

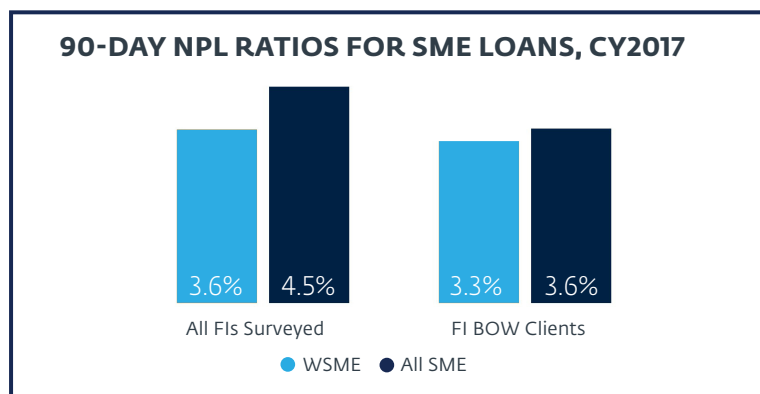
BANKING ON WOMEN

Business Case Update: Lower NPLs for Women-Led SMEs

A recent survey conducted with IFC banking clients sheds light on the potential size and financial performance of women-led small and medium enterprises (SMEs) and why financial institutions should pay attention to this segment:

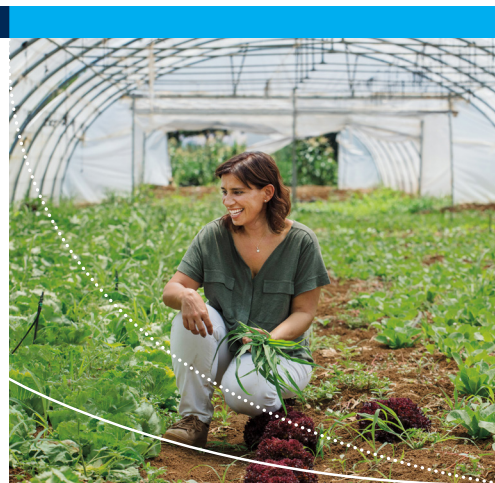
Main Findings

- **Women SME Loan Portfolios Have Lower Non-Performing Loans (NPLs) than Total SME Loan Portfolios:** In a sample of 154 IFC banking clients for CY2017, NPL ratios for loans to women-led SMEs (3.6%) were lower than NPLs for Total SME Loan Portfolios (4.5%) comprising men- and women-led SMEs.
- **For Clients in IFC's Banking on Women (BOW) Business, Women-SME Portfolios Had Even Lower NPLs:** In a sample of 35 Banking on Women client banks, NPL ratios for loans to women-led SMEs, or WSMEs, (3.3%), compared to NPLs for the Total SME portfolios of 3.6%, were even lower than the larger sample of IFC client financial institutions that report gender-disaggregated NPL data.



Additional Findings

- **Women-led SMEs** account for **16%** of the overall number of SME loans in portfolios of 154 surveyed IFC client banks in 2017.
- The US\$ volume of **Women-SME outstanding loans** accounted for roughly **10%** of the total volume of outstanding SME loans of 154 IFC surveyed clients in 2017.
- **Average loan sizes** to women-led SMEs were **smaller** than average loan sizes to total SMEs for 154 sampled IFC clients. Women-led SMEs had average loan sizes of US\$27,708 vs. US\$43,136 for total SME average loan sizes.



Banking on Women

IFC's Banking on Women business provides financing and expertise to emerging market financial institutions to expand financial services and opportunities for women customers and business owners.

Notable initiatives include:

- **2013:** IFC issued 1st Banking on Women Bond
- **2014:** IFC launched Women's Entrepreneurs Opportunity Facility (WEOF) with Goldman Sachs 10,000 Women
- **2016:** IFC-AMC launched Women Entrepreneurs Debt Fund
- **2017:** IFC Banking on Women clients had a combined outstanding WSME loan portfolio of US\$7.3 billion
- **2018:** Launched Gender Bond with Garanti Bank Turkey

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Creating Markets, Creating Opportunities