

For Immediate Release
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Citi, DFC and JICA Announce \$70 Million in Financing to Support Women-Owned Small Businesses in Mexico



Today, Citi, the U.S. International Development Finance Corporation (DFC) and the Japan International Cooperation Agency (JICA), in partnership, introduced loan agreements with Mexico's largest microfinance institution, Banco Compartamos S.A. Institución de Banca Múltiple (Banco Compartamos), to provide \$70 million in loans to primarily women-owned small businesses in the country.

This agreement enables Banco Compartamos to continue lending to small businesses during the COVID-19 pandemic, with a portion of the loans dedicated to the less developed regions of the country, including Chiapas, Oaxaca, Guerrero and Puebla. In total, this collaboration will reach more than 135,000 small businesses, of which approximately 90% are expected to be women-owned.

The World Bank estimates that in Mexico only 37% - about one third - of individuals over 15 years old have a bank account and only one fifth of low-income people have accounts. Further, there are nearly four million small businesses that represent 47% of Mexico's private sector-employment but the formal finance gap is \$164 billion (14% of national GDP). The ongoing COVID-19 global health and economic crisis has exacerbated income volatility in the country; therefore access to finance is essential to stability for small businesses and the communities they serve.

This new collaborative agreement establishes \$50 million in financing from JICA and \$20 million lent by Citi's subsidiary in Mexico, Citibanamex, under the Global Inclusive Finance Framework risk-sharing partnership with DFC, to Banco Compartamos. The agreement complements the Memorandum of Cooperation signed in September 2018 between DFC, as successor to the Overseas Private Investment Corporation, and JICA and is the first microfinance support project in Latin America for JICA's Private Sector Investment Finance.

"Citi is committed to expanding financial inclusion in Mexico and creating an ecosystem that enables institutions like Compartamos to increase their scale," said Manuel Romo, CEO of Citibanamex. "As the COVID-19 pandemic continues to create income volatility across the country, it is essential to support sustainable and inclusive financial services to help small businesses and families across Mexico recover economically."

"DFC is pleased to join Citi and JICA to support Banco Compartamos, especially given their record of investing in women entrepreneurs in Mexico," said Algene Sajery, Vice President of DFC's Office of External Affairs and lead for Gender Equity Investments. "This investment will further expand access to financing for micro-

entrepreneurs and small-business owners – especially women – who need to grow their business, create jobs and help their communities thrive.”

“One of JICA’s mission is financial inclusion,” said Keiichiro Nakazawa, JICA Senior Vice President. “Its core is to ensure everyone the opportunity to live in dignity, and JICA has financed Banco Compartamos in pursuit of such mission. We strongly believe that this joint initiative with Citi and DFC will help inclusive and continuous growth of small businesses especially in low-income states of Mexico.”

Banco Compartamos is the main subsidiary of Gentera. Enrique Majos, GENTERA’s CEO declared: “This loan strengthens our funding alternatives in order to continue attending million of women and their financial needs with a human perspective, contributing to reactivate Mexico’s economy through their small businesses”.

Banco Compartamos was founded in 1990 to provide financial services to low-income and underbanked segments. Today, it is the largest microfinance institution in Mexico, providing over \$1 billion of loans to 2.17 million small businesses. Currently, 90% of its clients are women.

This investment advances DFC’s [Women’s 2X Initiative](#), which has committed more than \$7 billion of investment in projects that empower women in developing countries. It also qualifies for the 2X Challenge, an initiative of the G7 countries to support women’s economic empowerment. Further, the agreement and financing contribute to progress on several Sustainable Development Goals (SDGs) including Goal 1, which aims to eliminate poverty, Goal 5, which aims to increase gender equality and Goal 8, in support of expanding decent work and economic growth.

Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

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U.S. International Development Finance Corporation (DFC)

U.S. International Development Finance Corporation is America’s development bank. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. We invest across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

Japan International Cooperation Agency JICA

Japan International Cooperation Agency (JICA), an incorporated administrative agency in charge of administering Japan's ODA, is one of the world's largest bilateral aid agencies supporting socioeconomic development in developing countries in different regions of the world. We finance a broad range of companies in the private sector, including microfinance institutions, all over the world.

About Compartamos Banco

Compartamos Banco is a financial institution with more than 30 years of experience that offers loans, insurance, savings and payment channels. It is a Genera company, an entrepreneurial group that works for the financial inclusion of the underserved segment.