

 Early Warning System

FMO-62377

Banco Mundo Mujer S.A.



Quick Facts

Countries	Colombia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Borrower	Banco Mundo Mujer ("BMM")
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million
Loan Amount (USD)	\$ 30.00 million



Project Description

WHO IS OUR CUSTOMER

Banco Mundo Mujer ("BMM") is the #1 microfinance institution in Colombia by loan portfolio and number of borrowers (according to Asomicrofinanzas data as of March 2023), operating as a bank since 2014 but with a lending experience spanning 38 years under the non-profit Fundacion Mundo Mujer ("FMM"), its main shareholder. With Total Assets of ~USD 600mln and a loan book of ~USD 490mln, BMM serves 695,000 clients in most regions of Colombia, predominantly the lower income population and female microentrepreneurs. Its lines of business include lending, savings products and microinsurance. The loan portfolio is concentrated in microcredit 75%, commercial 15% (small enterprises) and consumer 10%, with an average of 57% female borrowers.

WHAT IS OUR FUNDING OBJECTIVE?

FMO will provide a bilateral USD 50mln (USD 30mln committed and USD 20mln uncommitted) 3-yr senior unsecured loan to BMM in non-deliverable COP in combination with a hedging solution. FMO's financing will allow BMM to support MSMEs and female microentrepreneurs.

WHY DO WE FUND THIS INVESTMENT?

FMO's funding will ultimately increase the access to finance for microentrepreneurs in Colombia, particularly groups such as women borrowers and rural microentrepreneurs not served by the traditional banking sector.

WHAT IS THE ENVIRONMENTAL AND SOCIAL CATEGORIZATION RATIONALE?

E&S category C, based on the loan portfolio composition being mainly microfinance loans, loans to small enterprises and consumer finance. Exposure to high-risk sectors is limited to none. BMM has an environmental and social risk management system (ESMS) in place since November 2021. The ESMS is currently implemented only for the Agri loan product and loans provided to borrowers with activities related to the mining sector.



Investment Description

- Netherlands Development Finance Company (FMO)



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Banco Mundo Mujer S.A.	Client	Finance



Contact Information

No contacts available at the time of disclosure

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>