



Banking on Women

**CREATING VALUE FOR BANKS
AND BOOSTING ECONOMIC GROWTH**

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In 2013, the World Bank Group established two ambitious goals: Ending extreme poverty within a generation and boosting shared prosperity. Ensuring the full and equal participation of women and men in the economic and social development of nations is essential to achieving these goals. This principle guides the recently launched World Bank Group Gender Strategy (FY16–23): *Gender Equality, Poverty Reduction, and Inclusive Growth*, which was developed in consultation with stakeholders from governments, civil society organizations, and the private sector in over 22 countries.

Women represent half of the world's population and half its economic potential. And while a growing awareness of the importance of gender equality has helped catalyze progress in recent years, the majority of women's economic potential remains untapped, particularly in the financial sector.

Today, about one-third of registered small and medium size enterprises (SMEs) in emerging markets are owned by women. Women entrepreneurs are manufacturing, selling, and providing much needed goods and services, creating jobs, and boosting local and national economies. But just 10 percent of these women SME entrepreneurs have access to the financial services needed to grow their businesses. It is estimated that the annual credit gap for women owners of registered SMEs is approximately US\$320 billion—a gap perpetuated by unfavorable business and regulatory environments, as well as cultural and traditional biases that affect women entrepreneurs. This represents a tremendous missed opportunity not just for women business owners and their families, but also for the global economy and for financial institutions seeking to expand their market share and bottom-line value.

IFC is a member of the World Bank Group and the largest global development institution focused on the private sector. In 2010, IFC launched its **Banking on Women** business, which provides financing and expertise to emerging market financial institutions to expand financial services and opportunities for women customers and business owners. Through Banking on Women, IFC works with its extensive network of client financial institutions to increase access to finance for women entrepreneurs—especially those leading SMEs. This program is built on the fundamental business case that **providing valuable financial services to women customers generates bottom line value for banks**. As of June 2016, IFC's Banking on Women business has invested, mobilized investment, and provided expertise to 48 financial institutions in 33 countries, for a portfolio totaling US\$1.13 billion.

IFC's Banking on Women business partners with financial institutions who have built solid track records of financing SMEs. IFC provides a full range of debt, equity, and investment products to banks to on-lend to women entrepreneurs. We also offer advisory services in areas such as strategic planning, customer segmentation, customer

value proposition design, market positioning, credit application process, product positioning and staff training to help banks better serve women customers. IFC also helps banks provide customer support services directly to women entrepreneurs, such as “mini-MBA” programs, financial literacy, business planning and management trainings, as well as industry networking and mentoring opportunities.

IFC’s Banking on Women business is strengthened by the partnerships it has fostered. In 2013, IFC launched the Banking on Women Bond Program to attract greater investments to help financial institutions profitably and sustainably serve women-owned businesses. In 2014, IFC launched the \$600 million Women Entrepreneurs Opportunity Facility (WEOF) in partnership with Goldman Sachs’ 10,000 Women Initiative, the first-of-its-kind global facility dedicated to expanding access to capital for women entrepreneurs. In 2015, the US Overseas Private Investment Corporation (OPIC) joined the WEOF partnership with a planned commitment of up to US\$100 million. And in 2016,

IFC, FMO, the Dutch development bank, AP2, a Swedish pension fund and Swedfund, the Development Finance Institution of the Swedish state, invested in the innovative Women Entrepreneurs Debt Fund.

In the following pages we offer a sample of the impact IFC’s Banking on Women business and our client banks are making in the lives of women, their families, and economies around the world.

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Banco BHD León

Dominican Republic

Bertha Sourí
Sourí Industrial

"This bank has given me confidence," she says. "The bank provides us with advice regarding international purchases and has become more than a business partner. They even help me in my personal finances; and my employees have also benefited from the Bank's support."

— **Bertha Sourí**



Bertha Sourí and her sister made all of their daughters' dresses at home. They received so many compliments about their home-sewn dresses that they decided to try selling to a local store. In 1987, using a sewing machine on a home balcony, they filled their first formal order of 9 dozen dresses. Before long, the sisters were shipping orders across the Dominican Republic.

Like other women entrepreneurs in the Dominican Republic and around the world, the Sourís had difficulty securing the loans to fund their business. The banks would only extend credit to their father - so they relied on him as their chief financier until they met with representatives from **Banco BHD-León**, an IFC client. BHD León extended the sisters a RD\$3 million loan (approximately \$65,000) to order their first shipment of imported fabric. The loan was critical, since it enabled the company to work with the quality fabrics they needed to stay competitive with larger manufacturers.

Since BHD León launched its Women's Market Strategy in 2015, the bank has disbursed more than RD\$7billion (approximately US\$152 million) in loans to women and women entrepreneurs. The bank is expanding its training, mentoring and networking services to women entrepreneurs and is becoming recognized as the "bank of reference" for Dominican women.

For Bertha, the bank has provided much more than capital; "this bank has given me confidence," she says. "The bank provides us with advice regarding international purchases and has become more than a business partner. They even helped me in my personal finances; and my employees have also benefited from the bank's support."

The sisters have worked hard to keep up with changing tastes and competitive pressures. **Sourí Industrial** has evolved over the years from dressmaker to an undergarment manufacturer. "Do not limit yourself" Bertha advises other entrepreneurs. "Be open and willing to change because there are always other ways to do things better."

Bank of Palestine Palestine

Ikhlas Showli *SIBA Soap Factory*

"I would like to encourage other women to be persistent and not give up on their goals."

— Ikhlas Showli



Thirteen years ago, **Ikhlas Showli** decided to turn her passion for making soaps into a business. Starting in her modest home kitchen, Ikhlas grew her business into a 13-employee enterprise. When the time came to move out of her kitchen and into a bigger facility, Ikhlas had trouble finding a bank to provide a loan. "Banks don't trust women, and they ask for many forms of collateral," Ikhlas said.

Ikhlas's story is not unique. Today, more than 60 percent of women-owned businesses in Palestine have unmet financing needs. **Bank of Palestine's** "Felestineya" Program is working to close this gap. Launched in March 2015 with support from IFC, the program offers specialized financial products for women—including collateral-free or gold-guaranteed loans, as well as non-financial services such as an online business toolkit and a mini-MBA program to help women grow and develop as entrepreneurs

With a US\$400,000 loan from the BoP, Ikhlas has bought new equipment and is building a new soap factory to meet growing demand. The third-largest soap manufacturer in Palestine is eyeing international markets and planning to more than double her workforce by hiring 20 additional employees. As one of Bank of Palestine's first mini-MBA graduates, Ikhlas credits the bank with making her a "more skilled entrepreneur" in assessing business opportunities and in marketing and branding products. But the best benefit, Ikhlas notes, is that she now has a close relationship with her bank. "I now know if I have any problems, I can go to my bank, which is unique in Palestine."

Ikhlas says she hopes to create even more opportunities for unemployed youth in her community and to inspire them to become entrepreneurs as well. "I would like to encourage other women to be persistent and not give up on their goals," she said.

Banco Pichincha

Ecuador

Rosa Mejía

Muebleria

"The best gift you can give your children is education, not lots of money."

— **Rosa Mejía**



Twenty years ago **Rosa Mejía** found herself having to build a new furniture manufacturing business from scratch to support her children. The early years were tough - she often lacked the funds to buy the basics - wood, nails, sandpaper, and sealants. Sometimes, she had no furniture to display when customers visited her shop. But with a loan from **Banco Pichincha**, she was able to get on her feet—and buy raw materials and equipment.

Today, Rosa's furniture company, **Muebleria**, is thriving, as are her children. A daughter assists with interior design and a son now works by her side in the business. The credit provided by Banco Pichincha was essential to the success Rosa is enjoying today. Equally important was the support provided to her by the bank's business advisor, who coached her through key funding decisions.

In 2016, in an effort to identify and fuel the growth of even more Ecuadoran women entrepreneurs such as Rosa, IFC provided Banco Pichincha with a credit line of \$55 million to finance the bank's loans to women-owned SMEs. The loan consists of US\$20 million from IFC and US\$15 million from the Women Entrepreneurs Debt Fund, a private investment fund managed by IFC Asset Management Company; an additional US\$20 million was invested by Finance in Motion, a German investment company. The bank, which is Ecuador's largest, hopes to develop targeted products and services that will enable it to become the leading financier of women entrepreneurs in Ecuador.

Rosa is most proud that her success in business has enabled her to support the education of her children, who have all become professionals. "The best gift you can give your children is education, not lots of money" she says.

Bank of Georgia

Georgia

Lia Kandelaki

Auto Shop

"It is very important to love what you do and to know how to do it," she says. "You have to be result oriented and have to set the right goals."

— **Lia Kandelaki**



In 2008 **Lia Kandelaki** and her family sold all their belongings in St. Petersburg, Russia where they had lived for 16 years, and moved back to their native Georgia. With 8 employees, Lia and her son decided to build and open an auto service shop. Lia found the credit she needed to expand from Georgia's leading bank, the **Bank of Georgia**. With the loan, Lia added more auto services, bought more equipment, and renovated the shop. The company has grown to 25 employees and steady profits have enabled Lia to buy a new car and home.

IFC's Banking on Women program has proved critical in helping the Bank of Georgia increase its lending to women SME owners. To date, women-led and women-held businesses represent about 15 percent of the bank's SME loans portfolio, mostly for loans averaging US\$150,000. The bank is working to expand those numbers and to help their clients get the advice and training they need to take their businesses to the next level of growth.

Today, Lia is thinking about adding color coating to the auto shop's menu of services, but she is not in a hurry. She wants to assess all the risks first. "It is very important to love what you do and to know how to do it," she says. "You have to be result oriented and have to set the right goals."

YES Bank

India

Dr. Seema Garg

***SB Hospital and
Healthcare Pvt. Ltd.***

"My aim is that 3 years down the line, if someone is looking to build a hospital, they should call us."

— **Dr. Seema Garg**



Dr. Seema Garg is no stranger to success. After decades working in real estate and health care, Seema had risen to become CEO of a 350-bed hospital and Vice-President of a petrochemical company. However, she longed to be her own boss. She quit her well-paying job and used her life savings to launch SB Hospital and Healthcare Private Limited, a company that designs, builds and renovates hospitals.

At first, she faced discrimination as a female contractor: "I was being disqualified in some or the other manner despite being qualified," she said. In 2014, she won a large contract for a 150-bed hospital in Delhi. In order to get the funds needed to get the project off the ground, Seema approached several banks only to hear that they were wary of extending credit to a single woman. Finally, IFC client **YES Bank** stepped forward with the financing.

Seema's struggles are not unique. Experts estimate that just one-fourth of the financial needs of women-led MSMEs in India are being met. India ranks 70th out of 77

countries in terms of favorable environments for female entrepreneurship. Despite these conditions, some 3 million women owners of micro, small and medium enterprises (MSMEs) in India remain undaunted in building businesses, boosting local economies and employing more than 8 million people.

In 2016, IFC provided YES Bank with US\$50 million to boost its efforts to lend to women such as Seema and unleash the potential of women entrepreneurs. Like other clients in IFC's Banking on Women Program, YES Bank also plans to provide much-needed business management education, and mentoring and networking to women entrepreneurs.

Today, just four years after striking off on her own, Seema has 50 employees and has successfully helmed several construction projects. "My aim is that 3 years down the line, if someone is looking to build a hospital, they should call us."

Gulf African Bank

Kenya

Yvonne Ndeta

Tron Enterprises, Ltd.

"I'm thankful to Gulf African Bank for giving a stamp of approval to my business plan which has enabled me to not only expand my business but also offer employment opportunities to hundreds of Kenyans."

— **Yvonne Ndeta**



Women entrepreneurs are not a rare sight in Kenya. An estimated quarter of Kenyan MSME owners and 40 percent of SME owners are women. What is more rare are women banking clients. Nearly half of all women entrepreneurs do not benefit from formal relationships with banks or even hold bank accounts in Kenya. Gulf African Bank's women's program, "Annisaa" is working to change that statistic.

Through Annisaa, **Gulf African Bank**, an IFC client since 2013, offers a full array of services tailored to women. Recognizing that just 1 percent of Kenyan women own property, GAB allows women to use soft collateral (jewelry, animals, guarantors) as security for loans of up to US\$15,000. The bank supports women-only branches that provide not just banking but advisory services as well. The bank offers workshops in management, business planning, tax planning, and leadership. Since launching the Annisaa program two years ago, GAB has lent US\$1.35 million to women entrepreneurs.

Yvonne Ndeta is one of Gulf African Bank's Annisaa clients. A marketer by training, Yvonne started TRON Enterprises, Ltd., a cement shipping business with just 5 bulkers and two trucks. Today, Yvonne leads a fleet of 100 trucks and 15 employees in transporting cement and other commodities across East Africa. She's looking to expand into markets throughout sub-Saharan Africa. Yvonne says her company's growth would not be possible without the support she received from Annisaa. "I'm thankful to Gulf African Bank for giving a stamp of approval to my business plan which has enabled me to not only expand my business but also offer employment opportunities to hundreds of Kenyans," Yvonne said. "I have been able to grow to levels that I hadn't anticipated before."



TransKapitalBank

Russia

Valuyskoe OJSC “Moloko”

Tatiana Obukhova

“Set goals and achieve them.”

— Tatiana Obukhova

When it comes to numbers of women entrepreneurs and gender equality, Russia has dwelled in the middle of the global tables. But in recent years, a positive trend appears to be taking place. Women-owned business are growing at nearly two times the rate of those led by men. A third of all managers in Russia today are women and a quarter make more money than their male counterparts. Experts are predicting that in the next 3-4 years, 40 percent of women will be working in private business.

Russia’s **TransKapitalBank** (TKB) is working to do its part to unleash the potential of women entrepreneurs, developing a gender finance program that provides women borrowers not just capital, but the support they need to balance their family and professional responsibilities. In 2013, IFC provided the bank a US\$12.5 million loan to help boost its efforts to target and assist women business owners. To date, the bank has extended US\$13.2 million in loans to women under the program, as well as business advice and management training to female-led SMEs.

Tatiana Obukhova has some 20 years’ experience in Russia’s dairy industry, rising to become a board member of the National Union of Milk Producers and General Manager of the dairy company Valuyskoe OJSC “Moloko.” As the leader of a workforce of 176 employees, Tatiana is always studying new technical literature, introducing new working methods and best practices. In 2015, she approached TransKapitalBank’s gender loan program for a loan to boost the company’s working capital. With the funds, she has increased production and modernized the plant’s packaging, processing and air filtration equipment. Tatiana takes a no-nonsense approach to her career: “Set goals and achieve them,” she says.

With respect to the content, although IFC has obtained the content from sources it believes reliable, while it is not responsible for the accuracy or completeness of the content.

IFC's CLIENT ENGAGEMENTS:

- Investment Services
- Advisory Services
- Investment and Advisory Services



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Total Investment Portfolio: US\$1.13 billion

(as of June 30, 2016)

FY16 \$325,375,000		FY15 \$62,250,000	FY14 \$149,553,000		FY13 \$496,128,000	FY12 \$74,775,000	FY11-FY06 \$22,000,000
Mongolia \$26,375,000	India \$50,000,000	Lao PDR \$5,000,000	Brazil \$15,000,000	Kyrgyz Republic \$1,000,000	Brazil \$470,000,000	Cambodia \$5,000,000	Nigeria \$15,000,000
Lebanon \$1,500,000	Kenya \$30,000,000	Ecuador \$20,000,000	Chile \$15,000,000	Romania \$27,597,000	Kenya \$2,500,000	Georgia \$12,500,000	Tanzania \$5,000,000
Cambodia \$90,000,000	Chile \$50,000,000	Indonesia \$18,750,000	China \$25,000,000	Russia \$12,000,000	Nigeria \$23,628,000	Romania \$16,025,000	Uganda \$2,000,000
Ecuador \$20,000,000	China \$50,000,000	Kenya \$12,500,000	Côte d'Ivoire \$5,206,000	Turkey \$25,000,000		Turkey \$36,250,000	
West Bank & Gaza \$7,500,000		Costa Rica \$6,000,000	DRC \$3,750,000			Vietnam \$5,000,000	
			India \$20,000,000				

WEB & SOCIAL MEDIA RESOURCES

IFC's website, www.ifc.org, provides comprehensive information on every aspect of our activities. It includes contact information for offices worldwide, news releases and feature stories, data on results measurement, disclosure documents for proposed investments, and key policies and guidelines.

IFC ONLINE

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ifc.org/GFM

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