



IFC

Financial Institutions Group (FIG)

Banking on Women

Industry Context

Financing women is critical to accelerating sustainable private sector growth. Women, and especially women entrepreneurs, face barriers in accessing capital and other financial services and are under-served at all levels of the financial system. While women-owned micro, small and medium enterprises (WMSMEs) represent about one-third of all MSME businesses in developing countries, they face an estimated financing gap of \$1.9 trillion (SME Finance Forum). In addition, women comprise the majority of the world's unbanked population, with 730 million adult women in developing economies without a bank or mobile money account (Global Findex Database). However, the financial sector is increasingly recognizing that women form a valuable, large and growing market that presents significant economic opportunities:

- Some studies estimate economic gains in the order of \$5-6 trillion if women started and scaled new businesses at the same rate men do (World Bank 2023).
- Closing the gender employment gap could raise long-term GDP per capita by nearly 20% on average across countries (World Bank 2023).
- Integrating more women into business operations can increase companies' profitability and environmental sustainability. Research has correlated higher net profit margins and lower CO2 emissions for firms with more women in decision-making roles (World Bank 2023).
- Women are valuable banking customers: they have lower non-performing loan ratios, they are an important source of deposits, and they are more likely than men to increase financial institutions' brand and footprint metrics such as net promoter scores (IFC 2024).

CUMULATIVELY SINCE 2012, IFC'S BANKING ON WOMEN BUSINESS HAS MOBILIZED AND INVESTED \$8.6 BILLION IN EMERGING MARKET FINANCIAL INSTITUTIONS TO FINANCE WOMEN AND WOMEN-LED MSME BUSINESSES.

SME Finance
Over the past 12 years, IFC's Banking on Women (BOW) business has provided finance and expertise to 268 emerging market financial institutions in 81 countries to finance women and women-led enterprises.

Housing Finance
FIG's cumulative financing for women's mortgages surpassed \$1 billion in FY24.

Insurance
IFC's SHEforShield report identified a \$1.7 trillion women's insurance market globally by 2030.

Microfinance
IFC has a long history of financing women microentrepreneurs through investment vehicles, and more recently through platforms such as the Base of the Pyramid Facility. At end-June 2024, IFC committed 67 BOP projects totaling \$979 million, out of which \$599 million with a gender lens.



Capital Markets
The BOW business has launched and invested in seven gender bonds in six countries for over \$1.4 billion.

Trade & Supply Chain Finance
The 3-year BOW-GTFP Initiative has guaranteed more than \$260 million in trade finance for women entrepreneurs.

Fintech
In FY24, IFC invested in digital finance transactions that target women customers and women-led businesses.

Gender-Inclusive Climate Finance
In FY24, IFC invested in innovative, gender-inclusive climate transactions to finance women to purchase energy-efficient vehicles and equipment.

IFC Strategy and Portfolio

IFC's Banking on Women business provides a full range of investment, advisory expertise, and actionable data to financial institutions in emerging markets to catalyze sustainable financial services for women and women-owned businesses. Through Banking on Women, IFC:

- Invests in emerging market financial institutions to build shareholder value, expand opportunities, and develop tailored value propositions for women customers and women-led businesses in areas such as household and MSME finance, housing finance and insurance, gender-inclusive climate finance, and gender-lens capital markets finance;
- Provides advisory expertise in areas such as strategic planning, customer segmentation, value proposition design, market positioning, credit and risk analysis, product positioning and staff training to help financial institutions profitably serve women customers. This also includes working with financial institutions to address demand-side barriers through non-financial services such as digital

and in-person training platforms, business coaching, and mentorship services for customers;

- Originates action-oriented market research and data analysis for financial institutions.

Initiatives like the Small Loan Guarantee Program (SLGP), the Working Capital Solutions (WCS) Facility, the BOW-Global Trade Finance Initiative, and the Base of the Pyramid platform, alongside valuable partnerships such as the Women Entrepreneurs Opportunity Facility (WEOF) and the Women Entrepreneurs Finance Initiative (We-Fi), have enabled IFC's Banking on Women business to expand its reach and provide much needed financing to women and women-owned businesses amid a time of fiscal uncertainty and growing risk aversion. In the years ahead, IFC will continue to expand its gender-inclusive finance footprint through emerging market financial institutions, while leveraging IFC's capital through capital markets investors and mobilized lenders.

Project Examples



SUSTAINABILITY FINANCE THROUGH GENDER BONDS IN BRAZIL

IFC invested \$200 million in a Gender Bond issued by Itaú Unibanco to support the bank's lending program to women-owned small and medium enterprises in Brazil. The project represents the first Gender Bond issued by a private bank in Brazil. Gender Bonds aim to promote positive economic outcomes by being exclusively dedicated to help achieve gender equality.



GENDER-INCLUSIVE CLIMATE FINANCE IN ROMANIA

IFC committed a senior loan of EUR 20 million (~US\$21.7 million) to Motoractive IFN S.A. (also known as Garanti BBVA Leasing Romania). The proceeds from the loan will be used for on-lending to SMEs, including at least 20% to women-owned SMEs, in the form of financial leases, with the proceeds targeted to climate-related projects, including electric vehicles (EVs) and hybrids, renewable energy (solar photovoltaic installation), and biomass and biogas as well as energy-efficient technologies for upgrades in manufacturing and other economic sectors.



EXPANDING FINANCIAL SERVICES FOR WOMEN-OWNED BUSINESSES IN AFRICA

Supported by the Base of the Pyramid platform, IFC provided \$47.5 million in debt to the Baobab Group as part of a multi-country facility to scale-up financing to women-owned micro and small enterprises in Burkina Faso, Cote d'Ivoire, Democratic Republic of Congo, Madagascar, Mali, and Senegal.



WOMEN'S MSME FINANCE IN EUROPE

IFC invested EUR 50 million in the European Fund of Southeast Europe SA. SICAV-SIF (EFSE), a structured debt vehicle which channels long-term capital for on-lending to MSMEs through qualified banks, MFIs, and other NBFIs in 15 countries in the region. The proceeds from IFC's investment will support the fund's on-lending to MSMEs, including 40% to women-owned MSMEs.



WOMEN'S HOUSING FINANCE IN CHILE

IFC committed a senior loan of \$200 million to Santander Chile to support the expansion of the bank's mortgage portfolio, with 100% of the proceeds to be used for women's housing finance. The financing aims to address Chile's housing finance gap by enhancing access to housing loans for women, addressing the housing deficit, inadequate living conditions, and gender disparities in financial access.