CASE STUDY: BANKING ON WOMEN ENTREPRENEURS PAYS DIVIDENDS AT BLC BANK
**Project Overview**

The small- and medium-enterprise (SME) sector in Lebanon is a powerful economic force, accounting for 97 percent of all enterprises and employing more than half of the nation’s workforce.\(^1\) Despite this, women entrepreneurs often face barriers—ranging from restrictive legislation to lack of collateral—that reduce their access to finance. In response to these challenges, BLC Bank partnered with IFC to launch the Women Empowerment (WE) Initiative.

Under the WE Initiative, BLC Bank and IFC’s Banking on Women (BOW) program researched gaps in women’s access to finance and designed a new customer value proposition (CVP)—a set of products and services targeted toward women. BLC Bank and BOW also improved BLC Bank’s ability to promote equality between women and men. The results confirmed that women entrepreneurs are good customers. Loans that BLC Bank made to women resulted in lower risk rates and higher returns and growth rates than those made to men. The groundbreaking offering for women entrepreneurs was complemented by investments in closing gaps between men and women working at BLC Bank. Ultimately, the bank benefited not just from improved profitability, but also from a diverse labor pool, improved product and service innovation, and greater market growth.


**Project Objectives**

Established in 1950, BLC Bank is one of Lebanon’s oldest banks. With $5.7 billion in total assets and 56 branches across Lebanon and Cyprus, it is also one of the country’s best-positioned financial institutions. However, in an increasingly competitive industry, BLC Bank sought an opportunity to differentiate its offerings.

Bank management simultaneously realized that women banking customers, particularly SME owners, lacked dedicated financial products and services. While women are the sole owners of 41 percent of SMEs in Lebanon,\(^2\) they receive only a small fraction of all bank loans. BLC Bank recognized that these disparities not only hold women back but also restrict the growth of the financial sector.

**Addressing Gender Gaps**

When launching the WE Initiative, BLC Bank took two mutually reinforcing steps to serving women entrepreneurs: first, the design of a dedicated series of financial and nonfinancial services, and, second, the development of internal capacity-building and the launch of women’s leadership programs. These complementary measures ensured that the bank had the capacity to deliver on its ambitious targets for women SME owners.

- Designing a collateral-free loan for businesses in existence for at least two years, in recognition of women’s difficulty accessing collateral even when they are strong candidates for loans
- Creating the Mother Fiduciary Account product, which enabled women to open fiduciary accounts ordinarily prohibited and name their minor children as beneficiaries without having to refer to the children’s male legal guardians
- Building BLC Cloud, Lebanon’s first online banking platform, in response to women’s time and mobility restrictions, as well as an online platform for the WE Initiative (www.we-initiative.com)
- Developing a suite of nonfinancial services, including mentoring and networking opportunities, to facilitate women entrepreneurs’ access to improved knowledge and networks
- Promoting female role models through a national broadcast of the WE Initiative and Brilliant Lebanese Awards for women entrepreneurs.

For its internal initiatives, BLC Bank took steps to promote gender equality in its own business.

BLC Bank and IFC began their customer-focused work by conducting detailed market research to determine the specific gaps in financial and nonfinancial services that female entrepreneurs face in Lebanon. This informed the development of a CVP designed for women. The CVP included the following:

The WE Initiative started from the will to strategically differentiate from other market players. At the launching date in 2012, it was a risky and bold move. Four years down the road, we realize that it paid off, as BLC Bank received several awards and is now recognized as a leader in this field in Lebanon and worldwide.

**What BLC Bank says**

The WE Initiative started from the will to strategically differentiate from other market players. At the launching date in 2012, it was a risky and bold move. Four years down the road, we realize that it paid off, as BLC Bank has received several awards and is now recognized as a leader in this field in Lebanon and worldwide.

Tania Moussallem
Assistant General Manager, BLC Bank

**What BLC Bank clients say**

I’m proud that we have to-date influenced the creation of more than 25 programs in banks around the world. The “Women Empowerment” initiative started as a shy idea few years back and has now developed into a successful, fullfledged program that contributes to international best practices in this domain.

Nadim Kassar
Deputy Chairman General Manager, BLC Bank

**What IFC says**

BLC Bank has succeeded by understanding that reaching women customers requires two things: an in-depth understanding of women’s financial needs and preferences and deeply engrained gender equality within the company.

Manar Korayem
EMENA Women Banking Champions Program Lead, IFC
“Say We to success”
Increase your exposure.

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