



Global best practices in banking for women-led SMEs

October 2014

This report was prepared by Jaclyn Berfond, Eike Haas, Harsha Rodrigues and Benedikt Wahler, under the general guidance and supervision of Elena Ruiz Abril, Principal Gender Adviser at the EBRD. Itziar Perkins, Senior Adviser, Elena Ferreras Carreras, Senior Gender Adviser and Nato Kurshitashvili, Gender Specialist, have also contributed their input to various versions of the report.

The report was prepared by Women's World Banking, with the support of Bain & Company, for the European Bank for Reconstruction and Development (EBRD), with funding from the Shareholder Special Fund.

The contents of this publication reflect the opinions of individual authors and do not necessarily reflect the views of the EBRD.

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Executive summary

The small and medium-sized enterprise (SME) segment is growing and women entrepreneurs in particular are making a significant contribution to the global economy. Yet, it is estimated that over 70 per cent of women-led SMEs across every region are either financially unserved or underserved.¹ According to a Goldman Sachs study completed earlier this year, “this amounts to a financing opportunity of approximately US\$ 285 billion. If the credit gap is closed by 2020 in just 15 countries, including the BRIC countries, per capita incomes could on average be 12 per cent higher by 2030.”²

After early initiatives by some commercial banks in the mid-1990s, the last 10 years have seen a surge in the number of banks with a distinct approach to women-led SMEs. Our research identified more than 100 programmes at 89 financial institutions globally.

While the demand-side barriers of access to credit by women-led SMEs are well documented, there is limited information on the constraints of the supply side. The objective of this study is to provide the EBRD with information on global best practices among financial institutions serving women-led SMEs, so that these can be used to further promote and improve women’s access to finance through the EBRD’s partner banks. The study assesses best practice by reviewing the financial products and services offered, as well as the related delivery mechanisms that are tailored to this segment. While the research contained within this report may not be considered groundbreaking – beyond the interviews with commercial banks, most of the information is generally available on the banks’ websites – it does provide an expert assessment on what has and has not worked, gives recommendations on elements of success and shares lessons learned to date from experience with banking women. The report also brings together information from numerous sources with the aim of providing one clear, concise point of reference for the EBRD’s banking teams.

Best practice banks with successful programmes were all characterised by a few common features. First and foremost, best practice institutions saw the women-led SME segment as a market opportunity ahead of their peers, and had support from top management in pushing the agenda within the institution. To serve this segment, these institutions developed customer-centric value propositions, using market research and segmentation to understand client needs and priorities in their respective socio-economic and cultural settings.

Successful institutions also recognised the strong link between financial offers addressing the professional

needs of a woman entrepreneur (centred on the business) and her personal needs (centred on the individual owner and her family). In developing products and services, best practice institutions adjusted both product features and their service model, recognising the hybrid nature of women-led SMEs. Products reflected gender-specific cash-flow profiles and risks, including reduced interest rates, differentiated loan terms and relaxed or collateral-free requirements. The suite of products often included asset-building products for personal use, such as savings, insurance and pensions.

Delivery models were adapted to not only attract a female clientele, but also address and retain them in a way that makes women receptive to what the bank has to offer. This often included dedicated women relationship managers (RMs) and/or specific branches to serve this segment. Most importantly, at the institutional level, these banks developed dedicated performance measures and gender-disaggregated key performance indicators (KPIs) to demonstrate success and prove the business case – both internally and externally.

Lastly, almost all the best practice institutions offered non-financial services for women entrepreneurs, complementing conventional SME training programmes with programmes that tackled the gender-specific challenges for women entrepreneurs (expectations, self-worth, encouragement, leadership and authority in mixed teams) to enhance their growth prospects and risk profile. These trainings were often supplemented by mentoring and networking opportunities, which are crucial for women clients.

The practices outlined in this review give specific, actionable steps that banks can take in promoting financial inclusion for women-led SMEs. Banks seeking leadership positions in their markets have the ability to grow the business by taking a targeted and deliberate approach to serving this important segment. Following are some of the steps outlined:

- 1. Know your market and customer:** Assess the opportunity of serving women-led SMEs through market research and understand the conditions within which women-led businesses operate.
- 2. View women-led SMEs as a distinct group:** Make women-led SMEs a distinct group rather than a mere extension of the existing retail or commercial business; segment women-led SMEs into different subgroups.
- 3. Find a champion and build internal capacity:** Leadership buy-in and internal alignment are

prerequisites for the long-term success of a strategy that focuses on the women's market. Assign accountability to a unit/group within the bank, build internal staff capacity and embed KPIs into performance measurement systems.

4. Adjust credit processes, underwriting standards and delivery models:

Implement credit scoring and risk-adjusted pricing to ensure sustained profitability. Offer flexible collateral and integrate lending into value chains by accepting forward contracts with suppliers and counterparties. Adapt delivery models to better reach women entrepreneurs.

5. Offer women a mix of products and services:

Provide a holistic value proposition, including core professional products and a link to personal products. Provide value-added non-financial services that women-led SMEs highly value.

6. Invest in proving the business case: The business case for serving women-led SMEs exists. However, banks need to collect and analyse the data by gender in order to prove to their own boards that investing in the women's market is good for business so that they continue to support investment in this segment.

Best practice banks have increased their exposure to women-led SMEs over the years, reflecting the attractiveness of this segment. The loyalty of its customer base, along with the effectiveness of cross-selling and enhanced performance, have resulted in a higher share of wallet per client. As a result, banks that approached this market through a strategic lens have seen an increase in the share of women-led SMEs in their portfolios and some have even experienced a decrease in non-performing loans (NPLs). Banks have also seen that they are able to cross-sell products to women-led SMEs at double or more the rate when compared with other segments in the bank. Lastly, the women-led SME segment is profitable. As identified in the case studies, one bank broke even in two years and another has found that this segment brings substantially higher profitability to the bank when compared with other client segments.

The EBRD is in the process of launching a number of Women in Business (WIB) programmes with partner banks in its countries of operations to address the multi-dimensional nature of the credit gap faced by women-led SMEs. The purpose of this report is to provide practical and operational ideas as well as recommendations on how to target this market through interventions led by partner banks. It is expected that the research findings will support EBRD staff in the context of discussions

with partner banks and consultants during the design, structuring and implementation of WIB programmes, including technical assistance.

SECTION 1

Introduction

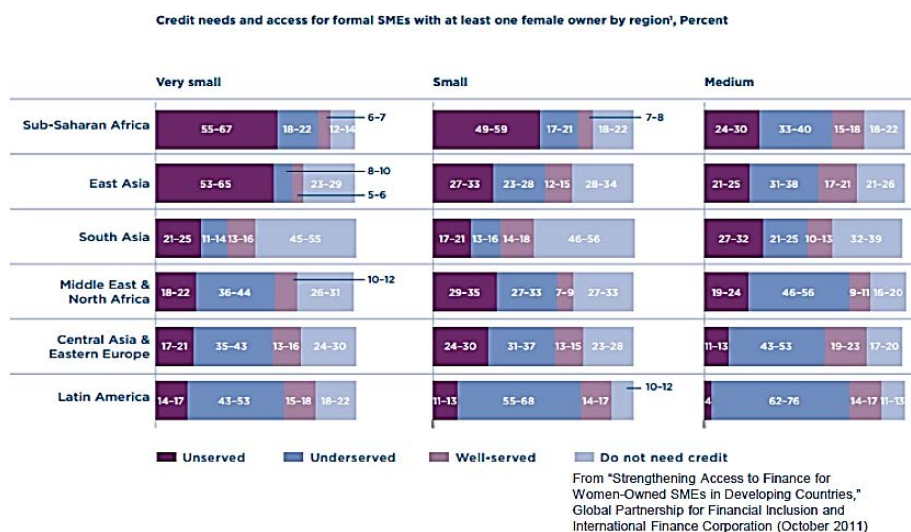
Introduction

The SME segment is growing and women entrepreneurs in particular are making a significant contribution to the global economy. In 2012 an estimated 126 million women were starting or running new businesses in 67 economies around the world. In addition, an estimated 98 million were running established businesses. These women are not only creating jobs for themselves and their co-founders, but they are also employing others. An estimated 48 million female entrepreneurs and 64 million female business owners currently employ one or more people in their businesses. In addition, an estimated seven million female entrepreneurs and five million female established business owners plan to grow their businesses by at least six employees over the next five years.³

Women's contributions to their economies can no longer be ignored. In the United States, women-led firms are growing at double the rate of all other firms (23 per cent and 9 per cent, respectively).⁴ In Europe, the rate of women who are economically active rose by 4 percentage points⁵ over the last decade. In Brazil, women's relative economic activity compared with men rose 22 percentage points between 1990 and 2012.⁶ A survey of 1,228 women in Bahrain, Jordan, Lebanon, Tunisia and the UAE found that women-owned enterprises are making significant contributions to their economies through revenue generation and job creation.⁷

However, it is estimated that over 70 per cent of women-led SMEs across every region are either unserved or underserved financially.⁸ According to a Goldman Sachs study completed earlier this year, "this amounts to a financing opportunity of approximately US\$ 285 billion. If the credit gap is closed by 2020 in just 15 countries, including the BRIC countries, per capita incomes could on average be 12 per cent higher by 2030."⁹ The chart¹⁰ below shows the credit needs and access to finance for women in businesses ranging from very small to medium as defined by the number of employees.¹¹ In countries where the EBRD invests, in the southern and eastern Mediterranean (SEMED) region, Central Asia and eastern Europe, a larger percentage of women-led SMEs are underserved rather than unserved, meaning that "clients have a loan but access to finance is a constraint."

Chart 1: Credit needs and access for formal SMEs with at least one female owner by region (per cent)



Source: "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", Global Partnership for Financial Inclusion and International Finance Corporation, October 2011.

Research indicates that a focus on serving women makes business sense. Not only do they represent a large share of the world's unbanked and underbanked population, but they are also an attractive segment for risk management and returns if the business model and product offers are designed appropriately. A 2010 study¹² comparing a database of microfinance institution (MFI) results found a positive correlation between the percentage of women borrowers and growth, return and credit quality. Those institutions that had between 68-100 per cent women borrowers experienced higher portfolio growth, a greater return on assets and the lowest level of portfolio risk (30 days) when compared with institutions that had less than 68 per cent women borrowers.

The opportunity to serve women entrepreneurs exists and while the demand-side barriers of access to finance by women-led SMEs are well documented, there is limited information on the constraints of the supply side.

This study seeks to: (i) identify the global best practices of financial institutions that are serving the women-led SME segment; (ii) understand how financial institutions have approached women's banking, and how they have designed and implemented their programmes; and (iii) identify the critical elements of success and lessons learned for other institutions willing to take on a similar route. The research addressed the following questions:

- Which financial institutions have women-focused programmes targeting women-led SMEs?
- What are the motivations and drivers to serve this segment?
- Which innovative strategies have been developed globally to serve women-led SMEs (products, delivery models, etc.)?
- What constitutes best practice?
- Which products and services are being offered to women-led SMEs by select best practice institutions?
- Is there a business case for serving small and medium-sized enterprises owned by women?
- What are some of the learnings which are emerging from those institutions that are seeking to serve the women's market?
- Which successes can be replicated in other markets?

Rationale for the research. The EBRD is in the process of launching a number of Women in Business programmes in its countries of operations to address the multi-dimensional nature of the credit gap that women-led SMEs face. While information on demand-side interventions to improve women's access to finance is readily available through secondary sources as well as through the EBRD's long-standing engagement

with this segment under its Small Business Support programmes, information on best practice interventions on how to target the women-led SME market through banks is scarce. This report aims to fill this knowledge gap by providing practical and operational ideas and recommendations on how to target the women-led SME market through bank-led interventions, based on global best practices in this field.

How to use this report. The report is intended as a reference tool for EBRD staff working on Women in Business programmes. It is expected that the research findings will support staff during their discussions with partner banks and consultants as they design, structure and implement WIB programmes.

Structure of the report. The report is structured as follows: Section 1 introduces the report; Section 2 presents the research objectives and methodology; Section 3 presents the findings of the mapping exercise on financial products and business models for women-led SMEs; Section 4 discusses best practices; Section 5 presents six case studies of banks that have targeted women-led SMEs in an innovative manner; and Section 6 offers some conclusions and recommendations. Appendix I presents a summary of the findings of the mapping exercise in a matrix format and Appendix II presents some of the research questionnaires.

SECTION 2

Research objectives and methodology

Research objectives and methodology

The primary objective of this study is to identify global best practices of financial institutions in serving women-led SMEs through financial products and services. It also reviews the delivery mechanisms that are tailored to this segment in order to identify best practices and provide information in support of the EBRD's approach to improving women's access to finance through its partner banks.

The study focuses on mapping the provision of key financial and non-financial products, changes in business models and delivery, marketing and outreach strategies, and perceived advantages and disadvantages of working with this segment. It also looks at the business case for focusing on women-led SMEs.

The research team collected data from existing literature as well as through online databases managed by stakeholders involved in promoting women's access to finance, such as the IFC's Access2Finance Advisory, the Global Banking Alliance for Women (GBA), the Women's Finance Hub (part of the SME Finance Forum) and archives from Women's World Banking. Data were also collected through interviews with industry experts, including technical assistance providers, funders and industry associations, as well as interviews with top executives at commercial banks and site visits at selected financial institutions. Together, these resources enabled

the team to gain rich insights into the women-led SME market from a variety of informed perspectives.

The initial scan of financial institutions through secondary research yielded a list of 89 banks, some with multiple programmes for serving SMEs in general and women-led SMEs in particular. From this list, 43 institutions were identified as having developed innovative programmes to serve this segment (refer to Appendix I for a description of these programmes). A further prioritisation then resulted in a shortlist of 13 institutions with which to conduct interviews and in-depth research.

In conducting the research interviews, the team developed two questionnaires (refer to Appendix II) targeting: (i) industry experts in SME financing; and (ii) financial institutions with a programme that served the women's market. Both audiences were asked to identify: key motivations and drivers for serving this segment; demand-side trends from women-led SME clients on financial and non-financial services; business model approaches that are being used; value propositions that are working; and lastly, advice both these segments might have for financial institutions looking to serve this segment. The industry experts were specifically asked about how they define best practice, to give examples of best practice and what the term "business case" meant.

Table 1: Research sample

Institution	Country	Type of institution
Access Bank PlcA	Nigeria	Commercial bank
Banco ADOPEM	Dominican Republic	Microfinance bank
Banco Nacional de Costa Rica	Costa Rica	State bank
Banco Santander	Chile	Commercial bank
Bank of Georgia	Georgia	Commercial bank
BCI	Mozambique	Commercial bank
BLC Bank	Lebanon	Commercial bank
BulBank	Bulgaria	Commercial bank
CARD SME Bank	Philippines	Thrift bank
DFCU	Uganda	Commercial bank
Royal Bank of Canada	Canada	Commercial bank
Royal Bank of Scotland	United Kingdom	Commercial bank
Dalberg	Global	Consulting firm
Vancouver City Savings Credit Union	Canada	Credit union
EnClude	Global	Consulting firm
GIZ	Germany	Bilateral development agency
Global Banking Alliance for Women	Global	Network of banks and international financial institutions
International Finance Corporation (IFC)	Global	Development finance institution
Small Business Banking Network	United States	Consulting firm
USAID	United States	Bilateral development agency

It is important to note that the research team came across several banks that had developed innovative strategies in one or more areas of serving women entrepreneurs, however not all banks researched have been featured as

best practice. One important criterion in selecting best practices to be reported as case studies in the report was their learning and replication potential for institutions in other markets.

SECTION 3

**Financial products and
business models for
women-led SMEs:
A mapping exercise**

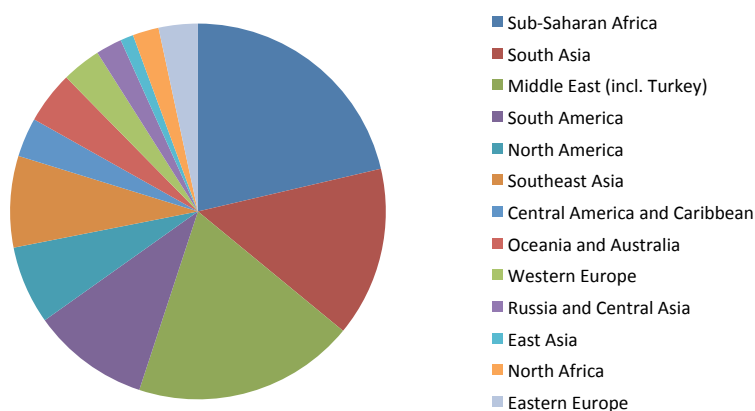
Global trends in women's banking

Women entrepreneurs, and women owning and managing businesses of all sizes, particularly in the SME sector, are growing in numbers around the world. They represent the expanding participation of women in the workforce, which has resulted in an increased supply of financial products and services tailored to this segment. Secondary

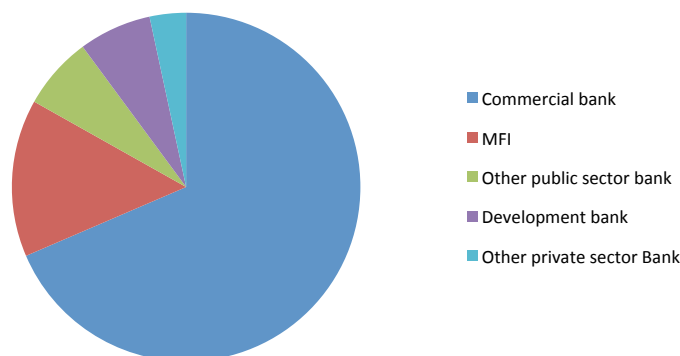
research identified 89 financial institutions globally that demonstrate a focus on the women's market. Over half of these institutions were in Sub-Saharan Africa, South Asia and the Middle East, and almost 70 per cent were commercial banks.

Chart 2: Financial institutions with a focus on the women's market by region and type of institution

Regional distribution of institutions



Type of institution



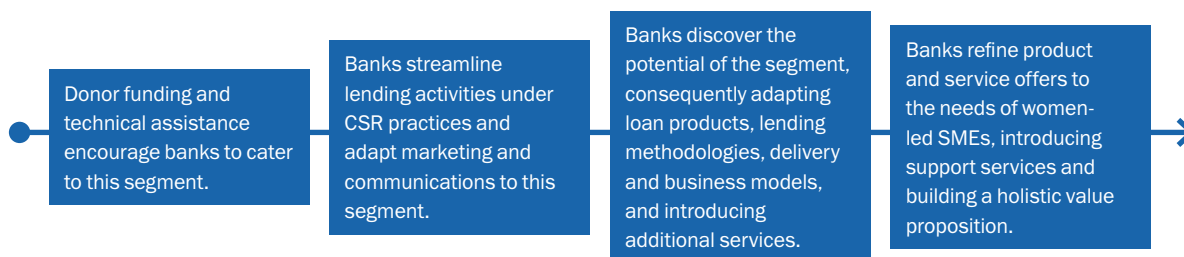
Source: Research findings of this study

What is notable is the strong over-representation of banks operating in emerging markets when it comes to dedicated women-led SME offers. Our research identified that only slightly above 10 per cent of all programmes come from western Europe or North America. Banks such as the Royal Bank of Canada (Canada), the Royal Bank of Scotland (United Kingdom) and Westpac (Australia), have all been pioneers in their countries by tapping into the women's market early on. Over time, these financial institutions have become highly influential models that organisations, such as the IFC and GBA, use to inspire banks and promote financing for women-led SMEs around the world.

However, for developed markets with highly advanced financial systems that offer many differentiated value propositions, the number of banks addressing women-led SMEs specifically is still remarkably low. There could be many reasons for this, including the 2008 global financial crisis when banks were focused on stabilising their operations, or perhaps there is less of a perceived need for distinct women-focused products due to lower cultural hurdles and more robust social security systems.

Most other banks, especially in the emerging markets, followed a specific pattern in developing their lending practices to the women-led SME segment, as depicted in the chart below. These lending practices were frequently supported by an international financial institution (IFI).

Chart 3: Evolution of serving women-led SMEs



Overall, serving women entrepreneurs in small and medium-sized enterprises is still in the early stages of this evolution. The current reach of services remains grossly inadequate and incommensurate with the market opportunity. Outreach has not kept pace with the global growth in women's economic participation. The largest programme identified (without donor/investor support) was the Banca Mujer programme at Banco Nacional, a public-sector-owned commercial bank in Costa Rica. As of April 2014, it had reached 18,000 women SME clients over a four-year period. In total, research indicates that less than 10 per cent of the potential market is being reached today.

Motivations and drivers

Donor activities and agendas remain an important impetus for serving this segment, often reflecting the fact that competitive pressures faced by the financial sector remain relatively low in many emerging markets, as wide segments of the population are still insufficiently served. Of the 89 financial institutions researched, 30 per cent had support from one or more international financial institutions to serve the women-led SME segment. This support typically included forms of refinancing such as loss coverage, equity and debt injections, and concessional finance facilities which were expanded for either on-lending, or to increase availability to end users. Along with financial support, most donors also offered technical assistance programmes.

The major IFIs seeking to promote greater financial inclusion for SMEs in general and women-led SMEs in particular, include the International Finance Corporation (IFC), the Multilateral Investment Fund (MIF), the European Bank for Reconstruction and Development (EBRD), FMO (Financierings-Maatschappij voor Ontwikkelingslanden) and the European Investment Bank (EIB).

Desk reviews indicated that many institutions presented their approach to women-led SMEs as driven by social objectives and mandates such as corporate social responsibility and corporate citizenship. The interviews, however, also revealed several banks that served the SME segment primarily for strategic and commercial purposes based on research conducted to assess the market opportunity.

Of the shortlisted institutions interviewed, 75 per cent cited that management had implemented a women-led SME strategy as a way to get ahead of the market. Market-level research by these institutions indicated that women were graduating and starting businesses at higher rates than men. Seeing this as a strategic business opportunity, institutions began developing targeted programmes to reach women business owners. This phenomenon of a market-driven approach is fairly recent, with most programmes having launched in the last 3-5 years.

Target group profile: The women-led SME segment

There are diverging opinions regarding the requirement of specific products for women. While the mapping exercise did not reveal any major differences in the key financial needs of SMEs run by women and men in principle, it is important to take several factors into consideration when targeting this segment:¹³

- **Education:** Women generally have a lower level of formal business education.
- **Documentation:** In certain societies, women are less likely to have formal documentation (identity, land ownership, etc.). Depending on the country, they may face legal barriers around property rights, business licensing, entering into contracts or opening bank accounts.
- **Social and cultural norms:**
 - Beyond formal barriers, there may be cultural notions of who women can interact with, and how. This is one of the reasons why in North African countries, there are only half as many women banking clients as men.¹⁴
 - In certain societies, women are often influenced by, or under the control of, other family members leading to a high value on confidentiality for greater independence.¹⁵
 - Women often face ingrained biases within society, ranging from the communities in which they live to third parties, such as bank officials.
 - Women face strong social expectations, especially

around balancing the demands of the family and household with business needs. This may limit their mobility, including their ability to visit bank branches during business hours, and speaks to the importance of alternative delivery channels.

- **Attitude towards finance:** Women typically need more information to make a financial decision. Women have different financial goals, motivations and priorities when compared with men. Certain life events such as education, child care or caring for elderly parents typically have a stronger impact on the income and cost patterns of women entrepreneurs.¹⁶
- **Characteristics of women-led businesses:** As a consequence of many of the factors mentioned above, the type, size and sectors in which women-led businesses operate notably differ from those of their male counterparts. They are typically over-represented in businesses with lower capital and skill requirements, often operating in the informal sector and generally absent from banks' outreach strategies, which restricts their access to capital. Despite this, women-led SMEs run profitable businesses, and well-designed bank support (financial and advisory) could overcome these limitations.¹⁷
- **Women's interlinked professional and personal needs:** Women entrepreneurs also have a stronger link between the professional and personal elements of their banking needs and they are more likely to use multiple (formal and informal) financial products.

All these elements have a strong bearing on product design, delivery and uptake, and suggest that there is a justification for financial institutions to adjust the value proposition for women-led SMEs. However, the degree and ways in which these aspects are relevant varies between countries and societies (driven by their respective economic development stage, or social customs). Therefore, market research and customer segmentation is essential to validate the factors that financial institutions should take into consideration to create a winning proposition in the women-led SME market.

Business models

The findings of the mapping exercise suggest that identified programmes established a wide variety of business models to reach and serve the women-led SME market. For the purpose of this report, business models include core components and functions of the business, and how an organisation creates, delivers and captures value.

Common characteristics observed while researching financial institutions serving women-led SMEs included market research and segmentation, financial products and lending methodologies, non-financial services,

marketing and delivery channels, organisational changes and gender-disaggregated data.

Market research and segmentation (qualitative and quantitative) is key to successfully serving the SME segment, especially given wide variations in the circumstances within which women-led SMEs operate from one country/region to the next. Many banks initially entered this market through designated credit lines or subsidies provided by donors and IFIs. Products offered were not informed by market research but merely "marked" for women.

However, among the 13 banks interviewed in this study, 75 per cent of the institutions cited that they conducted market research. Research with women clients over the past three decades indicates that men and women are likely to have different spending and saving priorities, different (foreseen and unforeseen) cash-flow needs at certain points in their personal lives and professional lifecycles, and different attitudes towards risk and growth. Depending on the sector in which women-led businesses operate (for example, trade versus agriculture), their cash-flow needs may differ. To better understand the relevance of these for a bank's value proposition, banks are well advised to conduct customer research and segmentation.¹⁸

One example of why market research is so important can be found in many banks' unwillingness to offer agricultural finance. Research found that women often run businesses in the agricultural value chain (farming, processing, retailing), and by avoiding agricultural finance, banks are bypassing women-led SMEs – a missed opportunity. A recent study of rural women in Latin America found that women's contribution to household income was significantly under-estimated by financial institutions, by their household and even by the women themselves. Market research revealed that women were actually contributing over 60 per cent of the household income in smaller, more frequent transactions and were just as viable credit clients as their husbands.¹⁹

Beyond market research, customer segmentation helps financial institutions to further understand customer profiles and behaviour patterns within a wider clientele. This applies both to defining women-led SMEs as a segment of its own and subsegmenting it further to show relevant variations that may influence product design and outreach. Segmentation for SMEs can be done on the basis of demographics (age, gender, location) and/or business characteristics (stage of development/lifecycle, number of employees, sales levels, profitability, sectors, type of employment).

While **financial products** are a key component of any business model, the mapping exercise revealed limited differentiation among financial products offered to women-led SMEs. Half of the financial institutions interviewed said there was no difference between the demands of men and women-led SME clients, while a

handful said that their financial products were tailored to meet the needs of this segment. All institutions emphasised that financial and non-financial services needed to go hand-in-hand.

Credit remains the main focus for most banks offering any women-focused products, with some alterations for the target segment, including reduced interest rates, differentiated loan terms, and relaxed or collateral-free requirements. Some bundling with asset-building products, such as savings and pensions, was found (for example, a pension plan with education insurance for the businesswoman’s children) and in one case, an increased interest on deposits during maternity periods, when a woman’s source of income decreases.

In **delivering financial products** to women-led SMEs, banks that had developed a more nuanced understanding of women’s income and expenditure patterns and their access to assets consequently reflected these in their lending methodologies: how they assess creditworthiness and collateral requirements (if any), and how repayment and interest terms reflect income patterns. Recognising that women typically have lower rates of ownership (due to legal restrictions, inheritance laws, social norms, etc.), the type of “hard” collateral sought by conventional banks was adjusted, with some banks even waiving collateral requirements for certain types of loans. Others have chosen to accept alternative forms of collateral that either indicate future earnings potential (contracts from corporations or the public sector) or are likely to play on the client’s risk profile by creating an “emotional” commitment to repay (for example, jewelry).

In the context of loans for women-led SMEs, some banks adjusted their credit assessment methodologies to more cash-flow-based approaches. While secondary research revealed mixed results for psychometric testing of clients, no banks mentioned such testing in the research interviews.

Often, credit product features were unchanged but special financing lines with preferential terms were set aside for women, especially when backed by concessionary refinancing from an IFI. In such cases, banks merely expanded access to finance for women-led SMEs within the framework of an agreement with a funder, but did not develop a differentiated or comprehensive approach to serve women-led SMEs as a subsegment with distinct features, needs and opportunities.

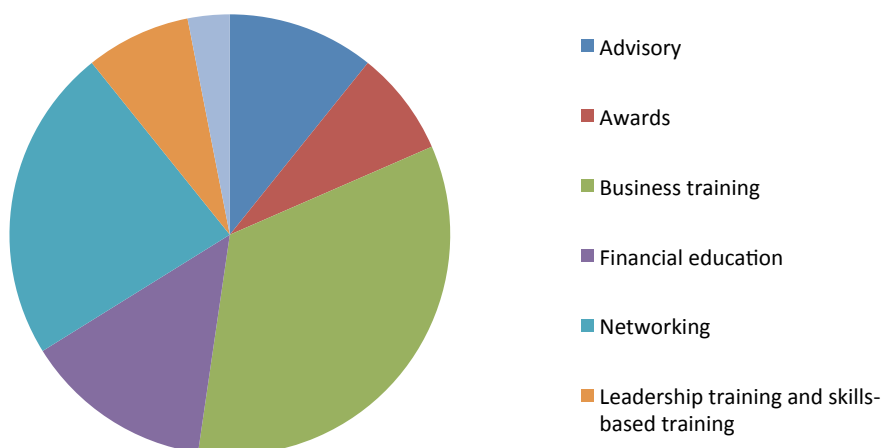
When offering a wider set of financial products to women-led SMEs, bank cards (debit and credit) were a standard feature. Banks often offered a card customisation option (that is, card colours and designs targeted at women), the use of loyalty cards and benefits by third-party partners (for example, discounts at certain stores), when developing propositions for women entrepreneurs.

Non-financial services were a standard feature of the vast majority of offers for SMEs, and were widely prevalent in offers to women-led SMEs. In particular, programmes that were supported by international donors and technical assistance providers were likely to include a non-financial component. Non-financial services are seen as an accelerator to improving access to financial products. After training, women are more likely to take the steps required to access the financial products they need. Women also tend to place great value on such resources, especially in cultural contexts where social mobility is low.

Of the institutions surveyed, 37 per cent offered a variety of services that ranged from networking opportunities and awards, to training programmes on management, leadership and business development. Of the institutions that offered non-financial services, 55 per cent offered at least two different types of services, the most common being business training and networking.

The non-financial programmes identified differed in how they were delivered (provided directly by the bank or

Chart 4: Non-financial services offered by researched institutions
(could be more than one)



Source: Research findings of this report

outsourced), what content they offered (soft skills, general business topics, matters related to financial needs, special topics for certain growth phases) and whether this content was linked to the bank's value proposition. Perhaps most notably, the programmes' cost structures also varied ranging from the bank paying directly for services or paying third-party providers, namely NGOs, to obtaining government support. A few programmes intentionally charged fees to ensure that clients would better appreciate the value of the offer. To address the issue of profitability, one bank in Costa Rica stood out by selecting high-potential clients for a set of training courses, which were phased to coincide with growth stages of their firm, rather than letting clients decide which courses to choose. Of the banks interviewed, all had a non-financial component and most banks were first to admit that much of the programmes' success resulted from an investment in this area.

Marketing and distribution channels emerged as perhaps the most critical component in reaching women entrepreneurs. Marketing efforts were seen to help institutions reach a segment which is often less likely to proactively seek financial services. Marketing strategies were fairly comprehensive. Most shortlisted institutions heavily branded their women-focused products with tailored marketing campaigns, internal champions and women-focused relationship managers in place to reach this segment. Some banks also ensured that relationship managers were trained in the area of psychology to be sensitive to gender differences, and to better understand and serve women clients. In addition to dedicated relationship managers, a few banks also invested in distinct service areas for women.

Organisational changes are often a prerequisite for the successful implementation of a women-focused SME programme. Of primary importance is leadership buy-in, but even with the establishment of champions within the bank, it is essential to assign accountability to an existing or new unit. Among the institutions interviewed, 50 per cent had set up a special unit to which this responsibility was assigned and 71 per cent had set women-led SME targets in their performance management strategies.

For commercial banks to which this segment is new, a cultural shift is needed and investing in strengthening internal alignment is worth considering. The research interviews revealed criticism of those IFIs that offered credit lines but were reluctant to support and invest in the organisational and cultural changes required to sustain the strategy. Training employees on gender sensitisation, expanding diversity initiatives within the bank and identifying KPIs within the performance measurement system, all support the development of a long-term sustainable focus in serving women-led SMEs. Linking the client-facing programme for women-led SMEs with a greater internal focus on diversity and inclusion was found to enhance the bank's proposition both externally to clients and internally to employees.

Lastly, **gender-disaggregated data** is another important component of serving the women's market. Disaggregating data is not only the basis for any good analysis, but it also allows institutions to uncover important trends and relationships, and is particularly important for banks that are looking to serve women clients. Gender-disaggregated data is crucial to prove the business case for providing services to women, whether externally or internally, and to present the case before the bank's board and senior management.

During the mapping exercise, the research team found that institutions ranged from those having developed sophisticated data analytics tools to others that had not yet been able to analyse data by gender at all. Definitions of what constitutes a women-led SME, legacy IT systems and the absence of reliable markers or identifiers in basic client data were often cited as hurdles. Of the institutions interviewed, 71 per cent collected gender-disaggregated data. Overall, gender-disaggregated data are generally limited in banks at the early stage of entering the women-led SME segment, unless they make it a priority to capture these data as they sign on new clients. Tracking even a select few gender performance indicators can go a long way in establishing the credibility of a programme targeted to women. Existing resources include a full suite of gender performance indicators, as well as a select few critical metrics to measure how well institutions are serving women clients.²⁰

SECTION 4

**Best practices in
financial products and
business models for
women-led SMEs**

Definition of best practices

Through the mapping exercise and interviews with industry experts and shortlisted financial institutions, best practice programmes were defined as those that included several of the following components:

- market research to assess the economic opportunity
- customer segmentation to understand the financial products needed by women business owners
- innovative financial and/or non-financial products and services
- unique delivery and outreach models, including marketing and branding strategies
- organisational structure to support value proposition to women-led SMEs
- gender-disaggregated data to support the business case for serving women-led SMEs.

This section gives an overview of best practices in SME banking, and how these have been tailored to meet the needs of women-led businesses. Specifically, it looks at a combination of those areas mentioned above that enhance the value proposition for women entrepreneurs. Examples will be presented throughout this section, followed by in-depth case studies (in section 5) of banks which exemplify these practices.

Market research and customer segmentation

To produce relevant results, best practice banks set up their market research for women-led SMEs to reflect the “hybrid nature” of SMEs as individual and business-centric. They sought to understand how the financial needs and cash-flow profiles of women owning and operating SMEs were distinct from those of men, and how they differed by segment (age, industry, business lifecycle, etc.) thereby influencing the dynamics of their businesses and personal financial needs. The best practice programmes that were most innovative and sustainable had invested in comprehensive market research and segmentation to better understand how to provide services to women.

Knowing your (women’s) market

RBC conducted research to better understand demographic trends in the Canadian economy. It discovered that women had both an increasing role in household decisions and increasing purchasing power. The women’s market was growing, with 950,000 women-led businesses in Canada. This research directly led to a decision at the highest levels of the bank to stay ahead of the market and invest in this segment. Today, the RBC has a department that focuses solely on research. This includes gaining a better understanding of women clients through demographics, attitudes, gender dynamics and segmentation. The bank takes a holistic view on women clients by looking at four stages within a business lifecycle: entrepreneurs, fast growth, mature and winding down.

The population of women in Turkey is expected to increase by about 5 million by 2023. Having identified the women’s market as a large and growing segment, **Sekerbank** conducted a detailed survey to better understand women’s banking behaviour. Criteria included age, marital status, employment and whether they were banked or unbanked. The research revealed clusters with similar attributes resulting in the bank identifying 11 subsegments. This deep understanding of the subsegments allowed Sekerbank to develop customised value propositions for the women’s market, which the bank reinforced through their marketing and branding strategy. Sekerbank matched these subsegments with the bank’s respective strengths (given product portfolio, risk appetite and branch presence) thereby prioritising the segments to address.

Financial products

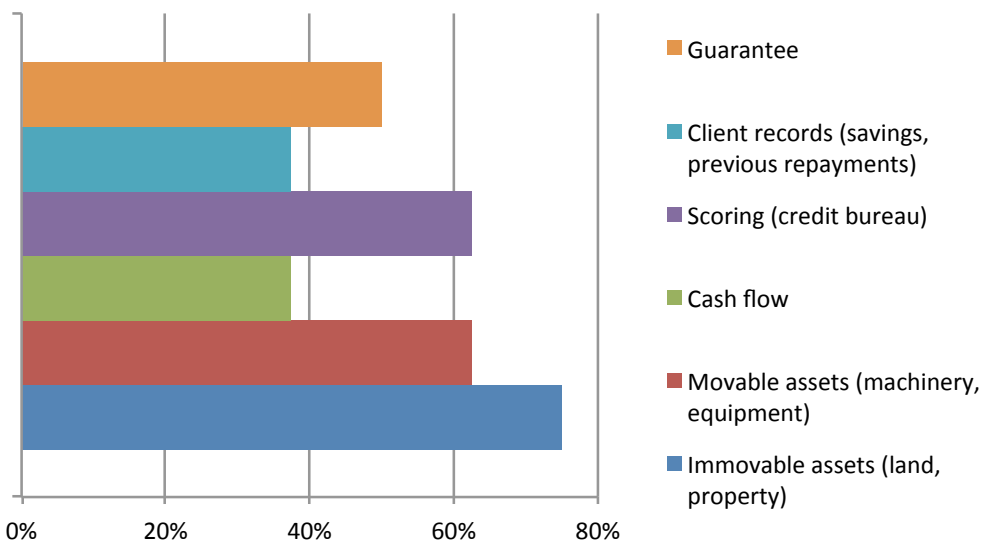
Banks that had not conducted specific market research generally felt that there was a limited need for product differentiation for women-led SMEs, particularly in relation to products that address the business side of financial needs (for example, working capital finance, trade finance, credit for capital expenditures). As demonstrated by best practice banks, which have seized opportunities to provide services to women-led SMEs, this opinion may be short-sighted. It tends to miss the many opportunities, outside of credit products, for banks to deepen their share of wallet, increase revenue, enhance their clients' risk-return profile and build a stronger, more loyal client relationship.

As best practice SME banking has shown,²¹ such opportunities can originate from business needs as well as personal financial needs, which in the case of women-led SMEs are closely intertwined. The gender of the company's owner is likely to influence the combined financial needs, which banks often miss if they do not understand the client's risk profile (see discussion in Section 3). Credit products, in particular, were adapted to meet the needs of women entrepreneurs by banks surveyed for this report. Financing was provided for a

range of activities, including start-up, growth, expansion, asset, trade, liquidity, inventory and raw materials. Best practice institutions offered women-led SMEs flexible loan terms, collateral options and adapted disbursement or repayment features (see chart 6). In particular, they gave women clients the option of using fixed or mobile assets such as household goods, jewelry and so on, as collateral.

Given the emphasis that women place on both their personal and business banking needs, best practice institutions combined both in their product offers. They flanked business products and services with transactional and savings accounts, pension plans, credit and debit cards, insurance, foreign exchange and POS devices, and linked them with sales management portals. Individual services, on the other hand, were complemented by private savings accounts, maternity loans, insurance products, transactions products such as remittances, and personal/consumer loans for children's tuition fees, marriage expenses, furniture, car hire, house renovations and health care. As this list indicates, best practice banks identified products or product features that particularly resonated with women's needs and priorities.

Chart 5: Collateral requirements on credit products



Source: Research findings of this report

Financial products for women

BLC Bank in Lebanon recognised that women in the region are often asset poor, due to property rights and inheritance rules, and therefore designed a collateral-free credit product to address this barrier. While the product is available to all clients, BLC is seeing a greater interest in the account from women. The product also covers start-ups that have not had prior business experience.

CARD SME Bank in the Philippines was created to cater to clients graduating from microfinance services, the majority of which are women. They have created a credit scoring model based on segmentation by loan

size. For small to medium-sized enterprises, CARD SME places greater weight on non-financial criteria such as age, successor, health and management of the business. For the largest loans, they also rely on financials such as cash flow, inventory and revenue. In addition, they offer longer-term products (1-5 years).

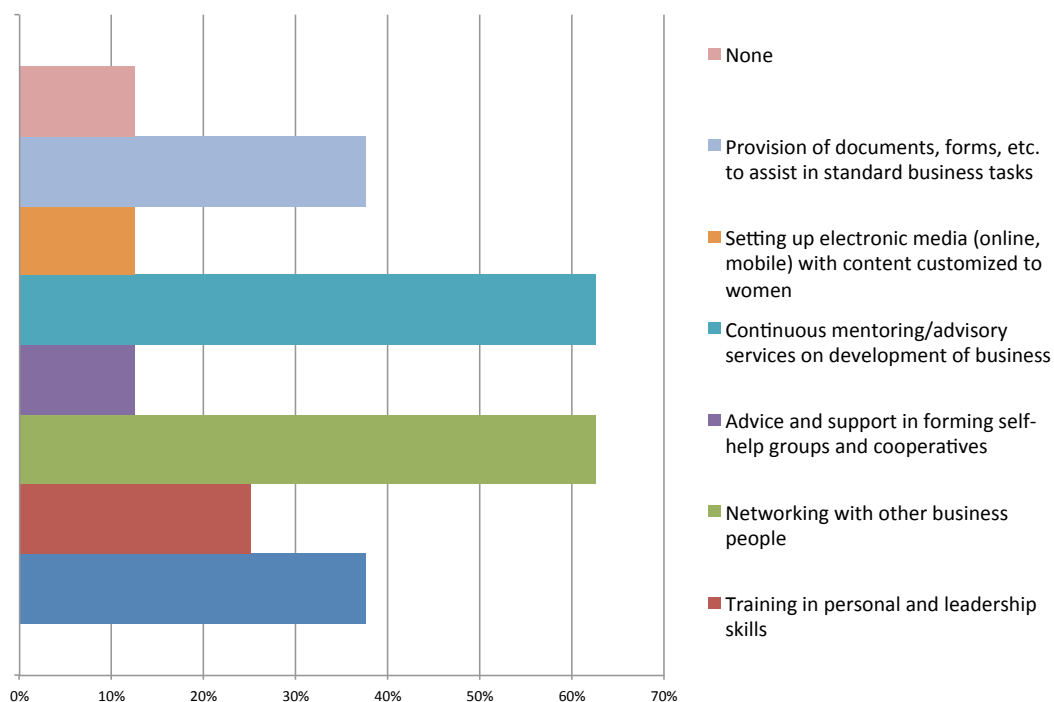
Garanti Bank designed a product, the Gold Secured Loan, which allows women to use gold as collateral. Other products offered to women include a Women Entrepreneur Consumer Loan, an SME Project Loan (7-year maturity) and a Pension Programme for Women Entrepreneurs.

Non-financial services

Non-financial services – important for all SME clients – are particularly important for women to address the financial literacy gap and the challenges they face resulting from social norms and expectations (refer to the target group profile in Section 3). Of the financial

institutions interviewed, 63 per cent cited that women demand advisory, mentoring and networking services (see Chart 7).

Chart 6: Types of services provided by financial institutions interviewed



Source: Research findings of this report

Best practice institutions offered training on entry-level topics such as financial, business and legal skills as well as information on women's rights and women's health. Women-led SMEs also benefited significantly from mentoring and networking opportunities, such as women-in-business platforms and market fairs, where they got to meet other successful female role models, with whom they could develop mentoring relationships. Such networking and mentoring opportunities can provide important encouragement for businesswomen to pursue their ideas more proactively. Lastly, awards to acknowledge distinguished women entrepreneurs were offered by several banks, including Westpac in Australia, Canada's RBC, Santander Banefe in Chile, Wells Fargo in the United States, Garanti Bank in Turkey and BLC Bank in Lebanon.

Linking training to sales targets is critical, as training programmes should link directly to products and bank

services in order to ensure applicability for clients. Some institutions offered skills-based or vocational training, such as dress-making, beauty and upholstery. Other institutions offered discounted credit rates for participants, if training content was seen to improve the client's risk profile.

Access to information and knowledge were also identified as critical for women entrepreneurs. Banks created online networks with information on business strategies, mentoring programmes, events and knowledge resources. In certain cases (for example, at BCI Mozambique and BLC Bank in Lebanon), these networks were based on the IFC's SME Toolkit. Where the bank had established a visible brand for its women-led SME offer, online platforms were an important element of their brand's campaign (for example, the "We Initiative" at BLC, "Ruby" at Westpac and "W" launched earlier this year at Access Bank in Nigeria).

The critical non-financial component

Banco Nacional (BN) in Costa Rica runs a comprehensive training programme for high-potential women clients. The programme includes basic management training, and for clients that are in more advanced stages of business growth, Banca Mujer has designed "Maintain and Grow" and "Accelerate" programmes. BN actively selects participants for the programmes and links training with sales targets. The bank then follows up with clients to reinforce the lessons learned. BN has been able to achieve strong cross-selling with this segment. It has also developed strategic partnerships with key stakeholders in Costa Rica, including universities, NGOs and business associations, to deliver non-financial services.

Garanti Bank created their Women Entrepreneur Support Package to help women entrepreneurs create and grow their businesses. To support these women entrepreneurs, Garanti offers non-financial services and encouragement through strategic collaborations

with KAGIDER (Turkey's Women Entrepreneurs Association), the Economist magazine and an academic institution. Services include Women Entrepreneur Gatherings, which are networking events designed to provide information, encourage women to start new businesses and support women in their personal development. Topics covered include marketing, management, finance and technology. Since 2012, in cooperation with Bogazici University's Lifelong Learning Centre and the EBRD, Garanti Bank has been running the Women Entrepreneurs Executive School, which provides free training. The programme's goal is to give participants the tools they need to sustain their businesses and to expand the vision of Women in Business. The bank's "Woman Entrepreneur of the Year Award" has further raised the bank's profile with women-led SMEs and attracts a wide following with more than 6,000 contestants (3 per cent of all Turkish women-led SMEs), annually.

Marketing and communications

Effective marketing and communications emerged as a critical factor to serving women-led SMEs. In particular, successful institutions have been able to adapt their marketing materials to reflect women's needs, often incorporating women-to-women communications. Programmes usually have dedicated websites tailored to women, including photos depicting women entrepreneurs, starter packages, terminology adapted to entry-level customers (including local languages and illustrations), and benefits and discounts for women. In general,

communications are advertised where women live and work, and focus on women-specific sectors and industries. Many institutions also promote awards for women entrepreneurs. These awards are more than a public relations opportunity, and can enable partnerships with other important stakeholders (government, industry associations). In addition, these awards give banks a greater understanding of women entrepreneurs and what distinguishes them, which could lead to better and faster credit approval, and more cross-selling opportunities.

Targeting women through marketing

BulBank in Bulgaria launched a marketing campaign, the “Donna” programme, targeted at “the independent, confident and modern woman.” BulBank offers a suite of branded financial products and non-financial support under their Donna programme, designed especially for women’s needs and personal circumstances. In particular, their outreach model was adjusted after research conducted with women clients showed a preference to dealing with female relationship managers. The bank therefore has an all-female sales force assigned to Donna clients.

Westpac’s “Ruby” is an online resource that offers events, which can be classified as first class, business class and economy class. This distinction targets different segments of female customers including commercial businesses, SMEs, affluent clients and mass retail clients. Further, Westpac developed a marketing tool, which uses a net promoter score (NPS)

to measure customer “advocacy” rather than customer satisfaction in order to assess the willingness of customers to recommend Westpac to others.

BLC Bank in Lebanon created two awards to honour the “Business of the Year” and the “Women Entrepreneur of the Year”, with a cash prize of US\$ 30,000 for the winners. The awards assess business creativity and sustainability, financials and corporate social responsibility, including employee benefits. The “Business of the Year” award is for registered businesses only and since 80 per cent of women’s businesses in Lebanon are unregistered, this award has motivated women to register and grow their businesses. In addition, BLC’s “We Initiative” is dedicated to the financial empowerment of women by providing online resources and organising outreach activities.

Delivery mechanisms

All SME clients require fast and inexpensive access to financial services, which are adapted to both personal and professional banking needs. To this end, best practice institutions offer women-led SMEs a mix of delivery channels, such as branch, agent, mobile and online services. New client acquisition is also particularly important for women-led SMEs, and therefore some institutions have initiated collaborations with local business associations. Many best practice institutions use existing delivery channels to reach women-led SMEs.

However, some institutions have fully women-staffed branches and others have dedicated outlets and agents, often at locations such as bakeries and beauty salons, frequented by women. In addition, many best practice institutions have female officers and helpline personnel on hand to ensure women clients feel comfortable. They also offer dedicated services to help with decision-making, and mentoring sessions with advisory relationship managers.

Reaching women effectively

BulBank in Bulgaria has dedicated SME relationship managers, which are exclusively women, and the bank has installed special Donna areas in regular branches, which include warm and inviting colours as well as kids’ corners. This reflects findings from market research where clients expressed more confidence in dealing with female bank officers, in a setting where they felt comfortable.

BPR in Rwanda found that those branches that had been assigned a female relationship manager experienced higher growth in the number of women SME clients when compared with those branches that

did not have dedicated women relationship managers.

RBC in Canada has 100 Women’s Market Champions (WMC), managers dedicated to serving women clients across eight regions in Canada. The WMCs seek to better understand women’s different needs as customers and how to address them. They are also responsible for leading the awards programme, providing refresher training sessions for staff and updating the internal website with news on the women’s market.

Organisational structure

An important step in establishing a women-focused SME programme is to ensure that the organisational structure supports the strategy. Best practice institutions had buy-in from the highest levels of the organisation, including the board and executive management. In addition, many institutions created dedicated departments to focus on women-led SMEs. While this report does not recommend one particular model, it is fair to say that those programmes which were successful had all assigned responsibility for women-led SMEs to a special unit/group within the bank. In addition, successful programmes invested in

staff training and gender sensitisation training to raise awareness on women clients' needs and the manner in which they would like to be served (dedicated relationship management, greater need for information in order to make decisions, desire to network with other successful women, and so on). Lastly, once the definition of an SME has been clearly established in the bank's dedicated performance measurement system, gender-disaggregated KPIs (for example, cross-sell ratio, NPL, retention rate, etc.) are important components of serving the women's market and ensuring the strategy's long-term success.

Investing in organisational change

Westpac is the first bank in Australia to have a dedicated Women's Markets Team, which sits within Westpac's marketing unit and is responsible for looking after the existing female client base, as well as acquiring new clients using its online networking and support forum, "Ruby". Westpac also has "Ruby Champions", bankers who are trained on how to grow women's businesses using "Ruby" and are assessed through KPIs embedded into performance measurements.

Bulbank in Bulgaria has built an all-female sales force for its SME clients. All relationship managers specifically serving women SME clients are trained on psychological and interpersonal skills to better understand and serve them.

BLC Bank in Lebanon identified three pillars upon which its strategy to serve women-led SMEs is built. One of the three pillars is an internal focus on women's empowerment and equal treatment for all employees.

Gender-disaggregated data and building the business case

Gender-disaggregated data can range from simply tracking which SMEs are owned/led by women to measuring outreach to women-led SMEs, and determining growth (number of accounts and size of portfolio). Data can also include more nuanced metrics like retention of women

clients, risk levels by gender, differences in product uptake by gender and outcomes for women clients. Where this has been done, best practice strategies have been shown to yield strong results in terms of client activity and cross-selling, loyalty and overall profitability.

"You can't manage what you can't measure"

Banco Nacional in Costa Rica used gender-disaggregated data with activity-based costing to build the business case for serving this segment. They have been so strongly encouraged by the results of its Banca Mujer (Women's Banking) programme that the entire bank is now creating a strategic segment for women across retail and SME banking, and other units in the bank are trying to learn from this programme's experience.

BLC Bank in Lebanon started disaggregating data by gender at the launch of the "We Initiative". BLC had to update their IT systems in order to extract baseline gender data against which all performance is now measured. These metrics are now reflected in the bank's key performance indicators and according to the

programme's management, "this was the most important decision the bank made with regards to this programme."

Women's World Banking developed a framework of gender-based financial and social performance indicators, which will enable financial institutions to measure how well they are serving women and staff, while also building the business case for women. They are promoting a select set of five indicators as the starting point – the minimum that all stakeholders in financial inclusion should use to track and improve gender performance: (i) percentage of new women borrowers; (ii) average loan size per woman borrower; (iii) women borrower retention rate; (iv) women's portfolio at risk; and (v) women staff retention rates.

SECTION 5

Case studies

Bank

Banco Nacional (BN)
Public sector bank

Country

Costa Rica



Attracting women with tailor-made non-financial services

In 2011 BN set up a unit within the retail bank called Banca Mujer (Women's Banking). At that time, a research study on SMEs conducted by the Banking Association in Costa Rica found that 32 per cent of all SMEs in the country were owned and run by women and 59 per cent of women had a university degree. They also found that in the past decade, women were graduating at twice the rate of men but their rate of unemployment was higher, resulting in greater self-employment. The rate of women-run start-ups was 16.8 per cent compared with 8.8 per cent for men. Seeing this as an opportunity, the bank decided to invest in the women's market from a business and social perspective – to stay ahead of the market while at the same time empowering women through access to financial and non-financial services.

Key features

- Banca Mujer focuses on selling a **branded suite of the bank's products** to women, including credit, savings, pensions, insurance, credit cards (marketed as a proxy for a revolving working capital loan), and internet and mobile banking. The products, along with the advice given by sales staff, are offered as a bundled solution that enables the growth of the client's business.
- Women are pre-selected to enrol into a comprehensive **training programme**, which also serves as an opportunity for the bank to sell its products. Training is provided at key stages of business growth. The basic management programme targets high-potential clients. This is the first training programme to introduce clients to the bank and its services. For clients that are in more advanced stages of business growth, Banca Mujer has designed "Maintain and Grow" and "Accelerate" programmes to support businesses.
- Banca Mujer sits at headquarters and has **six full-time staff** responsible for ensuring that women-led SMEs are targeted and served well within the bank. This group sits at the same level as the SME unit (which does not have an explicit focus on women) and reports to the head of retail. SME relationship managers have been trained on gender-sensitive sales and advisory services, but serve both general SMEs and Banca Mujer clients. BN did not see enough critical mass to deploy dedicated Banca Mujer sales

staff across its entire network.

Business case

BN completed activity-based costing and with all costs assigned, ran internal profitability analyses on Banca Mujer. Results were so positive that other units are now trying to adapt its practices and the bank will soon introduce "women" as a strategic segment, bank-wide. Key components of the business case include:

- Substantial increase in number of clients: 18,000 new women-led SME clients.
- Successful cross-selling: 62 per cent of women-led SMEs now with investment fund products; average number of products is four in Banca Mujer compared with two for all women.
- Low default rates: over 3 per cent greater than 90-day outstanding payments, about the same level as for general SMEs.
- Positive net contribution overall and in each subsegment (agriculture, retail, professionals).
- Net contribution/profit for Banca Mujer higher than other women-led segments in the bank.

Lessons learned

Investing in non-financial services can boost profitability. Training programmes at BN have been a key factor in attracting new high-potential clients. A unique approach of the programme has been the delivery of advanced content in line with business growth and the complexity of the client's business activities. Training sessions have helped to generate targeted sales and boost cross-selling when the bankers have been present at training events to understand client needs.

Bank

Garanti Bank
Commercial bank

Country

Turkey



Supporting women entrepreneurs through bundled products

A market research study in 2011 identified around 200,000 women-led SMEs as underserved, amounting to a credit potential of US\$ 11.5 billion in Turkey. It also revealed that women did not feel banks understood their needs and challenges. As a market leader in SME banking with a comprehensive offer and wide network of SME staff, Garanti Bank created a Women Entrepreneur Support Package. With a focus on credit/financing (plus insurance), a typical SME product bundle was slightly adjusted and distinctly branded ("Black Shoe" brand) for women. Non-financial services with strategic non-banking partners were also provided to support a small segment of these clients. Garanti's approach emphasises marketing, branding and non-financial services to target women-led SMEs.

Key features

- Aware of the collateral shortage faced by women entrepreneurs, Garanti designed a new product in 2013, the **Gold Secured Loan** programme, which allows women to use gold as collateral. This taps into particular cultural norms in Turkey, where women collect gold jewelry from birth. Beyond credit, the Women Entrepreneur Pension Plan reflects women's priorities by bundling education insurance for their children with their pension insurance.
 - Garanti offers **non-financial services** in collaboration with partners, such as Turkey's Women Entrepreneurs Association, a magazine and a university. A costly general training course was replaced by Women Entrepreneur Gatherings, one-day sessions of peer learning, networking, encouragement and instruction (in marketing, management, finance and digital sales channels).
 - Within five years, over 4,500 women in 24 cities were reached (3 per cent of women-led SMEs). In September 2012 a mini-MBA of 100 hours was developed with a local university and is now offered in eight cities. Programmes are free, 50 per cent co-financed by grants. **Training sessions** do not focus on banking issues or promote Garanti solutions, but sales staff are handed participants' contact details to conduct follow-ups.
- Garanti also has a "**Woman Entrepreneur of the Year**" award, which has been providing strong publicity (co-run by Ekonomist magazine) since 2006. Annual applicant numbers soared from 108 in 2006 to 6,000 in 2012, with 75 per cent of participants being Garanti clients. The award serves as encouragement and recognition.
 - Dedicated **women-in-business ambassador** posts were created at regional hub offices to assist with marketing events in the respective region and to direct sales leads towards general SME relationship managers. RMs follow a "same pocket approach", covering both business and personal banking needs.

Business case

As of October 2013, seven years after launching the programme, the following results have been achieved:

- Profitability above male-led SMEs: 35 per cent for medium enterprises and 17 per cent for small enterprises, compared with 6 per cent for overall portfolio.
- Product efficiency around 17 per cent higher than the overall portfolio.
- High cross-selling success especially in insurance products.

Lessons learned

- **Leverage your SME banking expertise.** Garanti had the opportunity to quickly and successfully launch a women-led SME offer on the basis of a well-developed general SME banking platform.
- **Strengthen your marketing and communications strategy.** Dedicated marketing and communications measures can achieve strong results as the Garanti case shows.
- **Invest in your employees.** Internally, the bank has been powerful in attracting top talent for employment and as a result Garanti has become the employer of choice with a 60 per cent ratio of women employees (20 per cent in top management).

Bank

BLC
Commercial bank

Country

Lebanon



The bank and employer of choice for Lebanese women

BLC Bank in Lebanon has long been involved in SME banking having had the foresight to identify the opportunity in providing banking services to women-led SMEs. The focus on women-led SMEs, established through the “We Initiative”, was a natural extension of SME banking, which started in 2012. The initiative is visibly branded and reflects trends that BLC saw in the market (57 per cent of college graduates in Lebanon are women). The programme stands on three strong pillars: (i) internal focus on women’s empowerment and equal opportunities for employees; (ii) financial services designed with women in mind; and (iii) non-financial services including networking, mentoring and training. In developing its “We Initiative”, BLC drew on lessons from other GBA members and has become the first bank in the MENA region committed to the UN Women’s Empowerment Principles.

Key features

Financial products

In the context of the “We Initiative”, BLC highlights two financial products specifically for women:

- **Children’s savings account:** The legal guardian of a minor child in Lebanon is the father. A bank account therefore requires the signature of the father or in his absence, the signature of a male member of his family. BLC designed a product whereby a mother can open a fiduciary account in her own name without disclosure to other family members. She can then name the minor child as a beneficiary who can gain access to the account at the age of 18. This account now allows women to begin saving for their children’s future.
- **Collateral-free loan:** Recognising that women have few assets in their name, BLC has designed a loan product which is collateral free up to a limit of US\$ 20,000. All clients have access to this product but the bank is seeing a greater interest from women. The product also covers start-ups that have not had prior business experience.

Non-financial services

- To assist women entrepreneurs, BLC has included many elements of networking, advice and

encouragement into the “We Initiative”. A dedicated website (we-initiative.com) serves as a platform for these non-financial services. It also includes marketing for banking products and special offers, and provides access to banking branches and experts.

- The website allows customers to contact specialist experts (who respond within 48 hours at no charge) and mentors (free up to four sessions) who are successful businesswomen and men. BLC also organises monthly “Business Power Sessions” for a fee, but discounts are available for “We” clients.
- BLC has also created two annual awards honouring the “Business of the Year” and the “Women Entrepreneur of the Year”, each offering a cash prize of US\$ 30,000 for the winner.

Business case

Through the various resources offered to women clients, the bank is able to track use to determine product efficacy and uptake:

- On the savings account for mothers, the bank is meeting its targets and looking to expand the programme.
- Women have lower non-performing loans across the SME portfolio as a whole.
- The cross-sell ratio is higher for women compared with men.
- The “We Initiative” broke even in two years.

Lessons learned

- **Combine an internal focus on institutional investment with an external focus on women customers.** Investing internally, through organisational change and equal opportunity policies for employees, has been as critical as having a focus on women clients.
- **Provide a holistic value proposition.** BLC has developed a comprehensive offer, including financial and non-financial products, with a distinct brand identity to position the bank as a leader in the client’s mind.

Bank

UniCredit Bulbank
Commercial bank

Country

Bulgaria



“Keeping women in mind”

In 2011 Bulbank established the “Donna” programme “for the independent, confident and modern woman.” This move reflected growth trends of economically active and self-employed women and the contrasting lack of dedicated offers by banks. Today, the bank offers a suite of branded financial products and non-financial support designed especially for women and their needs at various stages of their lives. The bank adjusted its branch design to cater to women clients and established a Donna branch in the capital with a visibly female image. In other branches, the bank developed a service area with books and toys for the children of women clients. On the non-financial side, the bank is helping Donna clients to become members of the Council of Women in Bulgaria (a prestigious leadership network). In addition, the bank also provides business training for women SME clients.

Key features

- The key innovation in the bank is **financial products** designed with women in mind. Products include:
 - Donna Mortgage Loan: reduced repayment instalments during maternity (can be for business or personal use).
 - Donna Leasing: Flexible repayment plans with a 20 per cent reduction option during the first year of maternity, as well as a free baby seat and insurance on lost keys.
 - Donna Term Deposit: Increased interest rate of 0.25 per cent valid until child turns three years old.
 - Donna Consumer Loan: 2 per cent annual interest rate for one year of the maternity period.
 - Donna Debit Card V Pay: free withdrawals at ATMs and discounts in stores.
- **Non-financial services:** Market research by Bulbank indicated that women entrepreneurs seek more encouragement and support to address issues of self-confidence and social expectations. With support from the bank’s Human Resources department, a six-session course on leadership was developed and is offered to Donna clients for free.
- The **delivery model** has also been adjusted based on research conducted with women clients who indicated a preference to dealing with female relationship managers. The bank therefore has an all-female sales force assigned to Donna clients. Given the economies of scale, this sales force serves all women in the bank, not just women-led SMEs. All relationship managers are specially trained on

psychological and interpersonal skills. Across the bank’s network, special areas have been set aside and prepared for Donna clients (including space for kids to play and be taken care of). In Bucharest, a full branch is dedicated to this purpose.

- The programme’s strong customer centricity, along with its **marketing and branding**, are a reflection of the Marketing and Segments Department, which handles the programme within the Retail Banking division. A special accounts manager has been assigned to the programme.

Business case

Women represent a strong market opportunity in Bulgaria at 52 per cent of the population. Women view the bank as a partner and adviser. The investment in women has therefore resulted in an increase from 70 per cent to 84 per cent women clients.

- The average client revenue in the Donna programme is higher than the average revenue of the bank’s customers by 4 per cent.
- The average cross-selling index of clients in the Donna programme is significantly higher than the average index of the individual clients in the bank – 21 per cent above average.
- The NPL ratio of the Donna credit products is twice below the average ratio – both in terms of numbers and value.
- Other banks within the UniCredit Group are looking to adopt Bulbank’s example.

Lessons learned

- **The value of market research.** Market research in Bulbank resulted in a better understanding of women’s needs and priorities (for example, life stages that are of particular relevance to women such as maternity, child education, etc.), which led to building relevant value propositions.
- **Assign dedicated relationship managers.** Dedicated sales force and outlets may be a strong client preference – modular concepts in branches and all-women sales forces can preserve economies of scale.
- **Marketing alone as an approach to women’s banking has its limitations.** “Working with women clients required tremendous focus. It is not enough to have one-off campaigns on International Women’s Day. The emphasis and motivation need to be ongoing throughout the year.”

Bank

Royal Bank of Canada (RBC)
Commercial bank

Country

Canada

Investing in women entrepreneurs early on: A winning segment

Ten years ago, RBC conducted research to better understand demographic trends in the Canadian economy. It discovered that women had an increasing role in household decisions and had increasing purchasing power. The women-led SME segment was growing with 950,000 self-employed women and women-led businesses in Canada. RBC also knew from past experience that women are a loyal segment – “when they decide to join a bank, they stay.” The focus on the women’s market was a management decision to stay ahead of the market and has become part of the bank’s blueprint, backed by leadership at the highest levels. The bank adopts a comprehensive approach promoting women employees and executives as well as women entrepreneurs within the community.

Key features

- RBC has set up a department that focuses solely on **research**. This includes understanding women clients from demographics, attitudes, gender dynamics and segmentation. The bank takes a holistic view on women clients looking at four stages within a business lifecycle: entrepreneurs, fast growth, mature and winding down.
- While the bank’s research indicates that women do not want differentiated financial products, it is clear that they would like to be served differently. As a result, RBC put in place **100 Women’s Market Champions** across each of the eight market regions in Canada. The goal of the WMCs is to better understand specific customer needs and differences as well as how women clients would like to be approached.
- **Non-financial services:** For example, when financing start-ups, WMCs provide support to women in developing business plans, cash-flow statements and other financial statements. Online resources are available in certain branches.
- WMCs also play a role in mobilising and shortlisting applicants for the annual Canadian Women Entrepreneur **Awards** (CWEA), which RBC launched in 1992. Candidates can register online or in branch with RBC business account managers.
- As part of its **online presence**, RBC has a separate

section for women entrepreneurs where it provides an overview and selection (computer-assisted) of its most relevant products, general advice about key stages in the development of a business and experiences shared by successful businesswomen.

Business case

RBC holds approximately 27 per cent of the market share in Canada. Over one-third of business revenue comes from women clients, both small businesses and commercial businesses. RBC achieves results above its peers:

- a higher average number of products and services per client (9) than the Canadian average (7.5)
- a higher average number of loans to women clients (3.8) compared with Canadian average (3.5).

Lesson learned

- **Invest in market research.** Market research has been essential to inform the forward-looking corporate strategy, which understands the relevance and opportunities of the women-led SME segment.
- **Be an early mover.** There is clearly a lasting benefit to the “first-mover advantage” in enjoying high visibility and trust that comes from addressing women entrepreneurs distinctly.
- **Integrate the women’s market strategy internally.** Embedding the women’s market agenda throughout the network can be achieved through “champions” (someone at the regional level who coordinates the respective activities and serves as an example of the success of this strategic direction).

Bank

Westpac Banking Corporation
Commercial bank

Country

Australia



Target your customer through marketing and branding

Westpac was the first bank in Australia to have a dedicated Women's Markets Team. The team has evolved since its inception 15 years ago, transitioning from sponsoring business events to now investing in educational and networking programmes that fit women's needs. The Women's Markets Team currently sits within Westpac's marketing team and is responsible for looking after the existing female client base as well as acquiring new clients using its brand "Ruby" and its interactive web portal, "Ruby Connection".

Key features

- The Ruby brand offers events that can be classified as first class, business class and economy class. This distinction targets different **segments** of female customers, including commercial businesses, SMEs, affluent clients and mass retail clients.
- **"Ruby Champions"** are selected within the bank to host events. Champions are bankers who are trained on how to grow businesses with women using the Ruby brand and are assessed through KPIs embedded into performance measurements. When clients show an interest in banking solutions at such events, their information is passed on to Westpac sales staff or relationship managers.
- **Market research** has been a critical component to serving the women's market at Westpac and the team is responsible for assessing how customer behaviour drives brand performance. The team uses two primary tools: (i) Your Bank-Your Say: an online tool that selects a group of customers and solicits opinions, feedback and advice online; and (ii) Customer Advocacy: this tool uses a net promoter score to measure how willing customers are to make referrals to others.
- The bank sees its 37,000 employees as a high-value customer segment and uses the **KPIs** to measure advocacy among employees as well.
- In 2008 Westpac launched a dedicated **website** for women entrepreneurs – Ruby Connection – which continues to be one of Australia's leading online communities for entrepreneurial businesswomen, with thousands of members exchanging advice, planning events and sharing their stories each day.

Topics cover a wide range from business and finance to lifestyle.

- **Training and capacity-building.** Under the Westpac umbrella, the Davidson Institute provides both men and women with access to information to help them make better financial decisions. The Institute partners with the Ruby team to deliver online content that is targeted towards women and their needs.
- **Internal focus on diversity and women's leadership.** Women make up 61 per cent of Westpac's employees. The bank has invested in multiple programmes to support women at all levels. From 2012 to 2013 the number of women in leadership increased from 33 per cent to 42 per cent, respectively.

Business case

Given the Women's Markets Team's strong focus on research and data analysis, Westpac used gender-disaggregated data to present the business case for serving women.

- 2013 data showed that while the bank had a higher proportion of male customers, women customers were growing at a higher rate. Data also showed that on average women held a greater number of financial products than men. When the Women's Market programme proved to be profitable for the bank, it was able to garner even more support internally.

Lesson learned

- **The importance of branding.** Having a brand (Ruby), which under one name, includes a range of products, services and initiatives for women, has played a fundamental role in positioning women's banking both internally within Westpac and externally with customers.
- **The need to invest both internally and externally.** Another lesson from Westpac is the importance of investing in women, both internally as employees and externally as clients.
- **The case for gender-disaggregated data.** Having data disaggregated by gender has been essential to present a clear business case to management on the attractiveness of women-led SMEs.

SECTION 6

Conclusions and recommendations

Conclusions

The business opportunity

Women comprise 40 per cent of the workforce and control one-third of the global wealth. In addition, they spend US\$ 20 trillion dollars annually.²² It is estimated that over 70 per cent of women-led SMEs across every region are either unserved or underserved financially, “amounting to a financing opportunity of approximately US\$ 285 billion.” The market opportunity to serve women-led SMEs exists and it is growing worldwide. Banks seeking leadership positions in their respective markets have the ability to grow their businesses by taking a targeted and deliberate approach to serving this segment. However, overall, serving women entrepreneurs in small and medium-sized enterprises remains in the early stages of evolution. The current reach of services remains grossly inadequate and incommensurate with the market opportunity, and is largely concentrated in emerging countries.

What banks need to keep in mind

Men and women have different attitudes and needs when accessing financial services. Banks interested in targeting women-led SMEs need to take into account differences in formal business education, and business management skills and experience. The lack of formal documentation and limited access to assets also impact their ability to mobilise collateral. In addition, socio-cultural factors in many countries limit women’s mobility and their time is constrained given the need to take care of the family and business. All these factors affect the type, size and sectors of women-led businesses and their access to formal finance, resulting in differences from their male counterparts. These elements have a strong bearing on product design, delivery and uptake.

How others did it

Those banks, which have been successful in targeting women-led SMEs, are all characterised by a few common features. First and foremost, best practice institutions saw the women-led SME segment as a market opportunity and had support from top management in pushing the agenda within the institution. To serve this segment, these institutions developed customer-centric value propositions, using market research and segmentation to understand client needs and priorities in their respective socio-economic and cultural settings.

Successful institutions also recognised the strong link between financial offers addressing the professional

needs of a woman entrepreneur (centred on the business) and her personal needs (centred on the individual owner and her family). In developing products and services, best practice institutions made adjustments to product features and their service model, recognising the hybrid nature of women-led SMEs. Products reflected gender-specific cash-flow profiles and risks, including reduced interest rates, differentiated loan terms, and relaxed or collateral-free requirements. The suite of products often included asset-building products for personal use such as savings, insurance and pensions.

Delivery models were adapted to not only attract women clients, but also address and retain them in a tailored manner that makes women receptive to what the bank has to offer. Often, this included dedicated women relationship managers and/or specific branches to serve this segment. Most importantly, at the institutional level, these banks developed dedicated performance measurement systems and gender-disaggregated key performance indicators to demonstrate success and prove the business case – both internally and externally.

Lastly, almost all the best practice institutions offered non-financial services for women entrepreneurs, complementing conventional SME training programmes with programmes that tackled the gender-specific challenges for women entrepreneurs (expectations, self-worth, encouragement, leadership and authority in mixed teams) to enhance their growth prospects and risk profile. This training was often supplemented by mentoring and networking opportunities, which are crucial for women clients.

The business case

Best practice banks have increased their exposure to women-led SMEs over the years, reflecting the attractiveness of this segment. The loyalty of its customer base, along with the effectiveness of cross-selling and enhanced performance, have resulted in a higher share of wallet per client. Banks that approached this market through a strategic lens have seen an increase in the share of women-led SMEs in their portfolios and some have even experienced a decrease in NPLs. Banks have also seen that they are able to cross-sell products to women-led SMEs at double or more the rate when compared with other segments in the bank. Lastly, the women-led SME segment is profitable. One bank broke even in two years and another has found that this segment brings substantially higher profitability to the bank when compared with other client segments.

Recommendations for EBRD partner banks

Below are practical steps banks can take when targeting the women-led SME segment:

1. Know your market and customer

- Conduct market research: Assess the opportunity of serving women-led SMEs in your market, estimate the number of women SMEs in your market and identify who is currently serving this segment. Identify trends (e.g. more women graduating, increase in number of households headed by women, etc.) you anticipate taking place in this segment in the next 10 years and how these trends might affect the growth of your business.
- Understand the economic conditions under which women operate: Identify the key constraints facing women entrepreneurs when it comes to accessing financial services (e.g. social and cultural biases, property and inheritance laws, education levels, etc.).
- Conduct customer segmentation to identify distinct needs: Conduct an analysis of women-led SMEs which could be strategic in nature (e.g. based on business sales or income levels) or tactical (e.g. based on industry, source of income, age, gender, location).

2. View women-led SMEs as a distinct group

- Make women-led SMEs a distinct client group: The women's market should be seen as a distinct segment within the bank with a distinct value proposition, rather than a mere extension of existing retail or commercial business segments.
- Give women what they need: Research shows that women don't want differentiated financial products but they do want to be served differently and treated with respect. Relationship managers trained in serving women-led SMEs have gone a long way in increasing the growth of the business.
- Extend the brand position to women: The marketing strategy of the institution has to resonate with women-led SMEs. In many cases, this will need to be tailored so that women clients can identify with the brand.
- Invest in staff training: Employees can be strong ambassadors in supporting the women's market but will need to be trained to learn how to serve women clients.

3. Build internal capacity

- Leadership buy-in is critical for the long-term success of serving women-led SMEs. Appoint an internal champion within the institution who can rally the organisation

around serving the women's market.

- Assign accountability to an existing or new unit to ensure that the strategy is sustainable.
- Emphasise gender diversity as a strategic priority both internally and externally.
- Invest in gender sensitisation of staff and raise greater awareness on how to better serve women clients.
- Identify performance-based KPIs to track individual performance and improve institutional performance.

4. Adapt your credit processes, lending methodologies and delivery models

- Risk management: Often, banks have limited data on women-led SMEs, which warrant a different approach, especially as it relates to risk management strategies. Adapted policies with adjustments in exposure limits and pricing are necessary to ensure the segment's sustained profitability. Risk assessments can be supplemented through analysis of formal and informal data sources, as well as the SMEs' track record and future outlook, thereby adopting more of a relationship banking approach. Integrating lending into value chains by accepting suppliers and off-takers as counterparties can also be considered.
- Quantitative tools and metrics: Integrating standardised measures, such as credit scoring, will not only help assess and mitigate risk, but will also provide unique value propositions to different clients.
- Adapt delivery models to reach women entrepreneurs in a professional and respectful manner.

5. Offer women a holistic mix of products and services

In assessing financial services, women place value on both personal and professional needs. Use findings from client research to develop a comprehensive value proposition, including:

- Core professional products (i.e. business banking accounts, term financing, overdraft facilities).
- Value added financial services (leasing, payroll services, cash management, foreign exchange, card servicing, payment solutions, insurance policies, POS deployment and merchant acquisition).
- Value added non-financial services (advisory services on relevant topics such as taxation, law, business training and networking opportunities). Turn this investment into client activation and loyalty by providing skills that will enhance the bankability and risk profile of the client.

- When designing training and non-financial services, to address the issue of profitability, select clients with the right potential for a set of training courses which are phased to coincide with growth stages of the business, rather than letting clients decide which courses to choose.
- Links to core personal products, particularly for owners/operators and senior managers (personal savings and checking accounts, overdrafts, term loans, consumer finance, mortgages, asset/investment management, pension plans and insurance policies).

6. Invest in proving the business case through gender-disaggregated data

The business case for serving women-led SMEs exists, but banks need to collect and analyse the data by gender to prove that investing in the women's market is good for business. Best practice banks have increased their exposure to women-led SMEs over the years reflecting the attractiveness of this segment.

Recommendations on how the EBRD can further tailor its approach

Targeted research and knowledge exchange. The report shows how women's banking is a relatively new area and how the majority of banks have developed their women-in-business initiatives internally, by learning from peers. In some instances this is due to internal budget constraints, but most often it is because appropriate consultancy support in this relatively new area is currently limited. This has implications not only to being able to source reliable data on the segment, but also when structuring technical assistance packages to design or deliver a Women in Business programme. To a certain extent the EBRD can mitigate against this lack of current external knowledge given its business model, which allows the Bank to build its own centre of knowledge, however this approach also has its limitations. Studies like this one are a step in the right direction, but they are probably not enough. In the future, reaching out to other specialised communities (for example, the Global Banking Alliance) as a cost-effective way of accessing information and knowledge should probably be explored.

Building clients' internal capacity. One of the conclusions of this research is the need to invest both internally (within the institution) and externally (on the women's market) to successfully serve women-led SME clients. According to the research findings, these processes should take place in parallel. While the various best practice institutions have taken different approaches to strengthen their institutions internally, the conclusions indicate that they generally focus on several of the following:

- investing in adapting management and information systems to improve their gender-disaggregated data collection capabilities, at least for a few critical variables

- promoting KPIs linked to performance to better track and monitor success and motivate staff
- ensuring senior management buy-in and ideally integration of the WIB initiative as part of the banks' broader strategies
- establishing specific departments in charge of overseeing the implementation of the WIB initiative/programme with dedicated staff
- investing in training through targeted, relevant sessions for technical staff working with the women-led SME segment
- promoting institutional champions and/or networks of advocates (e.g. RBC ambassadors) within the institution.

In terms of the EBRD's business model, these recommendations should be used to design and further strengthen the aspects of any technical cooperation offered as part of the WIB programmes. The demonstrable benefits of addressing all or some of the above reinforce the advantages of investing both internally and externally, and should form part of the EBRD's dialogue with its partner banks in order to ensure sustainability.

Moving from product-centric to customer-centric banking. One of the clear conclusions of the research, and something agreed upon by most experts working in this field, is that while product differentiation and the development of specific products is important, those institutions which had the most success were the ones that introduced fundamental changes to their approach and methodologies. What appears to have been the underpinning element of their success was the bank's ability to fully assess the needs of their clients, and as such identify those things that businesswomen value and do differently from their male counterparts. The EBRD can support this approach by emphasising the importance of customer segmentation methodologies, as well as customer differentiation and gender-disaggregated data collection, when discussing with its clients the required approach to maximise the success of their WIB initiative.

The importance of non-financial services. Non-financial services have played an important role in the value proposition for women-led SMEs in many best practice banks. This validates the EBRD's approach, which brings together built-in advisory services for end beneficiaries through Small Business Support, and also supports services delivered by commercial banks. Based on initial evidence from the case studies, it is expected that support to commercial banks with regard to designing commercially viable non-financial services tailored to the needs of women's businesses in the different stages of their growth cycle will become important to ensure sustainability, growth and adequate levels of customer service in the future.

Appendix I

Financial institutions with programmes targeting the women's market

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
AB Bank	Bangladesh	Commercial bank	Awparajita	Women business owners/ entrepreneurs	Loans as well as fixed investment in businesses for women entrepreneurs	NA	Interest rate of 14-16 per cent for women versus rate of 15-17 per cent for others	Business model: <ul style="list-style-type: none"> • 86 branches and 11 SME centres across the country for SME programmes Delivery model: <ul style="list-style-type: none"> • “SME Desks” and “Women Entrepreneurs Dedicated Desks” established in every branch
ABank	Turkey	Commercial bank	ABank – Banking on Women	Companies (SMEs) managed/owned by women	Loans to SMEs	NA	Target of at least 50 per cent for on-lending to women-owned SMEs	Business model: <ul style="list-style-type: none"> • Promotes women-owned enterprises as a new focus within the SME space • Received funding from IFC and FMO
Access Bank Plc	Nigeria	Commercial bank	Gender Empowerment (GEM)	Women business owners/ entrepreneurs	Low interest loans supported by IFC funding	<ul style="list-style-type: none"> • Training and capacity-building • Social networking • Advisory services • Market collaborations 	<ul style="list-style-type: none"> • Internal credit rating tailored to be women friendly • Flexible collateral options, such as jewelry and equipment accepted 	Business model: <ul style="list-style-type: none"> • Alternative collateral accepted
Ajman Bank	United Arab Emirates	Commercial bank	Mahra Ladies Banking	Women (in general)	Personal banking package	Health, parking, shopping and dining perks in conjunction with personal banking package	<ul style="list-style-type: none"> • Access to ladies-only branches and counters • Access to health and fitness facilities at various clubs for ladies • Free valet parking along with concierge services • Debit card with discounts at shops, restaurants and hotels popular with female clients 	Business model <ul style="list-style-type: none"> • Perks offered to clients via third parties Delivery model: <ul style="list-style-type: none"> • Set up chic ladies-only branches in Dubai and Abu Dhabi

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Bancamia	Colombia	Microfinance bank	NA	Women (in general)	Loans, savings accounts, international drafts and insurance	NA	NA	Business model: <ul style="list-style-type: none"> • Scale operations for lower rates • Adapt to demand and diversify range of products Delivery model: <ul style="list-style-type: none"> • Specialised technology for better access and quality of service
Banco BHD	Dominican Republic	Commercial bank	NA	Women business owners/ entrepreneurs	Loans to small and medium-sized enterprises	NA	NA	Business model: <ul style="list-style-type: none"> • New value proposition for women SME owners Delivery model: <ul style="list-style-type: none"> • Non-bank agent network (MiBanco) using women-owned businesses as agents
			Tarjeta Mujer	Women (in general)	Credit cards for women	NA	<ul style="list-style-type: none"> • Health insurance covers ovarian and breast cancer • Discounts in certain retail stores • Lowest interest rate on the market 	Business model: <ul style="list-style-type: none"> • Card with perks sourced via third parties
Banco da Familia	Brazil	Microfinance NGO	NA	Women entrepreneurs	Grants loans to small-business entrepreneurs, mainly from the informal economy	NA	NA	NA

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Banco Nacional de Costa Rica	Costa Rica	Public sector bank	Banca Mujer	Women-led SMEs (individuals and legal entities), from start-up to mature	Branded offer for women SMEs Product bundle includes: <ul style="list-style-type: none"> • Savings account • Programme-savings account • Business loans • Credit card • Access to state guarantee funds • Retirement savings • Insurance • Mobile and internet banking 	<ul style="list-style-type: none"> • Support in business development and management • Leadership training • Networking opportunities 	NA	<p>Business model:</p> <ul style="list-style-type: none"> • Branded offer “Banca Mujer” with country-wide visibility • Separate organisational responsibility • Comprehensive training programme • Product bundle for women, with “use case” illustrations • Cross-selling objectives (linked to all trainings) and specially trained sales force <p>Delivery model:</p> <ul style="list-style-type: none"> • General SME sales force (214 in over 110 branches) trained to attract female clients and meet their needs • Sales force trained in how to serve women
Bank al Etihad	Jordan	Commercial bank	NA	Women that own SMEs and women consumers	Interested but have not launched products tailored specifically to women	NA	NA	NA
Bank Muscat	Oman	Commercial bank	Zeinah	Married, independent women with financial status or holding important positions	<ul style="list-style-type: none"> • Credit cards • Car loans • Savings accounts • Critical care insurance 	NA	Exclusive offers and discounts at select retail stores and recreation centres	Women-only exclusive counters in branches
Bank of Deyang	China	Commercial bank	Microloan Programme for Women	Women business owners/ entrepreneurs	Microloans for women	NA	NA	<p>Business model:</p> <ul style="list-style-type: none"> • Introduction of reward scheme for women (points for gifts) <p>Delivery model:</p> <ul style="list-style-type: none"> • Bank website offers a separate portal for programme, which allows women to exchange their reward points for gifts
			Financial Service Centre for Women		<ul style="list-style-type: none"> • Gold trading • Retail foreign exchange • Car loans • Bank overdrafts • Platinum beauty cards 	Customised services in wealth management, business development, travel and housing	NA	<p>Delivery model:</p> <ul style="list-style-type: none"> • Dedicated branches at key locations providing tailored services to women entrepreneurs

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Bank of Georgia	Georgia	Commercial bank	Programme with IFC's "Banking on Women" programme	Women-led SMEs	Loan products for female entrepreneurs	NA	Must meet ownership/control criteria to receive loan	NA
BCI Mozambique	Mozambique	Commercial bank	NA	All women (includes women entrepreneurs and women-led SMEs)	<ul style="list-style-type: none"> New credit line for small and medium-sized enterprises Enterprising women business card 	SME toolkit and business training	Credit lines targeted to women entrepreneurs who are owners of MSMEs	NA
BLC Bank	Lebanon	Commercial bank	We Initiative (Women Entrepreneurs)	Women business owners/entrepreneurs	Products and services such as business accounts and payroll services	<ul style="list-style-type: none"> Expert advisory services Training and support for business development Award for "Woman Entrepreneur of the Year" with prize of US\$ 30,000 SME toolkit 	Business accounts with benefits such as discounts on check books, free debit, credit and internet cards, and free commissions with deposits up to US\$ 3,000	Specialised sales force
			Multiple types of credit facilities		Collateral-free loans for women			
			We Initiative (Women Executives)		Loan services		Attractive lending services, including personal loans, car loans and housing loans	

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
BulBank - UniCredit	Bulgaria	Commercial bank	Donna Programme	All women (includes women entrepreneurs and women-led SMEs)	Branded for women with specific product features: leasing, mortgages, term deposits, consumer loans, credit and debit cards	Business training for SMEs (paid by bank), network memberships and loyalty programme with discounts (linked to credit card)	<ul style="list-style-type: none"> • Preferential conditions to mothers in the first three years of their maternity on both credit and savings products • Lower loan interest, higher deposit interest and lower repayment instalments • Discounts at stores • Insurance benefits and baby seat in car-leasing product • Certain percentage of the bank yield from Donna products will be allocated to children's charity 	<p>Business model:</p> <ul style="list-style-type: none"> • Branding dedicated to target female clientele (especially economically active women) • Branded platform also open to complementary third-party insurance • Key adjustment on preferential rates and repayment terms during maternity (for a total of three consecutive years) • Additional benefits with branded credit card: a membership club loyalty programme, which offers store discounts and 0.25 per cent of all expenses via Donna card goes to a children's charity • Provision of non-financial services (training and networking), financed by the bank • No organisational changes, but assigned an account manager within the Marketing and Segments Department • For information: maternity leave in Bulgaria in the first year is 80 per cent of last salary, followed by two more years at minimum wage <p>Delivery model:</p> <ul style="list-style-type: none"> • Adjusted branch design and sales force/relationship managers for women clientele • For all SMEs, BulBank has business centres as separate branches and creates networking opportunities • One special Donna branch in the capital is designed with a "visibly female touch" and offers a complete range of banking products focused on attracting female clients • All other branches developed a distinct Donna serving area, which also includes a kids' corner (books, toys, coloured space) • Adjustments to sales force/relationship managers: <ul style="list-style-type: none"> – All female sales force designated for Donna clients (critical mass reached due to covering all women, not just women SMEs) – All RMs specifically trained in psychologically and interpersonal skills

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Caja Arequipa	Peru	Microfinance institution	Rural credit for women	Women (rural)	Loans for rural women	NA	<ul style="list-style-type: none"> Modified credit assessment methodologies to measure the entire family income and to fairly reflect women's contribution to income Allow multiple loans per household Multiple loan products for different needs (livestock, machinery, artisan) 	Business model: <ul style="list-style-type: none"> Trained staff on gender sensitivity Revised credit assessment methodology Delivery model: <ul style="list-style-type: none"> Promote rural products by using social media channels popular with women
Card SME	Philippines	Commercial bank	NA	Women-led SMEs	<ul style="list-style-type: none"> SME loans Microfinance loans Savings deposits 	NA	<ul style="list-style-type: none"> Offers short-term loans that help rural women with their finances, which vary according to the season; women can avail loans in the form of a term loan or a revolving credit line Education loans, health loans and mobile phone loans for rural women 	Business model: <ul style="list-style-type: none"> Credit scoring model developed by segment Adjustment of loan terms to cash-flow patterns of rural women Loans dedicated to key life stage purposes
Chase Bank	Kenya	Commercial bank	Women's Market	Women in three segments: <ul style="list-style-type: none"> High-net-worth Middle-income/SMEs Micro 	Savings accounts, personal and business loans, ATM, online and mobile banking	<ul style="list-style-type: none"> Access to training and workshops for women running businesses Free financial planning on investments (conferences, workshops, training) Access to a wide range of insurance options and discounts on several retail products 	<ul style="list-style-type: none"> Tailor-made banking services for women Benefits such as free internal transfers, handbag insurance, AAR, medical emergency and ambulance rescue 	NA

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Croatian Bank for Reconstruction and Development	Croatia	Development bank	Loan Programme for Women Entrepreneurs	Companies managed/owned by women	Loans with grace period	NA	<ul style="list-style-type: none"> Loans to women entrepreneurs for fixed assets and working capital Grace period of two years for all loans and up to five years for planting and/or restructuring of perennial crops Repayment period up to 12 years, including grace period 	NA
DFCU	Uganda	Commercial bank	Women in Business (WIB)	Women business owners/entrepreneurs	Loans, Investment Club Account, Savings and Credit Cooperative (SACCO) savings and loan facilities for women	<ul style="list-style-type: none"> Advisory services The training covers banking requirements and processes, financial literacy, networking and mentoring 	<ul style="list-style-type: none"> WIB access plus loan with overdraft facility, allowing women to borrow up to UGX 100 million (US\$ 40,000, about 90 times GNI per capita) for 36 months at reduced interest rates DFCU Investment Club Account Delete allows women entrepreneurs to pool savings and use opportunities such as the unsecured Club Loan 	<p>Business model:</p> <ul style="list-style-type: none"> Women Business Advisory Council in 2012 – a six-member all-female council with a wide scope of expertise to give advice and support to the bank in strategy formulation with a gender focus. New manager position for consumer finance was created Rotation times adjusted, now less frequent changes in job assignments as women particularly value longer-standing relationships <p>Operations:</p> <ul style="list-style-type: none"> Changed coding of accounts to identify women-run accounts and included a separate code for each product, in order to track performance Loan processing was adjusted Adjusted marketing and named the month of May “Month of Women” at DFCU
Dubai Islamic Bank	United Arab Emirates	Commercial bank	Johara	Women	Exclusive ladies-only service with complete range of the bank’s integrated financial services in complete privacy and comfort	NA	Shopping discounts and health and educational benefits with its financial products	Set up specific Johara branches for women and Johara sections in other branches

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Emirates Islamic Bank	UAE	Commercial bank	Al Reem	Women	Specialised banking branch designed to cater to the unique banking and financial needs of women in the UAE	NA	<ul style="list-style-type: none"> Discount of 0.25 per cent on Intaleq Auto Finance for salary transfer customers Discount of 0.15 per cent for non-salary transfer customers Discount of 0.20 per cent on Manzili Home Finance Discount of 20 per cent on safety deposit lockers for the first year 	Set up exclusive Al Reem branches after a year of initial success and popularity
Exim Bank	Tanzania	Commercial bank	Women Entrepreneurs Finance Programme	Women business owners/entrepreneurs	Loans for women business owners/entrepreneurs	Training programmes, seminars and workshops for women entrepreneurs	<ul style="list-style-type: none"> Structured financing for women, using contracts with reputable companies as collateral Partnerships with micro-leasing institutions such as SELFINA, giving women with good repayment records access to finance Loans of up to 110 per cent of savings to Tumaini account holders to start their business 	Business model: <ul style="list-style-type: none"> Adopted integrated savings and loans model Installed department for financing women entrepreneurs Mainstreaming microfinance institutions by providing MFIs with loans, training, etc. Marketing campaigns focused on women Delivery model: <ul style="list-style-type: none"> Presentations to women associations and groups
			Tumaini Account	Women (in general)	Savings account for women	NA	Personal/consumer loans for: <ul style="list-style-type: none"> Education/tuition fees for children In-service training fees for borrower and children Marriage expenses, etc. Business loans: <ul style="list-style-type: none"> Small entrepreneurs given loans against their savings account balance/fixed deposit 	Business model: <ul style="list-style-type: none"> Integrated savings and loans approach for women (build savings track record, use savings as loan collateral)

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Fundación delamujer	Colombia	Microfinance NGO	Rural lending	Rural women	Credit products for rural women based on a comprehensive assessment of all household income	NA	<ul style="list-style-type: none"> • Modify existing credit methodologies to measure the entire family income and the growth potential of all income-generating businesses • Allow multiple loans per household • Create multiple loan products for different needs (livestock, machinery and artisan. 	<p>Business model:</p> <ul style="list-style-type: none"> • Financial education and training to loan officers, middle managers and other staff <p>Delivery model:</p> <ul style="list-style-type: none"> • Train staff to see women as viable and valuable clients • Raise awareness of women's contributions • Using social media like Radionovela to promote awareness about product offers but also emphasise the role women play as important economic contributors
Garanti Bank	Turkey	Commercial bank	Women Entrepreneur Support Package	Women business owners/entrepreneurs	Loans, asset finance/leasing, deposit overdraft accounts, company credit cards, foreign exchange services, etc.	<ul style="list-style-type: none"> • Organises women entrepreneur gatherings and creates networking opportunities • Organises the "Turkey's Woman Entrepreneur Competition" in cooperation with KAGIDER and the weekly magazine "Ekonomist" • Launched the "Women Entrepreneurs Executive School" to provide free business training for women entrepreneurs 	<ul style="list-style-type: none"> • Flexible loan periods and instalment plans for women • Loans based on return and cash-flow generation periods • Cheaper rates for women 	<p>Business model:</p> <ul style="list-style-type: none"> • Products adapted to women-led SMEs, including delivery and support services
Garanti Bank	Romania	Commercial bank	Women Entrepreneur Support Package	Companies (SMEs) managed/owned by women	<ul style="list-style-type: none"> • Current accounts and deposits • Business debit cards • Internet banking service with salary payments • Personalised financial solutions 	NA	<ul style="list-style-type: none"> • Elimination of operational fees for inter-bank transactions • Initial reduction on payment of operational fees • Elimination of certain activation fees • Credit card benefits and fee waivers 	NA

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
IFIC Bank	Bangladesh	Commercial bank	Protyasha Women Entrepreneur's Loan	Women business owners/ entrepreneurs	Business purpose for SMEs, owned by women entrepreneurs	NA	<ul style="list-style-type: none"> • Lower interest rates for women • Clients served by dedicated sales and advisory force 	Delivery model: <ul style="list-style-type: none"> • IFIC Bank has dedicated desks for women entrepreneurs
			Sanchita Female Savings Account	Women (in general)	Exclusive savings account for women	Discount services available at various outlets	NA	NA
International Bank of Qatar	Qatar	Commercial bank	Ladies Banking	Women (in general)	Exclusive banking package designed especially for women	NA	<ul style="list-style-type: none"> • Complimentary 24-hour home emergency assistance • Free cancer insurance • Free 24/7 roadside assistance • Exclusive merchant tie-ups and lifestyle benefits 	NA
Itau Unibanco	Brazil	Commercial bank	Programa de Mujeres Emprendedoras (Programme for Women Entrepreneurs)	Women business owners/ entrepreneurs	Dedicated line of credit: the project comprises an A/B loan (US\$ 100 million from the IFC's account and US\$ 300 million from commercial FIs) and a parallel loan of US\$ 70 million from other development financial institutions	NA	Serves companies owned or run by women	Business model: <ul style="list-style-type: none"> • Develop a broader portfolio of financial and non-financial services

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Microfund for Women	Jordan	Microfinance NGO	Credit Financial Services	Women MSMEs	Includes group loans such as the Tadamun loan and Seasonal loan, and individual loans such as the Tatweer loan and Umoumah loan. Group loans up to JD 900 with a repayment period of up to 18 months. Individual loans up to JD 10,000 with a repayment period of up to 36 months	Tadamun loan for women with existing home-based businesses that have been operational for at least six months; Seasonal loan for women involved in seasonal economic activities, such as making and selling olive oil after the November harvest; Tatweer loan for both men and women running businesses in existence for a minimum of six months and Umoumah loan for pregnant women to cover the medical expenses and buy necessary food and nutritional supplements.	Loans dedicated to women involved in different types of businesses	NA
			Himaya Protection Programme	Women from low-income households	Himaya protects against loan defaults in the case of partial or total disability, or death.	NA	NA	NA
National Bank of Abu Dhabi	United Arab Emirates	Commercial bank	Velvet	High-net-worth women	It offers onshore and offshore banking services, including savings accounts, wealth management and inheritance planning in line with cultural sensitivities	NA	<ul style="list-style-type: none"> • Velvet focuses on high-net-worth individual women • Velvet private advisers are also female and are able to bring NBAD's Velvet services to clients' doorsteps. 	NA
			Fursati	Women entrepreneurs	NA	Run in collaboration with the Dubai Businesswomen's Council. Fursati offers women customers topic-specific seminars to meet the needs of women in business. The objective is to support the development of entrepreneurship and investment skills, while also giving women valuable opportunities to network	NA	NA

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
RBC Royal Bank	Canada	Commercial bank	Women Entrepreneurs	Women business owners/ entrepreneurs	NA	<ul style="list-style-type: none"> Support and consulting services Education events Virtual network providing information and assistance in entrepreneurship and retirement planning 	<ul style="list-style-type: none"> One-on-one strategic advice for women entrepreneurs 	Delivery model: <ul style="list-style-type: none"> More than 100 women's market "champions" trained in gender-sensitive service delivery to offer support and services
Royal Bank of Scotland (RBS)	United Kingdom	Commercial bank	Women in Business	Women business owners/ entrepreneurs	NA	Support for female-led businesses in starting, establishing and growing their businesses	NA	Delivery model: <ul style="list-style-type: none"> Network of about 200 specially appointed women-in-business "ambassadors" reaching out to female customers
			Inspiring Women in Enterprise (non-financial)			Support network for women in business together with funding opportunities		NA
Santander Banefe	Chile	Commercial bank	The National Woman Entrepreneur Award	Women entrepreneurs	NA	Santander Banefe created awards to recognise and emphasise the entrepreneurial capacity of Chilean women	NA	NA
Scotiabank	Canada	Commercial bank	Advancement of Women	Women employees and career starters	NA	Attract talent and diversity, advance women's careers and sponsor events/ associations working for the advancement of women	Sponsor associations working for women such as the Women in Management Association (WIMA) and Schulich Women in Leadership (WIL)	Expanding the advancement of women worldwide by establishing local AoW committees at Scotiabank locations around the globe
Sekerbank	Turkey	Commercial bank	Women's Banking Programme	Women (in general)	Loans and campaigns exclusively for women and planned launch of products and services for women	NA	<ul style="list-style-type: none"> Loans exclusively for women Special products and services planned for women in retail and MSMEs 	Business model: <ul style="list-style-type: none"> Dedicated socio-demographic research Identification of target subsegments within the women segment Development of product/service portfolios addressing the segment's needs

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Standard Chartered	United Kingdom	Commercial bank	Women in Business	Women (in general)	Business loans, bank accounts and insurance	Financial education specifically for women. Programmes such as "Goal", which aims to empower under-privileged teenagers through life skills, education and netball	<p>Business instalment loans:</p> <ul style="list-style-type: none"> Loans for women with a lower interest rate, no guarantee or collateral, in Bangladesh, India and Malaysia <p>"Diva" Account (bank account):</p> <ul style="list-style-type: none"> In 13 countries, offers women customised local and international debit cards <p>Care4Ladies (insurance):</p> <ul style="list-style-type: none"> Insurance product, includes coverage for maternity complications and illnesses for women in Ghana 	<p>Business model:</p> <ul style="list-style-type: none"> Multiple-country initiative Integration with third-party offers (insurance) <p>Delivery model:</p> <ul style="list-style-type: none"> Two women-only branches in India, one in Sri Lanka
			Orjon, Bangladesh	Women business owners/entrepreneurs	Business loans	NA	<ul style="list-style-type: none"> No property or land collateral required for women 	NA
State Bank of Mysore	India	Public sector bank	Stree Shakthi Package for Women Entrepreneurs	Women business owners/entrepreneurs	Loans for women entrepreneurs	Provides other forms of necessary input and assistance for women who wish to set up a business from home	Up to 5 per cent margin concession for women-led businesses >INR 25,000 (about US\$ 470)	NA
			Annapurna Scheme for Financing Women for Establishing Food Catering Units	Women (in general)	Loans for establishing food catering units to sell tiffin/food/lunch packs, etc.	NA	NA	NA
TEB	Turkey	Commercial bank	TEB SME Academy (non-financial)	Women business owners/entrepreneurs	NA	Advisory services to SME's	Provide expert help for women-led SME's in need of advisory services	NA

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
UniCredit	Italy	Commercial bank	Microcredito Donne, Start-up Sicilia and UniCredit Women's International Network	Women start-ups, women in business and for UWIN: women at UniCredit, academics	<p>National and regional financing facilities in Italy in coordination with state and non-state participants, to promote women entrepreneurs by showcasing and awarding their success.</p> <p>The various activities do not appear to be integrated into a single programme:</p> <ul style="list-style-type: none"> • Microcredito Donne, run for first time in late 2013, is an Italian state guarantee programme for credit lines, available to women-led SMEs (called "imprese rose", pink firms) via various Italian banks, including UniCredit • Provincial-level programme in Sicily offers start-up financing to 2,750 women, in addition to non-financial services 	<ul style="list-style-type: none"> • Microcredito Donne measures, centrally handled by the state agency for all participating banks, include a public campaign to encourage women to start a business and assistance from NGOs • Sicilian Women Start-ups: Based on an agreement between UniCredit and the Business Association of Sicily, this programme offers training and qualifications in banking and finance skills, a business incubation programme (Start-up Sicilia Lab) and regular assistance to SME advisers from UniCredit in Italy and abroad • UniCredit Women International Network (UWIN), an initiative by female employees and executives at Unicredit (3,200 members), provides training and networking, drives cultural change at the bank and gives awards 	<ul style="list-style-type: none"> • Microcredito Donne: takes note of women's lower capacity to provide collateral; is integrated within a publicity campaign funded by the state • Sicilian Start-ups: no particularly adjusted features - dedicated financial facility for women 	NA
Wells Fargo & Co	United States	Commercial bank	Women's Business Services Programme	Women business owners/entrepreneurs	Loans and other banking services to women-owned businesses	NAWBO/Wells Fargo Trailblazer Award to recognise leading women entrepreneurs from a nationwide pool of applicants, with each winner receiving a US\$ 5,000 cash prize	Commitment to lend a cumulative total of US\$ 55 billion to women-owned businesses in the United States by the year 2020	<p>Business model:</p> <ul style="list-style-type: none"> • Collaborate with the National Association of Women Business Owners (NAWBO) to launch the NAWBO/Wells Fargo Trailblazer Award

Bank	Country	Type of financial institution	Name of the programme	Target group	Financial products	Non-financial products	Women-oriented features of financial products	Changes in business model/delivery mechanisms to deliver the product
Westpac	Australia	Commercial bank	Women's Markets Team (non-financial)	Women (in general)	NA	<ul style="list-style-type: none"> • Business development managers work with women to help them build a sustainable and profitable future • Offers a website, Ruby Connection, which is an interactive online community designed to inspire, educate and connect women 	NA	The team selected Ruby Champions (bankers in each region) to market the Ruby product and to form deeper relationships with the bank's female customers
XacBank	Mongolia	Commercial bank	NA	Women (rural)	Credit for women in four remote and low-income areas	NA	<ul style="list-style-type: none"> • Low interest and collateral-free loans for women 	Business model: <ul style="list-style-type: none"> • Joint partnership with the EBRD and the Mongolian Women's Federation

Appendix II

Questionnaire to industry experts

A. Interviewee data

1. Institution

2. Name

3. Title

B. Commercial banks

Trends in commercial banks (i.e. not microfinance or state-owned banks) offering financial products and services particularly targeting women in the SME segment

4) Do you see any countries/regions where commercial banks are particularly active in this segment? (multiple answers possible)

- South America
- Central America & Caribbean
- Sub-Saharan Africa
- North Africa
- Middle East
- Eastern Europe
- Russia & Central Asia
- South Asia
- South-East Asia
- East Asia
- Oceania
- Other (please name specific countries) _____
- None

5a) What is/are the key motivation(s) that you have noticed in commercial banks deciding to start addressing this segment? (multiple answers possible)

- Strong competitive pressure/standard approaches exhausted
- "Push" by international agencies/lobbying
- Regulator policies/central bank initiatives
- Availability of technical assistance
- Availability of concessionary financing

- Management decision to be ahead of market
- Inspiration from successful local/regional market player
- Inspiration from successful example of international player
- Other (please name) _____
- None

5b) Could you illustrate with examples how you have seen banks decide to start addressing women clients with a dedicated approach?

6a) Which banks have you come across in your experience that provide “best practice” in serving women in SMEs? (please mention)

6b) Please illustrate what/why you consider “best practice”.

C. Demand from women in the SME segment

Trends in demand for financial services from women entrepreneurs and managers in SMEs.

7) Which cultural features/elements do you consider particularly relevant when serving women entrepreneurs and managers in SMEs, and how can banks address these?

8) Which economic features/elements do you consider particularly relevant in serving women in SMEs, and how can banks address these?

9) Do you see any particular trends that banks should consider when designing value propositions to women in SMEs? Trends could be any development/evolution that concern women entrepreneurs and women managers in SMEs and translate into changes in needs/demands for financial products and services.

D. Products and services

Trends in types of products and services targeting women entrepreneurs and women managers in SMEs.

10) Which type(s) of financial products and services do you see being particularly customised to address women clients in SMEs? (please pick no more than two answers)

- Loans
- Savings accounts
- Current accounts
- Transaction services
- Advisory and other non-financial products
- Other (please name) _____
- None

11a) In which types of products and services do you personally see particular potential and a need to customise them for women clients in SMEs? (please pick no more than two answers)

- Loans
- Savings accounts
- Current accounts

- Transaction services
- Advisory and other non-financial products
- Other (please name) _____
- None

11b) Please briefly explain why you identified this need and potential?

E. Loan product features

Trends in features of loan products targeting women entrepreneurs and managers in SMEs.

12) Please comment on which trends you would consider worth imitating in terms of criteria women entrepreneur and manager applicants need to fulfil to obtain a loan, including the process of rating/scoring applicants.

13) Please comment on which trends you would consider worth imitating in terms of the collateral (conventional and non-conventional) required of women-led SME borrowers.

14) Please comment on which trends you would consider worth imitating in terms of special-purpose loans for women (e.g. in agriculture, contracting, start-up, etc.).

F. Non-financial products and services

Trends in non-financial products and services targeting women entrepreneurs and managers in SMEs.

15) In your experience, which non-financial products/services have you seen offered most frequently by commercial banks when targeting women in SMEs? (please select the top three)

- Training in general business expertise
- Training in personal and leadership skills
- Training in agricultural skills
- Training in household management
- Sanitary, health, nutrition, family planning and related advice
- Networking with other business people
- Advice and support in forming self-help groups and cooperatives
- Continuous advisory services on business development
- Setting up electronic media (online, mobile) with content customised to women
- Provision of documents, forms and other materials to assist in standard business tasks
- Provision of software or other e-tools to assist in standard business tasks
- Other (please name) _____
- None

16) Which of these would you personally recommend? (please select the top three)

- Training in general business expertise
- Training in personal and leadership skills

- Training in agricultural skills
- Training in household management
- Sanitary, health, nutrition, family planning and related advice
- Networking with other business people
- Advice and support in forming self-help groups and cooperatives
- Continuous advisory services on business development
- Setting up electronic media (online, mobile) with content customised to women
- Provision of documents, forms and other materials to assist in standard business tasks
- Provision of software or other e-tools to assist in standard business tasks
- Other (please name) _____
- None

17) What advice would you give on how to best package non-financial products/services with banking products offered to women in SMEs?

G. Business/operating model

Trends in adjusting the business model and operating model of commercial banks to accommodate the needs and priorities of women entrepreneurs and managers in SMEs.

18) Which trends did you observe most often in how banks changed the way they offered products to better serve women in SMEs? (multiple answers possible)

- Develop a dedicated strategy for addressing the market of women clients
- Set up a unit/team/task force in charge of strategy and product development for women
- Undertake dedicated client research (surveys, focus groups) to determine the needs and priorities of women
- Get advisers from organisations with relevant experience in serving women
- Research/benchmark best practices internationally for serving women
- Offer special training for customer service officers (awareness, capabilities) or hire more women customer service officers
- Expand branch network to reach areas particularly relevant to women (markets, rural areas, etc.) or set up new branches/set aside areas within branches fully dedicated to women
- Establish or expand alternative distribution channels (agencies, itinerant advisers, etc.), including electronic service channels (online, mobile)
- Partner with organisations/institutions that cater to women's needs
- Other (please name) _____
- None

19) Which of these do you consider particularly effective? (multiple answers possible)

Questionnaire to financial institutions

A. Interviewee data

1) Institution

2) Name

3) Title

B. Strategy objectives, drivers and key decisions for serving women entrepreneurs and managers in SMEs.

4) What would you name as the three main objectives for introducing products/programmes focused on women entrepreneurs and managers in SMEs in your institution?

Strong competitive pressure/standard approaches exhausted

"Push" by international agencies/lobbying

Policy of regulators/central bank initiatives

Availability of technical assistance

Availability of concessionary financing

Management decision to be ahead of market

Inspiration from successful local/regional market player

Inspiration from successful example of international player

Other (please name) _____

None

5) In your experience, what are the top three decisions you took as an organisation that have enabled you to successfully focus on the women-led SME segment?

a) Strategic decisions:

b) Operational decisions:

6) Looking at client data and performance management:

a) What kind of market research did your bank perform when seeing women-led SMEs as a distinct client segment?

b) Do you know if your bank disaggregates client statistics and performance analysis by gender?

Yes, it does

No, it does not

Other (please name) _____

c) In your experience, has the targeting of women-led SMEs been reflected in your KPIs and performance management?

- Yes, it does
- No, it does not
- Other (please name) _____

C. Operations

Capacity-building as well as changes in internal structures, business models and delivery mechanisms for serving women entrepreneurs and managers in SMEs.

7) Capacity-building and technical assistance:

a) How would you describe the capacities that your organisation invested most in and built up for this initiative?

b) Did you receive technical assistance and/or capacity-building support from external parties?

- Yes
- No
- Other (please name) _____

8. From your perspective, where did your organisation's internal structure change most for the introduction of these products/programmes?

a) How did it look before?

b) How does it look now?

9. Business model and delivery:

a) How would you describe your business model for serving women entrepreneurs and managers in the SME segment?

b) How is this different and/or similar in terms of products/programmes in your usual business model?

c) How were your common delivery mechanisms adapted to this product/programme?

d) What is the share of women employees among loan and branch officers serving this customer segment?

- < 5 per cent
- 5-25 per cent
- 26-45 per cent
- 46-55 per cent
- 56-75 per cent
- 76-95 per cent
- > 95 per cent

D. Products and services

Demand, product design, lending methodology and support services for women entrepreneurs and managers in SMEs.

10) What would you say are the specific product/programme demands of women entrepreneurs and managers in SMEs?

- Loans
- Savings accounts
- Current accounts
- Transaction services
- Advisory and other non-financial products
- Other (please name) _____
- None

11) Regarding product design:

- a) What industry sectors do you target?
- b) What stages in the business lifecycle and which business functions do you target? Examples include start-up, expansion, value chain, asset financing and so on.
- c) Is the product tailored to meet the needs of women-led SMEs? (i.e. different from the equivalent product targeting men in SMEs?)
 - Yes
 - No
 - Other (please name) _____
- d) How are loan amounts, periods and interest rates adapted?
- e) If there is a fee structure, what does it look like?
- f) How do you agree on instalments and instalment plans with women customers?

12) Regarding lending methodology:

- a) Who is eligible for your product?
- b) What types of collateral/security do you allow?
 - Immovable assets (land, property)
 - Movable assets (machinery, equipment)
 - Cash flow
 - Guarantee
 - Client records (savings, previous repayments)
 - Scoring (credit bureau)
 - Other (please name) _____

13) Regarding support services, which financial or non-financial services do you offer to this customer segment?

- Continuous mentoring/advisory services on business development
- Training in general business expertise
- Training in personal and leadership skills
- Training in agricultural skills
- Networking with other business people
- Provision of documents, forms and other materials to assist in standard business tasks
- Setting up electronic media (online, mobile) with content customised to women
- Provision of software or other e-tools to assist in standard business tasks
- Advice and support in forming self-help groups and cooperatives
- Training in household management
- Sanitary, health, nutrition, family planning and related advice
- Other (please name) _____
- None

14) Regarding cultural characteristics, how did you adapt your financial and non-financial services to specific settings?

E. Banking portfolio and clients

Breakdown of banking portfolio and clients into SMEs and women-led SMEs.

15) What is the volume of your total banking portfolio?

- a) What is the share of SMEs in your total banking portfolio volume (in per cent)?
- b) What is the share of women-led SMEs in your SME banking volume (in per cent)?

16) What is your total number of banking clients?

- a) What is the share of SMEs in your total number of banking clients (in per cent)?
- b) What is the share of women-led SMEs in your number of SME banking clients (in per cent)?

F. Implementation time and obstacles, profitability and key learnings from implementing service offers for women entrepreneurs and managers in SMEs.

17) In your experience, how long would it take for similar initiatives to show results?

18) What would you describe as major obstacles during implementation?

19) In your opinion, would such a product/programme generate profits at any of your competitors? (Intention: is your product/programme profitable?)

- Yes
- No

Other (please name) _____

20) How would you arrange the implementation differently if it were to come again?

21) From all your learnings, which ones would you highlight in particular?

22) What would your advice be to other banks interested in exploring this segment?

- Develop a dedicated strategy for addressing the market of women clients
- Set up a unit/team/task force in charge of strategy and product development for women
- Undertake dedicated client research (surveys, focus groups) to determine the needs and priorities of women
- Get advisers from organisations with relevant experience in serving women
- Research/benchmark best practices internationally for serving women
- Offer special training for customer service officers (awareness, capabilities) or hire more women customer service officers
- Expand branch network to reach areas particularly relevant to women (markets, rural areas, etc.) or set up new branches/set aside areas within branches fully dedicated to women
- Establish or expand alternative distribution channels (agencies, itinerant advisers, etc.), including electronic service channels (online, mobile)
- Partner with organisations/institutions that cater to women's needs
- Other (please name) _____
- None

H. Other opportunities

20) Please mention any financial products for start-ups, SMEs or the general public that you believe are good and could be adjusted to serve women entrepreneurs and managers in SMEs well.

21) If you were to design a new financial services offer for women in SMEs or active in business, what would be your key considerations?

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- ¹ Strengthening Access to Finance for Women-led SMEs in Developing Countries, Global Partnership for Financial Inclusion and International Finance Corporation (October 2011).
- ² Giving Credit Where it is Due, Goldman Sachs, (February 2014).
- ³ www.gemconsortium.org/docs/2825/gem-2012-womens-report (last accessed 22 October 2014).
- ⁴ Centre for Women's Business Research (2009).
- ⁵ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Employment_statistics (last accessed 22 October 2014).
- ⁶ UNDP, Human Development Reports.
- ⁷ IFC and CAWTAR (2007).
- ⁸ Strengthening Access to Finance for Women-led SMEs in Developing Countries, Global Partnership for Financial Inclusion and International Finance Corporation (October 2011).
- ⁹ Giving Credit Where it is Due, Goldman Sachs (February 2014).
- ¹⁰ Each region shows credit needs by size of business (very small to medium). In addition, within the size, the graph shows the percentage of women that are unserved, underserved, well-served and have no need for credit. Unserved: Do not have a loan and applied or needed loan; Underserved: have a loan but access to finance is a constraint; Well-served: Have a loan and access to finance is not a constraint; No need: Do not have a loan and did not apply for a loan or did not need one. Strengthening Access to Finance for Women-led SMEs in Developing Countries, Global Partnership for Financial Inclusion and International Finance Corporation (October 2011).
- ¹¹ Definition of MSMEs: micro (1-4 employees), very small (5-9 employees), small (10-49 employees) and medium (50-250) employees. IFC McKinsey Study (2011).
- ¹² A 2010 study commissioned by Women's World Banking but conducted by an independent researcher, comparing a database of MFI results from Mix Market found positive correlation between percentage of women clients and growth, return and credit quality. Positive correlation demonstrated with Kendall Tau rank correlation test; $p < 0.05$, one-way ANOVA followed by Fisher post hoc test.
- ¹³ These aspects may vary in different socio-economic and cultural settings.
- ¹⁴ Policy Brief: Advancing African Women's Financial Inclusion, Making Finance Work for Africa, New Faces New Voices, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Ministry for Economic Cooperation and Development (BMZ), and the East Africa Community (June 2014).
- ¹⁵ Ibid. and Women's World Banking research.
- ¹⁶ Women's World Banking internal product research in Morocco and Uganda (2014).
- ¹⁷ Women's World Banking internal individual lending research in Egypt (2012), India (2013) and Nigeria (2014).
- ¹⁸ Women's World Banking internal research.
- ¹⁹ Women's World Banking research in Paraguay (not yet published).
- ²⁰ Women's World Banking. GPI framework defines and prioritises key performance indicators to measure the implementation of good gender practice. These indicators enable financial institutions to better understand the economic behaviour and needs of women clients and create products and services that meet those needs. This initiative also allows institutions to demonstrate outcomes for women and their households, and to ultimately build the business case that women are valuable customers, employees and investees, as well as catalysts for social and economic change. Indicators fall into three categories: (i) client-centric (e.g. outreach, satisfaction); (ii) institutional (e.g. board/staff diversity); and (iii) financial and social outcomes (e.g. family well-being, economic improvement). www.womensworldbanking.org/research/gender-performance-initiative/ (last accessed 22 October 2014).
- ²¹ Refer to examples provided in the IFC's Customer Management in SME Banking – A Best-in-Class Guide report (2012).
- ²² World Development Report (2012); Bloomberg (2011).

List of acronyms

- BN:** Banco Nacional de Costa Rica
- BPR:** Banque Populaire du Rwanda
- BRIC:** Brazil, Russia, India and China
- CSR:** Corporate social responsibility
- CWEA:** Canadian Women Entrepreneur Awards
- EBRD:** European Bank for Reconstruction and Development
- EIB:** European Investment Bank
- FMO:** Financierings-Maatschappij voor Ontwikkelingslanden (Netherlands Development Finance Company)
- GBA:** Global Banking Alliance for Women
- GPI:** Gender performance indicators
- IFC:** International Finance Corporation
- IFI:** International financial institution
- IT:** Information technology
- KAGIDER:** Turkiye Kadin Girisimciler Dernegi (Women Entrepreneurs Association of Turkey)
- KPI:** Key performance indicator
- MBA:** Master of Business Administration
- MENA:** Middle East and North Africa
- MFI:** Microfinance institution
- MIF:** Multilateral Investment Fund
- MSMEs:** Micro, small and medium-sized enterprises
- NGO:** Non-governmental organisation
- NPL:** Non-performing loan
- NPS:** Net promoter score
- POS:** Point of sale
- RBC:** Royal Bank of Canada
- RBS:** Royal Bank of Scotland
- RM:** Relationship manager
- SBS:** Small Business Support
- SEMED:** Southern and eastern Mediterranean
- SMEs:** Small and medium-sized enterprises
- TC:** Technical cooperation
- UAE:** United Arab Emirates
- UN:** United Nations
- WIB:** Women in Business
- WMC:** Women's Market Champion (RBC)

Project Complaint Mechanism Officer

European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
United Kingdom
Tel: +44 20 7338 7813
Fax: +44 20 7338 7633
Email: pcm@ebrd.com
www.ebrd.com/pages/project/pcm