

# IFC Financing to Micro, Small, and Medium Enterprises Around the World

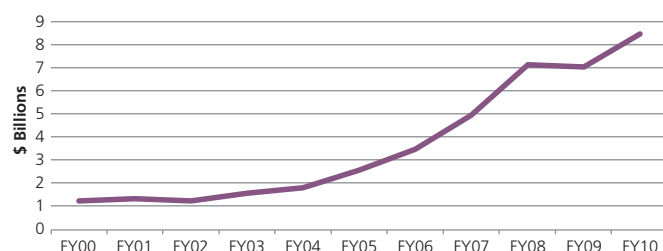
## KEY HIGHLIGHTS

Access to finance is a key barrier to the growth of micro, small, and medium enterprises (MSMEs<sup>1</sup>). IFC is working to develop solutions to close the MSME financing gap, collaborating with more than 300 financial institutions across 93 countries globally. By partnering with many types of financial intermediaries, including microfinance institutions, commercial banks, leasing companies, and private equity funds, IFC reaches many more small and medium enterprises (SMEs) and micro-enterprises than it could directly.

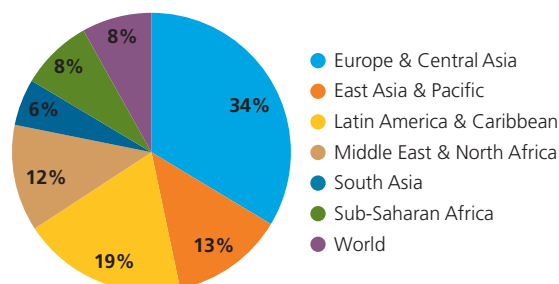
IFC offers a wide range of financial products, including loans, equity and risk management solutions, to help financial institutions scale up or enter the MSME market. As of June 2010, IFC committed a total of \$8.5 billion to MSME finance globally, with \$2.5 billion in fiscal year 2010. In addition, IFC's microfinance institution (MFI) clients had 6 million loans outstanding to micro-enterprises globally by end of 2009, totaling \$5.7 billion. Similarly, IFC's SME financial institution (SME FI) clients had 1.3 million loans outstanding to SMEs by end of 2009, totaling \$97.1 billion globally.

## MSME FINANCIAL INTERMEDIARY PORTFOLIO, JUNE 2010

IFC's Committed Portfolio in MSME FIs



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 68 microfinance clients in 43 countries. 50% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL % <sup>2</sup>
Micro Loans	5,983,218	5,671,872,570	948	3
Small Loans	126,966	1,615,070,683	12,720	3
Medium Loans	20,117	2,619,650,651	130,218	3

MSME Loans by SME FIs

IFC was able to survey or extrapolate outreach data from 153 SME FI clients in 66 countries. 32% of these clients received advisory services from IFC.

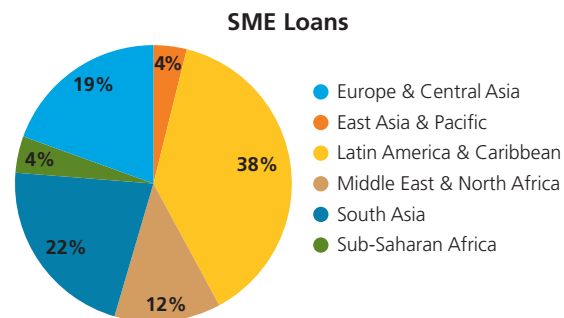
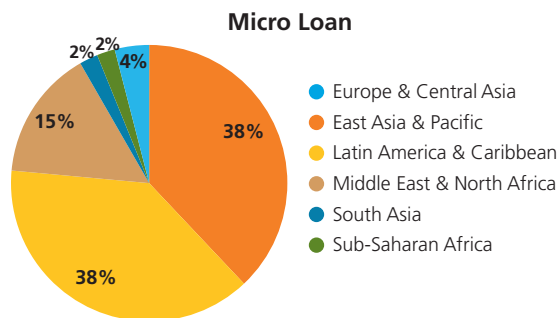
	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL % <sup>2</sup>
Micro Loans	2,470,706	5,122,125,379	2,073	3
Small Loans	933,673	20,080,465,732	21,507	6
Medium Loans	399,909	77,006,503,691	192,560	5

IFC also invests in microfinance holding companies and funds that support MFIs. In 2010, indirectly supported MFIs extended an additional 3.3 million loans for \$7.1 billion.

1 MSME Firm Size Definitions: IFC's Global Financial Markets categorizes its clients' sub-borrowers according to the following definitions: (1) Microenterprise if loan < \$10,000 at origination; (2) Small Business if loan < \$100,000 at origination; (3) Medium Business if loan < \$1 million at origination (\$2 million for more advanced countries).  
2 Nonperforming Loan (NPL) => 90 days past due loans.



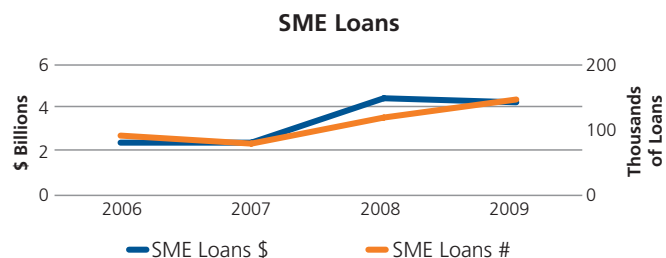
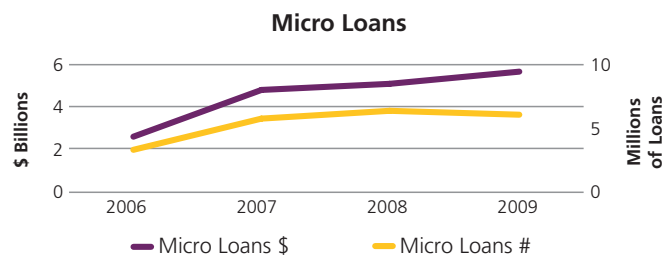
## MSME LOANS IN NUMBER BY REGION



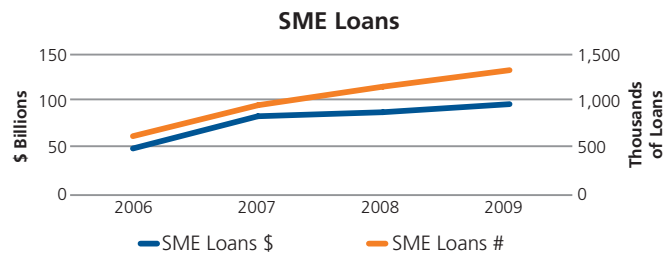
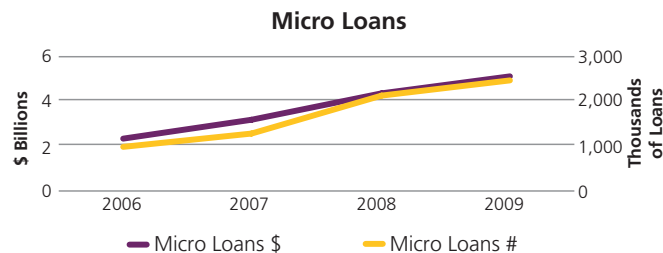
## GROWTH TRENDS

### Overall Clients' Portfolios Growth

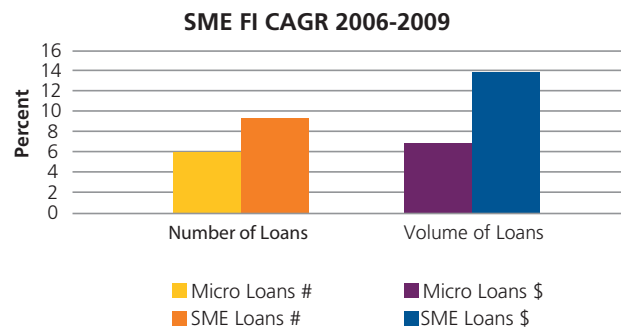
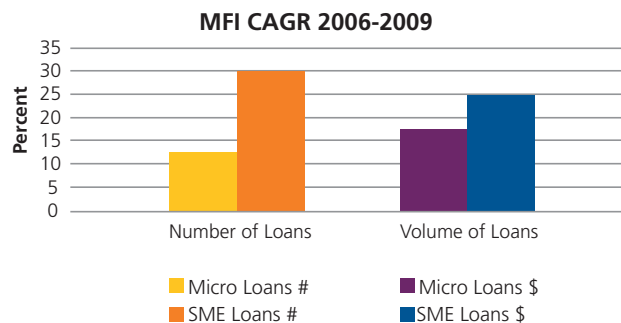
#### MICROFINANCE INSTITUTIONS



#### SME FINANCIAL INSTITUTIONS



### CAGR Dec. 2006-Dec. 2009<sup>3</sup>



In addition to making investments, IFC provides advisory services that strengthen and build capacity of FIs to effectively provide financial services to MSMEs. Advisory services projects range from developing new financial products to setting up full MSME banking operations in commercial banks. Much of IFC's advisory services work is conducted by its regional teams, with client contribution and funding assistance from partnerships with donor governments and other multilateral institutions.

<sup>3</sup> Compounded annual growth rate (CAGR) from 56 reporting and repeated clients, excluding greenfield institutions and FIs that are closing their operations.



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