

REIMAGINING FINANCIAL INCLUSION WITH AI

Artificial intelligence (AI) is rapidly evolving as a tool for all sectors, including the financial sector. How can AI be harnessed to support financial inclusion and empower women owned and led businesses? This edition of the gWFX Dispatch features guest authors from the Philippines and India, demonstrating how banks and fintech companies are embracing AI tools to assess creditworthiness and expand access to finance for women entrepreneurs in Asia and the Pacific.



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HOW UGRO UTILIZES AI AND MACHINE LEARNING TO EMPOWER WOMEN ENTREPRENEURS AND EXPAND FINANCIAL INCLUSION

By Irem Sayeed, Chief Risk Officer, UGRO Capital

Women entrepreneurs continue to shape India’s micro, small and medium-sized enterprise (MSME) economy, yet their access to formal credit remains disproportionately limited. Insufficient collateral, thin credit files, and limited financial readiness often restrict their borrowing capacity. The most persistent challenge, however, is bias. For medium and large ticket loans, women borrowers are frequently viewed as higher risk—a perception starkly at odds with data from TransUnion CIBIL, which consistently shows women maintain a higher average credit score and lower delinquency rates than male borrowers.

A deep dive into UGRO Capital’s portfolio reveals that women are not just participants but principal drivers of value, accounting for an impressive 73% of our total AUM, which underscores their capacity for and execution of larger, more significant credit partnerships. UGRO is transforming this narrative through deep adoption of AI and machine learning (ML), building a lending ecosystem where data, not perception, drives credit decisions. By integrating advanced ML models into its underwriting engine, UGRO ensures that women entrepreneurs receive fair, transparent, and merit-based evaluation.

Our strategic focus on financial inclusion is demonstrating significant traction in India’s low-income states. Currently, we are actively serving 40,980 borrowers across key states like Bihar, Madhya Pradesh, Jharkhand, Chhattisgarh, and Uttar Pradesh. This represents a substantial 20.24% of our total active borrower base, underscoring our deep commitment to these emerging economies. The concentration of our portfolio in these regions is not just about volume; it highlights a strategic priority to empower economic growth where it is needed most. This footprint establishes a strong foundation for continued expansion and impact in these vital heartland markets.

Machine Learning as the Engine of Bias Free Underwriting

At the heart of UGRO’s underwriting capability is its proprietary ML driven system, powered by GRO Score 3.0, the latest and most sophisticated version of its risk assessment framework. GRO Score 3.0 is built completely on objective financial and behavioural datasets including bank statements, bureau history, goods and services tax (GST) filings, cash flow trends, and sectoral patterns. The model does not factor in gender at any stage and is engineered to remove all forms of human bias.

GRO Score 3.0 is supported by UGRO’s patented underwriting model, which reinforces its leadership in data-based lending. This patent recognizes the unique architecture and methodology UGRO uses to process multi- dimensional datasets and generate highly accurate borrower risk predictions. The model evaluates thousands of variables simultaneously, identifying patterns that traditional underwriting simply cannot detect.

Because decisions are driven entirely by ML algorithms without manual intervention, women borrowers who display strong and consistent financial behaviour are assessed purely on merit. This creates an equal playing field where deserving women entrepreneurs receive credit based on capability rather than perception.

Data Innovation to Solve Collateral and Credit History Gaps

Women borrowers often lack property ownership, which limits their ability to offer collateral. UGRO’s ML driven underwriting addresses this challenge by focusing on repayment ability instead of asset backing. With predictive modelling that accurately forecasts default probability, the system can confidently identify borrowers who will repay regardless of collateral availability.

Machine learning also helps overcome limited credit history. Many women led enterprises begin with informal or micro loans, making traditional scoring insufficient. GRO Score 3.0 evaluates alternative data such as account turnover, GST consistency, vendor payments, and business seasonality to create a complete and reliable risk profile. UGRO further categorizes all customers into six ML based risk bands, each mapped to tailored product structures. These risk bands are fully inclusive.

Shifting the Human Mindset with Data Driven Proof

Bias in lending cannot be eliminated through technology alone. It requires continuous behavioural change within underwriting teams. UGRO’s two-step loan process relies on an algorithm for the majority of the initial underwriting, with human oversight reserved for the post-approval stage. UGRO emphasizes training and builds trust in the ML driven system by reinforcing data that proves women borrowers consistently have lower default rates and higher credit scores. By grounding lending decisions in evidence, UGRO is gradually shifting long standing perceptions.

Through the combined strength of GRO Score 3.0, its patented ML underwriting model, and a commitment to fairness, UGRO is enabling women entrepreneurs to access capital confidently and equitably. This approach is not just transforming credit assessment but accelerating true financial inclusion across India’s MSME ecosystem.



HOW FUSE FINANCING INC. IS LEVERAGING AI IN EXTENDING CREDIT ACCESS TO WOMEN ENTREPRENEURS

By Gabby Lacuesta, Chief Financial Officer, Fuse Financing Inc.

In the Philippines, women are often the de facto chief financial officers (CFOs) of their households—managing budgets, supporting communities, and running micro and small enterprises that keep local economies moving. Yet, many remain excluded from formal credit access and are part of the 57% of adult Filipinos who depend on informal lenders, where unsafe costs and predatory terms prevail.

Fuse Financing Inc., the lending arm of the Philippines’ leading finance superapp and largest cashless ecosystem GCash, is pioneering a solution: a fully digital, AI-enabled lending model designed around the realities of Filipinos, like micro, small, and medium enterprises (MSMEs) and women entrepreneurs. The core of this innovation is GScore, a proprietary credit scoring technology that assesses trustworthy digital behavior from day-to-day usage within the GCash ecosystem. This tool allows Fuse Financing to evaluate creditworthiness fairly and seamlessly, without requiring pay slips or collateral.

Traditional underwriting relies on formal documentation and proofs of income that often exclude household-based businesses, even when their owners manage money responsibly. Fuse Financing’s approach uses actual behavioral data instead of paper-based criteria, surfacing the true financial health of women who handle family and enterprise finances with care. Through GScore, these women gain instant, pre-qualified access to products such as [GLoan](#) and [GGives](#), all tailored to their cash-flow realities.

As the lending arm of [GCash](#), Fuse Financing Inc. continues to review and develop credit products to capture the realities of Filipino women entrepreneurs. By fully digitizing the process, Fuse replicates the ‘doorstep’ convenience of informal lenders while delivering it with the security and transparency of a formal institution, thereby achieving ethical, scalable credit access for the mass market.

The AI-enabled model delivers an end-to-end digital experience; from instant eligibility and real-time disbursement to automated repayments through the app. This matches the convenience that draws many women to informal credit sources but replaces it with transparent, regulated terms. Complementing this journey is “Gina,” Fuse Financing’s conversational voice AI that provides reminders and tailored repayment support to borrowers.

As of the third quarter of 2025, the GCash lending arm has disbursed ₱323 billion (approximately US\$5.5 billion) in loans to 10.2 million unique borrowers. Women make up three in five of these borrowers and one in three are small business owners, proof that AI can drive inclusion where it matters most. Harnessing the power of technology and AI, Fuse Financing is demonstrating how technology can level the playing field for women entrepreneurs who have long been unseen by traditional finance. Its fully digital model delivers access that is fair, fast, and safe—recognizing the financial health of Filipino women at home and in business.

[ADB Brief: Bridging the Digital Divide: Harnessing Artificial Intelligence for Gender Equality in Asia and the Pacific](#)

This brief highlights the importance of transformative strategies to promote gender equality in the rapidly evolving artificial intelligence ecosystem, as it reshapes economies and societies. It underscores the need to prioritize integrating gender equality in AI policies, codesign programs, and projects with gender-inclusive tools; expand funding for women-led and gender-responsive AI solutions; and strengthen women’s digital literacy, STEM participation, and leadership pipelines.

[DevAsia Article: Young Women and Girls: Asia and the Pacific’s Changemakers for Nature-Based Solutions](#)

This DevAsia article argues that meaningful involvement and leadership of young women and girls in nature-based solutions-related projects can enhance the sustainability of interventions. The article profiles three young women eco-entrepreneurs in Asia who have developed sustainable solutions.

[ADB Global Index of Female Entrepreneurship Systems](#)

This ADB paper introduces the 2024 Female Entrepreneurship Index, which examines the conditions that encourage successful entrepreneurship among women and provides insights for policymakers. By evaluating gender-specific factors across economies, the index highlights how successful female entrepreneurs contribute to economic and social development.

[CGAP Blog: AI’s Promise: A New Era for Financial Inclusion](#)

In this blog, Sophie Sirtaine, CEO of CGAP, discusses how embracing AI can create opportunities for low-income customers and providers. This piece explores how AI can be leveraged to bridge information costs, tailor products and lower costs to promote financial inclusion.

DEAL SPOTLIGHT

FUSE FINANCING INC.

In October 2025, ADB approved a \$30 million (₱1.7-billion equivalent) loan for [Fuse Financing Inc.](#), the lending arm of GCash, which aims to expand lending to small businesses in the Philippines. The loan will be used to expand Fuse’s working capital loans to micro-, small-, and medium-sized enterprises (MSMEs), including women-owned MSMEs (WMSMEs), using the GCash platform. Digital lending enables access to credit for small businesses which continue to face a number of structural barriers in the Philippines, particularly WMSMEs and small businesses operating in provinces with high incidences of poverty. Read more [here](#).

UGRO CAPITAL LIMITED (UGRO)

In December 2023, ADB invested the equivalent of \$30 million in Indian rupees in nonconvertible debentures issued by [UGRO Capital Limited](#), a nonbank finance company based in India. This was ADB’s first loan to a digital lender. At least 75% of ADB’s debt proceeds will be used for loans to MSMEs owned or led by women, who continue to face multiple challenges in accessing capital from formal financial institutions. UGRO’s business model uses innovative digital technologies and leverages the public data infrastructure – the India Stack to develop and offer bespoke credit products tailored to the specific needs of MSMEs while effectively managing risk. Read more [here](#).



Participants attend training-of-trainers session with BankIslami in Karachi, Pakistan. (Photo courtesy of BankIslami)

WHAT’S HAPPENING AT gWFX

Empowering Champions of Change: Training Sessions Enable BankIslami Staff to Better Serve Women Customers in Pakistan

On 3 and 4 October, gWFX supported a training-of-trainers session for financial sector staff held with BankIslami in Karachi, Pakistan. As a result, 28 trainers have been trained as Master Trainers/Internal Gender Champions. The training was aligned with the bank’s commitment to improve its value proposition and customer relations with women, especially women entrepreneurs. It followed focus group discussions in Lahore with staff and women customers held earlier in the year to better understand this segment. Read more [here](#).

Financing Solutions for Women-Led Enterprises Propelling Women Eco-Entrepreneurship into a Sustainable Future Webinar Series

The [Financing Solutions for Women-Led Enterprises](#) webinar held on 20 November featured innovative financing mechanisms and solutions that can unlock capital for women-led green businesses. The session explored how financial institutions, investors, and development partners can design inclusive financial instruments that empower women entrepreneurs to thrive in the green economy. Carola Menzel, gWFX Sustainability Expert, participated as a panelist, providing an example from [gWFX research in the Lao PDR](#) on how financial institutions can empower female entrepreneurs in sustainable sectors. The webinar was part of the Propelling Women Eco-Entrepreneurship into the Future webinar series, which is co-organized with ADB under the [EmPower: Women for Climate-Resilient Societies \(EmPower\) Programme](#), a joint effort between UN Women and UNEP, supported by the Governments of Germany, New Zealand, Sweden, and Switzerland.

New publication: Transition Finance Trends, Challenges, and Finance Sector Implications

On 12 December, ADB and Mitsubishi UFJ Trust and Banking jointly published the research paper ‘Transition Finance Trends, Challenges and Finance Sector Implications,’ which examines existing frameworks, initiatives, and practices related to transition finance. This report recommends that the finance sector take collective action to broaden the investor and creditor base, enhancing contributions to global decarbonization. It calls for deeper sector-wide dialogue to implement these recommendations, potentially paving the way for collaborative financing mechanisms such as blended finance.

Read and download the publication [here](#).

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LINKS TO RESOURCES

- [ADB Global Index of Female Entrepreneurship Systems](#) , ADB, 2025
- [Bridging the Digital Divide: Harnessing Artificial Intelligence for Gender Equality in Asia and the Pacific](#), ADB, 2025
- [Strengthening the Ecosystem of Vibrant MSMEs for Resilient Growth in Asia and The Pacific](#), ADBI, 2025
- [AI’s Promise: A New Era for Financial Inclusion](#), CGAP, 2025
- [Bridging the Finance Gap for Women Entrepreneurs](#), OECD, 2025

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