

IFC BANKING ON WOMEN

Business Case Update #6

Lower Nonperforming Loans (NPLs) for Women-Owned SMEs

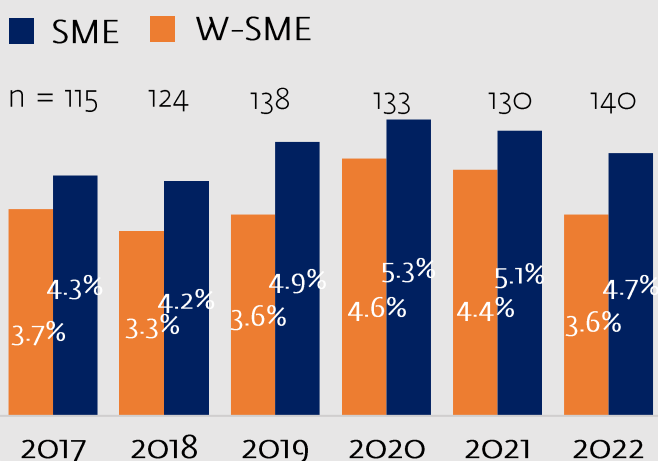
November 2023

IFC's annual survey of its financial institution clients continues to provide insights into the performance of women customers in the SME and retail segments. The data shows why financial institutions should pay greater attention to women's SME and retail segments.

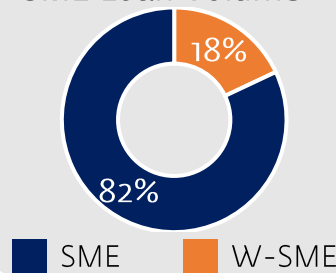
W-SME Loans: 18% of SME Loan Books and Consistently Lower NPLs

Women-owned SME (W-SME) loan portfolios consistently exhibit lower NPLs than total SME portfolios. In a surveyed sample of 140 IFC client financial institutions (FIs) in 2022, the average NPL ratio for loan portfolios of W-SMEs was **3.6%**, significantly lower than the average NPL ratio for total SME loan portfolios (**4.7%**), comprising men- and women-owned SMEs. This data follows the same trend of better performance for W-SMEs over the past five years.

SME and W-SME 90-day NPL Ratio (%)



SME Loan Volume



Average SME Outstanding Loans



W-SME
US\$27,225

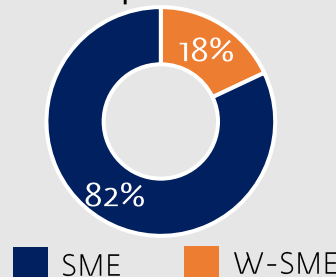


SME
US\$35,539

Loans to W-SMEs accounted for 18% of the overall value of SME loan books in 161 surveyed IFC client FIs in 2022. In addition, average outstanding loans to W-SMEs (US\$27,225) were **smaller than** the average for the total SME portfolio (US\$35,539).

W-SME Deposits: Comparable in Size

SME Deposit Volume



Average SME Deposits



W-SME
US\$8,603



SME
US\$9,970

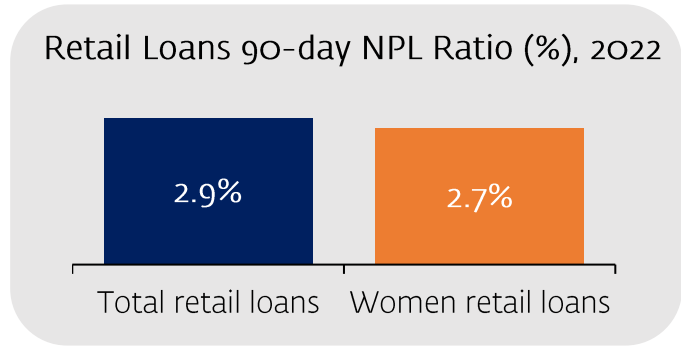
W-SMEs contributed to **18%** of the overall volume of SME deposits in 69 IFC client banks. The average deposit size for W-SMEs was US\$8,603, **smaller than** the average size of total SME deposits (US\$9,970).

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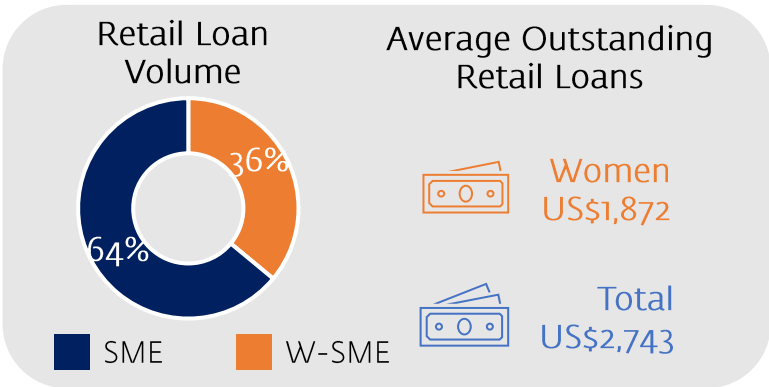
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Women **retail** (W-Retail) customers generated 1/3 of the overall retail loan volume and had comparable NPLs in 2022. Meanwhile, women retail customers contributed a sizable proportion of total deposits despite smaller average deposits.



W-Retail Loans: 36% of Retail Loan Books and Comparable NPLs

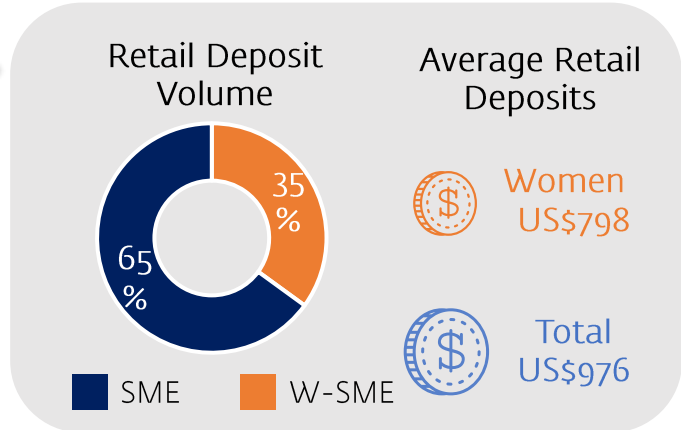


Women retail loans had comparable NPLs (**2.7%**) to the total retail loan portfolio (**2.9%**) in the survey sample of 113 IFC client FIs.



Women retail loans made up 36% of the total retail loan portfolio in the 113 surveyed IFC client FIs in 2022. Women retail customers had an average loan size of US\$1,872 compared to US\$2,743 for overall retail customers.

W-Retail Deposits: Reliable Source of Liquidity



Women customers provided a reliable source of liquidity for the financial institutions in the survey sample of 105 IFC client FIs, contributing **35%** of the overall volume of retail deposits. The average size of retail deposits for women (**US\$798**) was smaller than the average size of total retail deposits (**US\$976**).

IFC's *Banking on Women* business provides finance, [expertise](#), and actionable data to financial institutions in emerging markets to expand opportunities and launch tailored value propositions for women customers, especially W-SMEs. As of July 2023, we have invested and mobilized over US\$4.3 billion in EM financial institutions, specifically to finance W-SMEs, through 251 projects with 180 financial institutions in 76 countries. Read more about our work in [Gender Bonds](#), MSME finance for [working capital and growth](#), [housing finance](#), and other areas here: [IFC Banking on Women](#).

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