Globally, more than 2 billion people do not have access to financing.

Access to finance is a very large problem for most individuals and microbusinesses throughout Asia and the Pacific.

Across Asia and the Pacific, many microfinance institutions still struggle to obtain commercial funding to grow and meet the demands of low-income segments.

ADB’s Microfinance Risk Participation and Guarantee Program fills market gaps by sharing risks to facilitate local currency lending to the microfinance sector.

ADB is now working with two international and four local (Indian) partner institutions.

Loans have been facilitated in Bangladesh, Indonesia, and India, benefiting 20 microfinance institutions.

**Program Highlights**

- New loans supported: $638 million
- Cofinancing: $336 million
- Borrowers supported: 3.49 million

*Most borrowers are rural women who take loans averaging $200*
ABOUT THE MICROFINANCE RISK PARTICIPATION AND GUARANTEE PROGRAM

• The $340-million regional program facilitates the expansion of local currency lending to microfinance institutions.
• ADB partners with international and domestic financial institutions that engage in wholesale lending to microfinance institutions.
• ADB assumes up to 50% of the default risk arising from loans made by partner financial institutions to microfinance institutions.
• Open for financial institutions that meet ADB’s eligibility criteria and due diligence requirements.
• Open for microfinance institutions that meet eligibility criteria of partner financial institutions and receive approval from ADB.
• Further information can be found at http://www.adb.org/mfp

KSHAMA FERNANDES, MANAGING DIRECTOR AND EXECUTIVE OFFICER, IFMR CAPITAL
Since 2012, when IFMR Capital and ADB pioneered this microfinance guarantee program in India, the program has helped unlock mainstream financing for the country’s microfinance sector. It has set many high-quality microfinance institutions on a growth trajectory and made it possible for them to achieve scale. Over 2.4 million underserved households have gained access to finance, thanks to the program. IFMR Capital greatly values its partnership with ADB.

DANIEL HANNA, GLOBAL HEAD, PUBLIC SECTOR AND DEVELOPMENT ORGANIZATIONS, STANDARD CHARTERED BANK
Standard Chartered remains committed to the microfinance sector and to financial inclusion in our franchise markets, in which the sector has a crucial role. The risk participation program launched with ADB in 2013 unlocked additional funding for microfinance institutions at a time when the industry was reemerging from a difficult economic cycle. The increase in the size of the program, from $150 million to $240 million, should make even more credit available to these institutions across Asia. More unbanked individuals, more microenterprises and livelihoods, stand to benefit.

BOB ANNIBALE, GLOBAL HEAD, CITI INCLUSIVE FINANCE AND COMMUNITY DEVELOPMENT
This local-currency microfinance program will help many Citi clients tap the economic potential of underserved communities and broaden financial inclusion in Asia. We value and share ADB’s deep commitment to supporting inclusive finance in the region, and we are pleased to partner with ADB on this innovative endeavor.

CONTACT PERSONS:
Sabine Spohn
Melissa Jane Escurel
Irene Maileen Tapay
Private Sector Financial Institutions Division
Private Sector Operations Department
FOR INQUIRIES:
E-mail: mfprogram@adb.org
Contact us: +632 632 4444

Photo credit: SV Creditline Private Limited.

Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO)
© 2017 ADB. The CC license does not apply to non-ADB copyright materials in this publication.
Corrigenda to ADB publications may be found at http://www.adb.org/publications/corrigenda
PSN ARM178717-2 pubsmarketing@adb.org
6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel +63 2 632 4444, Fax +63 2 636 2444
www.adb.org