

# IFC Financing to Micro, Small, and Medium Enterprises in East Asia and Pacific

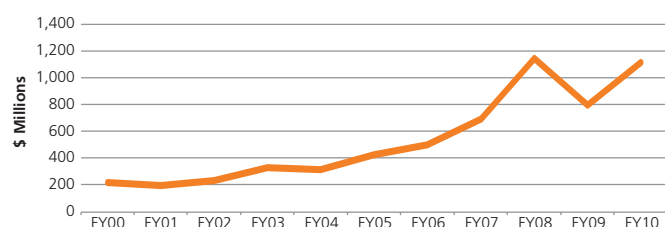
## KEY HIGHLIGHTS

IFC is working to develop solutions to close the micro, small, and medium enterprise (MSME) financing gap, collaborating with 37 financial institutions across 8 countries in East Asia and Pacific.

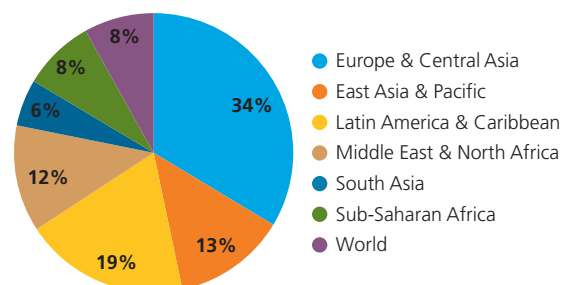
As of June 2010, IFC committed a total of \$1.1 billion to MSME finance in East Asia and Pacific, with \$416.6 million in fiscal year 2010. In addition, IFC's microfinance institution (MFI) clients had 2.3 million loans outstanding to micro-enterprises in East Asia and Pacific by end of 2009, totaling \$2.2 billion. Similarly, IFC's SME financial institution (SME FI) clients had 86 thousand loans outstanding to SMEs by end of 2009, totaling \$17.2 billion in this region.

## MSME FINANCIAL INTERMEDIARY PORTFOLIO, JUNE 2010

IFC's Committed Portfolio in MSME FIs in East Asia and Pacific



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 10 MFI clients in 6 countries. 50% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	2,313,665	2,249,340,416	972	2
Small Loans	12,960	277,846,838	21,439	1
Medium Loans	631	126,422,582	200,353	5

### MSME Loans by SME FIs

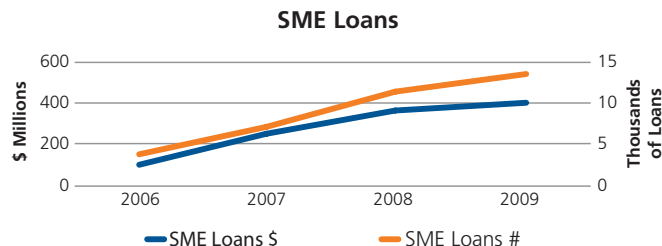
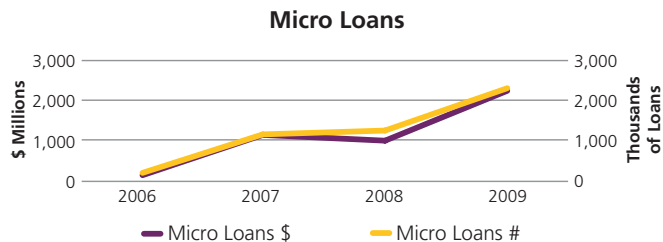
IFC was able to survey or extrapolate outreach data from 15 SME FI clients in 4 countries. 53% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	60,811	108,253,860	1,780	2
Small Loans	41,716	1,607,757,661	38,541	5
Medium Loans	45,083	15,608,187,710	346,210	3

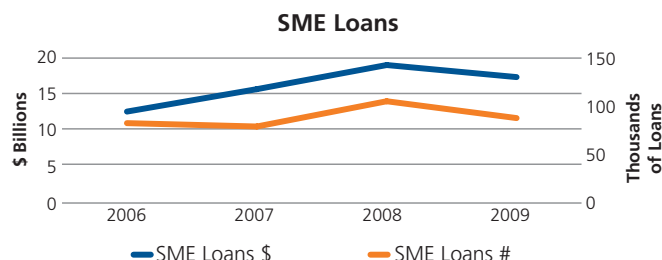
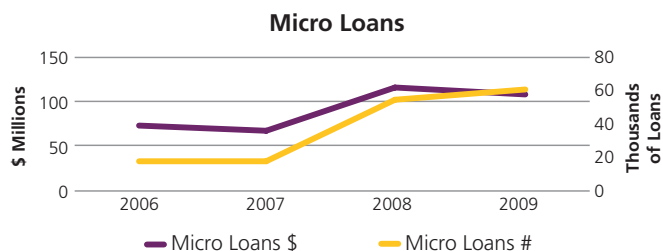


## GROWTH TRENDS

### MICROFINANCE INSTITUTIONS



### SME FINANCIAL INSTITUTIONS



## CLIENT HIGHLIGHT: BANK SAHABAT PURBA DANARTA — INDONESIA

**Objective and Client's Needs:** Bank Purba Danarta (BPD) was founded in 1992 as a national bank with focus in micro-saving and micro-lending, located in Semarang, Central Java, Indonesia. The entrance of PT Triputra Persada Rahmat (Triputra Group) as the new majority shareholder in 2007 (Triputra acquired 80.1% of the bank's shares) created a positive synergy to support Bank Purba Danarta's plan to serve economically challenged people in a more extensive manner. On September 2009, PT Bank Purba Danarta changed its name to PT Bank SAHABAT Purba Danarta (BANK SAHABAT). With solid roots in the rural and peri-urban economy, and across the island of Java, BANK SAHABAT is well-positioned to serve market segments neglected by the big banks, namely, women, micro and small enterprises, and rural dwellers. BANK SAHABAT's vision is to become a national microfinance bank capable of providing a wide range of financial services, including credit and savings, while maintaining a focus on women entrepreneurs.

**IFC's Involvement:** BANK SAHABAT is an existing IFC advisory client. IFC has been a partner of the Bank since 2007, when IFC first introduced Card Bank (Philippines) to BANK SAHABAT. Card Bank was tasked with sharing its microfinance experience with BANK SAHABAT. This relationship has progressed significantly and has led to a close working agreement between the two parties, including a potential distribution of common shares to

Card Bank in exchange for advisory services. IFC has played a significant role in the development of BANK SAHABAT's core business, through: (i) introduction of microfinance best practices to IFC clients via an exposure trip of senior BANK SAHABAT managers to Peru and Azerbaijan; and (ii) mobilization of funding by introducing BANK SAHABAT to other investors, including Standard Chartered, Triodos, and Blue Orchard, among others. IFC's ongoing Advisory Services are assisting the Bank to develop loan products (unsecured group and individual lending), enhancing its organizational structure, fine-tuning credit process, preparing an appropriate credit manual, enhancing risk management and internal control unit, and staff capacity-building. The Advisory Services' objective is to enable BANK SAHABAT to reach 174,000 customers by end of 2010.

**Development Impact:** As of June 2010, the Bank has 73,271 micro loans worth US\$23.2 million. Women borrowers account for 67.1 percent of these loans (48,887). The Bank has increased the volume of its micro credit portfolio by 110 percent in volume from June 2008 to May 2010. Client numbers over the same period have risen by 532 percent. The bank is rapidly expanding into a largely unattended loan market niche characterized by loan sizes of USD 100 to USD 1,000 equivalent, serving a clientele comprised, essentially, of the working poor.

*"To develop our microfinance operation, the most important step for us is to learn from successful implementation globally, and this is the reason why we partnered with IFC."*

**— Franky Suhenda, President Director, Bank Sahabat Purba Danarta.**



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