



**MicroRate**

The Rating Agency for Microfinance

# INVESTMENT IN INCLUSIVE FINANCE:

PHILANTHROPY, SOCIAL RESPONSIBILITY, INVESTMENT OR  
SUSTAINABLE COMMERCIAL DEAL?

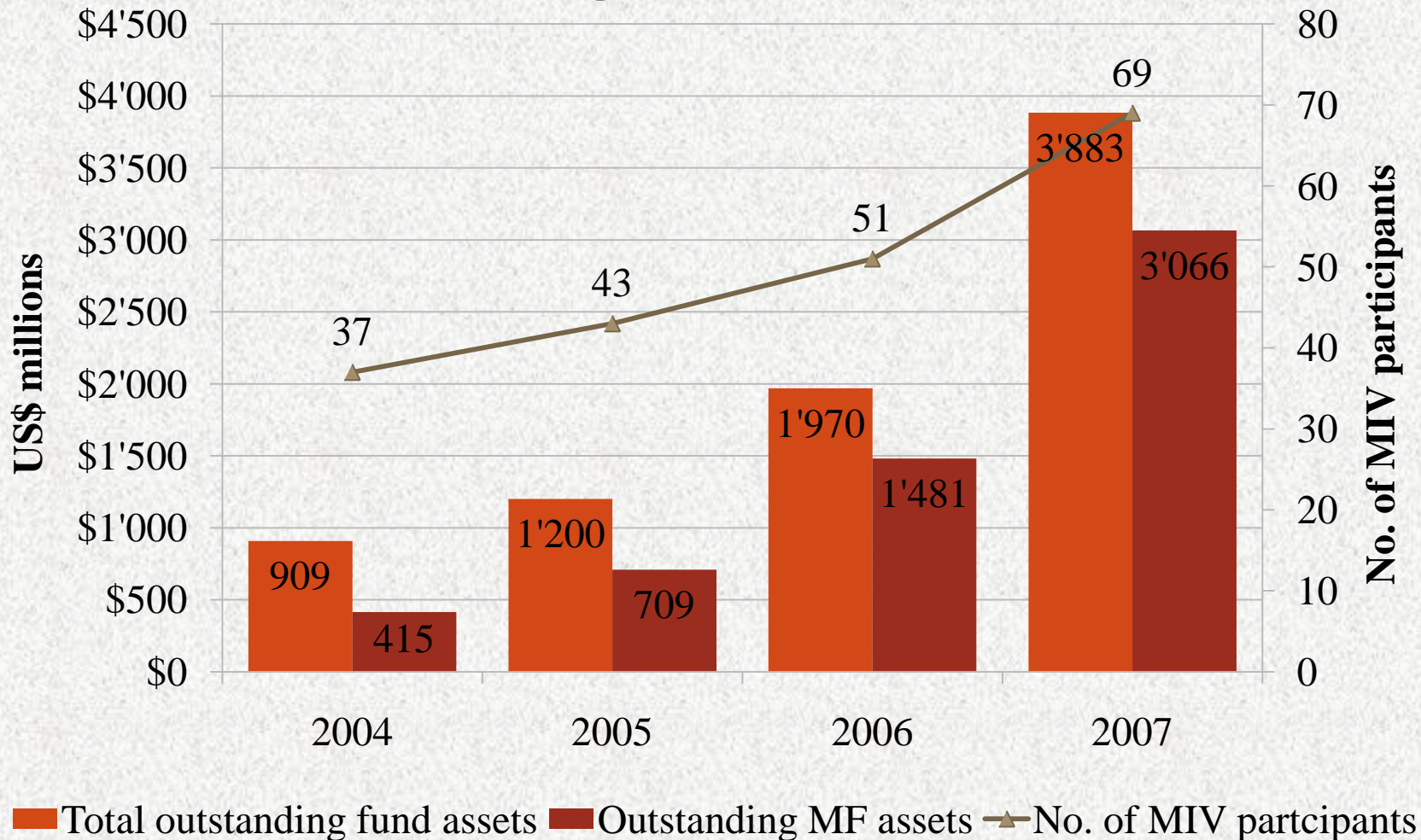


World Microfinance Forum Geneva  
Geneva, October 1, 2008  
Damian von Stauffenberg



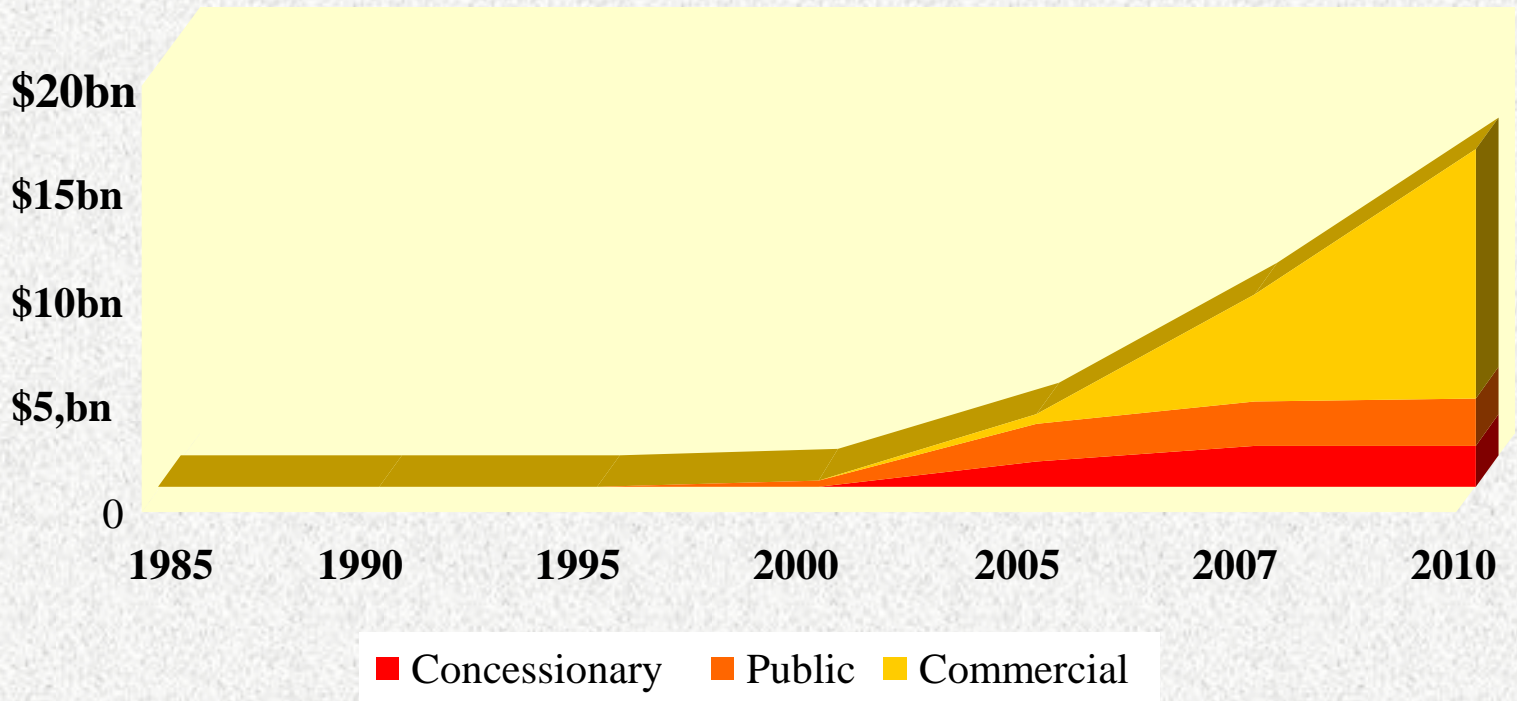
# MIV Development:

## Outstanding MIV Assets 2004-2007



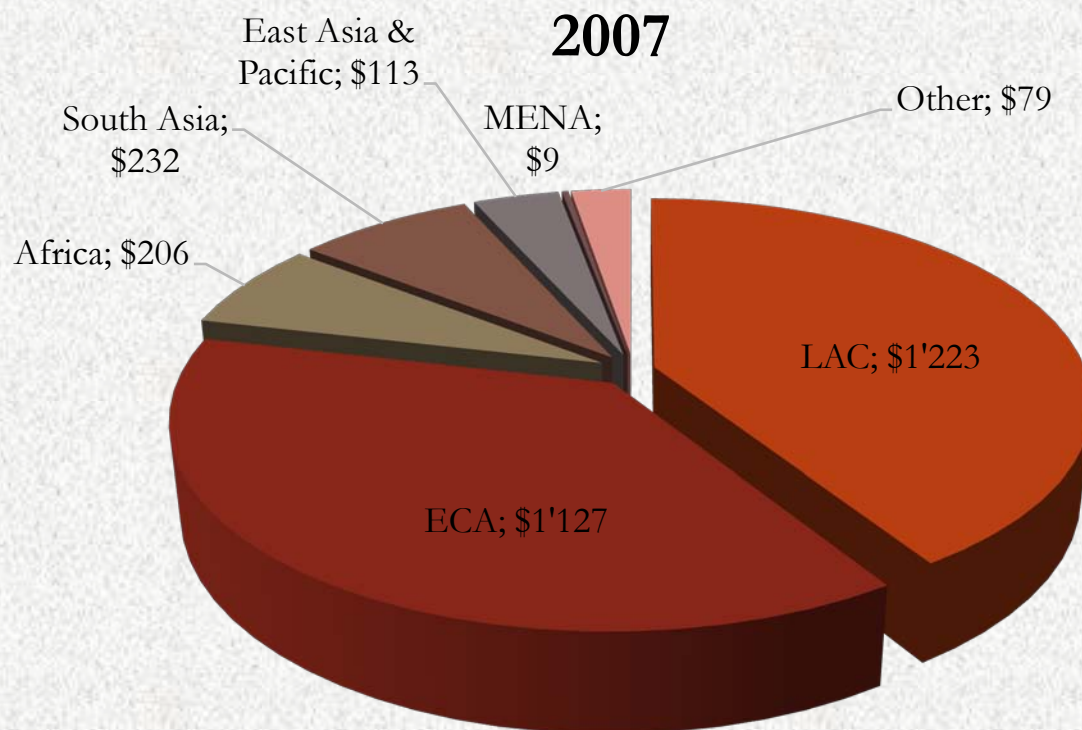


## MIV Growth by Funding Source





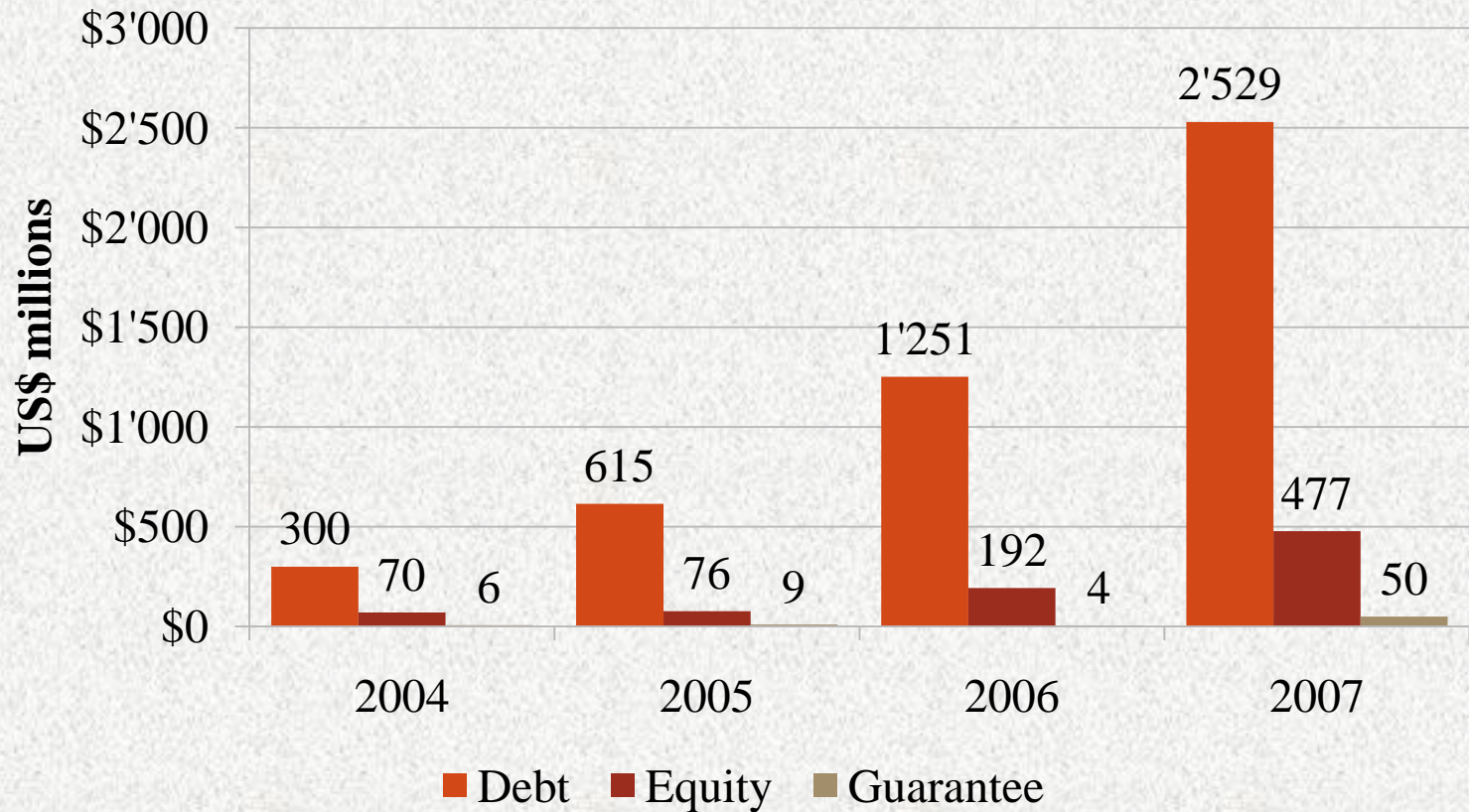
# Geographic Distribution of MIV Investment





# MIV MF Portfolio Composition

## Composition of MF Portfolio





# Challenges

Small is not always beautiful

- What is “microfinance”?



# Challenges

## Transparency

- Not all MF Funds are transparent
- Information provided by investees



# Challenges

## Beware of Euphoria

- Know your assets
- Management Matters
- Incentives – are they alligned?



# Dangers Ahead

- Competition works - but:
  - MFI lending standards drop
  - Margins are compressed
  - Over indebtedness of borrowers