

## Finance: Banks scent opportunity

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By Roula Khalaf

Published: June 14 2007 10:25 | Last updated: June 14 2007 10:25

When the International Finance Corporation, the World Bank's private sector arm, asked Arab women entrepreneurs in a recent survey to list their business concerns, lack of access to finance was a common complaint.

The survey found that very few women were using formal bank credit to finance their expansion, turning instead to personal savings, family and friends and reinvesting their earnings. Those who did seek to borrow faced the obstacles of high interest rates but also lack of collateral or track record.

Although the women interviewed did not perceive this as gender discrimination, experts say many banks are, in practice, wary of lending to women, sometimes asking for fathers or husbands to sign for a loan.

"Access to finance is a problem across the Middle East for small- and medium-sized businesses – and women are more likely to report having difficulty," says Amanda Ellis, head of the IFC's gender programme. "There's a low level of financial literacy [among women] and the attitude of male bankers is not predisposed to lending to them."

As the number of women entrepreneurs rises, however, some bankers are starting to smell an opportunity. A leading example is Egypt's Commercial International Bank, which has launched a dedicated banking programme for women called "Heya" – "She" in Arabic.

Designed as a ladies club, its aim is to woo women clients with targeted products, giving them financial advice and promoting banking services. The first product, started five years ago, offered credit cards, life insurance and consumer lending, and turned out to be hugely profitable.

Now the bank is broadening its range and starting to offer loans for small- and medium-sized businesses owned by women. "Imagine if the 40 per cent of women in society were helping the economy to develop with small businesses, imagine how much value-added that would bring to the country," says Sahar al-Sallab, managing director at CIB.

In the United Arab Emirates, too, the untapped women's market is catching the attention of some financiers. The government-backed Dubai World, one of the emirates' largest companies, announced this year the launch of a Dh1bn investment fund targeting women.

Called "Forsa" – Arabic for "opportunity" – the fund is hoping to attract investments from women and channel them into equity investments in new ventures also started by women. "Our goal here is to provide every woman who has the capability, the skill set, the desire and the commitment to run and grow her own business the means to be able to do so," Shamsa Noor Ali Rashif, Forsa's CEO, said this year. Forsa is not alone in wanting to capitalise on another lucrative aspect of women's finances: the vast pool of capital that often comes through inherited wealth.

While some women entrepreneurs struggle to finance their businesses, others do not know what to do with their vast wealth.

Qatar's Sheikha Hanadi Al Thani spotted that potential early on, setting up an investment company in 1998 to provide women with investment tools and to channel their investments into the local market.

"The wealth held by women is staggering, it's a massive liquidity," she says. "But the way women invest is different – they're more long-term, more conservative, and they like seeing what they're investing in, such as real estate."

Ironically perhaps, her company's investment advice also attracted men, and her business has since been re-branded as a fully-fledged investment bank.

"To our surprise, 50 per cent of our clients were men – women would bring a brother or father along . . . and the men would say 'I want to invest too,'" she says.

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