

IFC

Financial Institutions Group (FIG)

Banking on Women

As of December 2024

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 \$1.6 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
\$10 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 307 emerging market financial institutions in 83 countries to finance women and women-led enterprises.

Housing Finance

FIG's cumulative financing for women's mortgages exceeds \$1 billion.

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. To date, IFC has 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 nine gender bonds in eight countries for over \$1.7 billion.

Trade & Supply Chain Finance

The 3-year BOW-GTFP Initiative has guaranteed more than \$285 million in trade finance for women entrepreneurs.

Fintech

IFC has invested in digital finance transactions that target women customers and women-led businesses.

Gender-Inclusive Climate Finance

FIG's Gender-Inclusive Climate Finance portfolio features the first four projects with a fully integrated use of proceeds for gender and climate across the regions.

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



BAOBAB SUSTAINABILITY BOND (SENEGAL)

IFC has committed to an anchor investment of XOF5 billion (\$8.7 million equivalent) in the inaugural sustainable bond issuance of Baobab Senegal, the microfinance subsidiary of the Baobab Group, an MSME-focused finance group with operations in seven countries in Africa. This bond marks a significant milestone as the first thematic bond in Senegal and the first private-sector bond issuance within the West African Economic and Monetary Union (WAEMU). This investment is structured as an unfunded risk participation through the Africa Local Currency Bond Fund, a dedicated pan-African structured debt fund and IFC client, which will be the lender of record. At least 40 percent of the Bond proceeds will support women-owned/led MSMEs.



CAJA 18 (CHILE)

IFC has committed the first tranche of an approved investment package of \$45 million to Caja de Compensación de Asignación Familiar Caja 18 de Septiembre (Caja 18). Cajas are non-profit institutions in Chile which aim to administer social security benefits and contribute to improving the conditions and quality of life for its members. The financing package consists of a \$10 million A loan, a \$30 million loan syndicated by Blue Orchard, ResponsAbility and ILX, and a \$5 million Trust Loan provided by IFC as the implementing entity for the Managed Co-Lending Portfolio Program. This financing will enable Caja 18 to extend more loans to low-income women workers, who will benefit from 40 percent of the proceeds, and retirees, who will receive 60 percent. The initiative is part of IFC's broader Silver Economy initiative, which aims to create innovative financial products for individuals aged 50 and above in Latin America and the Caribbean.



SMICC (INDIA)

IFC's approximately \$170 million equivalent debt investment in SMFG India Credit Company Limited (SMICC) will be utilized by SMICC to increase access to finance for underserved MSMEs including microentrepreneurs and women borrowers. At least 60 percent of the proceeds will be used for lending to self-employed women borrowers, promoting economic empowerment and job creation. Additionally, the investment will promote greater competitiveness by showcasing the viability of providing financing to underserved MSMEs. At least 40 percent will be provided through digital channels.