



IFC & Microfinance

IN PARTNERSHIP WITH



MICROFINANCE AT A GLANCE

Microfinance is an important tool to improve livelihoods at the base of the pyramid. Access to finance has proven to reduce poverty and enable the poor build assets, increase incomes, and reduce their vulnerability to economic stress.

Worldwide, the microfinance industry is estimated at \$60-100 billion. The industry has experienced rapid growth, with leading microfinance institutions growing by 20 percent per annum in the past 5 years. Yet the sector still reaches less than 20 percent of its potential market among the world's three billion low-income people.

IFC IN MICROFINANCE

IFC has been helping shape microfinance industry for over 20 years, creating partnerships, fostering investment sustainability, and driving for development impact.

Over **\$3 Billion**
in committed investments

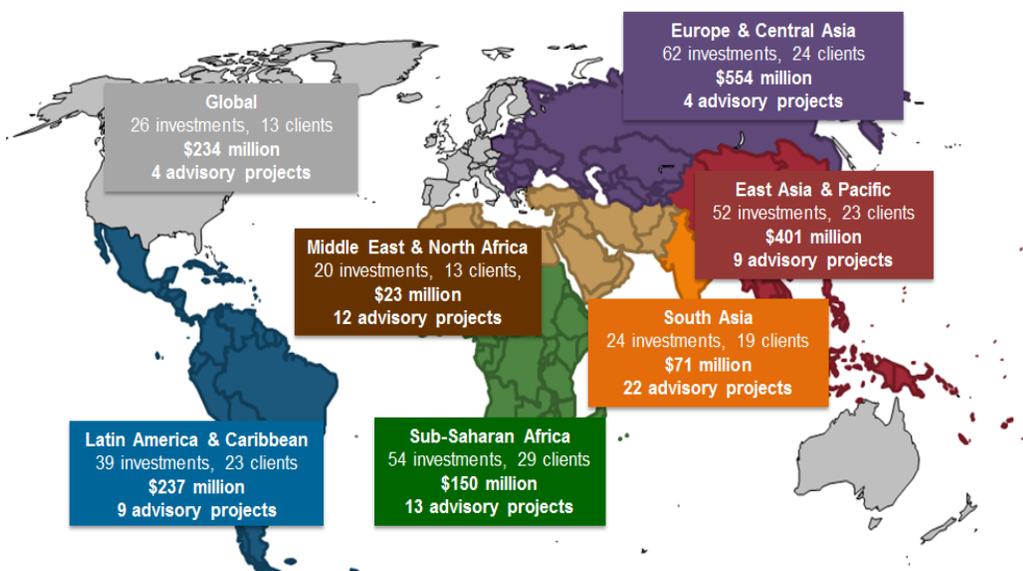
More than
140 client MFIs

Reaching people in
60 countries

OUR PORTFOLIO *

- IFC committed **\$402 million in FY13 in 51 projects** with MFIs across the world.
- IFC cumulative investment portfolio in microfinance exceeded **\$3 billion**, with outstanding commitments of \$1.45 billion.
- IFC's advisory services comprised **\$66.2 million**, representing **technical assistance for 73 projects**.
- IFC's client financial institutions extended **23 million micro loans** for a total of \$25 million and had **25 million deposit accounts** worth over \$57 billion (as of December 2012).

IFC in Microfinance: Global Map



As of June 2013

*As of June 2013 (end of FY13)

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OUR FOCUS AREAS

INSTITUTION BUILDING & STRENGTHENING

IFC supports microfinance providers to build and strengthen their operations by providing advice and training on portfolio management, strategic planning, responsible finance practices, and operational efficiency.

TRANSFORMATION

IFC supports transformation of microfinance providers into regulated commercial microfinance institutions or banks, enabling them to offer a broader range of services and build a diversified funding base.

RISK MANAGEMENT

IFC assists microfinance institutions in strengthening their risk management practices and offers workshops to raise awareness of the importance of sound risk management.

INNOVATIVE PRODUCT SOLUTIONS

IFC helps microfinance institutions design and streamline new products and distribution channels such as mobile banking, housing finance, and insurance.

DOWNSCALING

IFC supports commercial banks entering the microfinance sector, helping them tailor financial products for low-income customers and micro-entrepreneurs.

OUR PROJECTS



ENDA Inter-Arabe, Tunisia: Founded in 1990, ENDA Inter-Arabe (ENDA) has risen to become the largest MFI in Tunisia, and one of the most successful microfinance institutions in the Middle East and North Africa. Yet in 2011 ENDA was hit hard by the economic instability in the region triggered by the Arab Spring: many microfinance clients lost their livelihoods and were unable to make payments on time.

At a time when funding sources were scarce, IFC played an important counter-cyclical role, extending a local currency loan worth \$6.5 million to ENDA. In parallel, IFC helped the institution further adapt its recovery strategy, develop and implement advanced risk management practices, portfolio monitoring, and adjust its products to client needs.

While ENDA slowed its expansion to emphasize portfolio quality over volume, it kept the interests of its clients in mind. To this end, ENDA continued to serve agri-entrepreneurs in Tunisia's rural areas and provided financial services to refugees from Libya. As of June 2013, ENDA had over 226,000 active clients, 65 percent of them women, and a loan portfolio of nearly \$90 million. Its portfolio at risk was at 3 percent – among the lowest in the region.

Ujjivan, India: Ujjivan Financial Services is a large-scale microfinance institution in India, a country with very low levels of access to formal sources of financing for the poor. Most of Ujjivan's 1.1 million clients are women with little or no proof of income: vegetable vendors, sari weavers, carpet makers, and the like.

After a microfinance crisis in the Indian state of Andhra Pradesh significantly curtailed investor appetite in the sector, Ujjivan turned to IFC for an \$8.1 million equity investment to fund its future growth plans and provide confidence to other investors and lenders. This investment was part of IFC's counter-cyclical approach to microfinance investments in India, helping Ujjivan and other clients keep financing large numbers of women borrowers. IFC is also advising Ujjivan in piloting a microfinance housing product as a pilot: micro and small loans for home improvements, construction, land acquisition, and property purchase.



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