

IFC Financing to Micro, Small, and Medium Enterprises in Latin America and the Caribbean

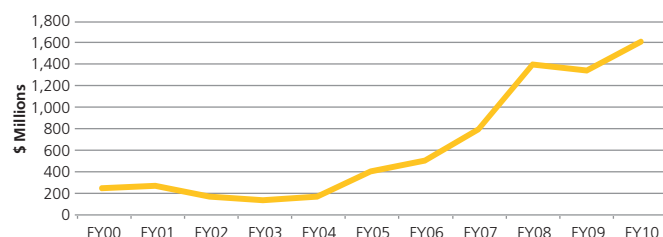
KEY HIGHLIGHTS

IFC is working to develop solutions to close the micro, small, and medium enterprise (MSME) financing gap, collaborating with 55 financial institutions across 29 countries in Latin America and the Caribbean.

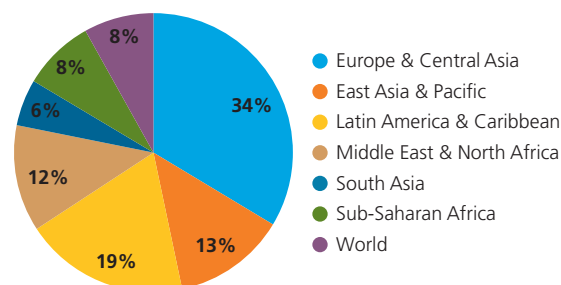
As of June 2010, IFC committed a total of \$1.6 billion to MSME finance in Latin America and the Caribbean, with \$375 million in fiscal year 2010. In addition, IFC's microfinance institution (MFI) clients had 2.3 million loans outstanding to micro-enterprises in Latin America and the Caribbean by end of 2009, totaling \$1.9 billion. Similarly, IFC's SME financial institution (SME FI) clients had 381 thousand loans outstanding to SMEs by end of 2009, totaling \$27.5 billion in this region.

MSME FINANCIAL INTERMEDIARY PORTFOLIO, JUNE 2010

IFC's Committed Portfolio in MSME FIs in Latin America & the Caribbean



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 20 MFI clients in 10 countries. 35% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	2,273,312	1,910,765,506	841	2
Small Loans	70,535	662,309,661	9,390	2
Medium Loans	15,777	2,088,552,219	132,376	3

MSME Loans by SME FIs

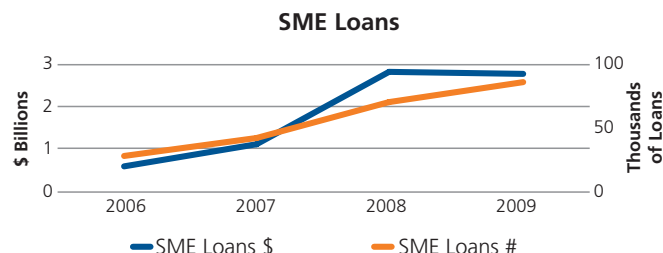
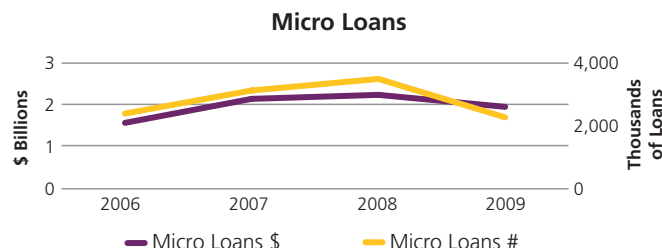
IFC was able to survey or extrapolate outreach data from 7 SME FI clients in 3 countries. 30% of these clients received advisory services from IFC.

	Outstanding Loan Portfolio in #	Outstanding Loan Portfolio in \$	Average Loan Size	NPL %
Micro Loans	1,072,461	2,100,533,079	1,959	4
Small Loans	172,430	3,315,499,737	19,228	4
Medium Loans	209,466	24,217,729,580	115,617	3

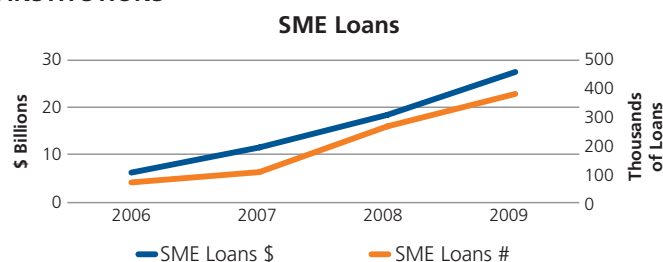
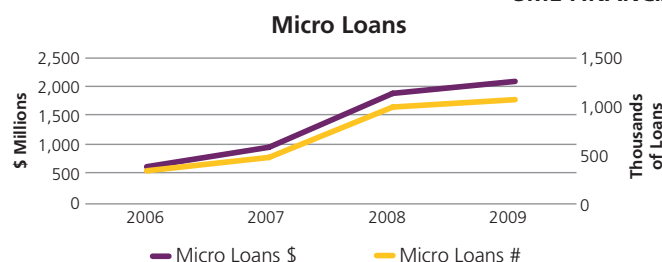


GROWTH TRENDS

MICROFINANCE INSTITUTIONS



SME FINANCIAL INSTITUTIONS



CLIENT HIGHLIGHT: BANCO FICOHSA — HONDURAS

Objective and Client Needs: Banco Ficohsa began operations in 1994, after transforming from a non-bank deposit-taking institution (Financiera Interfin S.A) and became the third largest Honduran bank in terms of total assets and deposits and the second in credit portfolio. Banco Ficohsa offers checking, savings and overdraft accounts, credit and debit cards, remittance services and mortgage loans to its retail clientele. Services for non-retail clients include SME loans, factoring, payroll services, working capital, trade finance and secured term finance. Corporate loans represent 62 percent, MSME 9 percent, and retail 28 percent of the total portfolio. The bank's strategy is to increase participation in MSMEs and retail segments. Ficohsa currently holds 14.8 percent market share in loans and 13.6 percent in deposits among the 17 banks of the Honduran Banking system.

IFC's Involvement: IFC has supported Ficohsa since 2008 when IFC disbursed a \$20 million term loan for housing finance and

MSMEs and approved a US\$25 million trade line. Additionally, since inception of the relationship, IFC has provided advisory services in the design and implementation of a new business model for Housing Finance and MSMEs and a Corporate Governance advisory. The combination of these facilities and the advisory services has supported Ficohsa's growth by strengthening its balance sheet through diversifying funding sources and expanding business segments.

Development Impact: As of June 2010, the bank had 2,265 MSME clients with a total of US\$77 million in loans and 4,822 housing loans worth US\$156 million. Despite the financial and political crisis of 2009, the bank grew its MSME and housing portfolio by 22 percent and 14 percent, respectively.

"The relationship with IFC has helped the bank to evolve in different directions. IFC's investment through a term loan and trade finance facility, has allowed for the diversification of our funding sources and our ability to promote growth in new business segments. IFC's advice is helping us to enhance MSME and Housing Finance business models, and our Corporate Governance practice is reaching higher standards."

— Max Contag, Corporate Vice President, Banco Ficohsa.



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