

IFC Financing to Micro, Small, and Medium Enterprises in South Asia

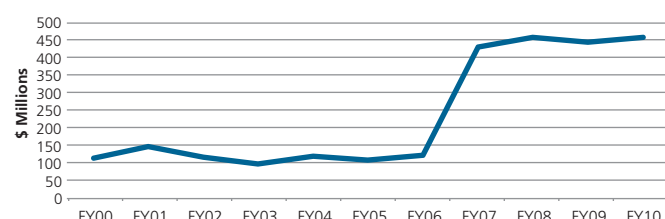
KEY HIGHLIGHTS

IFC is working to develop solutions to close the micro, small, and medium enterprise (MSME) financing gap, collaborating with 19 financial institutions across 5 countries in South Asia.

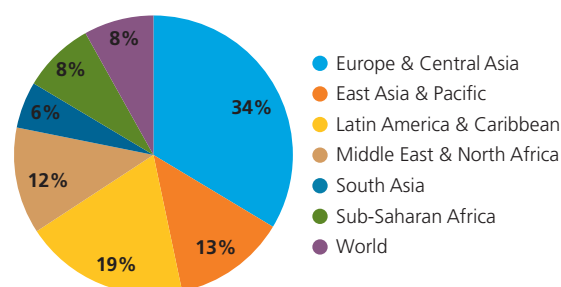
As of June 2010, IFC committed a total of \$457.9 million to MSME finance in South Asia, with \$86.3 million in fiscal year 2010. In addition, IFC's microfinance institution (MFI) clients had 129 thousand loans outstanding to micro-enterprises in South Asia by end of 2009, totaling \$483.9 million. Similarly, IFC's SME financial institution (SME FI) clients had 374 thousand loans outstanding to SMEs by end of 2009, totaling \$10.7 billion in this region.

MSME FINANCIAL INTERMEDIARY PORTFOLIO, JUNE 2010

IFC's Committed Portfolio in MSME FIs in South Asia



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 4 MFI clients in 4 countries. 50% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	129,362	483,944,364	3,741	14
Small Loans	2,946	52,171,932	17,709	8
Medium Loans	189	73,094,283	386,742	7

MSME Loans by SME FIs

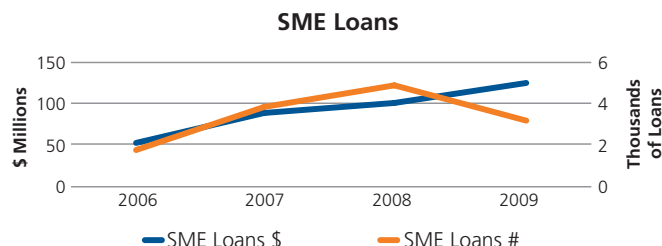
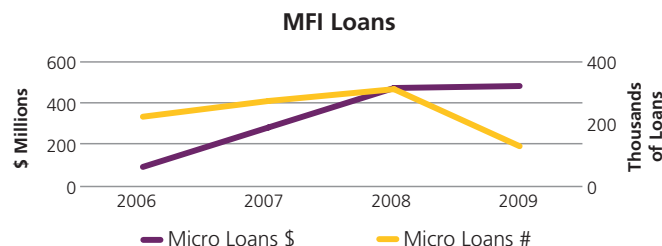
IFC was able to survey or extrapolate outreach data from 7 SME FI clients in 3 countries. 29% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	450,747	1,447,033,147	3,210	2
Small Loans	357,449	5,754,521,258	16,099	2
Medium Loans	17,507	4,985,004,069	284,741	2

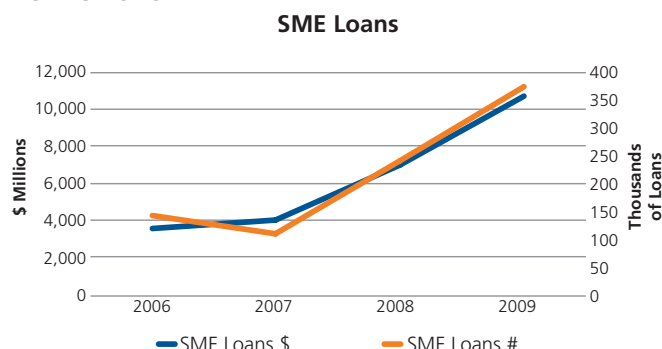
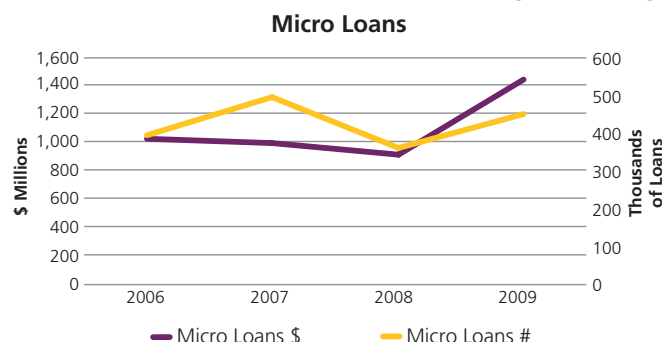


GROWTH TRENDS

MICROFINANCE INSTITUTIONS



SME FINANCIAL INSTITUTIONS



CLIENT HIGHLIGHT: EASTERN BANK LIMITED — BANGLADESH

Objective and Client's Needs: Eastern Bank Limited is a leading commercial bank in Bangladesh that had historically focused on corporate banking. As a result of IFC's Advisory Services' work in creating awareness of SME finance as a viable business line for financial institutions, the Bank decided to enter this segment in 2005 with assistance from IFC.

IFC's Involvement: IFC assisted Eastern Bank Limited (EBL) in setting up their SME Department in 2005 and has been working with them on all areas related to SME Banking since. This was one of the first SME departments at a bank in Bangladesh. Advisory services to EBL has extended beyond SME Banking to include Trade Finance, Sustainable Energy Finance and also affordable housing funded by IFC's Performance Based Grant Initiative.

IFC has since invested in the bank through the Global Trade Finance Program and is a classic example of an Advisory Services

led investment that IFC has made. Currently IFC has extended a \$30 million Global Trade Finance facility to EBL. The bank has been recognized for highest utilization of the lines. There are currently two potential investments in the pipeline where there is possibility of IFC taking equity stakes in a joint venture Insurance company and an affordable housing finance subsidiary.

EBL was also shortlisted for the FT Sustainable Banking award last year.

Development Impact: As of December 2009, the Bank had 3,200 SME loans worth US\$72 million which comprised 10.58 percent of their portfolio with a goal to increase SME lending to 20 percent of their portfolio.

"EBL has pledged to make sustainability the foundation for banking, customer service and social activities. We encourage our customers, staff, and stakeholders to factor environmental, social, and economic consequences into all of their personal and professional decisions."

— Ali Reza Iftekhhar, Managing Director & CEO, Eastern Bank Limited

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