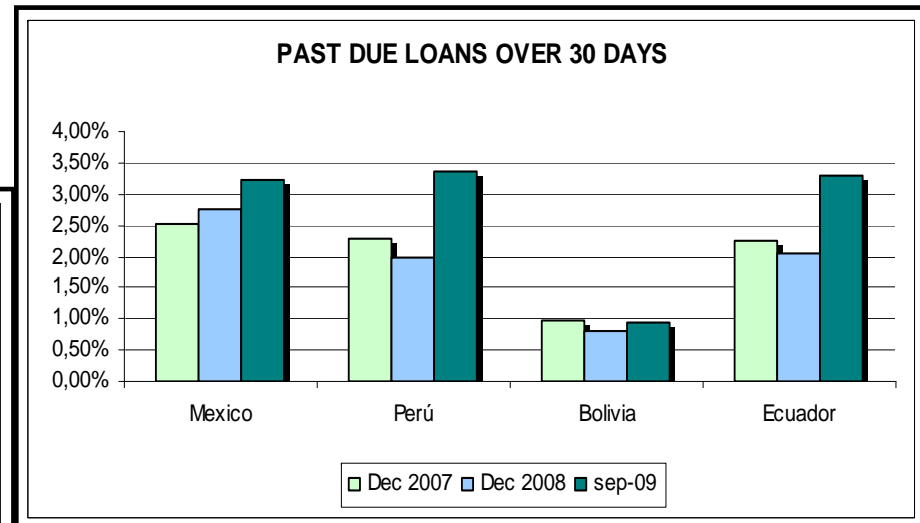
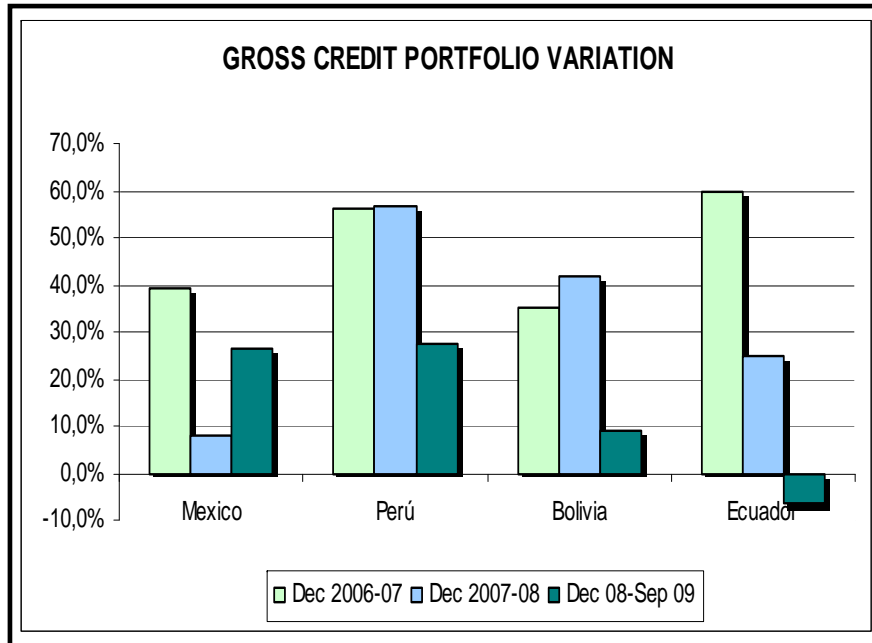
Argentina



Colombia



Selected microfinance institutions



GLOBAL CRISIS / RELATIVE LOW IMPACT IN LATIN AMERICA

- High level of international reserves
- Current account surpluses
- Fiscal Discipline
- Relatively low level of foreign debt
- Commodities prices above average historical levels
- Strong financial sector

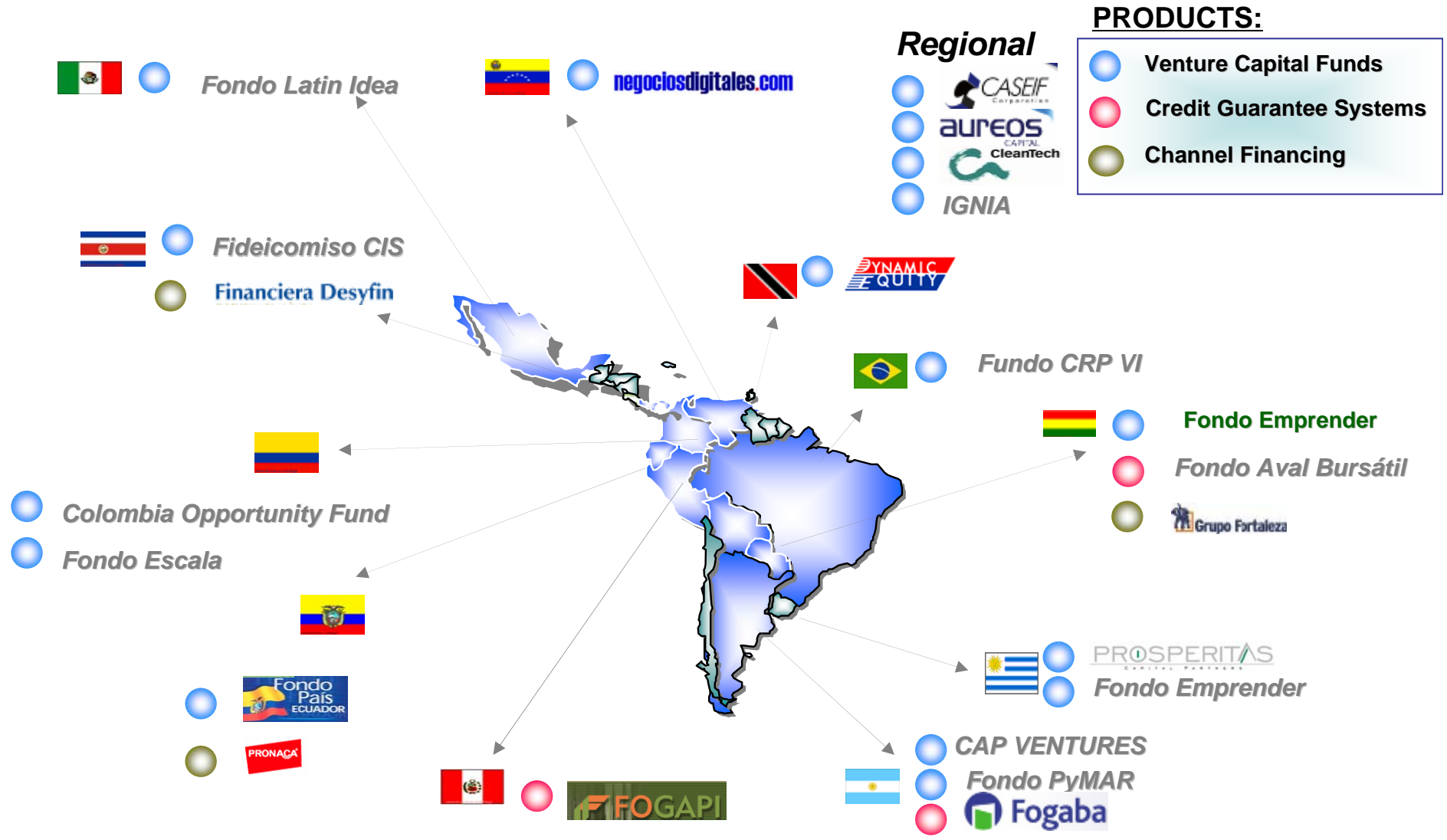
Access to Finance for Microfinance Institutions

49 operations in 12 countries



Access to Finance for SME's

22 operations in 11 countries



LESSONS

- Sound macroeconomic fundamentals allow effective counter-cyclical measures
- Strong and well regulated financial systems can maintain the financing of the private sector
- It is very important to support specialized institutions able to keep extending credit to the MSME's (microfinance institutions, specialized banks, credit guarantee mechanisms, etc.)
- It is critical that government agencies and multilateral banks continue financing these institutions

CHALLENGES

- Counter-cyclical or macro-prudential regulations for financial institutions through pre-provision requirements in periods of rapid credit growth
- The promotion of credit bureaus for microfinance institutions to allow healthy growth of the credit portfolio by avoiding duplicate lending in times of growth
- Government agencies and multilateral institutions should develop local currency funding mechanisms to help MFI's and their customers avoid FX risks



<http://www.caf.com>