

EMPOWERING WOMEN ENTREPRENEURS THROUGH INNOVATIVE TECHNOLOGY SOLUTIONS

How can new technologies help women entrepreneurs access finance and grow their businesses? Women-owned businesses often struggle to access finance due to factors such as limited collateral, lack of credit history, mobility and time constraints, and lack of financial literacy. Technology innovations can help them overcome these challenges by providing digital platforms for collecting alternative data to enhance credit scoring, and for making financial services more accessible and affordable. In this issue of the gWFX Dispatch, we explore fintech solutions in Southeast Asia and share case studies from groundbreaking pilots in Nepal and Pakistan.

HARNESSING FINTECH FOR WOMEN ENTREPRENEURS IN SOUTHEAST ASIA

By Akhil Hemrajani, gWFX Fintech Expert

Women-owned and led micro, small, and medium enterprises (WMSMEs) play a critical role in Southeast Asia's economic landscape, contributing significantly to employment and gross domestic product (GDP). In Indonesia, MSMEs contribute 61% to the national GDP and employ 97% of the workforce, yet they receive only 20.4% of total business loans. Similarly, in the Philippines, MSMEs account for 35.7% of GDP but receive a mere 4.9% of business loans, far below the 10% mandated by law. Viet Nam's MSMEs represent 70% of GDP and 80% of employment but face a daunting \$21 billion credit gap. While most MSMEs face challenges accessing finance, WMSMEs are the most underserved segment due to sociocultural and institutional barriers. Financial technology (fintech) innovations are stepping in to bridge this gap by providing alternative credit assessment models, artificial intelligence (AI)-driven risk evaluation, and embedded finance solutions tailored for WMSMEs. The ADB publication [Leveraging Fintech for Women Entrepreneurs in Indonesia, the Philippines and Viet Nam](#) explores the business models utilized by fintech companies to enhance financial access for women-owned businesses.

Peer-to-peer (P2P) lending platforms such as [Amartha](#), which have facilitated over 30 million borrower accounts in Indonesia, enable collateral-free loans by matching individual or institutional investors with MSMEs. Digital wallets, popular in the Philippines, boast 76 million registered users—over 50% of whom are women. These platforms integrate microloan services, allowing MSMEs, including women entrepreneurs, to access short-term credit for working capital. Digital banks, such as [GoTyme](#) and [Maya Bank](#), operating entirely online, leverage alternative data from mobile phone usage, social media, and e-commerce transactions to assess creditworthiness without relying entirely on traditional credit scores. Moreover, embedded finance models provide business inventory focused “Buy Now, Pay Later” (BNPL) options, helping micro-merchants in Indonesia manage inventory and improve cash flow without immediate payment obligations. These digital financial solutions are crucial for WMSMEs operating in low-margin sectors like retail and food services, where traditional financing options are scarce or too costly.

The technological backbone of fintech lending involves advanced data analytics, cloud computing, and machine learning algorithms. AI-powered credit scoring systems use data from telecom providers, utility bills, and online purchases to evaluate loan applicants, enhancing access for women entrepreneurs. For instance, alternative credit scores have enabled a 40% repeat loan approval rate among



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women borrowers in Viet Nam, fostering sustained business growth. Cloud computing reduces operational costs, allowing fintech startups to scale rapidly and offer competitive interest rates. Digital lending platforms streamline the entire loan process—from application to disbursement—through mobile apps, enhancing convenience and reducing transaction costs.

Despite these advancements, several barriers remain for WMSMEs. Digital and financial literacy levels are relatively low among women entrepreneurs, limiting their adoption of fintech solutions. Regulatory frameworks across Indonesia, the Philippines, and Viet Nam vary, with some countries lacking clear guidelines on digital lending and alternative credit scoring. Globally, [only 21% of women use fintech services compared to 29% of men](#). The rise of fintech also introduces challenges, including data privacy concerns, cybersecurity risks, and regulatory uncertainties, particularly in P2P lending. It can be challenging for fintechs to earn the trust and confidence of users. Addressing these issues requires a multifaceted approach. Expanding financial literacy programs can empower women to leverage fintech effectively. Governments and regulatory bodies need to establish clear, supportive frameworks for digital financial services, ensuring consumer protection and fostering innovation. To expand access to women entrepreneurs and create process efficiencies, traditional financial institutions are increasingly collaborating with fintechs by providing access to their balance sheets and allowing fintechs to utilize their proprietary models to score potential borrowers.

The global fintech sector is expected to generate [\\$1.5 trillion in annual revenue by 2030, with Asia and the Pacific contributing 42% of this growth](#). Fintech can help narrow the finance gap in Southeast Asia, empowering WMSMEs. Collective efforts from governments, financial institutions, and fintech innovators are crucial for building an inclusive financial ecosystem. As fintech advances, it will enhance economic opportunities for women entrepreneurs, providing essential tools for thriving in the digital economy and fostering sustainable growth in the region.



TECHNOLOGY SOLUTIONS FOR BRIDGING THE WSME FINANCING GAP

By Swee Siong Lee, gWFX
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Women-led small and medium enterprises (WSMEs) form a vital part of developing economies, yet they face a staggering \$1.7 trillion [financing gap](#) globally. Traditional banking systems, with their rigid requirements for credit histories and collateral, often fail to serve these businesses effectively. This gap stems from multiple factors, including limited credit histories and lack of collateral assets.

In response to these challenges, innovative technological solutions are emerging to revolutionize how financial institutions assess and serve WSMEs. These solutions leverage artificial intelligence, blockchain technology, and digital platforms to create more inclusive lending practices. ADB's Women's Finance Exchange (gWFX) team is engaged in two groundbreaking implementations showcasing how technology is transforming WSME financing.

Case Study 1: Global IME Bank and AloI in Nepal

In Nepal, [Global IME Bank](#) (GIBL) has partnered with AloI to develop a sophisticated digital lending platform that combines blockchain technology with alternative credit scoring. Their pilot program specifically focuses on using psychometric testing through a voice-based interface to gather alternative data on loan applicants' behavioral profiles. This data is then integrated into the bank's credit approval process. Upon approval, loans are issued as loan tokens through the AloI platform, which can be used within an ecosystem of accredited WSMEs and vendors. This structure enables the bank to control fund usage while gathering valuable transactional data for enhanced credit monitoring.

The technical architecture of AloI's platform is built on the Hyperledger Fabric Network, a private and permissioned blockchain system. This foundation enables the creation of immutable credit histories while maintaining data privacy. When a loan is approved, it's tokenized on the blockchain, creating a secure and transparent record.

The platform's success is evident in its numbers and programs implemented with banks in Nepal, monitoring over US\$900,000 in loans while maintaining remarkably low default rates below 0.8%. This achievement demonstrates how technology can effectively bridge the gap between traditional banking requirements and the reality of women-led businesses in developing markets.

Case Study 2: BankIslami Pakistan and Aawaz AI in Pakistan

Women-led small and medium enterprises (WSMEs) in Pakistan often struggle to access formal credit due to the lack of audited financials or structured management accounts. While most financial technology solutions focus on small-ticket loans, Aawaz AI's IntelliCredit system enables banks to extend medium to large-sized loans by leveraging alternative data pipelines. This approach allows WSMEs to build credit histories within established financial institutions rather than relying on informal or alternative lending platforms.

In partnership with [BankIslami Pakistan](#) (BIPL), Aawaz AI has introduced a hybrid credit assessment model that enhances traditional lending frameworks. By analyzing over 1,100 data points from unstructured banking data and psychometric assessments, the system generates a comprehensive, 360-degree borrower profile that goes beyond conventional credit scores. This data-driven approach strengthens financial institutions' ability to assess creditworthiness, enabling them to better support women entrepreneurs and drive sustainable business.

The technology solutions highlighted in the case studies were identified through Technology Innovation Challenges which ADB held in partnership with GIBL and BIPL respectively, where specific problem statements faced by WSMEs were clearly defined, and fintech companies were invited to propose solutions to address these problem statements.

The outlook is bright

These technological solutions represent more than just alternative lending platforms; they're catalysts for transformation. By incorporating alternative data sources and advanced analytics, these systems help financial institutions better understand and serve the WSME market segment. The success of these initiatives demonstrates how technology can effectively bridge the gap in financial access while maintaining sound lending practices.

As these technologies continue to evolve, their impact on financial inclusion is expected to grow. However, the sustained success of these solutions depends on continued collaboration between technology providers, financial institutions, and policymakers to ensure these innovative tools reach the women entrepreneurs who need them most.

HOW TECHNOLOGY ENABLES SEX-DISAGGREGATED DATA COLLECTION AND ANALYSIS IN THE FINANCIAL SECTOR

Sex-disaggregated data—data collected separately for males and females—drives the business case for, and is essential in, targeting the women’s market, a globally recognized profitable yet untapped business segment for financial service providers. Combined with market research, insights about male and female portfolios can help build customer-centric business strategies and enhance the financial institution’s value proposition to its target segments ([gWFX/ADB, 2023](#)).

Technology plays a crucial role in enabling financial service providers to collect and analyze sex-disaggregated data effectively. By enhancing data collection capabilities, facilitating real-time analysis, and informing inclusive product development, technology helps financial institutions better understand and serve women.

In recent years, by utilizing artificial intelligence (AI) and machine learning algorithms, providers have been able to analyze large customer data sets, enabling targeted product development. For example, the use of AI has been pivotal in Standard Chartered’s quest to segment its existing women owned and led small and medium-sized enterprise (WSME) clients around the world.

The Standard Chartered SocialAI Model

In 2022, Standard Chartered launched the Women’s International Network (SC WIN) to elevate women entrepreneurs as clients and strengthen its offerings for them globally. However, the bank quickly recognized that it lacked the ability to identify women entrepreneurs within its client base, limiting its ability to understand and address their needs.

To address this challenge, as a first step, Standard Chartered introduced an optional field during the onboarding process for new clients, allowing enterprise owners to identify whether they are men or women, while respecting client privacy and preferences. Roughly 25% of new clients voluntarily disclosed this data. With these parameters in place, Standard Chartered leveraged fully public, open-source technology to develop a SocialAI model that uses an algorithm to predict and tag whether business owners are men or women with over 90% accuracy by using the first name, country-adapted, and public and internal datasets, without the collection of private personal data. This has allowed the bank to determine if a company was likely women-owned (following its definition) and then identify the WSME part of its lending book. As a result, the bank was able to sex-disaggregate lending behavior and understand unique characteristics and performance of its women-owned business customers. To ensure that all data is handled with care and in compliance with data protection regulations, strict guidelines were put in place internally regulating who can view this data.

Standard Chartered designed its SocialAI model to be highly customizable, so that other financial institutions can replicate or adapt it to their own needs and datasets; it will be made publicly available as part of its commitments as a [WE Finance Code](#) signatory.

Read the Standard Chartered SocialAI case study

For additional resources on SDD collection and use, gWFX members can access the [Sex-disaggregated Data Management Toolkit for Financial Institutions](#).

Note: The information shared in this article is based on the Standard Chartered case study above and the We-Fi webinar “AI for Advancing Women’s Data and Financial Services: Insights from Standard Chartered’s SocialAI Model” held on 22 January.

NEW BLOG: 3 LESSONS FROM CROWDSOURCING DIGITAL SOLUTIONS FOR IMPROVING MSMES’ ACCESS TO FINANCE

Crowdsourcing through platforms such as ADB Challenges can be an effective way to address pain points that limit MSMEs, including women-led businesses, from obtaining financing. In this DevAsia insight article, gWFX and ADB’s IT Department share lessons learned from Fintech Innovation Challenges held in Pakistan, Nepal and Thailand to find and develop innovative technology solutions discussed [above](#).
[Read more](#)

ADB, MFL CELEBRATE LAUNCH OF WOMEN’S SME LOAN PRODUCT IN FIJI

On 13 February, Merchant Finance Limited (MFL) launched an innovative loan product to boost access to finance for women-owned and led small and medium-sized enterprises (SMEs) in Fiji with ADB support. ADB Fiji Country Director Aaron Batten provided a keynote speech at the event highlighting the partnership with MFL, which was cemented through a loan agreement in December 2024. The new loan product is tailored for women entrepreneurs in Fiji and is backed by a dedicated department at MFL for women’s SMEs.
[Read the press coverage here](#).

ADB SHIREEN LATEEF AWARDS: FIJI MFL PROJECT AWARDED BEST PROJECT DESIGN

On 4 March, the *Fiji: MFL Increasing Access to Finance for Small and Medium-Sized Enterprises, Including Women-Owned SMEs Project* was awarded best project design at the Shireen Lateef Awards at ADB Headquarters in Manila. The project was recognized for pioneering ADB’s first finance sector transaction in Fiji, addressing the credit gap for women-owned and led SMEs, and innovatively leveraging We-Fi grants in the Pacific.

What’s Happening at gWFX

WEBINAR: TAPPING INTO FINTECH AND AI SOLUTIONS TO BETTER SERVE SMEs

On 20 February, gWFX held a knowledge sharing session featuring the fintech company [Planto](#), the winner of the recent [AI for SMEs Challenge](#) held in partnership with ADB’s IT Department and the [High-Level Technology Fund](#). The challenge explored how financial institutions can leverage technology solutions to successfully enable small businesses to access finance more easily. Planto delivers AI-powered financial insights and cashflow analysis for SMEs to enhance credit assessment and support financial management and education. Members can access the [webinar recording here](#).

WE FINANCE CODE ASIA PACIFIC PEER LEARNING WORKSHOP 25-27 MARCH 2025 | TOKYO, JAPAN

ADB, the ADB Institute, and the Islamic Development Bank are hosting a peer learning workshop in Tokyo, Japan to bring together key stakeholders and share knowledge and experiences across countries to support the implementation of the Women Entrepreneurs Finance Code (WE Finance Code or the Code). ADB is piloting the Code in three countries: Fiji, Indonesia, and Sri Lanka. The workshop is focused on enhancing institutional capacity among WE Finance Code implementing partners regarding sex-disaggregated data collection, aggregation, analysis, digital solutions and best practices. Participants include regulators, financial institution signatories to the Code, data aggregators and banking associations.



LINKS TO RESOURCES

ADB Challenges website

Leveraging Fintech for Women Entrepreneurs in Indonesia, the Philippines and Viet Nam. ADB. 2024.

MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. International Finance Corporation. 2017.

Global Fintech 2023: Reimagining the Future of Finance. Boston Consulting Group. 2023.

Standard Chartered SocialAI case study

Sex-disaggregated Data Management Toolkit for Financial Institutions.

WE Finance Code website

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Photo of Ved Kumari Acharya, a vegetable shopkeeper from Tato Pani, Nepal.

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Female staff at BRT - Trans Peshawar office, a bus rapid transit system in Peshawar, Pakistan.

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A store owner in Burdibang, Nepal.

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