BLC BANK - LEBANON:
LEADING IN BANKING ON WOMEN - A STUDY

LEARNING STUDY ON IMPACT OF BANKING ON WOMEN PROGRAMS IN EUROPE, CENTRAL ASIA, MIDDLE EAST AND NORTH AFRICA
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As an investor in emerging markets, the International Finance Corporation (IFC) strongly believes that investing in women’s entrepreneurship is not only essential for economic growth but is also good business. IFC’s commitment to advancing gender equality is therefore anchored in a strong business case for profitable, gender-smart banking solutions that reduce the gap between men and women as entrepreneurs. IFC works through financial institutions to provide much-needed access to finance for millions of micro, small, and medium enterprises – in particular to those owned by women. In doing so, we contribute to reducing the gender credit gap, which is at the heart of the World Bank Group’s new gender strategy and an important part of the World Bank Group’s vision of ending extreme poverty and building shared prosperity. But banking on women programs not only benefit women entrepreneurs and close the gender credit gap, they equally benefit banks by providing a growing and profitable business opportunity. Banks who target women borrowers benefit from tapping into a large, fast-growing and underserved customer segment. They can also benefit from cultivating a customer base that exhibits a more loyal behavior towards their main bank and potentially provides more profitable opportunities compared to male customers – as we have seen in cases of Garanti Bank Turkey and BLC Bank. Banks who target women borrowers can also benefit from a borrower segment that exhibits better pay-back rates and more diligently adheres to payment discipline, as we have seen in the case of Garanti Bank Romania. As such, the female borrower segment can be a powerful contributor to a bank’s growth and performance.

Banking on women programs can help banks improve performance, drive growth and profitability.

Over the past decade, IFC has been working through financial institutions around the world to reduce the credit gap for women entrepreneurs. Through our investment and advisory engagements with client banks interested in serving women entrepreneurs, we have built a sizeable portfolio around the globe. On their journey to develop and grow these banks’ banking on women programs, our client banks have taken different approaches and in doing so have generated a considerable amount of knowledge and learning – in particular with regards to how these banking on programs have affected the bank’s business.

It is with great pleasure that I introduce to the readers the “EMENA Banking on Women Learning Studies”. This report compiles three individual case studies of banking on women programs from three IFC client and –partner banks. This report is a joint initiative and the result of a long-standing partnership between the IFC, BLC Bank, Garanti Bank Romania and Garanti Bank Turkey. The objective of these learning case studies is to inspire and inform financial institutions, donors and others interested in developing similar programs and to share some of the learning from our client and partner banks in East Europe, Central Asia and the Middle East and North Africa.

I invite you to enjoy the insights on good practices and success drivers, to learn from these three case studies and to think of ways in which your institution can strengthen its business by creating economic opportunities for women.

FOREWORD
The World Bank Group’s FY16-23 gender strategy put forth an ambitious path toward improving opportunities for women because failure to fully capitalize on women’s productive potential represents a major missed opportunity for global economic growth. Women-owned micro, small and medium enterprises (MSMEs) are already becoming a force to be reckoned with when it comes to growth and development of economies in which they operate. An estimated 31% - 38% of formal Small and Medium Enterprises (SMEs) in developing economies are owned fully or partially by women. Yet on average only about 10 percent of women entrepreneurs have adequate access to the capital required to grow their businesses. This fast growing market segment is widely underserved and represents a unique and lucrative opportunity for financial institutions around the globe.

As part of the World Bank Group and an investor in emerging markets, the International Finance Corporation (IFC) has a development objective to enhance access to finance to women entrepreneurs. IFC’s Banking on Women Program, established in 2010, aims to help financial institutions, especially those with mature SME lending portfolios, to tap into this tap into this growth segment. This publication presents IFC’s experience with three IFC client and partner banks - Garanti Bank Turkey, Garanti Bank Romania and BLC Bank Lebanon. It showcases the unique experiences of and insights into the individual journeys of these banks in lending to women owned SMEs, and offers a rich and diverse set of learnings and recommendations.

Despite the fact that each one of these banks is at a different stage of the “Banking on Women” program and as such, has taken a unique approach to capitalize on this fast growing and profitable segment, there are unifying themes that emerged from these studies. All three banks, for example, understood that a superficial “pink-washing” of their “Banking for Women” Strategy is not an option. On the contrary, providing real solutions to problems faced by women entrepreneurs proved to be critical to their programs’ success. Investment in gender-disaggregated data strongly emerged as one of the key success factors as well (albeit that it remains a challenge for many banks.) And last, but not least, there is evidence encountered that the female entrepreneurs’ customer segment makes a positive contribution to the banks’ bottom lines.

In short, despite the fact that complexities of tackling issues of access to finance for women entrepreneurs are unique for every financial institution that embarks on this journey, successful first-movers like BLC bank Lebanon, Garanti Bank Turkey, and Garanti Bank Romania have an important role to play in transferring knowledge, creating a blue-print and inspiring other banks.

My hope is that you find the studies presented in this publication informative and thought provoking. Without further ado, I invite you to explore these studies and form your own conclusions.

Deepa Chakrapani
Head, Development Impact Unit
International Finance Corporation

1 IFC Enterprise Finance Gap Database (2011).
### LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Meaning</th>
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<tr>
<td>BoW</td>
<td>Banking on Women</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CVP</td>
<td>Customer Value Proposition</td>
</tr>
<tr>
<td>EMENA</td>
<td>Europe and Central Asia, Middle-East and North Africa</td>
</tr>
<tr>
<td>GBA</td>
<td>Global Banking Alliance for Women</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IRR</td>
<td>Internal Rate of Return</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicators</td>
</tr>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MoET</td>
<td>Ministry of Economy and Trade</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro, Small and Medium Enterprises</td>
</tr>
<tr>
<td>NFS</td>
<td>Non-financial service</td>
</tr>
<tr>
<td>NPL</td>
<td>Non-Performing Loans</td>
</tr>
<tr>
<td>NPS</td>
<td>Net Promoter Score</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>We Initiative</td>
<td>Women Empowerment Initiative</td>
</tr>
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</table>

### LIST OF FIGURES

<table>
<thead>
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<th>Figure</th>
<th>Description</th>
</tr>
</thead>
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<td>Figure 1</td>
<td>Cumulative Performance Results to Date (since beginning 2012)</td>
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<td>Figure 2</td>
<td>BLC Bank Project Indicators 2012-2015</td>
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<td>Return on Assets for 2014</td>
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<tr>
<td>Figure 5</td>
<td>NPL Rates by Segment</td>
</tr>
</tbody>
</table>
A. INTRODUCTION

I. PURPOSE OF THE REPORT
The overall objective of this study is to learn about the impact of International Finance Corporation’s (IFC) “Banking on Women” (BoW) Program in the Europe and Central Asia and the Middle East and North Africa (EMENA) through BLC Bank of Lebanon. IFC’s BoW Program was launched in EMENA in 2011. Since then, IFC has provided over $130 million in finance to six banks for on lending to women entrepreneurs and has delivered advisory services to an additional five banks to build up their capacity to serve women customers. The program is active in nine countries. Three of these IFC partner banks were selected for this learning study and their respective experiences are being studied in individual case studies. Each study looks at the existing capacity and performance of each of these banks with regards to sustainably and effective servicing of women entrepreneurs. Each study also aims to understand if and how the female borrower segment has affected the respective bank’s bottom line, sustainability and growth targets. It is also envisaged to separately undertake a phase two of this study, wherein the impact of the program on the end beneficiaries (women-owned SMEs) will be assessed. Ultimately, this study aims to generate learning for IFC and its client banks in order to strengthen the design and delivery of BoW programs as well as IFC engagements in this space.

The objective of this specific case study is to understand the success of the BoW program for BLC Bank in Lebanon in terms of the program’s contribution to the bank’s bottom line, the growth and sustainability of the BoW business, as well as the capacity created within the bank to sustainably service women entrepreneurs and consumers. BLC Bank’s BoW Program has been branded by the Bank as the “We Initiative” (Women Empowerment Initiative) and will be referred to as such throughout the study.

2. STUDY APPROACH AND METHODOLOGY
In conducting this study, the assessment of each banks’ respective BoW program was guided by the following considerations:

- The focus of the study is on what the authors consider as aspects critical to a successful BoW investment and advisory program. For the metrics of success parameters, see section below.
- Particular attention is paid to acknowledging the varying influences on a client bank’s success including but not limited to different types of IFC interventions, stages of program maturity, client buy-in and commitment and data challenges.
- The focus of the study is on banking for women-led SMEs. While looked at the margins of this study, retail banking to women is not the focus of this study. The definition of women-led SMEs for the purpose of this study is based on the definition provided by BLC Bank Lebanon.

Data and information collected and analysed for the purpose of this study comes from five sources:

Desk research
- IFC’s internal project governance systems, data and documents (DOTS, ASOP)
- Client bank’s internal documents, such as strategy documents, financial and portfolio data provided
- Public reports and information, including bank websites, media articles, other studies conducted on BLC bank’s online/print brochures, bank presentations, annual report, sustainability report

Field research
- Face-to-face interviews with BLC Bank staff
- Face-to-face interviews with BLC Bank’s female SME clients

3. DEFINING SUCCESS PARAMETERS
In order to assess the achievement of the “We Initiative” of BLC Bank, this report will
use a set of objective, quantitative metrics commonly used by IFC and by banks with leading women banking programs:

**Key Performance Indicators (KPIs) for the We Initiative,** that help the Bank define and measure progress toward its goals for the initiative.

**Financial KPIs, Segment Performance and Profitability**

- IRR
- Value of SME lending portfolio outstanding for women-led SMEs vis-à-vis BLC Bank’s SME portfolio as a whole
- Value of SME deposit portfolio outstanding for women-led SMEs vis-à-vis BLC Bank’s SME portfolio as a whole
- Number of loans disbursed to women SMEs vis-à-vis BLC Bank’s SME portfolio as a whole
- NPL ratio for women-led SMEs vis-à-vis BLC Bank’s SME portfolio as a whole
- Number of women-led SME borrowers

**Non-financial bank-specific KPIs** that help in sustaining the growth of the “We Initiative” program recently developed by BLC Bank.

- Number of subscribers, active members of We Initiative and SME Toolkit websites
- Number of trainings and learning hours spent on the program and number and satisfaction of training participants
- Number of conferences and road shows and number and satisfaction of training participants vs. the planned activity via controlling the conversion rate

Based on these success metrics, the IFC team has reviewed available data from the work with BLC Bank and found very good data availability overall, although with support for a stronger business case for more data in the area of segment profitability. Another area where a lot of interest and attention is being given is in quantifying the impact of Non-financial Services offered on BLC Bank’s portfolio and profitability growth.

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### Assessment of Gender-Disaggregated Data Availability at BLC Bank

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment Performance and Profitability</strong></td>
<td></td>
</tr>
<tr>
<td>NPLs comparison for women segment vis-à-vis overall SME portfolio</td>
<td>✓</td>
</tr>
<tr>
<td>IRR</td>
<td>✓</td>
</tr>
<tr>
<td>ROA comparison by segment</td>
<td>✓</td>
</tr>
<tr>
<td>Estimated revenues from the balances, taking into account costs of funds</td>
<td>✓</td>
</tr>
<tr>
<td>Average profit margin per SME for both men and women</td>
<td>✓</td>
</tr>
<tr>
<td>Number of financial products per SME woman customer</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Segment Growth and Sustainability</strong></td>
<td></td>
</tr>
<tr>
<td>Number of deposit accounts opened</td>
<td>✓</td>
</tr>
<tr>
<td>Number of active women depositors</td>
<td>✓</td>
</tr>
<tr>
<td>Number of women borrowers</td>
<td>✓</td>
</tr>
<tr>
<td>Number of loans disbursed</td>
<td>✓</td>
</tr>
<tr>
<td>Number of loans disbursed to women</td>
<td>✓</td>
</tr>
<tr>
<td>Value of loans disbursed (US$)</td>
<td>✓</td>
</tr>
<tr>
<td>Value of all loans disbursed to women borrowers</td>
<td>✓</td>
</tr>
<tr>
<td>Value of outstanding loans (US$)</td>
<td>✓</td>
</tr>
<tr>
<td>Value of all loans outstanding to women borrowers</td>
<td>✓</td>
</tr>
<tr>
<td>Number of outstanding loans</td>
<td>✓</td>
</tr>
<tr>
<td>Number of loans outstanding to women borrowers</td>
<td>✓</td>
</tr>
<tr>
<td>Value of deposit accounts opened (US$)</td>
<td>✓</td>
</tr>
<tr>
<td>Non-performing loans (%)</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Non-financial Bank-specific KPIs that Help in Sustaining the Growth of the We Initiative Program Recently Developed by the BLC Bank

<table>
<thead>
<tr>
<th>KPI</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of subscribers, active members of We Initiative and SME web sites</td>
<td>✔️</td>
</tr>
<tr>
<td>Number of trainings and learning hours spent on the program and number and satisfaction of training participants</td>
<td>✔️</td>
</tr>
<tr>
<td>Number of conferences and road shows and number and satisfaction of training participants vs. the planned activity via controlling the conversion rate</td>
<td>✔️</td>
</tr>
</tbody>
</table>

### 4. BLC BANK’S WE INITIATIVE CAPACITY ASSESSMENT

#### Strategy / Research And Market Knowledge

<table>
<thead>
<tr>
<th>Description</th>
<th>YES/NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A vision/ambition for the We Initiative is explicitly formulated and has quantitative targets</td>
<td>✔️</td>
</tr>
<tr>
<td>Market research about the women’s segment has been conducted</td>
<td>✔️</td>
</tr>
<tr>
<td>Explicit strategy for the We Initiative exists, integrating both the financial and non-financial service components</td>
<td>✔️</td>
</tr>
<tr>
<td>Partnerships are being leveraged to support the We-initiative program</td>
<td>✔️</td>
</tr>
<tr>
<td>We Initiative has clear targets set</td>
<td>✔️</td>
</tr>
<tr>
<td>Quantifiable impact of non-financial services on bank’s bottom line and portfolio growth has been identified</td>
<td>In progress</td>
</tr>
</tbody>
</table>

#### Product and Service Customization / Sales and Marketing

<table>
<thead>
<tr>
<th>Description</th>
<th>YES/NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Value Proposition for the We Initiative exists (customized offering)</td>
<td>✔️</td>
</tr>
<tr>
<td>Substantially customized financial products exist</td>
<td>✔️</td>
</tr>
<tr>
<td>Customized non-financial offering exists</td>
<td>✔️</td>
</tr>
<tr>
<td>Bank integrates financial products with branding and non-financial advisory support services into a single overall offering for women</td>
<td>✔️</td>
</tr>
<tr>
<td>Marketing and branding strategies address women explicitly</td>
<td>✔️</td>
</tr>
<tr>
<td>Online presence targeting women exists (website, social media)</td>
<td>✔️</td>
</tr>
<tr>
<td>Capacity (HR and Staff Knowledge)</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>We Initiative unit /dedicated team or staff in place</td>
<td>YES</td>
</tr>
<tr>
<td>We Initiative responsibilities are present in existing teams for SME Banking</td>
<td>YES</td>
</tr>
<tr>
<td>We Initiative responsibilities are mainstreamed across the bank</td>
<td>YES</td>
</tr>
<tr>
<td>Internal knowledge and competitive insights on the We Initiative exist</td>
<td>YES</td>
</tr>
<tr>
<td>Bank staff receive gender-sensitive awareness, sales and customer service training</td>
<td>YES</td>
</tr>
<tr>
<td>Initiatives are present to foster gender equality in the workplace across different levels in the organization</td>
<td>In progress</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data and Customer Management</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>An approach is in place to identify and track women clients on the main core banking system</td>
<td>YES</td>
</tr>
<tr>
<td>A gender-tag is in place to track women clients on the main core banking MIS</td>
<td>YES</td>
</tr>
<tr>
<td>KPIs for women customers are in place</td>
<td>YES</td>
</tr>
<tr>
<td>Gender data by industry/sector is available to inform new business banking programs</td>
<td>In progress</td>
</tr>
</tbody>
</table>

Legend keys:
- 100% gap – not in place
- 75% gap – little in place but opportunity for substantial reorientation
- 50% gap - something in place but opportunity for some rework
- 0 % gap - fully in place
B. BACKGROUND

1. ABOUT BLC BANK
Established in early 1950, BLC Bank is one of Lebanon’s oldest banks. With an estimated national market share of 2.7%, it is also one of the best-positioned banks in the market. The Bank, which offers banking, insurance and asset management services, holds US$5.7 billion in total assets (as of 31 December 2015) and operates through 56 branches across Lebanon and Cyprus. Over a decade ago, BLC Bank was able to overcome critical market challenges and re-establish itself as a major player in Lebanon’s financial sector. With the market environment becoming increasingly challenging and banking more and more competitive – most dramatically after the 2006 war – the Bank made a concerted effort to look for new ways to grow its business.

2. LEBANON’S MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR
SMEs represent a large and under-banked market
SMEs are the driving force in the Lebanese economy, as they account for 97% of total enterprises in Lebanon and employ more than 51% of the working population¹ (mostly in retail trade sector). While SMEs in Lebanon are typically understood to have less than 50 workers², over 90% actually have less than four workers. Given their large number, SMEs are important for the banking business in Lebanon. They represent a large market and a compelling business opportunity, involving diversified risk, a higher profit margin, cross-selling opportunity among the market segment, a source of cheap deposit funding, and solid opportunities for leverage and synergies of infrastructure and knowledge. It is for these and a host of other reasons that BLC Bank is focused on growing its SME customer segment.

Lebanon’s growing women-owned SME segment is even more underserved
Within the pool of SMEs in Lebanon, women-owned businesses and female participation in entrepreneurial activity is growing. Women account for over 36% of all entrepreneurial activity in Lebanon³; and own 33% of businesses⁴. Furthermore, recent research⁵ indicates that overall, women tend to be loyal customers and cautious investors, in addition to having better loan-payback rates. Serving the women’s market segment makes good business sense. Yet women in Lebanon receive only 3% of bank loans⁶. As a customer segment, they are vastly underserved by Lebanon’s banking sector.

3. BLC BANK: SMALL AND MEDIUM ENTERPRISES (SME) BANKING PLATFORM AND WE INITIATIVE
Given the market opportunity, serving these underserved SMEs, and particularly the women’s segment, was a logical decision for the bank and has become an important component of its growth strategy. By 2011, BLC Bank had built a sizeable, self-funded SME banking business along with a strong platform in SME banking for both small and medium enterprises. The Bank understood that the SME client segment will continue to represent the area where the Bank has the most to offer and to gain. To that end, the Bank’s senior management made a strategic decision to be a leader in a small number of target markets (‘depth’) rather than a small player in a large number of markets (‘breadth’). Targeting women entrepreneurs is an important part of this mandate. In 2011, the Bank decided to create a banking platform that, while open to both women and

¹ Lebanon’s Ministry of Economy and Trade (MoET)
² MoET data
³ “BLC Bank Lebanon: Becoming the ‘Bank of Reference’ for Women in Lebanon” presentation
⁴ World Bank Enterprise Survey, Lebanon, 2009
⁵ “Women in Business, Stories of Impact”, by IFC AS, June 2013
⁶ GEM Women’s Report 2010
men, had features and functions designed with women’s needs in mind. Currently, BLC Bank serves more than 32,000 women customers, with a loan portfolio of US$188 million and deposits of US$834 million as of the end of 2015.

4. ABOUT IFC AND BLC BANK
The establishment of BLC Bank’s SME Banking Platform and We Initiative was strongly supported by IFC. The co-operation between IFC and

BLC Bank dates from April 2010, at which time BLC Bank joined the IFC Global Trade Finance program. Subsequently, BLC Bank engaged with IFC Advisory Services in a far-reaching technical capacity-building program focused on seizing promising business opportunities in the local SME sector and particularly in the nascent female segment, largely unrecognised at that time. The result of the co-operation has been the hugely successful We Initiative, designed specifically for female clients.
BLC Bank created its We Initiative program with an exclusive focus on serving women-owned SMEs in Lebanon. The Bank’s logic was to focus on the female SME consumer base as part of its concerted effort to look for new ways to grow its business. Soon however, BLC Bank shifted this focus and adopted a much broader and more holistic approach of empowering women across all of its operations: from its consumer base, to its internal workforce and all the way to the bank’s top leadership. This shift was gradual and was driven by the Bank’s ambition to become the “Bank of Choice for Women in Lebanon”. In order to achieve that, the Bank realized that it needed to address women and their needs in all of the various economic roles they might have: whether they are an individual to be served by the Bank; or an existing or aspiring business owner; or the Bank’s employee seeking opportunities to join the Bank’s leadership (please see the pyramid diagram below as a visual expression of this holistic approach).

As part of this effort, the Bank adopted gender inclusion as a guiding principle to do business externally and running its operations internally (please see details in the diagram below). The Bank was also able to demonstrate that adopting this principle had a positive impact on the Bank’s business.

BLC Bank’s Holistic Framework To Empower Women From Consumer Base To Bank’s Leadership

BLC Bank's Holistic Framework To Empower Women From Consumer Base To Bank's Leadership"
The following sections will review and assess BLC Bank’s program activities for each of the four stakeholder groups that BLC Bank has aimed to address through the adoption of its gender-inclusion principles:

1. Female consumers
2. BLC Bank’s female employees
3. Women entrepreneurs
4. BLC Bank’s female leadership

2. RESEARCH AND MARKET KNOWLEDGE

BLC Bank, with IFC’s help, put in time and effort in researching the female borrowers market in Lebanon. The research showed that women are attractive banking customers because of their a) savings patterns, b) risk profile and c) growth of this demographic group. The research also showed that women are better customers when it comes to loyalty and referrals than men. The Bank has also studied the specific challenges that female entrepreneurs in Lebanon face.

Based on the results of this research, the Bank realized the value of women as a lucrative market segment, and seized an opportunity by applying solutions to the market gaps highlighted by the female entrepreneurs, thus serving the full Lebanese market. Based on the research findings, BLC Bank developed a full spectrum of services for women entrepreneurs, salaried employees and executives, providing them with innovative product packages and services to support their advancement.

With support from IFC, BLC Bank launched the We Initiative program in 2012. Through the We Initiative program, BLC Bank became committed to two objectives: to become the bank of reference for women as well as the employer of choice for women in Lebanon. To develop its Customer Value Proposition (CVP) for women, BLC Bank’s team conducted more research among both male and female customers and noncustomers, which yielded surprising results: women felt disrespected by and mistrustful of banks, and while they were mostly satisfied with BLC Bank’s existing products, they wanted better support and more personalized services.

In conclusion, BLC Bank has demonstrated best practice through investing in understanding its female target market through in-depth market research and developing a CVP that addresses the needs as well as the gender-specific challenges that women entrepreneurs in Lebanon face. BLC Bank’s research-based approach to serve the female segment of the population is one of the critical success drivers for the bank’s ability to differentiate itself in the market to this specific segment. BLC Bank’s We Initiative has become an example of global best practice.

**Internal**

- Setting a target for gender parity at senior management level by 2020;
- Ensuring women entrepreneurs/suppliers are integrated into BLC Bank’s value chains;
- Improving the working environment for BLC Bank staff: flexible part-time schedule with full pay for mothers returning from maternity leave;
- Embedding the Women’s Banking, We Initiative, across all banking operations
- Training all bank staff to facilitate a culture change in BLC Bank, as well as in the market, for the women-inclusive bank and service offering.
- Increasing the number of women across all levels in the organization;

**External**

- Leading the change in the Lebanese market, establishing role models of women entrepreneurs through the We Initiative and BLC Bank’s Brilliant Lebanese Awards;
- Offering a banking services package of financial and business support services that speak to women entrepreneurs, employees and non-working women’s needs;
- Making access to banking services easy and convenient for time-deprived women employees;
- Providing the Non-Financial Services offering;
- Profiling women leaders’ role models.
3. PRODUCT AND SERVICE CUSTOMIZATION – COMMITMENT TO THE CUSTOMER BASE

Entrepreneurs: Starting With Women Entrepreneurs

The We Initiative is a unique value-proposition to women entrepreneurs (women-run SMEs) that offers a comprehensive suite of traditional banking financial services applicable to women in Lebanon, along with non-financial services such as mentoring, business skills training, networking opportunities, access to markets, and recognition and awards. These non-financial services are aimed at enhancing the capacity of its women clients in business management through a range of training workshops, networking events, business competitions and awards. The Bank has also utilized and adapted the IFC SME-Toolkit to provide online business tools and technical knowhow to existing and prospective clients. The We Initiative is supported by a website (www.we-initiative.com).

Customer Value Proposition for Women Entrepreneurs

**Financial Services**: In the Financial Services offering, BLC Bank addressed two particular gaps which women in Lebanon faced: lack of collateral among women entrepreneurs and time and mobility constraints on women entrepreneurs who have family responsibilities. Both of these challenges make banking and bank visits for women entrepreneurs particularly difficult. The Bank offered a collateral-free loan for businesses that have been in place for at least two years. Given that property rights in Lebanon heavily favor males over females, this particular product aims to provide greater access for women who own small businesses.

BLC Bank was also the first bank in Lebanon to launch a comprehensive alternative delivery channel, “BLC Cloud®”, allowing users to experience full self-service banking with the convenience of securely managing their accounts anytime anywhere (Full ATM, Internet and Mobile Banking). Also, BLC Bank was the first bank in Lebanon to have its full network of ATMs become SMART, accepting both check and cash deposits.

**Non-Financial Services**: In addition to new financial services, BLC Bank differentiated its offering by introducing non-financial services critical to supporting the growth of women-owned businesses. These included SME training/seminars, a web portal dedicated to women, facilitating knowledge sharing and networking, and the annual Brilliant Lebanese Awards, recognizing entrepreneurs, including women entrepreneurs, role in the economy. The Bank’s extensive market research, mentioned earlier, found that these non-financial services were the most critical aspect of the innovative way in which BLC Bank served women entrepreneurs (i.e., in the Bank’s CVP for women entrepreneurs).

**SME training/seminars – power of connection to knowledge and to each other**: The Bank’s extensive market research revealed that many women entrepreneurs feel that they lack core competencies to start and grow their businesses. To support its clients in achieving their full potential in this area, BLC Bank developed a series of financial education and talent development programs delivered through the Business Power Sessions. These platforms, in the Bank’s own words, are “intense, information-rich, walk-on-fire brain charge business networking events designed to help [our clients] to break free, dig deep and make amazing progress in record time”7.

7 [https://www.ihjoz.com/events/544-business-power-sessions](https://www.ihjoz.com/events/544-business-power-sessions)
To ensure delivery of this knowledge to entrepreneurs in more remote areas, BLC Bank has partnered with specialized associations to conduct roadshows around the country (12% of Lebanon’s population lives in rural areas).  

**Facilitating knowledge and enhancing networking:** Recognizing the importance of networking and the many social and business constraints women face, BLC Bank went further than connecting women with business knowledge and peer entrepreneurs and developed several support programs to connect women business owners to suppliers, mentors and experts.

**Web portal:** The Bank’s We Initiative website is one of the key tools that supports the Bank’s effort to connect women among each other and with experts and advisors along with business tools, exposure and advisory services to implement sustainable business practices.

**Brilliant Lebanese Awards for Networking and Market Exposure:** To provide its female clients with nationwide exposure and networking opportunities in the Lebanese business circles, BLC Bank organizes since 2012 the annual Brilliant Lebanese Awards, which includes two categories the “Business of the year” and the "Woman Entrepreneur of the Year".

The award has four key evaluation criteria: Creativity, Financial Performance, Sustainability, and Corporate Social Responsibility and personal commitment to the business and the community. In 5 years, more than 700 applications have been received. Winners of the two categories received, each, a prize of USD 30,000 in cash. Since 2013, the Awards show is broadcast on national television, raising the honorees’ profiles and providing them with nationwide exposure before, during and following the event. In 2014, BLC Bank also partnered with a local TV station to produce a 16-episode series that showcased real-life stories of successful BLC Bank women entrepreneurs.

**Consumers: Expanding the Consumer Base to Include Focus on Women in Retail Banking**

Customer Value Proposition for Retail Banking: BLC Bank has created the Mother-Child account, a fiduciary account that enabled women to open accounts and name their minor children as beneficiaries without having to refer to the child’s legal guardian — ordinarily prohibited by Lebanese law.

**4. INTERNAL COMMITMENT TO BLC BANK’S FEMALE WORKFORCE AND LEADERSHIP**

**Employees: Aligning Internally to Become an Employer of Choice for Women**

Through extensive market research and attentive listening to feedback from its employees and being a firm believer that they need to practice what they preach BLC Bank realized it would need to become the employer of choice for women in order to become the bank of choice for women. The Bank’s commitment to the UN Women empowerment principles in 2011 translated into tangible actions for the Bank’s female employees. Among several policy changes, the Bank introduced an additional two months’ part-time schedule to its maternity leave benefits with full pay, and introduced paternity leave.

To maintain open lines of communications, encourage feedback, and enhance employee motivation and loyalty, the Bank put in place a clear grievance policy as well as employee satisfaction surveys and Net Promoter Score (NPS). To stay true to its principles of equality, the Bank...

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8 World Bank, data.worldbank.org/indicator/SP.RUR.TOTL  
9 “BLC Bank Lebanon: Becoming the “Bank of Reference” for Women in Lebanon” presentation  
10 https://www.blcbank.com/content/publications/detail.aspx?type=4&id=140  
11 BLC Bank Presentation, “We Initiative SME Conference May 8, 2013 Dubai”
also incorporated diversity into procurement practices. To track progress on its commitments, the Bank enhanced diverse Key Performance Indicators and established specific targets for women, including recruitment, staffing levels, remuneration, employee development and turnover. As a result of many of these changes, BLC Bank’s female employee representation has grown from 47% to 51% since the launch of the We Initiative. By 2014, 35% of staff in middle management were women. The Bank has an overall employee turnover of 3.5%.12

5. LEADERS: FROM FEMALE BLC BANK EMPLOYEE TO FEMALE BLC BANK LEADER

To recognize and benefit from the talent of female high achievers, the Bank developed the Staff Awards Program and put in place policies that promote gender equality through remuneration and promotions. To ensure that staff in middle management have career support, the Bank established internal mentoring programs and empowered female employees to establish the We Club. BLC Bank also publicly announced a target of 50% women in senior management (from 43% in 2015) by 2020.

In sum, BLC Bank has set itself apart from other banks with banking for women programs by being one of the very few globally to adopt a holistic approach, the most notable global leader being Australian Westpac. The Bank stands out among its few peers in the Middle East and North Africa (but also globally) by mainstreaming its We Initiative across the Bank. Internal alignment has been critical in strengthening the credibility of the Bank’s reputation and brand as a bank of choice for women. This enhanced credibility and brand in turn has had an impact on market and consumer perception, and is thought to contribute positively to the bank’s ability to grow its business with female customers.


Women SME Portfolio Size, Growth and Profitability

Overall, BLC Bank’s We Initiative has been very successful and its contributions to the Bank’s business have been considerable.

Size: Currently BLC Bank serves more than 32,000 women customers, with a loan portfolio of US$188 million and deposits of US$834 million as of the end of 2015.

Growth: Not only has the Bank’s women segment been growing considerably since the We Initiative launched in 2012, but the segment has generated good business benefits. Since the beginning of the program in 2012 (between end of 2011 and December 2015), the number of SME women borrowers increased by 82% and the SME women outstanding loans portfolio increased by 121%, compared to an increase of 46% in the total number of SME borrowers and 71% in the total SME outstanding loans portfolio balance. As such, the Women SME Portfolio grew at a higher rate than the overall SME Portfolio. Furthermore, over a similar time span, the total women deposits portfolio grew by 65%, compared to 34% for the total bank deposits.

Figure 1: Cumulative Performance Results to Date (since beginning 2012).

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Cumulative by December 31 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in the number of SME women borrowers since launch in 2012</td>
<td>82%</td>
</tr>
<tr>
<td>Increase in the SME women outstanding loans portfolio since launch in 2012</td>
<td>121%</td>
</tr>
<tr>
<td>% of Disbursement to Women SMEs from Total SME (average 4 years)</td>
<td>12%</td>
</tr>
<tr>
<td>% of Women Outstanding Loans from Total Outstanding loans to SME (Dec (2015))</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: BLC Bank

12 “GIBA Case Study: BLC Bank: Strategic Differentiation in Women’s Market Yields Significant Profits”
In addition, BLC Bank performed an analysis to calculate the overall project IRR and economic value added to the Bank. Estimating the marginal cash inflows for all segments of the Women’s Market program since the program’s launch, and calculating all of the program’s expenses, BLC Bank determined that, on a conservative growth scenario, We Initiative’s IRR is in excess of 34%.

Program Returns: In addition, BLC Bank performed an analysis to calculate the overall project IRR and economic value added to the Bank. Estimating the marginal cash inflows for all segments of the Women’s Market program since the program’s launch, and calculating all of the program’s expenses, BLC Bank determined that, on a conservative growth scenario, We Initiative’s IRR is in excess of 34%.

**Figure 2: BLC Bank Project Indicators 2012-2015**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2012</th>
<th>Cumulative by December 31 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of deposit accounts opened (SME)</td>
<td>1,529</td>
<td>5,989</td>
</tr>
<tr>
<td>Number of deposit accounts opened to women (SME)</td>
<td>270</td>
<td>1,112</td>
</tr>
<tr>
<td>Value of deposit accounts opened (SME) (US$)</td>
<td>51,476,000</td>
<td>200,088,000</td>
</tr>
<tr>
<td>Value of deposit accounts opened to women (SME) (US$)</td>
<td>4,960,000</td>
<td>28,039,000</td>
</tr>
<tr>
<td>Number of loans disbursed - SME</td>
<td>1,953</td>
<td>8,082</td>
</tr>
<tr>
<td>Number of loans disbursed to women - SME</td>
<td>290</td>
<td>1,329</td>
</tr>
<tr>
<td>Value of loans disbursed (US$) - SME</td>
<td>95,576,000</td>
<td>418,560,000</td>
</tr>
<tr>
<td>Value of loans disbursed to women (US$) - SME</td>
<td>8,743,000</td>
<td>48,769,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Beginning 2012</th>
<th>Cumulative by December 31 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of loans to women borrowers - SME</td>
<td>11,160,000</td>
<td>24,696,000</td>
</tr>
<tr>
<td>Value of all loans outstanding (US$) - SME</td>
<td>137,135,000</td>
<td>234,642,000</td>
</tr>
<tr>
<td>Number of loans outstanding to women borrowers - SME</td>
<td>339</td>
<td>621</td>
</tr>
<tr>
<td>Number of loans outstanding- SME</td>
<td>2,848</td>
<td>4,088</td>
</tr>
<tr>
<td>Number of women borrowers - SME</td>
<td>285</td>
<td>528</td>
</tr>
</tbody>
</table>

Source: BLC Bank

**Figure 3: Compound Annual Growth Rate (CAGR) Years 2012-2015**

**3-year Program CAGR (SME and Retail) 2012-2015**

Loans CAGR: 8.0%, 7.5%, 7.6%
Deposits CAGR: 8.8%, 4.0%, 3.4%
Gross Income CAGR: 8.4%, 4.5%

Source: IFC/IFD Roundtable Discussion: "Innovations in the Banking Industry Women Banking Champions: Framing the Opportunity for Banks, Cairo, 29 October 2015. Hani Hoyek, Head of Strategic Development, BLC Bank, Lebanon"
Portfolio Quality and Performance: BLC Bank’s business was able to benefit from its women customers’ better track record when it comes to non-performing loans (NPL; > 90 days). NPL rates of BLC Bank’s female borrowers were better than the NPL figures for BLC Bank’s portfolio as a whole. NPL results for women SME owners have consistently been less than the results for the overall portfolio. The same is true for individual women borrowers (see figure 5).

Figure 5: NPL Rates by Segment

<table>
<thead>
<tr>
<th>NPL Rate for SME</th>
<th>2014 NPL Ratio</th>
<th>2015 NPL Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women SME</td>
<td>2.69%</td>
<td>5.52%</td>
</tr>
<tr>
<td>Total SME</td>
<td>6.35%</td>
<td>7.38%</td>
</tr>
<tr>
<td>All Women</td>
<td>1.90%</td>
<td>2.45%</td>
</tr>
<tr>
<td>Total Bank</td>
<td>5.46%</td>
<td>5.74%</td>
</tr>
</tbody>
</table>
GarageLuxe, First Official Pre-owned Luxury Reseller in Lebanon

Mina Mneymneh and Carine Farsoun are founders and owners of GarageLuxe, the first official reseller of luxury fashion products in Lebanon. Their consignment store opened in downtown Beirut in 2014.

Mneymneh and Farsoun are young mothers who wanted to have an independent source of income. To establish their business, they chose to seek finance from BLC Bank.

"While every bank promises to give you a good deal on your loan, BLC Bank doesn’t just talk, they deliver. It is not a onetime thing with the Bank. They hold your hand and help you to get going," explains one of the owners about their choice of BLC Bank. GarageLuxe received an SME loan in the amount of $20,000. GarageLuxe was a finalist in BLC Bank’s Brilliant Lebanese Awards 2012. The BLC Bank-led competition acknowledges and awards successful women entrepreneurs in Lebanon. It celebrates women who have succeeded in business and benefited the community, creating jobs and empowering women in the process.

Mina and Carine further state that "Applying for the BLC Bank’s Awards has allowed us to look at our business from a different perspective and inspired us to keep going. We were an idea and now thanks to BLC Bank, we are a growing business. We think BLC Bank is the leader and innovator in the SME market, particularly when it comes to technology. As women we feel empowered by the Bank".
Qi Juices, Detox and Wellness Juice Bar and Spa Center

Qi Juices was started by Hana Alireza and Leila Nashabe – two young mothers with a love for healthy lifestyles and a desire to have an independent source of income.

The pair was drawn to BLC Bank because of how easy it was to work with the Bank. “As mothers we are always pressed for time”, said Ms. Alireza. The ladies chose to enroll in BLC Bank’s SME loan program.

Smart ATMs was a big draw. “We like saving time when depositing checks,” said Ms. Nashabe.

Maison Khatib, Manufacturers and Wholesalers of Garments and Accessories

Tina Khatib is an owner of the established family business, Maison Khatib, who are manufacturers and wholesalers of garments and accessories. The company started a relationship with BLC Bank in 2003, when it made the decision to grow.

The company received loans from BLC Bank in 2004 and 2006, which allowed the business to double their production premises. By 2012 - and with a third loan from BLC Bank - the company opened its third factory. “BLC Bank loans helped the company grow from six employees in 2004 to 50 employees in 2014”, said Ms. Khatib. Seventy percent of Maison Khatib factories employees are married women.

Ms Khatib said that the main draw of working with BLC Bank for her was and is the fact that the bank values relationships with its customers and builds these relationships for the long haul.
E. FINDINGS AND RECOMMENDATIONS

I. LESSONS LEARNED: WHAT IFC AND OTHER BANKS HAVE LEARNED FROM BLC BANK

BLC Bank’s We Initiative has seen a lot of success. BLC Bank’s We Initiative has also provided several valuable lessons for IFC and for banks interested in establishing their own programs to bank women.

**KNOWLEDGE TRANSFER:** Successful first-movers such as BLC Bank are critical in transferring knowledge, creating a blueprint and inspiring other banks

- **Knowledge creation:** The success of BLC Bank informed the development of IFC’s standard Women’s Market (WM) Value Proposition to banks globally in 2013. The IFC WM Value Proposition, designed after the BLC Bank project, serves as a template for other banks all over the world. The Project successfully tested and implemented fundamental components required for banks to become Women Banking Champions in their own markets.

- **Demonstration Effect:** As part of the work with BLC Bank, IFC introduced the Bank to the Global Banking Alliance of Women (GBA, http://www.gbaforwomen.org/). Through GBA, the BLC Bank team interacted with best-in-class banks with successful WM operation, like Westpac, Australia and RBS, UK to acquire the know-how of targeting WM. BLC Bank joined GBA in October 2011 and as an active and progressive member of the GBA, became a board member of GBA in 2014 and Chair of the GBA since September 2015. BLC Bank inspired IFC clients like Bank Muscat, Bank Al Etihad, Bank of Palestine, Access Bank and HBL to invest in targeting women’s markets, illustrating the opportunity in developing markets. This illustrates the demonstration effect of the BLC Bank model in the region and globally, with banks showing strong commitment to investing in becoming Women Banking Champions. At least five new projects with a strong gender focus have materialized over the past two years, at least partially attributable to the BLC Bank assignment. BLC Bank has taken further bold steps beyond project implementation to secure sustainability for its Women Banking model, such as becoming the first bank in the region to commit to the UN Global Compact/UN Women’s Empowerment Principles.

**CUSTOMER VALUE PROPOSITION:** Don’t just ‘pink-wash’ – offer real solutions to female borrowers

- An uninformed, superficial “pink-washing” of a business strategy is not sufficient for becoming a women-friendly bank that is taken seriously and appreciated by the female customer segment it aims to serve. BLC Bank’s example has shown other banks that a customer value proposition to women borrowers that provides real solutions to the problems faced by women is critical to effectively and successfully tap into the women’s market. Market research that generates insights into female borrower’s needs and wants and the development of an offering that addresses them are among prerequisites for success.

**STRATEGY:** Integrate, don’t segregate

Integrating the Women’s Market value proposition across all departments of the Bank was a critical success factor for the program. Rather than create a dedicated unit for the We Initiative, the platform was mainstreamed across all functions in the Bank. This approach is specific to BLC and worked well for the Bank.

- **At the department level:** A We Initiative Project Team was established, with cross-functional representation from implementing team members, to ensure on an ongoing basis the successful development and execution of the program.
- **At the leadership level:** A We Initiative Steering
Committee of senior managers was also created to provide high-level guidance on major decisions about the program.

- **At the head office level:** Two new positions were created at the head office: the We Initiative Brand Manager, with the main responsibility for planning and coordinating program strategies, and the We Initiative Specialist, responsible for working with the branches to ensure uniform branding and implementation of the program, to support Bank staff in approaching women-owned companies and to support them in meeting KPIs for the Women’s Market program.

- **At the branch level:** Each branch has a We Initiative Ambassador who ensures that her or his location has We Initiative branding, promotes We Initiative workshops and other non-financial services to customers and prospects, and liaises with local municipalities, women’s associations and NGOs to coordinate and market these activities. Finally, program ambassadors work at the regional level as We Initiative liaisons to the team at the head office.

**DATA:** What is measured gets done – investing in sex-disaggregated data is critical for success

- **Creating a gender-disaggregated baseline:** Investing time and effort (including manual account reviews) at the outset to identify a baseline of their female customer base was critical for BLC Bank’s program success. Tagging the existing female customer base was a particularly challenging task. Identifying the sex of a personal account holder was relatively easy, but in the case of businesses, the Bank had to manually review each account and tag it as woman-owned based on the sales team’s knowledge of its clients. This effort took considerable time and resources, but it was very important as it allowed the Bank to establish a baseline.

- **Incorporating performance targets for all We Initiative segments and products** into the Bank’s existing incentive structure. The targets helped ensure employee performance. They were tied to results, and were set to be achievable, measurable and consistent with the program strategy. BLC Bank also updated its monthly performance scorecard to give Women’s Market incentives a greater weight.

- **Tracking performance targets for female customers:** Setting up an effective performance management system from the beginning that allows tracking of customer data, targets and loan performance of female customers was essential to the program’s long-term success. It was also important that the Bank was willing to make the required investments into its MIS. The first step in this process was adapting its MIS to ensure that all customer data would be sex-disaggregated moving forward. The Bank repurposed an unused field in the MIS to track account ownership by sex and updated applications to collect this information.

- **Identifying female prospects:** BLC Bank also leveraged strong Know Your Customer information in their systems to identify female prospects.

**HOLISTIC STRATEGY:** Aligning internal and external gender-smart approaches and following a holistic approach increases market credibility and internal commitment and capacity

- **Starting with ‘the external’ - the consumer base:** BLC Bank understood that to become the bank of choice for women in Lebanon, it was important to be consistent in incorporating gender-inclusion at all levels of its operation. At its inception, the Bank focused only on women entrepreneurs as consumers, (i.e. meaning customers of the Bank), but by the launch in March 2012, it had expanded its focus to include female individuals as retail banking customers.

- **Making all staff gender-smart through training:** To increase the effectiveness of BLC Bank staff in engaging and serving these female customers, the Bank developed a comprehensive training program for its employees. The training program was based on the following three modules: “Excelling in Selling to Women”, “Gender Intelligence”, and “SME and the Women’s Market”. These modules integrate such market research findings as the importance of establishing a relationship instead of focusing on a hard sell, and selling product benefits, not just attributes. Gender-specific sales modules have since been integrated into BLC Bank’s induction training for all new hires.

- **Strengthening market credibility through internal alignment:** Once its external focus on the female customer segment was successfully established,
2. RECOMMENDATIONS AND THE WAY FORWARD

Building on this success, there is an opportunity for BLC Bank to further expand its We Initiative. In the SME banking space, the risk-sharing facility with IFC with a carve-out for women entrepreneurs, launched mid-2016, offers great momentum for further program expansion and deepening. A greater expansion into the women’s SME market will allow BLC Bank to capitalize on the higher portfolio-growth and better NPL rates of the Bank’s female SME borrower segment. There are several aspects to consider in order to deepen the Bank’s engagement with female SME borrowers as well as expand into other female customer sub-segments, including in retail banking.

Stay relevant, leverage on success and innovate, innovate, innovate!

In order for BLC Bank to maintain its role in the Lebanese market as the bank of choice for women, the Bank needs to continue evolving and tailoring its services based on the ever-changing needs of its existing female customer base. To do so, the Bank will need to keep a close eye on how existing female customers perceive and experience the Bank’s services and seize new opportunities to serve its female clients as they arise. Active and attentive listening to the needs of the new We Initiative customer segment has been BLC Bank’s strong suite from the beginning of the We Initiative program. The Bank will benefit from staying true to this strategy. More specifically, it may consider:

- Conducting regular and tailored customer surveys to systematically collect feedback from its female customers. This will continue to provide BLC Bank with opportunities to gain insight into ways it can improve its offerings in these fast-changing times. Consider leveraging online and app-based surveys. Given that these are easy and convenient to fill out, they are particularly relevant for reaching women who tend to be more time and mobility constrained due to their dual responsibility at work and in their homes.
- Revisiting the focus group concept which was used at the inception of the We Initiative program for market research update insights into the Bank’s existing female customer base. To do so, consider leveraging the We Initiative’s online platform and virtual community as well as social media (such as Facebook groups and their discussions) to generate and lead similar discussions in Bank forums. In addition, the Bank is already successfully utilizing POS (point-of-sale) software to support its financial product portfolio. Recent versions of POS have also become a more widely used tool to access feedback from a customer base. POS software can, for example, be used as a more sophisticated way to group customers into online membership and interest groups that could become targeted, virtual versions of focus groups, and provide diverse and helpful feedback from female customers on all topics relevant to their business. As such, custom-designed POS tools might be used to generate gender-segregated results.

Run with the wind: serve the young generation

In order for BLC Bank to continue to grow its female customer pool and also build a pipeline of future female borrowers, the Bank needs to attract and cultivate young women as customers. These young women will be a new demographic for the Bank, as the younger generation is not typically targeted by BLC Bank. It will be critical for the Bank to identify young women as a potentially additional sub-segment of their female customer segment. To do so successfully, consider:

- Understand the needs and wants of this sub-segment so that BLC Bank can effectively reach and
attract them through relevant products and services.

- **Leverage recently introduced mobile banking tools** that enable instant and low-cost banking transactions such as BLC Bank’s new HEY! App. It is these types of banking solutions that are most likely to resonate with younger females.

- **Tweak existing and suitable products**, aimed at young customers to address some of the gender-specific challenges young women face.

### Review the existing financial portfolio: top performers and underdogs

As BLC Bank builds up its female SME customer base and cultivates these relationships, it is critical to focus on strengthening customer- and portfolio quality going forward. To do so, BLC Bank may want to:

- **Take stock of the Bank’s female SME client base** and assess the Bank’s related portfolio performance to identify top and poor performers in the portfolio.

- **Adjust the existing long-term strategy or create a new one** for this customer sub-segment, with a focus on developing a specific approach to providing solutions that allow top performers to maximize their potential.

- **Pay particular attention to the stock of uncollateralized and poorly performing loans** held by the Bank’s female SME customers and identify strategies to address poor performance or the risks of uncollateralized loans.

In conclusion, BLC Bank has demonstrated best practice in developing a CVP for its women-owned SMEs and female entrepreneurs. Having successfully built their women-SME portfolio and business, there is now an opportunity for BLC Bank to take a similarly structured, research-based and ambitious approach to build up their female client portfolio in retail banking. The fiduciary account introduced as a new product for mothers is a promising start. However, retail banking offers a much larger and more diverse space for the Bank to engage in. The size and broad variety of female sub-segments not only allows for serious scaling and cross-selling across these segments but also – for those women with entrepreneurial aspirations – offers the potential to help build a pipeline for future female SME borrowers. The pitfall for some banks with programs for women has been the challenge to scale their programs. While scale does not appear to be a challenge for BLC Bank, the Bank will assert its role as a global visionary leader in women’s banking by exploiting the potential of women clients in retail banking. Furthermore, while BLC Bank has shown impressive results in growing women’s retail portfolios, there is still room for growth in this segment for BLC bank. SME numbers (as of December 31, 2015) indicate that SME women’s deposits portfolio constitutes only 16% of the total BLC Bank SME outstanding deposits portfolio. Cumulative SME loans disbursed to women constitute only 12% of the BLC Bank’s overall lending portfolio, while outstanding loans to women SMEs constitute only 11% of the overall SME outstanding loans portfolio. The ratio of the number of women depositors to the number of women borrowers is close to 100%, which indicates that women provide a solid client base for the bank in terms of both business lines.

### NFS and the bottom line

Non-financial services have been used by BLC bank as an effective way to provide capacity-building opportunities for its female clientele. Road shows, learning seminars and networking events were important channels in BLC Bank’s effort to reach the female segment following the launch of the We Initiative. Now that BLC Bank has secured its leadership position in the market as a bank of choice for women, it might want to review and refocus its NFS offering to ensure that these services remain innovative, cutting-edge and reflective of its female clientele’s needs.

- **Consider critically assessing the contributions of NFS provided to female customers to the Bank’s objectives and targets for the We Initiative.** This means assessing the impact of NFS provided to female customers on the Bank’s ability to attract and retain female customers, as well as to sell its various financial products to them.

- **Consider taking a fresh look at the Bank’s partnership network** for NFS to women, assessing its effectiveness and identifying potential areas in need of expanding or/and revamping. Identify possible new partners as well.