

# US/EBRD SME FINANCING FACILITY

March 2007

The US/EBRD SME Financing Facility was established in July 2000 in the amount of US\$150 million (US\$50 million from the US and US\$100 million from EBRD) to promote private sector growth and economic development in South East Europe (SEE) and Early and Intermediate Transition (EIT) Countries.<sup>1</sup> To date the United States has contributed a total of US\$40.2 million, which together with EBRD's on-lending funds of US\$227 million has financed 10 microfinance banks, 8 local bank programmes and 2 NBMFI programmes in 15 countries.

The Facility provides 1) financing to local banks for on-lending to SMEs; 2) technical assistance and training to financial intermediaries to strengthen their lending capacity; and 3) funding for policy dialogue efforts which focus on reducing the impediments to SME finance. The US also provides first loss coverage in several countries, which generates greater EBRD leverage in relatively high-risk markets.

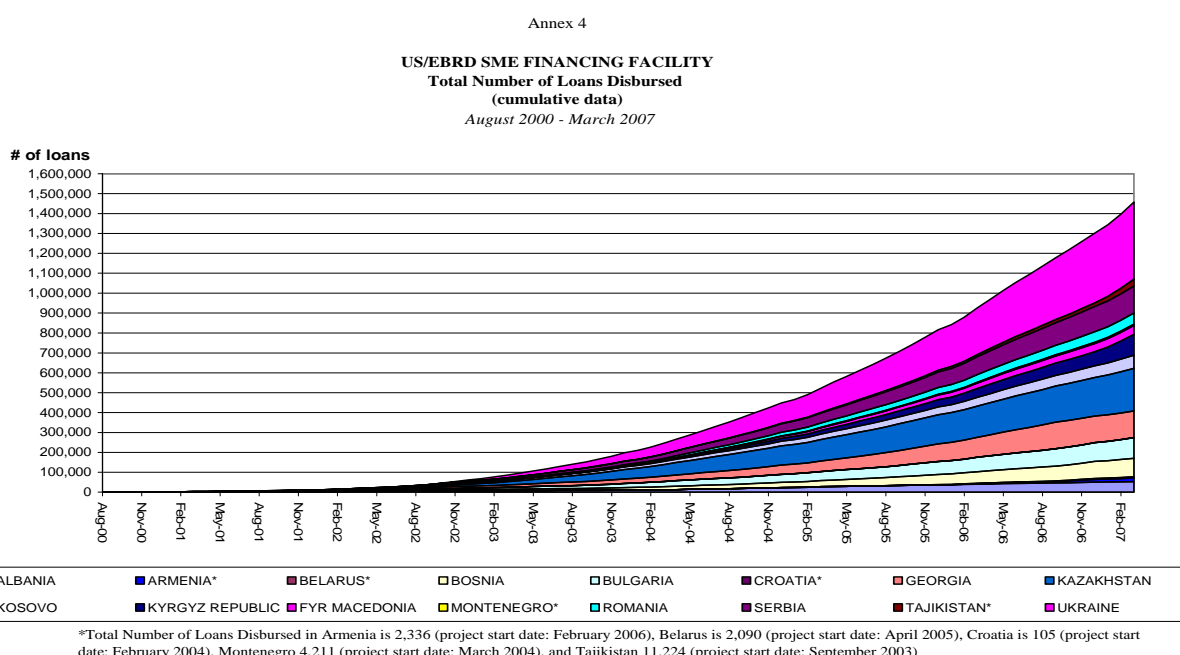
Initially the Fund operated only in South East Europe. However, beginning mid-2002, the Facility was expanded to cover countries of the Former Soviet Union, beginning with Georgia, Kazakhstan, the Kyrgyz Republic and Ukraine. Tajikistan was added in 2003, and Belarus and Armenia were included in April and September 2005 respectively.

## RESULTS TO DATE

As of end-March 2007, financing from the Facility had helped leverage 1,539,792 loans to SME clients across 15 countries. In value terms, over US \$9.8 billion has now been disbursed to SMEs, with an average loan size of US\$6,401. The outstanding sub-loan portfolio stands at US\$3.8 billion and portfolio quality remains strong with arrears over 30 days of only 2.0%.

Partner Banks	Results through March 2007
Total number of loans disbursed	1,539,792
Total volume of loans disbursed	\$ 9,857,245,442
Average loan amount	\$ 6,401
Outstanding portfolio – Number	581,490
Outstanding portfolio – Volume	\$ 3,823,974,559
Arrears % > 30 days	2.02%

The following chart illustrates the total number of loans disbursed on a *cumulative* basis, from August 2000 to the present.



<sup>1</sup> SEE pertains to Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, FYR Macedonia, Romania and Serbia & Montenegro (FR Yugoslavia); EIT pertains to Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.