

UPDATE: IMPACT INVESTING IN SOUTHEAST ASIA

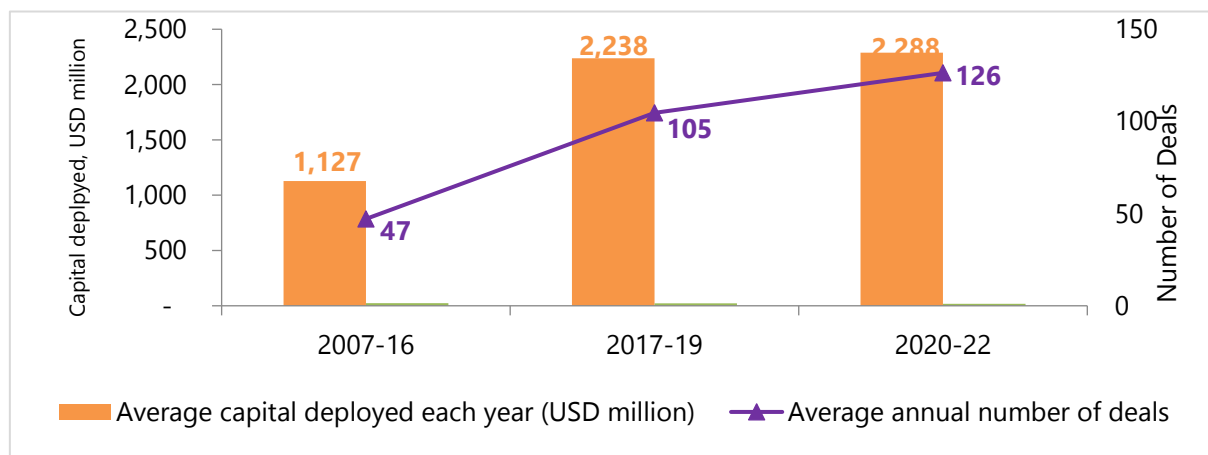
INVESTING IN WOMEN FACTSHEET, JUNE 2023

This factsheet provides an overview of trends in impact investing and gender-lens investing (GLI) in Southeast Asia, based on updated data on impact investment deals for 2020-22. It draws on a series of studies commissioned by Investing in Women (IW) analysing the regional impact investing landscape since 2007. It includes data on investment by Private Impact Investors (PIIs), such as fund managers, family offices, foundations and others, and Development Finance Institutions (DFIs), who are government-backed financial institutions that provide finance to the private sector for investments promoting development.

IMPACT INVESTING OVERVIEW

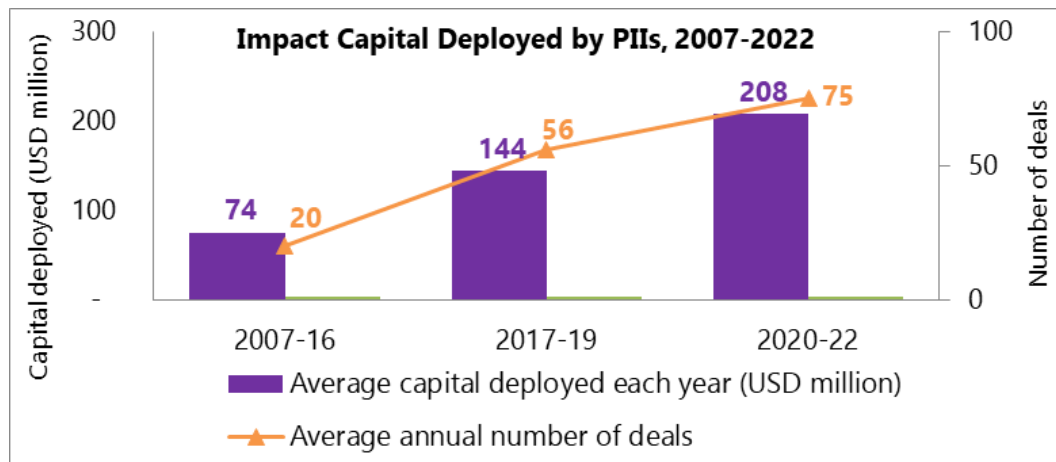
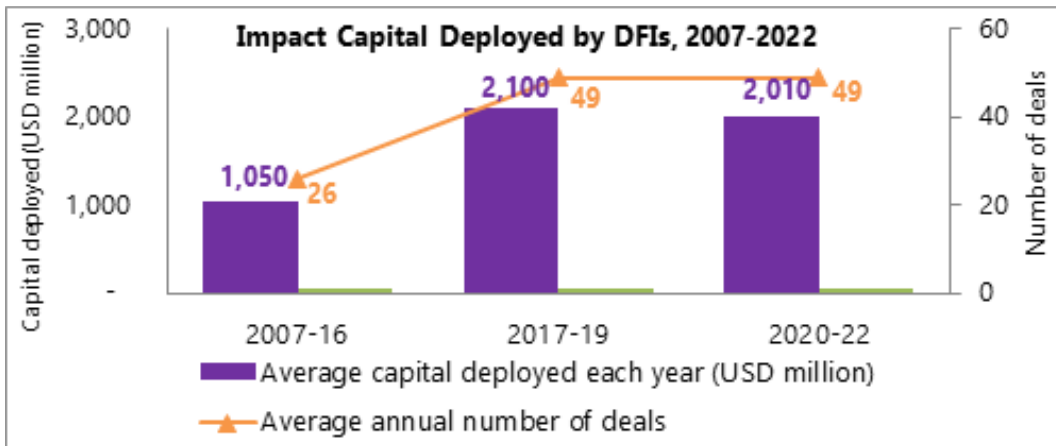
- **USD 6.9 billion of impact capital** was deployed in Southeast Asia in the three year period **2020-22** through **379 deals**.
- This compares favourably with **USD 6.7 billion through 313 impact deals** in the previous three-year period **2017-19** – demonstrating that impact investment levels have been maintained in the region, even amidst the major economic disruptions of the COVID-19 pandemic.
- After steady growth from 2007 to 2016, annual investment by **Development Finance Institutions (DFIs)** in the region has stabilised at about USD 2 billion per year over the last six years.
- Cumulatively **Private Impact Investors (PIIs)** have deployed about 40% more capital across 40% more deals in 2020-22 compared to the prior three-year period (2017-2019). The number of active PIIs in the region has grown from 1 in 2007 to 42 in 2022. The number of PII deals in the last three years is 1.5 times the number of DFI deals.
- The **average ticket size** for DFI investments is USD 41.9 million and for PIIs is USD 3.17 million.
- PIIs prefer **equity** as the mode of investment, with 65% of PII deals in 2020-2022 being equity-based. DFIs have consistently used debt as an instrument of choice.
- **Gender Lens Investing (GLI)** capital deployed rose to USD 2.5 billion, a seven-fold increase in 2020-22 over 2017-19, or 36% of impact capital deployed. For further detail, see separate GLI factsheet.

Quantitative trends in Impact Investing in Southeast Asia, 2007-2022



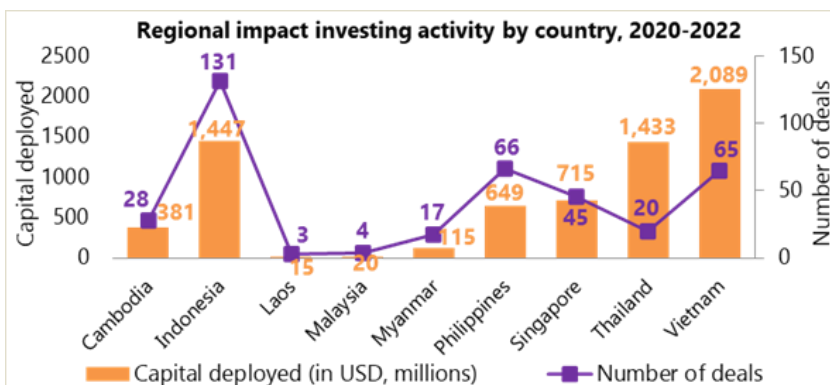
IMPACT INVESTING IN SOUTHEAST ASIA

Trends in PII and DFI Investments, 2007-2022



Between 2020-2022, DFIs invested primarily in financial services and energy sectors; these sectors account for 70% capital deployed and 63% deals made by DFIs. Between 2020-2022, PIIs have invested primarily in financial services followed by information and communications technology (ICT), Healthcare, Energy and Agriculture sectors, in terms of deal value. ICT is the leading sector for PII investments in terms of deal volume.

Country Highlights of Impact Investing, 2020-2022



Indonesia, with a **50% growth** in number of deals, continues to lead the region in terms of deal volume. The market is dominated by impact entrepreneurs and PII activity. **Vietnam** witnessed **60% growth** in deal value to become the single largest market for impact investment in the region, dominated by DFI deals. **Philippines** saw emergence of several local PIIs making an increased number of smaller ticket size deals (less than USD 5 million). Further detail is available in separate country factsheets.