Early Warning System

IFC-39541

Indosurya Finance

Quick Facts

Countries	Indonesia
Specific Location	Java, Sumatra and Bali.
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-05-15
Borrower	INDOSURYA INTI FINANCE, PT
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 80.00 million

Project Description

According to IFC website, the proposed project comprises of providing, PT Indosurya Inti Finance, a multi finance company based in Indonesia, a secured senior loan of up to US$80 million. IFC shall participate with up to US$35 million while the balance will be mobilized through a parallel or B loan on a best effort basis.The security is expected to include a pledge over specific eligible receivables.The funding shall be used to support the growth of the Company’s small and medium enterprises (SME) portfolio. Indosurya started operations in 2011 and now operates with an asset base of US$230 million as of December 31, 2016 serving close to 2,000 clients. The project is expected to have impact on the following areas:

1. Promoting financial inclusion and deepening the Non-Banking Financial Institution Sector in Indonesia;

2. Increasing access to SME Finance, by increasing outreach to small and medium scale entrepreneurs and;

3. Creating a Demonstration Effect.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- PT. Indosurya Inti Finance (Financial Intermediary)
- PT INDOSURYA INTI FINANCE (Financial Intermediary) **is owned by** Indosurya Inti Finance (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

Indosurya is majority owned by Surya Effendy, who owns 80.4% of shares, while Henry Surya, the current CEO of the Company, owns the remaining 19.6% of shares.

Indosurya is one of the companies that form the Indosurya Group which was founded by Mr Effendy in 1975. It comprises of companies across the financial and property sectors, including in securities/brokerage, asset management, credit union, life insurance and capital market advisory. The Group has an estimated asset base of more than US$1bn.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/