

 Early Warning System

**IFC-33884**  
Muamalat SME



## Quick Facts

<b>Countries</b>	Indonesia
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Hold
<b>Bank Risk Rating</b>	F1
<b>Voting Date</b>	2014-04-24
<b>Borrower</b>	BANK MUAMALAT INDONESIA, PT TBK
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 60.00 million
<b>Project Cost (USD)</b>	\$ 60.00 million



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## Project Description

The proposed project will consist of a debt facility to PT. Bank Muamalat Indonesia, Tbk. (“Bank Muamalat” or the “Bank”) to support expansion of the Bank’s lending to small and medium enterprises (“SMEs”). Bank Muamalat, established in 1991, is the first Islamic bank and the largest private sector Islamic bank (in terms of asset size) in Indonesia. The proposed project is consistent with both IFC’s Indonesia and financial markets strategy and roles given that this project will help support sustainable rural and urban development through increase access to finance for SMEs. The proposed project is expected to help expand the products and services in Islamic financing in order to support financial inclusion and increased outreach to the base of the pyramid and to the underserved segments in Indonesia.



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### People Affected By This Project

- (1). Promoting economic development in frontier provinces: The project will directly improve access to finance in the frontier provinces of Indonesia, where Bank Muamalat is planning to expand its portfolio to MSME segments, and thus drive economic growth, job creation, and poverty reduction in the frontier provinces.
- (2). Increasing MSME access to medium and long-term finance: As Bank Muamalat grows its MSME financing portfolio, the project will allow IFC to increase access to longer term finance to the MSME segment through Bank Muamalat.
- (3). Demonstration effect: A successful project with Bank Muamalat will further promote product offerings and banking services such as Islamic financing among Indonesian banks and therefore support financial inclusion to the underserved MSME.



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## Investment Description

- International Finance Corporation (IFC)

The proposed project will consist of a debt facility amounting up to US\$60 million on IFC's own account to Bank Muamalat.



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### Private Actors Description

Bank Muamalat is headquartered in Jakarta and had total assets of US\$4.4 billion (as of September 2013). The Bank provides Islamic banking services and products to around 3million customers through over its 450branches, which are located in major islands throughout Indonesia. The Bank also works together with National Post Services (or “PT. Pos Indonesia”) to leverage its massive network to reach rural and remote areas. Bank Muamalat operates over 1,200 ATMs to support its electronic banking business. Currently, Bank Muamalat has a total workforce of around 5,000 people. The proposed project will support the Bank’s growth strategy and increase its SME portfolio in the fast-growing Indonesia banking sector.



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## Contact Information

### 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>