Lao PDR: Gender Finance for Banque Franco-Lao

Banque Franco-Lao (BFL) signed an investment and advisory services agreement with IFC to boost financing to women-led small and medium enterprises in Lao People’s Democratic Republic. This is the first combined risk share and advisory facility specifically targeting women entrepreneurs in Lao PDR and in the Mekong region.

BFL, set up in 2008 by French bank Banque Populaire and Lao bank BCEL, aspires to be the lead bank for women entrepreneurs in Lao PDR and aims to triple its Women-owned SME (WSME) loan portfolio from $13.5 million in 2014 to $37 million by 2017. In Lao PDR, women own 31 percent of small and medium enterprises, but only 16 percent have a loan or overdraft. They tend to use savings or informal funding to fulfil their financing needs, preventing them from realizing the full potential of their businesses.

The partnership with IFC is seen to help expand access to credit for women-owned businesses to support their growth and generate more jobs. The gender finance advisory services will help BFL to grow their market share and revenue from the WSME segment through needs assessment, financial behaviors analysis, strategy development, modifications to the bank’s policies and procedures, and designing new financial and non-financial products and services. IFC will also help monitor and track loans provided to women businesses, which currently make up about 46 percent of the bank’s portfolio. Once completed, BFL plans to replicate this approach to gender finance when it expands operations to Cambodia and Myanmar.

The combined investment and advisory services to BFL is supported by the Women Entrepreneurs Opportunity Facility, a partnership between IFC and the Goldman Sachs Foundation, the first global finance facility dedicated to increase access to finance to as many as 100,000 women entrepreneurs in emerging markets.

Learn more about Gender Finance and our work with BFL. Contact Kaikham Onedamdy at konedamdy@ifc.org or Rubin Japhta at rjaphta@ifc.org.

Sri Lanka: Transformation for SANASA Development Bank

SANASA Development Bank (SDB) strengthens its long term partnership with IFC with a new advisory services agreement to help transform SDB from a microfinance to an SME bank. With the planned expansion, the bank will now reach more rural small businesses across the country, boosting financial inclusion. This project is expected to enable increased access to financial services to 20,000 SME clients including over 500 women-led businesses.

IFC has been a long term advisory partner of SDB since 2010, and also invested in its equity in 2012. Over the course of the next two years, IFC’s assistance will strengthen the bank’s overall operational capabilities and risk management framework through internal capacity building, fine tuning their strategy and re-engineering their business model. The advisory is fully funded by SDB for $1.3 million, and the transformation is seen as a step towards becoming a fully-fledged commercial bank with greater focus on SMEs.

The SDB is the top credit institution for the SANASA Cooperative Movement to mobilize the rural poor and foster sustainable development. This project also looks forward to increase the penetration of formal banking services from 880 societies to at least 3,000 out of the 9,000 currently existing today.

Learn more about our work with SANASA. Contact Nishantha Jayasooriya at njayasooriya@ifc.org or Victor Antonypillai at vantonypillai@ifc.org.
Philippines: Non-Financial Services for Rizal Commercial Banking Corporation (RCBC)

Rizal Commercial Banking Corporation (RCBC) signed an agreement with IFC for assistance in designing non-financial services, strategies, and products for small and medium enterprises in the Philippines. Non-financial services (NFS) are value-added services such as knowledge-sharing, capacity development, business mentoring, and networking activities. With small and medium enterprises accounting for about 30 percent of total employment and producing about one-third of the Philippines’ gross domestic product, strengthening the sector will encourage job creation and help diversify the country’s economic base.

IFC will work with RCBC to review its current products and services, understand its clients’ needs, and analyze market trends to design a customized NFS strategy to help the bank’s SME clients grow their businesses. The NFS project will support the bank to strengthen customer retention and loyalty, and hence improve product utilization and cross-selling, resulting in even more profitable customer relationships.

The agreement furthers IFC’s continuing assistance to RCBC’s Small and Medium Enterprises Lending Program, following the recent completion of a Women in Banking (WIN) engagement, which won for the IFC EAP Team the IFC CEO Gender Award in April 2015. The WIN program contributed to the increase of RCBC’s outstanding balance to women-owned SMEs by USD13.56 million, resulting in additional net interest margin contribution of USD0.37 million over 2 years (at an average estimated net interest margin of 3%).

RCBC is among the top largest private domestic banks in terms of assets, with 448 branches and 1,181 ATMs all over the Philippines and is present in 24 countries through remittance offices and tie ups.

Learn more about our WIN and NFS engagements with RCBC. Contact Paula Felipe at pfelipe@ifc.org or Rubin Japhta at rjaphta@ifc.org.

China: Sustainable Energy Finance for Bank of Beijing (BoB)

Bank of Beijing (BoB) renewed its partnership with IFC with the signing of a 3rd advisory services agreement for Sustainable Energy Finance last August 26, 2015 under the CHUEE SME program.

Previous engagements with BoB signed in 2007 (Phase 1) and 2013 (Phase 2) focused on energy efficiency and renewable energy financing, which resulted in the disbursement of green loans valued at US$3.5 billion. These projects are estimated to help reduce greenhouse gas emissions (GHG) by over 17 million tons of CO2 equivalent per year. Growth of BoB’s green portfolio demonstrates CHUEE’s success in promoting sustainable energy financing to support green growth in China. IFC sees the continuing partnership as a catalyst in the development of similar energy efficiency projects by other financial institutions in the country.

The new phase has an embedded water efficiency component and will pave the way for BoB to grow its green finance business by introducing a certification program designed to strengthen the bank’s talent pool, and to continue capacity building for financing water efficiency projects. IFC will help identify market opportunities and strategies to expand financing in the areas of municipal wastewater treatment, sludge treatment and disposal, wastewater reclaim, industrial water pollution control and comprehensive water environment rehabilitation. IFC’s industrial water efficiency program in China is the first of its kind globally, and aims to help the private sector adapt to the country’s acute water challenge by saving water, energy, and other resources.

Bank of Beijing is a joint stock commercial bank with a shareholding structure of overseas investors and numerous well-known enterprises. It has 125 sub-branches across Beijing and a business outlet in Tianjin. In 2005, BoB introduced the ING Group and IFC as its overseas strategic investors. BoB is the second partner bank of CHUEE and the first city commercial bank participating in the program.

Learn more about the SEF and CHUEE programs in China and our engagement with BoB. Contact Hao Guo at hguo1@ifc.org or Helen He at hhe1@ifc.org.

For questions about this report, feedback, and future updates, please contact Hanna Fernando-Pacua at mfpacua@ifc.org.