BHD

FINANCIAL ALLIANCE FOR WOMEN

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# Banco BHD's WMSME Data Journey: Building the Foundation for a Leading Women's Markets Program

The women-in-business segment represents an immense economic opportunity across Latin America and the Caribbean. In the Dominican Republic, women entrepreneurs account for 44 percent of Micro and Small-to-Medium Enterprises (MSMEs) but are seven times less likely to scale their business, due to a range of barriers including limited access to finance and business development services.[1] It's estimated that $3 to 7 billion in value would be added to the GDP over the next ten years if women-led businesses scaled at the same rate as men's.

Banco BHD, a leading financial institution in the Dominican Republic, understood that tapping into this under-served market could realize significant business impact. It's leadership also recognized that to properly serve the segment, they needed to identify women-owned businesses in the client base and gain deeper insight into the entrepreneurs behind the businesses served by the bank.

Thus, a strong focus on sex-disaggregated data (SDD) collection and use was embedded in Banco BHD's women-centered strategy from the beginning. The effort has enabled the bank to build a data-based strategy and suite of tailored solutions—a combination of credit, savings, and insurance offerings and non-financial services such as training, knowledge, and networking—that continues to offer strong value for women and the company—producing an internal rate of return (IRR) of 35 percent within just one year.

BHD's industry leadership in serving Women's Markets reached new heights in 2023 when it became a founding signatory of the Women Entrepreneurs Finance Code (WE Finance Code) in the Dominican Republic; the first country outside of the United Kingdom to launch a Code of this kind outside.

[1] Source: McKinsey Consumer Survey (Entrepreneur sample), October 2024, World Bank, Fondo Micro, National Surveys, IADB

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This case study shares the sex-disaggregated data journey of Banco BHD, from the 2015 inception of its Mujer Mujer Women's Markets program to today, as the bank prepares for its first year of reporting to the WE Finance Code. With a specific focus on disaggregating and segmenting data on women Micro, Small, and Medium businesses (WMSMEs), the journey is told in six steps:

1. Assess Needs & Set Definitions
2. Plan for WMSME Data Collection
3. Update Systems
4. Capture Data
5. Analyze & Use Data
6. Report on the WE Finance Code

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# Introduction

In 2012, Banco BHD took a bold step—one that few others in the Dominican Republic had taken before: launching a financial product specifically designed to meet the needs of women customers. Rather than approaching the initiative as merely a nice-to-have, corporate social responsibility effort the bank saw it as a financially strategic move, aimed at accessing the vast and as-yet untapped potential of Women's Markets. The Tarjeta Mujer credit card proved hugely successful, with a strong return on investment: In the first 12 months after launch, BHD saw a 40 percent acceptance rate, compared with 12-16 percent for other cards. Customers also spent three times more on Tarjeta Mujer compared with other cards.[2]

Building on the success of the Tarjeta Mujer, the bank developed a comprehensive value proposition for women, identifying life moments in women's lives that they wanted to solve for—education, health, housing, transport, and supporting women to start and grow a business. Called Mujer Mujer, the women-centered program launched in 2015.

The bank's business results validate the approach. From the introduction of its Mujer Mujer women-centered program in 2015 through 2023, BHD achieved:

**23%** compound annualized growth rate (CAGR) in commercial lending to women, compared with 18 percent for men.

**2.5x** higher cross-sell among women clients (3.5 products per women client on average in 2023 vs. 1.3 in 2015)

**20%** higher sales for women participating in the Women in Business program.

In 2023, BHD further solidified its reputation as a Women's Markets champion when it collaborated with the Asociación de Bancos Múltiples de la República Dominicana (ABA), IDB Invest, and other stakeholders to support the launch of the first Women Entrepreneurs Finance Code (WE Finance Code) in Latin America.

## Banco BHD's Holistic Value Proposition for Women Entrepreneurs

### Non-Financial Services

- Based on business stage, growth, and maturity
- Training, information, and networking

### Financial Products

- Saving programs
- Special funds for loans
- Credit card for women
- Insurance (health, education, vehical)

### Corporate Social Responsibility

- "Women Who Change The World" awards
- Support to finalists and winners
- Cancer prevention
- Gender violence awareness and support programs

## What is the WE Finance Code?

The Women Entrepreneurs Finance Code (WE Finance Code) is designed to expand the amount of financing available to WMSMEs by addressing the data gaps that inhibit access to finance for women-led businesses. Now rolling out in more than 30 countries, the Code will increase the number of financial institutions around the world that are disclosing their level of funding to WMSMEs. It will also create incentives, transparency, and accountability to close the gap. By increasing women's access to finance, the Code will contribute to the economic empowerment and resilience of women around the world in a systematic and high-impact way.

The core of the Code is a simple, voluntary pledge by financial service providers to endorse the goal of closing the finance gaps facing WMSMEs and commit to taking action in three areas:

- ✓ Leadership: Designate a senior leader to champion the organizations' efforts to support WMSMEs.
- ✓ Data: Monitor and report annually on financing provided to WMSMEs.
- ✓ Activities: Expand and introduce new measures to support and finance WMSMEs.

For more information, we-fi.org/we-finance-code/



[2] Financial Alliance for Women. "Banco BHD León: Gender-Intelligent Business Model Propels Strong Business Market Growth." Case study.

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# 1 Assessing needs and setting definitions

## Beginning the journey

Throughout the development of its Mujer Mujer women-centered proposition, Banco BHD prioritized the three core pillars of the WE Finance Code—leadership, data, and action.

When BHD began building its Mujer Mujer women's proposition in 2014, the bank determined that sex-disaggregated data (SDD) collection was a must-have, and that successfully introducing a Women's Markets strategy would require some significant changes. The bank recognized that senior leaders would need to take active roles in prioritizing the initiative and the organization-wide changes required. To ensure swift implementation of the Mujer Mujer proposition, the bank set up a cross-functional steering committee of senior managers to oversee the project. Led by the CEO, the committee included representatives from the bank's Marketing, Customer Experience, Segments, Insurance Banking, Public Relations, Human Resources, SMEs, and Credit Cards departments. The committee met monthly during the design and implementation stages to address issues and monitor progress, with a standing meeting that continues today.

## Identifying gaps in available data

From the outset, the committee determined that the bank would sex-disaggregate data on two main segments: individual customers and SME owners. Identifying women among individual customers was relatively simple because their sex could be identified through the national ID card. But when it came to identifying women's businesses, they faced two major challenges.

The first challenge was to identify the women-owned businesses in the bank's business loan portfolio. The sex of the business account holder was available. But the bank did not yet collect documentation to identify the main shareholders or business owners and their stake in the business. To resolve this, BHD could request copies of business deeds or tax forms from business clients, which would disclose such information.

The second challenge was to identify women-owned businesses outside the commercial client base. In examining the account behavior of its retail customer base, the bank began to suspect that many individual account holders were using their personal accounts for business purposes. This is not uncommon; informal businesses, along with many sole proprietors and very small enterprises (VSEs) often use their personal accounts for business purposes. This can result in result in banks under-counting the number of WMSMEs they serve, with many "hidden" within retail portfolios. Banco BHD sought to address this challenge early on its data journey, by building an algorithm that would uncover these hidden business owners within their retail portfolio and arranging for branch staff to reach out to these customers to validate the findings.

## Determining how to update data systems

After identifying the additional data needed, the next step was to create a data flow to map out how the data would be requested and uploaded to the central data store. An initial effort here involved identifying a better way to ensure completion of existing data fields, to reduce the number of fields left blank.

The steering committee also realized that in some cases, they might already have the data to tag a business account as "women-led," but it might not be entered into the central data system. To enable SDD reporting, the bank would have to integrate these data inputs into the IT system. Before doing so, however, the committee would need to define what constituted a woman business.

> "At the end of the day, when you have the data, it's easy to make a business case. And once you make a business case, the entire thing becomes sustainable."
>
> **– Steven Puig**
> CEO, Banco BHD

## Setting definitions

In a country where 85 percent of all businesses operate informally, the fact that the majority of BHD's business portfolio was made up of mostly informal microenterprises was not surprising. But it did mean that the bank could not use typical criteria, such as women's roles in management—C-suite leadership—or governance—women's representation on boards—in their definition, since such information would not be available.

Instead, the committee agreed on a simple definition: A woman-owned business is one in which a woman, or women, own 51 percent of more of the business.

With the definition set, individual branches turned to their relationship managers (RMs) to manually collect gender information on their business clients and upload it to the central data store.

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# 2 Planning for WSME data collection

## Selecting the data indicators

When BHD started the Mujer Mujer program, its leadership set an ambitious goal: At a minimum, every woman client would hold a Women's Markets credit card and a savings or checking account, along with another product, such as insurance or programmed savings.

To measure progress against the goal, the Mujer Mujer committee identified a clear set of key performance indicators (KPIs) for the sales force. These KPIs would track value drivers for the program across three areas: loan income, cross-selling, and loyalty and retention. See box 1 for specifics.

### Box 1. Tracking progress: Mujer Mujer KPIs

| Loan income | Cross-selling | Loyalty/ retention |
|---|---|---|
| % clients with consumer loans | % clients with insurance | Level of satisfaction |
| % clients with commercial loans | % clients with credit card | Attrition |
| Volume per product | | |
| Financial contribution | | |

To enable reporting on all the indicators, the committee identified gaps in the bank's existing data, as well as the steps needed to gather what was missing.

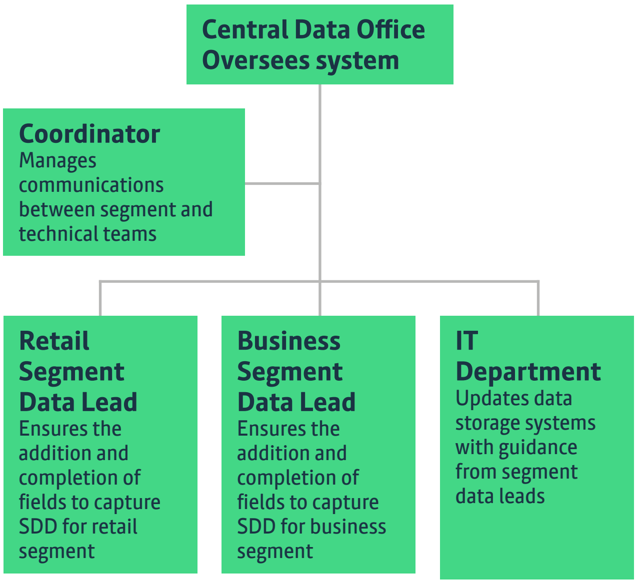

"Define clear objectives from the beginning — understand which indicators will be needed or requested. There is a huge volume of data; one indicator can be provided using different elements of the data collected. Make sure you have the right inputs to get the indicators with minimum transformation processes."

**– Elizabeth Rojas, 2nd Vice President**
Business Strategy for Women

## Engaging internal stakeholders

Senior leaders' ongoing commitment and involvement has played a critical role in the success of BHD's SDD journey. The participation of senior leaders on the steering committee, representing all of the bank's main departments, has helped drive continued focus and progress.

To address specific data needs and ensure the consistent capture and storage of key information, the steering committee set up a data governance structure, identifying data domains along with clear lines of accountability:




This structure also ensures the integration of SDD collection into the bank's overall data strategy instead of being sidelined a separate initiative.

# 3 Updating systems and processes

## Integrating WMSME flags in data systems

Banco BHD implemented a simple, yet layered approach to integrating gender flags into its systems, enabling the efficient and accurate collection of SDD.  Rather than relying solely on manual data entry, the bank set up processes to access available data on customers and business ownership. Among the steps taken:

- Adding a client gender field to all onboarding forms.
- Synchronizing with Junta Central Electoral, the national voter identification database, to automatically find and verify customer sex information (beginning in 2022).
- Gathering business ownership information from company deeds provided by MSME customers at onboarding or in their loan applications.

The bank also put in place processes to ensure thorough and high-quality data, including making completion of the gender field mandatory for internal systems. If RMs or branch staff leave this field blank on a form, the system will not allow them to finish filling it out. In addition, the bank uses tax identification numbers (the Registro Nacional de Contribuyents, or RNC) to verify business ownership information through the Ministry of Industry and Trade database.

## Embedding WSME data in workforce procedures

Policies and procedures only go so far if employees do not carry them out. Ensuring that sales teams had the skills and motivation to implement the new SDD collection processes would be critical to success. The steering committee placed a strong focus on gaining team buy-in and building support and understanding. They took a strategic, multi-pronged approach that included internal communications campaigns, sales force training, clear accountability mechanisms, and incentives. (See box 2.)

### Box 2. Gaining sales force buy-in on SDD: BHD's strategic approach

**Internal communications**
- Promoting gender strategy
- Highlighting importance of Women's Markets for bank performance
- Reinforcing value and priority with senior leadership messaging

**Sales force training**
- Collecting customer data
- Understanding WMSME needs
- Offering solutions and demonstrating BHD value proposition for female clients

**Accountability mechanisms**
- Holding segment data leads accountable for implementing changes and mainstreaming SDD collection
- Reporting directly to senior leadership

**Incentives**
- Introducing segment-and product-specific cross-selling incentives for sales teams

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# 4 Building the Baseline and Tracking Progress

## Building the Baseline

For any WMSME data initiative, establishing a baseline is essential to identify gaps and opportunities, set targets, and track progress. BHD took separate approaches to baseline building, broken down by the two main categories of businesses it serves: informal/ micro businesses and formal businesses.

- **For formal businesses**: The bank captures ownership information during account opening and loan applications, checking against official business registrations.
- **For informal/micro businesses:** As noted above, the bank built an algorithm to identify retail banking accounts with transaction patterns that indicate commercial activity, based on variables such as the volume of transactions, frequency of transactions, and loans with other institutions. Sales and branch staff would then follow up with the account holder to validate and identify the type of business. Although the business owner holding a retail account might not convert to a business account right away, especially if they were not yet formally registered, the process enabled the bank to flag such accounts internally. This gave the bank insight into the types of women entrepreneurs they served and enabled them to provide WMSMEs received targeted information about products and non-financial support tailored to their sub-segment.

The baseline-building exercise thus created additional value for the bank. It helped them uncover a hidden sub-segment of professional women—lawyers, accountants, dentists, hairdressers—who also own businesses. As a result, the bank differentiated itself early on with this large and underserved segment of female entrepreneurs by providing non-financial offerings that boost their knowledge and skills. For example, the "Scale-Up" program teaches women how to separate their personal finances from their business finances, and provides training on leadership and management skills, such as delegation to teams.

## Tracking progress

As the program has evolved, so have the KPIs. Today, KPIs include a number of indicators to measure programmatic success and understand the needs of female entrepreneurs:

- **Share of portfolio**: Share of businesses owned by women versus men or jointly owned.
- **Portfolio quality**: Repayment behavior and financial stability of women-owned businesses.
- **Average loan size**: The average size of a loan provided to women-owned businesses compared to men's.
- **Cross-sell opportunities**: Uptake of non-loan products, such as insurance and cards, by women.
- **Segment growth**: Portfolio growth of women's MSMEs compared to men's.

BHD also built interactive data dashboards to track the KPIs, which are updated quarterly and accessible for managers so they can conduct their own analytics. Spreadsheets automatically track more granular data, enabling sub-segmenting MSMEs by gender, region, business size, sector, and non-loan product, among others.

### Box 3: BHD's Internal dashboards measure loan growth by gender

CAGR % 2015- Dec / 2023 - Dec

| | Men | Women | Women vs Men |
|---|---|---|---|
| Commercial | 18% | 23% | 6% |
| Personal | 12% | 15% | 3% |
| Mortgage | 14% | 18% | 4% |
| Credit card | 9% | 11% | 2% |
| Auto | 12% | 13% | 1% |
| Total credits | 14% | 17% | 3% |

# 5 Analyze and Use Data

The insights from BHD's sex-disaggregated data have directly informed product development and service delivery. The bank uses its strong SDD in a variety of ways, including:

**Designing and cross-selling non-loan products:** The bank continues to evolve its WMSME proposition to meet changing needs, informed by SDD. For instance, after launching its insurance product in 2016, BHD's internal tracking showed strong uptake with female customers: Women with insurance took up to 3.8 products per customer, compared with 1.9 products for women clients with no insurance. As a result, when BHD relaunched an updated version of the Tarjeta Mujer credit card, options included bundling with business insurance.

**Delivering targeted business training programs:** From the outset, the bank placed emphasis on non-financial services as part of the value proposition for women business owners. Based on a data-driven understanding of women entrepreneurs' business lifecycle stages and their needs, BHD developed three levels of training. These programs have reached thousands of women through partnerships with universities across the country, with over 3,000 women participating in 160 workshops in 2024 alone.

- Emprende: For startups, this training covers business development, financial management, talent management, and personal branding.
- Escala: For growth-stage businesses, this training focuses on leadership, managerial skills, and separating personal from business finances.
- Evoluciona: For mature businesses, this training explores export/import strategies, digital transformation, investments, and strategic alliances.

**Sector-specific value propositions:** The data also revealed distinct patterns across economic sectors. The bank used these insights to create benefits and services tailored for women in retail commerce.

> "By disaggregating our portfolio data by sex early on, we realized that when women had an insurance solution, they were more engaged with the bank, and as a result were more loyal. We integrated simple but specialized insurance products across our bundles, which were highly valued by women."
>
> **– Carolina Ureña**
> Vice President of Segments and Products, Banco BHD

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# 6 Reporting to the WE Finance Code

As a founding signatory of the Dominican Republic's WE Finance Code, Banco BHD committed to reporting on the three* core indicators, each disaggregated by sex:

- **Number of business customers (micro and SMEs)**
- **Number and dollar value of outstanding business loans (micro and SMEs)**
- **Percent non-performing loans (micro and SMEs)**

To facilitate reporting on the Code indicators to ABA, the national aggregator, the bank has undertaken several actions, outlined here.

*The national aggregator (ABA) and coordinator are currently working with the local regulatory authorities and signatories financial institutions to facilitate reporting on the two remaining core WE Finance Code indicators in future years:

- Number and dollar value of business loan applications and approvals (micro and SMEs)
- Number business depositors and dollar value of business deposits (Micro and SMEs)

## Setting up Code-specific roles and responsibities

To prepare for its first year of reporting to the Dominican Republic's WE Finance Code, Banco BHD established an oversight committee, with clearly defined roles and responsibilities:

- Head of Women's Markets: Champions the Code initiative within the bank.
- IT Director: Leads the data initiatives with comprehensive knowledge of systems and processes, serving as a strong internal advocate.
- Head of Business Intelligence: Supports the IT Director in implementing necessary changes.
- Specialized cross-departmental team: Oversees cybersecurity, playing a crucial role in optimizing data flows and validating system connections to ensure integrity and compliance.

## Aligning on a national WMSME definition

Following the official 2023 launch of the Dominican Republic's WE Finance Code at the Financial Alliance for Women annual Summit, one of the first steps involved gaining agreement on a common WMSME definition among the 14 financial services providers (FSPs) that had signed on. After establishing the definition, participating FSPs would use this definition in collecting and reporting their sex-disaggregated MSME data.

The definition-setting process began with a survey that the ABA sent out to the signatories, requesting information about the WMSME definitions they were using. After collating the results, ABA presented the findings to a working group of key stakeholders. This group evaluated the options and voted to use the same, simple definition that BHD had settled on:  Women-owned businesses are defined as those in which women own at least 51 percent of the business.

> "Thanks to Banco BHD's Women in Business programs, I strengthened my vision as a business owner and acquired key tools to grow my business. I learned to organize our finances, understand our numbers, and make strategic decisions more clearly."
>
> – **Woman entrepreneur,** bank client

## Identifying additional data needed

To report on the Code indicators, BHD also needed to assess their available SDD to uncover data gaps—as they did when they first began to sex-disaggregate their data with the launch of Mujer Mujer. A team of consultants helped the bank create a checklist to identify the various data inputs needed to inform each indicator. Table 1 shows the checklist created for Indicator 2:

Table 1. **BHD data input checklist for WE Finance Code Indicator 2**

| WE Finance Code Indicator | Data input | Additional data Needed? |
|---|---|---|
| # and $ value of outstanding business loans (micro and SMEs) | Type of ID | No |
| | Customer-unique ID | No |
| | Annual turnover | Yes, for informal businesses |
| | % ownership by women | No |
| | Product | No |
| | $ value of outstanding business loan | No |

## Addressing data gaps for Code reporting

The gaps assessment revealed that BHD has all the inputs needed to report on all indicators for *formal enterprises* within the commercial portfolio—the information is captured and available on existing data repositories. Currently, the bank's IT team is making the technical adjustments needed, including setting up systems and processes to automate reporting on the indicators, using the identified inputs.

One critical input was missing, however: the annual turnover for informal businesses within its retail portfolio. Although the bank had set up processes to internally flag these informal businesses, segmenting them as micro or SME businesses and reporting to the Code was not possible, due to the missing annual turnover information. This was a big gap, given that informal businesses make up 85 percent of the Dominican Republic's SME sector.

BHD is in the process of addressing the issue now. They have engaged their relationship managers as the point people to capture the missing data. In combination with internal transaction data, this will help them segment these customers according to the Code requirements. Completing this missing piece of their WMSME data puzzle will enable the bank to accurately showcase the universe of women-owned businesses served—and gives them greater insight into the composition of their overall MSME portfolio.

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"Mentioning Banco BHD is like recognizing a close ally who has believed in me since I first had a dream of starting a business. Thanks to their support and the drive of the Women in Business program, I have become a confident, motivated entrepreneur, ready to continue growing and achieve ever-greater goals."

– **Woman entrepreneur**, bank client

# Conclusion

Despite its strong financial services sector, many countries in Latin America lag in providing adequate support for women entrepreneurs. Banco BHD's journey demonstrates how a strategic approach to SDD collection can transform a bank's ability to serve this vital segment. The bank has identified several factors that have contributed to the success of their SDD journey to date, and will drive continued progress going forward, as they report to the Code:

**Strong leadership:**
Support from C-Suite is important to establishing buy-in across the organization.

Assigning data leads from within segment and IT teams helps ensure that SDD is fully integrated into existing systems and processes.

**Layered data systems and processes:**
Regular training helps sales staff stay committed to capturing SDD from customers.

Leveraging external sources like tax or voter registration databases improves efficiency and accuracy.

**Action-oriented data analysis:**
Automating data reporting in a monthly scorecard gives managers access to timely insights and sustains momentum.

Regularly reviewing customer segmentation helps the bank to meet women's multifaceted needs as professionals, entrepreneurs, and heads of households.

**LEARN MORE:**
Download the InBrief: Collecting and Using Banking Data on Women Businesses: A How-To Guide for Financial Institutions

Join the WE Finance Code Community of Champions

Special thanks to Banco BHD for lending their expertise to this publication.

## About We-Fi

The Women Entrepreneurs Finance Initiative (We-Fi), housed in the World Bank, is a global partnership that supports women entrepreneurs by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets.

For more information, visit: We-Fi.org
Engage with us: **@WE Finance Code**

## About IDB Invest

IDB Invest is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social, and environmental development in the region. With a portfolio of $21 billion in managed assets and 394 clients in 25 countries, IDB Invest provides innovative financial solutions and advisory services that respond to the needs of its clients in various sectors.

For more information, visit: **idbinvest.org**

## About ABA

The Association of Commercial Banks of the Dominican Republic, Inc. (ABA) is the entity that brings together all commercial banks operating in our country. It was founded in 1979 with the purpose of uniting commercial banks and unifying criteria for the development of the sector and the country.

For more information, visit: **aba.org.do**
Engage with us: **@aba_rd**

## About the Financial Alliance for Women

The Financial Alliance for Women is a leading members' network of 100+ financial organizations dedicated to championing the Female Economy. As peer learning experts, we create sophisticated knowledge-sharing environments, granting our members unparalleled access to best practices and proprietary strategic insights from the most innovative and successful Women's Market Programs globally.

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