

# IFC Financing to Micro, Small, and Medium Enterprises in the Middle East and North Africa

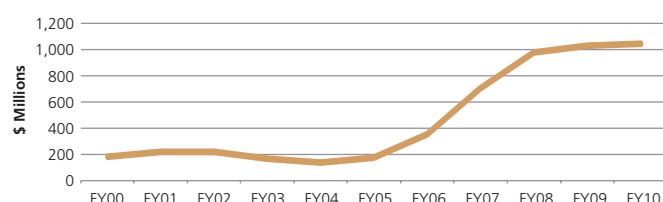
## KEY HIGHLIGHTS

IFC is working to develop solutions to close the micro, small, and medium enterprise (MSME) financing gap, collaborating with 38 financial institutions across 14 countries in the Middle East and North Africa.

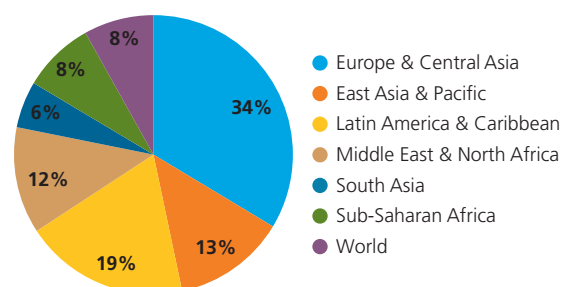
As of June 2010, IFC committed a total of \$1 billion to MSME finance in the Middle East and North Africa, with \$140.7 million in fiscal year 2010. In addition, IFC's microfinance institution (MFI) clients had 934 thousand loans outstanding to micro-enterprises in the Middle East and North Africa by end of 2009, totaling \$526 million. Similarly, IFC's SME financial institution (SME FI) clients had 68 thousand loans outstanding to SMEs by end of 2009, totaling \$8.4 billion in this region.

## MSME FINANCIAL INTERMEDIARY PORTFOLIO, JUNE 2010

IFC's Committed Portfolio in MSME FIs in the Middle East and North Africa



IFC's Regional Committed Portfolios in MSME FIs



## MSME LOANS BY IFC CLIENTS, DECEMBER 2009

### MSME Loans by MFIs

IFC was able to survey or extrapolate outreach data from 7 MFI clients in 4 countries. 86% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	934,262	526,125,153	563	2
Small Loans	220	4,583,319	20,833	1

### MSME Loans by SME FIs

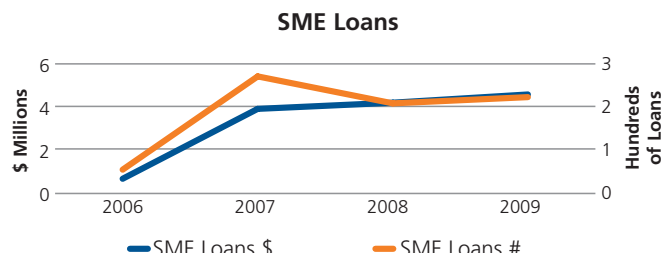
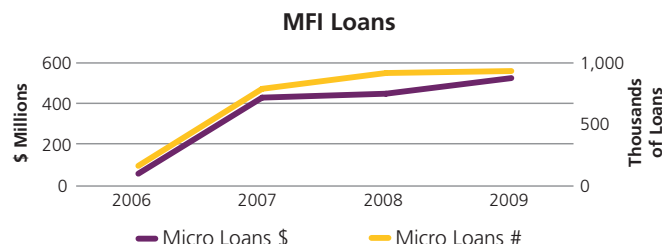
IFC was able to survey or extrapolate outreach data from 25 SME FI clients in 14 countries. 20% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	404,382	421,202,333	1,042	4
Small Loans	50,271	1,837,467,601	36,551	5
Medium Loans	18,441	6,523,702,195	353,752	8

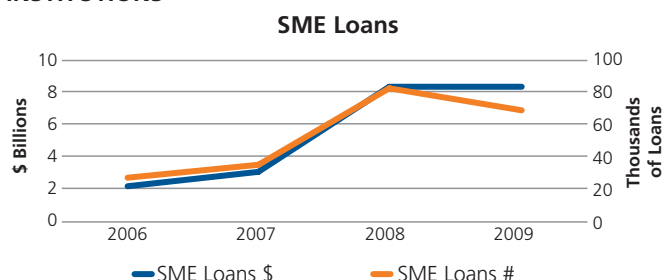
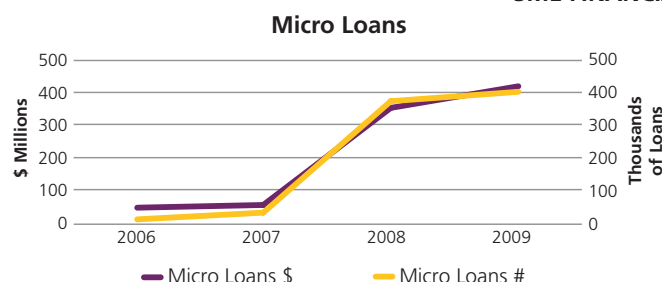


## GROWTH TRENDS

### MICROFINANCE INSTITUTIONS



### SME FINANCIAL INSTITUTIONS



## CLIENT HIGHLIGHT: AL AMAL MICROFINANCE BANK — YEMEN

**Objective and Client's Needs:** Al Amal Microfinance Bank was established in 2002 with the support from the Social Fund for Development and started operations in July 2008. It is the only microfinance bank in the country and is by far the most promising vehicle in Yemen to reach out to the lowest market segments.

Al Amal Microfinance Bank (AMB) currently offers a range of group and individual loans, Savings Accounts, Children's Accounts, Time Deposits, and money exchange services. Within only two years in operations, AMB opened 10 branches, of which 5 are located outside of Sana'a, reaching out to 10,800 active borrowers and 14,000 depositors. More than half of its clients are women. AMB has an outstanding loan portfolio of \$1.8 million and active deposits of \$633,000 <sup>2</sup>.

In expectation of further growth, AMB took the initiative to strengthen its technical and managerial capabilities in core operational areas.

**IFC's Involvement:** IFC Access to Finance Advisory is leading and coordinating a consortium of donors (GTZ, KfW, AFD) in delivering a comprehensive package of technical assistance to AMB to scale up its activities and increase its outreach.

IFC is specifically working with AMB on enhancing the Bank's financial management and product development capabilities. This will involve a review and enhancement of policies and procedures, reinforcing the relevant units, and providing them with implementation plans as well as having staff members trained in their respective field of operation.

**Development Impact:** It is expected that by June 2012, the number of borrowers will increase to 16,200 with the outstanding loan portfolio exceeding \$2.2 million.

The success of the Advisory Services package will pave the way for key investors – including IFC to invest in AMB and while encouraging other microfinance institutions in the country to take a commercial approach to microfinance.

*"IFC is one of the most reliable partners and donors for Al Amal Microfinance Bank (AMB) given the long experience in providing financial advisory services. The Bank is really proud to have partnered with IFC and it is a big gain for AMB in front of other donors and investors with which it is working, due to the good reputation of this massive organization"*

**— Mr. Mohammed AL-Lai, CEO of Al Amal Microfinance Bank**

<sup>1</sup> UNDP, 2009 Human Development Report  
<sup>2</sup> AMB figures as at August 2010



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