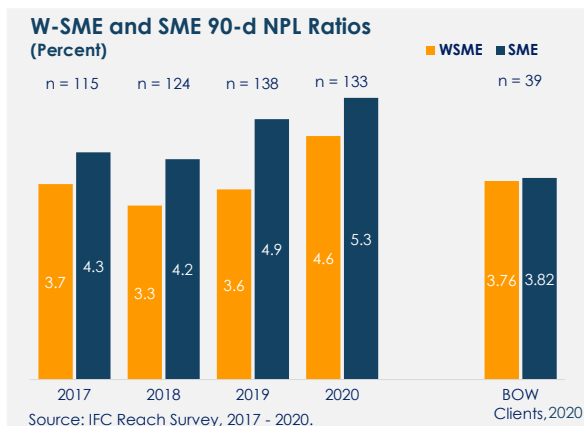


IFC BANKING ON WOMEN

Business Case Update #4 Lower NPLs for Women-Owned SMEs

IFC's annual survey of its banking clients continues to provide insight into the potential size and financial performance of women-owned small and medium enterprises (WSMEs) and why financial institutions should pay greater attention to this segment.

WSMEs: Lower NPL Ratios for Four Consecutive Years



- Women SME loan portfolios continue to exhibit lower NPLs than total SME portfolios, despite the negative impacts of COVID-19. A surveyed sample of 133 IFC client financial institutions (FIs) suggests rising NPL ratios across all SMEs in CY20.

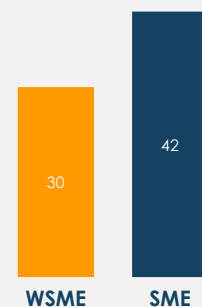
Nevertheless, the average NPL ratio for loan portfolios of Women-Owned SMEs (4.6%) remains significantly lower than the average NPL ratio for total SME loan portfolios (5.3%) comprising men- and women-owned SMEs. This data follows the same trend of better performance for WSMEs over the past four years, whether or not the financial institutions launched specific strategies to target women customers.

- Clients with a specific strategy to target women customers through IFC's Banking on Women (BOW) business observed even lower SME NPL ratios. In a smaller sample of 39 BOW clients, the average NPL ratio for total SME loan portfolios was 3.8%. The NPL ratios for loan portfolios of Women SMEs and total SMEs were similar within the BOW client sample, which experienced lower average NPLs than the larger dataset of 133 FIs.

Women-Owned SMEs: Share in Total SME Portfolios and Average Loan Size

- Women-owned SMEs account for 19% of the overall number and 13% of the overall value of SME loans in portfolios of 186 surveyed IFC client banks in CY2020.
- Average loan sizes to Women-SMEs were smaller than average loan sizes to total SMEs. Women-Owned SMEs had an average loan size of US\$30,042 vs. US\$41,981 for total SME portfolios.

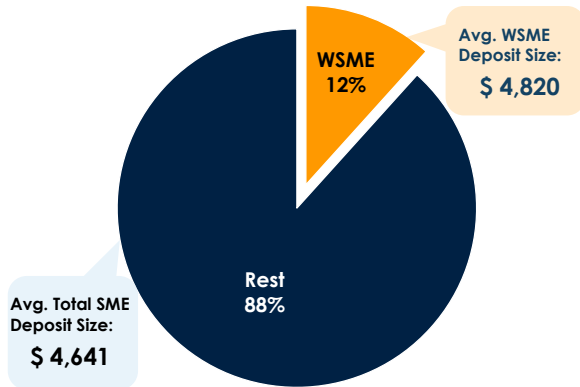
Average SME Loan Size (\$'000)



CY2020: New Findings on Deposits

SME Deposits

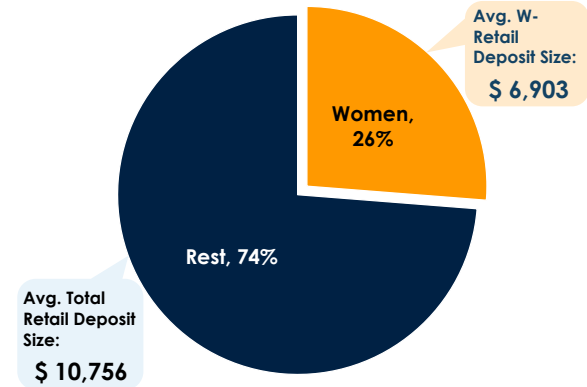
Volume \$ of Deposits from SMEs, 2020



- **SME Deposit Share:** In a surveyed sample of 75 financial institutions, Women-Owned SMEs accounted for 12% of the total volume and 11% of the total number of SME deposits.
- **Average SME Deposit Size:** The average size of deposits from WSMEs (\$4,820) was slightly above the average size of total SME deposits (\$4,641).

Retail Deposits

Volume \$ of Retail Deposits, 2020



- **Retail Deposit Share:** Women customers provided a reliable source of liquidity for the 118 financial institutions in the survey sample, contributing to 26% of the overall volume and 41% of the overall number of retail deposits.
- **Average Retail Deposit Size:** The average size of retail deposits by women (\$6,903) was significantly lower than the average total retail deposit size (\$10,756).

IFC BANKING ON WOMEN

IFC's *Banking on Women* business provides finance, advisory expertise, and actionable data to financial institutions to help them expand valuable services and opportunities for women customers and WSMEs in emerging markets. Since 2012, we have invested over US\$3.12 billion, mobilized funding, and provided expertise to 124 financial institutions in 64 countries to launch profitable value propositions for women customers.

Recent and notable initiatives include:

- 2021: Published new research on [COVID-19 and Women-Led MSMEs in Sub-Saharan Africa: Examining the Impact, Responses, and Solutions](#)
- 2021: Provided [Working Capital Solutions](#) to women and WSMEs as part of IFC's COVID-19 response
- 2020: Convened [emerging market banks and fintechs](#) to share [COVID-19 mitigation solutions](#) for women SME customers
- 2020: Disseminated [Her Home](#) research and made IFC's first two investments in women's housing finance
- 2020: Published research on the [ROI of Bank Non-Financial Services](#)
- 2019: Introduced the [Banking on Women - Global Trade Finance Program \(BOW-GTFP\)](#)
- 2018-20: Launched the [First EM Women Entrepreneurs Bond in the Asia-Pacific Region](#) with Bank of Ayudhya in Thailand, the [first Gender Bond in Indonesia](#) with Bank OCBC NISP, and invested in the [first EM private sector issued Gender Bond](#) with Garanti Bank BBVA in Turkey

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