

BANKING ON WOMEN

CHANGING THE FACE OF THE GLOBAL ECONOMY



AT A GLANCE

- Women entrepreneurs are changing the face of the global economy, helping to sustain job creation and economic growth. It is estimated that women-owned entities represent over 30% of registered businesses worldwide. Yet on average about 10% of women entrepreneurs have access to the capital needed to grow their businesses.
- Women have impact on sustainable economic growth, for instance although women comprise 50% of the population in Sub Saharan Africa they produce more than 80% of the food for the continent. Less than 12% of agribusiness investments are directed at women smallholder farmers.
- According to the Harvard Business Review, women control about \$20 trillion global consumer spending and earn about \$18 trillion extending their circle of economic influence.
- Yet, unfavorable business and regulatory environments are among the barriers that still impede women entrepreneurs from accessing finance. According to an IFC-McKinsey study this has resulted in a credit gap of approximately \$320 billion.
- The fact that many emerging markets financial institutions have yet to develop a sustainable strategy to address this significant market gap represents a missed opportunity and constrains private sector development.
- IFC's Banking on Women program is playing a catalyzing role for partners and financial institutions to help them to profitably and sustainably serve women-owned businesses.

WHAT IFC IS DOING

- IFC's Banking on Women strategy focuses on regions and countries that have strong, enabling ecosystems for SMEs, coupled with large numbers of women entrepreneurs.
- IFC is targeting global, regional and local financial institutions with SME lending track records as partners. We are seeking to increase access to finance for women entrepreneurs by leveraging IFC's extensive global network of financial institutions.
- IFC uses its investment capital to help financial institutions profitably expand their portfolios and to help women entrepreneurs access finance and strengthen their businesses.
- IFC is also targeting the value chains of local, regional and global corporates. Working with corporates that share our objective to strengthen and broaden access to finance, training and markets for women business owners, is an important goal.
- IFC is exploring non-traditional models for increasing the reach to women entrepreneurs through community banks, cooperatives, chambers of commerce and regulators.
- IFC also offers advisory services to financial institutions to deepen their ability to reach women-owned businesses through: strategic planning, market positioning/segmentation, product repositioning and staff training.
- IFC reaches out to women entrepreneurs with customized training in business planning, management, financial literacy and de-mystifying banks/credit application processes. IFC also facilitates networking and mentoring sessions for market expansion and business growth.

RESULTS

Since the launch of the Banking on Women program in late 2010, IFC has invested, mobilized investment and provided expertise to over 50 financial institutions in 34 countries with a cumulative committed portfolio of \$1.35 billion (53% for IFC's own account and 47% mobilized from other investors) to catalyze financial services to women-owned SMEs in South Asia, East Asia & Pacific, Sub-Saharan Africa, Eastern Europe and Central Asia, the Middle East and North Africa, and Latin America and the Caribbean.

A selection of some of these Banking on Women investments includes - in Eastern Europe: Abank and Fibabank in Turkey, Garanti Bank in Romania and Bank of Georgia; in East Asia: BTPN in Indonesia, OCB in Vietnam and Aceda in Cambodia; in Africa: Co-operative Bank of Kenya and Access Bank in Nigeria, the latter in partnership with The Coca-Cola Company to extend financing to mostly women-owned distributors in Coca-Cola's value chain; and in Latin America: Banco Itau and Banco Industrial in Brazil and Banco Improsa in Costa Rica. A robust pipeline of new investments is under development and Banking on Women is working to establish new partnerships with financial institutions, corporate service providers, and chambers of commerce and regulators.

In March 2014, IFC and Goldman Sachs *10,000 Women* launched the **Women Entrepreneurs Opportunity Facility** with the objective to increase access to finance to women entrepreneurs and establish an asset class for the women's segment. The Facility is demonstrating the business case around investing in women entrepreneurs and increasing funding available for investments and advisory services to financial institutions which in turn invest in women entrepreneurs. The Facility has made over \$600 million in commitments in 14 countries, and is expected to finance as many as 100,000 women-owned SMEs through IFC's partner banks.

Banco Itau – Brazil

IFC's \$470 million Banking on Women investment in Banco Itau comprised a financial package of a \$400 million A/B loan and a parallel loan from a Japanese DFI of \$70 million. Complementing advisory services will help the bank to develop a specific value proposition for women-owned SMEs including an innovative psychometric credit risk scoring model to improve the bank's lending methodology for SMEs.

Access Bank – Nigeria

IFC's unfunded risk sharing facility to Access Bank supports lending to distributors of Coca Cola's Nigerian bottler, the National Bottling Company, the largest bottler of non-alcoholic beverages in Nigeria. The transaction enabled financing to Coca Cola's value chain in the context of Coca Cola's 5 by 20 Program. The transaction allowed access to working capital as well as term loans for women entrepreneurs to enable business growth.

The Advisory Services component of the transaction aims to enhance the performance of the distribution channels and women distributors. Training modules include financial management, business planning, and inventory planning as well as workforce management skills.

VALUE ADDED BY IFC

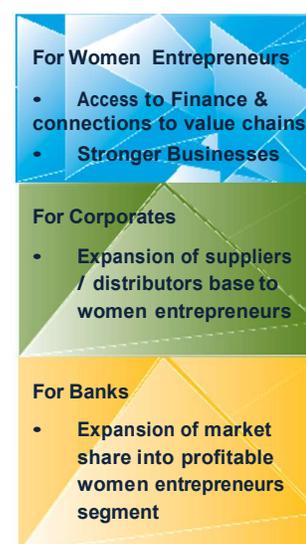
IFC Investment Services



IFC Advisory Services



Results



Contact: www.ifc.org/gender

Banking on Women: Jessica Schnabel | Global Product Head | JSchnabel@ifc.org | +1 (202) 458-7035

Media Contact: John McNally | Communications Officer | JMcNally@ifc.org | +1 (202) 458-0723