



Indonesia: Administration of Equity Investment in Fairbanc Pte. Ltd.

Project Name	Administration of Equity Investment in Fairbanc Pte. Ltd.				
Project Number	55175-001				
Borrower / Company	ASIAN DEVELOPMENT BANK Fairbanc Pte. Ltd.				
Country / Economy	Indonesia				
Location	Nation-wide				
Type or Modality of Assistance		Equity	ADB Ventures Investment Fund 1	USD 0.00	Approved
	8401	Debt Security	ADB Ventures Investment Fund 1	USD 2.00 million	Approved
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability				
Sector / Subsector	Finance /				
Gender	Gender equity theme				
Responsible ADB Department	Private Sector Operations Department				
Responsible ADB Division	Office of the Director General, PSOD				
Responsible ADB Officer	Mellor, Dominic P.				
Project Sponsor(s)					

The transaction involves the administration by the Asian Development Bank (ADB) of an equity investment of up to the equivalent of \$2,000,000, with an initial investment of up to \$500,000 in a non-operating holding company called Fairbanc Pte Ltd (Fairbanc) in Singapore to expand its operations in Indonesia (conducted through its operating Indonesian subsidiary, PT Fairbanc Technologies Indonesia), to be provided by the ADB Ventures Investment Fund 1 under the ADB Ventures Financing Partnership Facility. The balance of the approved equity amount may be invested in subsequent fundraising rounds that Fairbanc is expected to undertake by June 2024. Consistent with the establishment arrangements for the fund, ADB will not invest its own capital alongside the fund.

Description

Fairbanc is a financial technology (fintech) company with primary operations in Indonesia that partners with fast-moving consumer goods (FMCG) distributors to offer digital micro-credit to micro, small, and medium-sized enterprises (MSMEs) for inventory purchases. Fairbanc's proprietary data science and machine learning platform leverages supply-chain data of FMCG distributor partners which allows financial institutions to assess credit risk and extend working capital to MSMEs with limited credit history and collaterals. Increased access to financial services and improved inventory management for MSMEs increase the resilience to adverse shocks, including climate related shocks, of store owners and their extended family. Fairbanc's mission to bridge the MSME credit gap in emerging markets aligns with ADB's operational priorities of achieving greater financial inclusion and building climate and disaster resilience in Asia and the Pacific.

Objectives and Scope

Linkage to Country/Regional Strategy

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

Timetable for assistance design, processing and implementation

Concept Clearance	01 Mar 2021
Credit Committee Meeting	31 May 2021
Approval	15 Jun 2021

Project Page <https://www.adb.org/projects/55175-001/main>

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