

# Financial Inclusion of Women

MFR



# DISCLAIMER

This work was commissioned by CGAP and funded in whole or in part by CGAP as part of its effort to monitor the state of the microfinance sector. Unlike CGAP's official publications, the viewpoints and conclusions expressed are those of the authors and they may or may not reflect the views of CGAP staff.

# Table of Contents

- 01 **Database**
- 02 **Global Trends**
- 03 **Institutional Profile**
- 04 **Client Outreach**
- 05 **Staff Composition**
- 06 **Financial Performance**
- 07 **Annexure**

# Database

# Database

**Source:** ATLAS [www.atlasdata.org](http://www.atlasdata.org)

**Dataset:** up to 204 Financial Institutions (FIs) with data available as of 2023 (269 in 2019, 437 in 2020, 452 in 2021, 384 in 2022), including different charter types (Banks; Cooperatives; Non-Bank Financial Institutions; NGOs), broken down by:

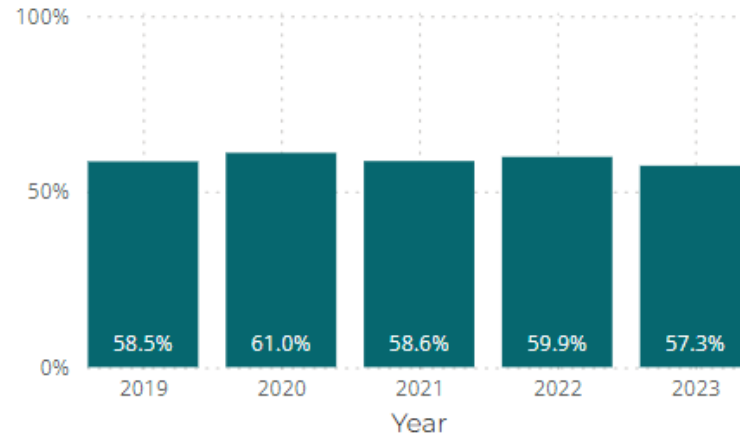
- Region: Europe and Central Asia (ECA): 17.2%; Latin America and Caribbean (LAC): 20.5%; South and Southeast Asia (SSEA): 40.7%; MENA and Sub-Saharan Africa (SSA): 21.6%
- Size (total assets, USD): Small < 10M (35%); Medium 10-100M (37%); Large > 100M (28%)
- Charter type: Bank - 25.9%; Cooperative - 21.9%; NBFI - 38.5%; NGO - 13.8%

02

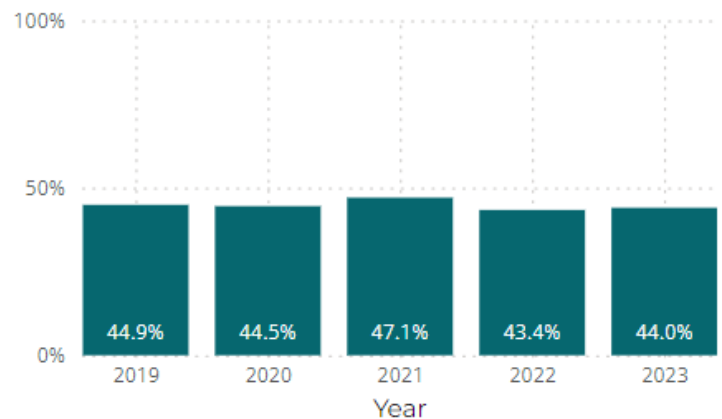
# Global Trends

# Global Trends

Percentage of women borrowers by year (median)

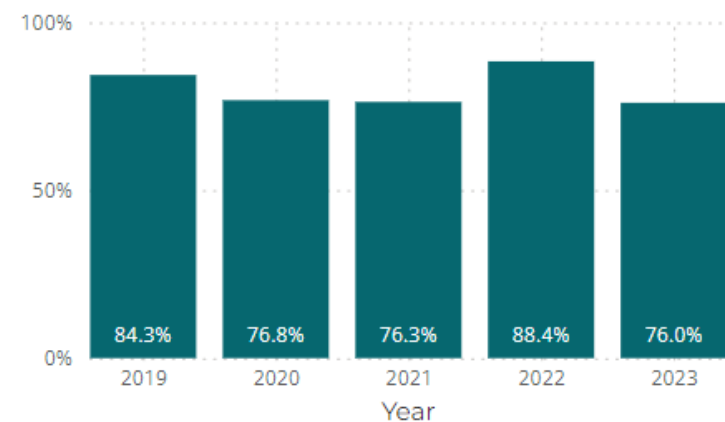


Percentage of gross loan portfolio to women by year (median)



The outreach to female borrowers has been overall **stable globally** between 2019 and 2023. Female borrowers represent more than half of all borrowers (**57.3%**). This is not surprising given the higher financial exclusion condition of females. However, the **volume of portfolio** lent to female is significantly lower, standing at **44%**, due to the smaller loan sizes lent to females compared to men. On average, for 100 USD borrowed by males, females only access 77 – 88 USD. The **gender loan size gap** is consistent through time.

Female / male average loan balance by year (median)



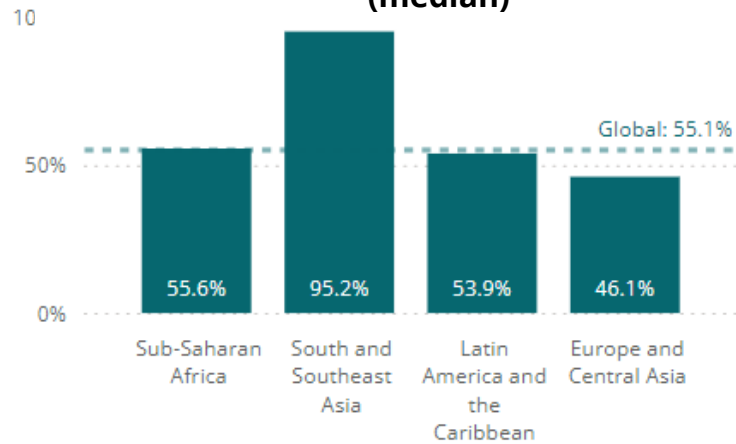
03

# Institutional Profile

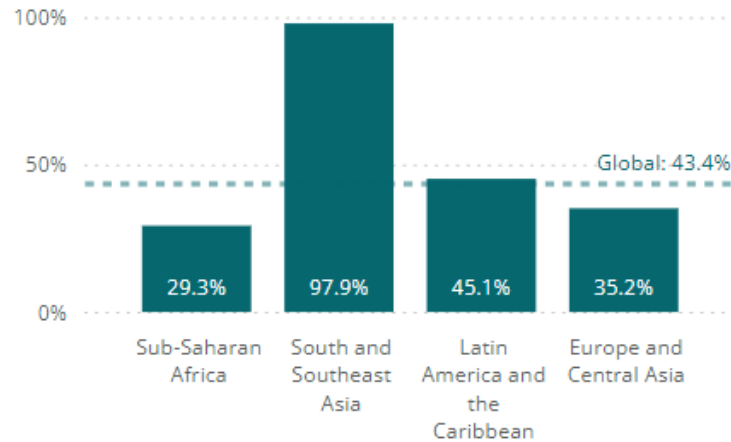


# Regional Trends

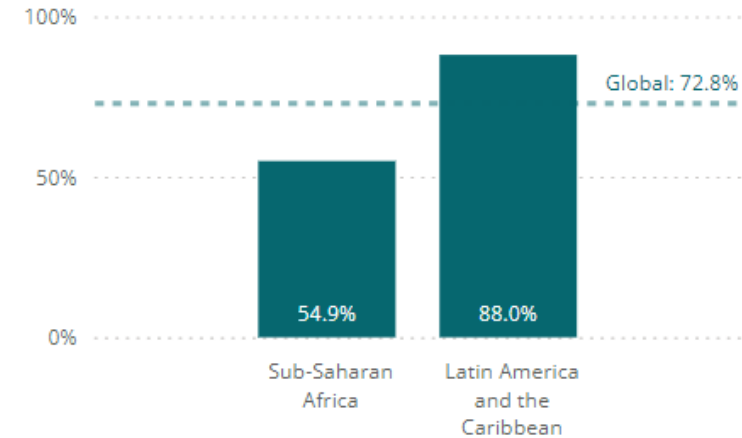
Percentage women borrowers by region (median)



Percentage gross loan portfolio to women by region (median)



Female / male average loan balance by region (median)

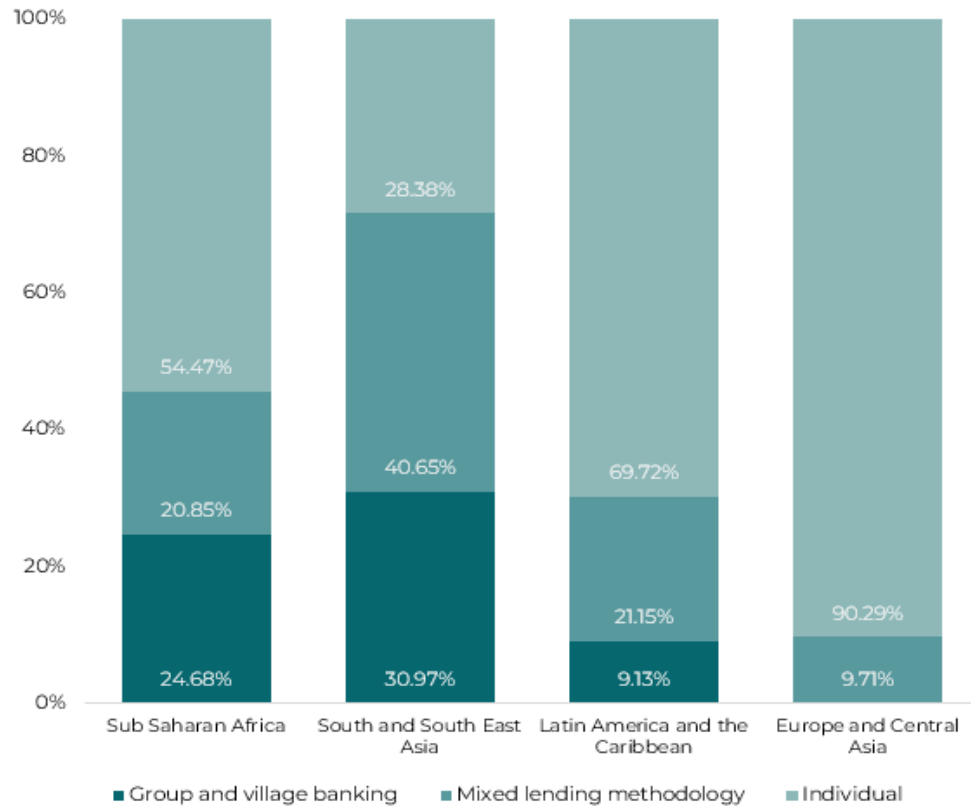


Significant differences appear in gender outreach by region, making geography a key driving factor. South and **Southeast Asia** displays the highest outreach to female borrowers by number of borrowers and portfolio size. Financial Institutions (FIs) in **Latin America** (LAC) and **Sub-Saharan Africa** (SSA) both serve more than half female borrowers (53.9% and 55.6% respectively), in line with the global average. However, the **size of loans** lent to female borrowers is much closer to the size of loans lent to male borrowers in LAC compared to SSA; in **SSA**, for a male client borrowing **100 USD**, females borrow **55 USD** only.

# Lending Methodology and Loan Size by Region

The larger gender outreach in **South and South-East Asia** is associated with a higher proportion in this region of **Group, Village banking and mixed lending methodologies**, as well as **Lower Average loan Balance over GNI pc**. Such loan product characteristics appear to be associated with better gender outreach results, in part due to the softer guarantees of such loans, compatible with the guarantees that women can offer (see Client outreach section).

Percentage gross loan portfolio by lending methodology and by region

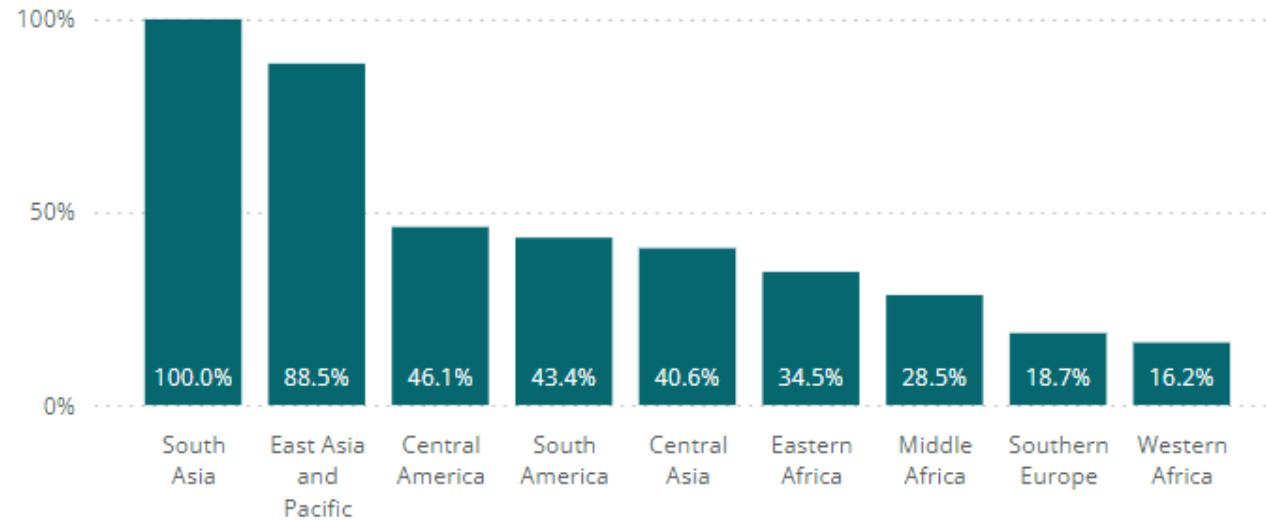


Percentage number of Financial Institutions by loan size and by region

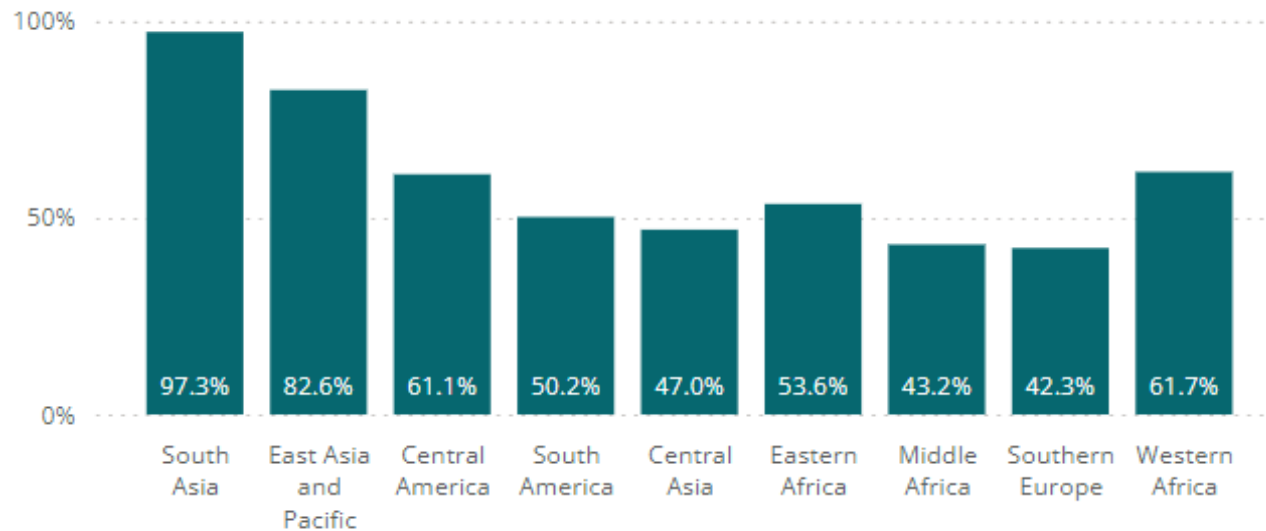


# Sub-Regional Trends

Percentage gross loan portfolio to women by sub-region (median)



Percentage women borrowers by sub-region (median)



**South Asia** displays the best results of all subregions in all outreach indicators.

**South America** is serving about 50% female borrowers, but lower gross loan portfolio to females and loan size inequality is closer to the global average.

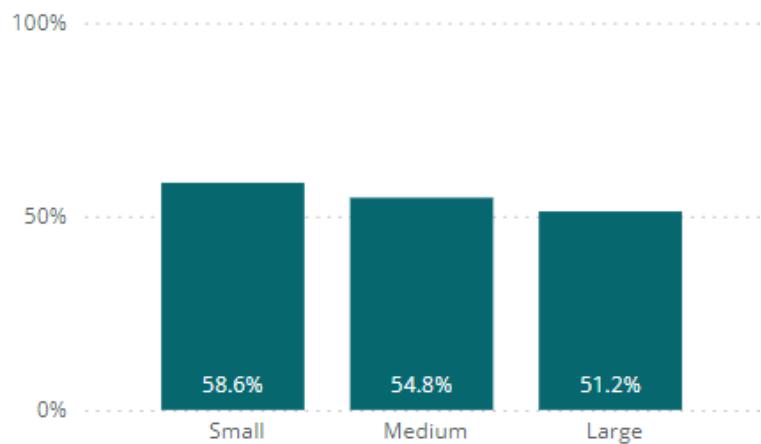
FIs in **Central America** serve more female borrowers than FIs in **Southern America**, but with less portfolio and loan size equality.

FIs in **Western Africa** reach more than 50% female borrowers on average whereas **Eastern Africa** serves marginally fewer female borrowers, but with a higher portfolio and loan size equality.

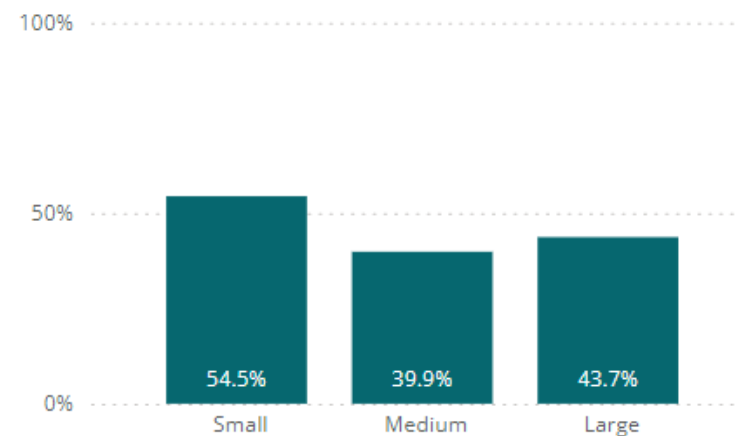
# Trends by Financial Institution Size

On average, **small FIs** present higher female outreach compared to medium and large FIs by both Gross loan portfolio and number of borrowers (54.5% and 58.6% respectively). Loan size equality is also best among small size FIs, where females access loans almost the same size as men borrowers (94.0%).

Percentage women borrowers by size of Financial Institutions (median)



Percentage gross loan portfolio to women by size of Financial Institutions (median)

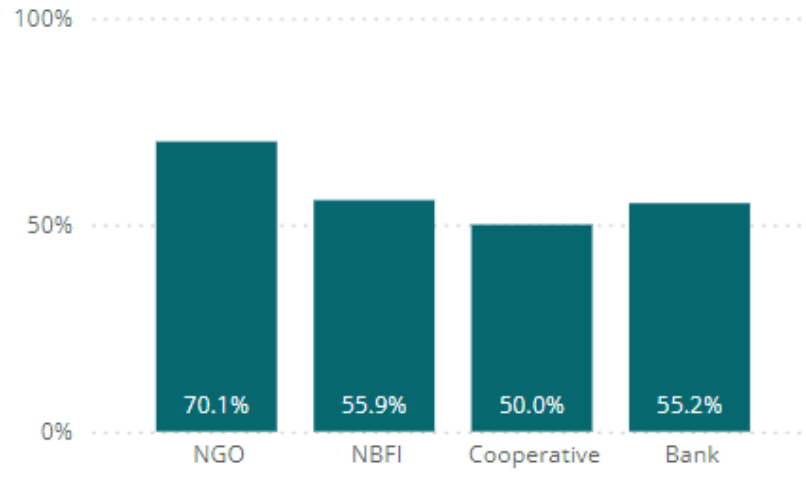


Size measured by Assets or Gross loan portfolio (small= $\leq$ \$10M; medium=\$10m-100m; large= $\geq$ \$100m)

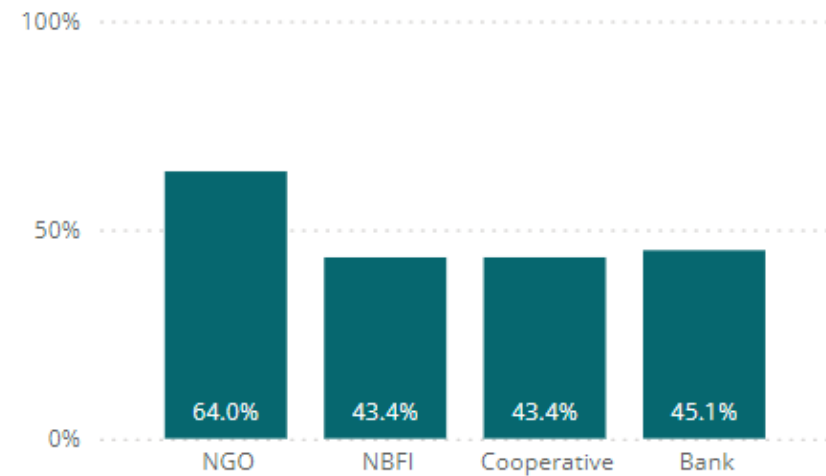
# Trends by Charter Type

**NGOs** achieve higher gender outreach compared to other charter types. Banks, NBFIs, and cooperatives show no meaningful difference. By loan size equality, NBFIs and cooperatives are closer to parity (91% and 85.3%) compared to banks, which are below 50%.

Percentage women borrowers by charter type of Financial Institutions (median)



Percentage gross loan portfolio to women by charter type of Financial Institutions (median)

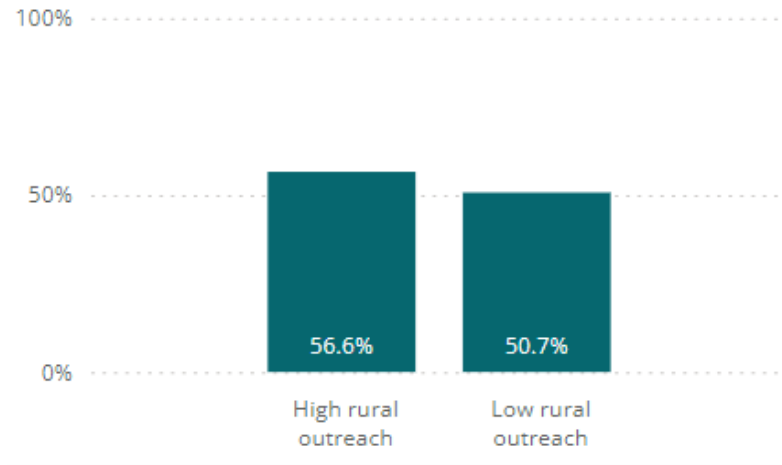


04

# Client Outreach

# Trends by Rural and Lending methodology

Percentage women borrowers by rural outreach of Financial Institutions (median)



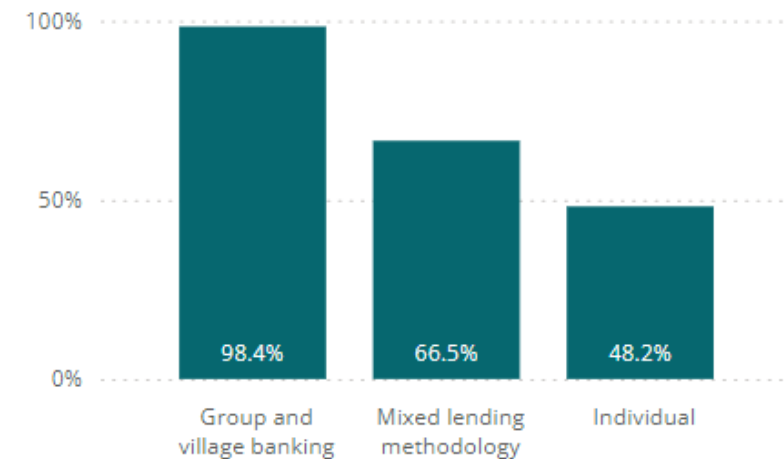
Percentage gross loan portfolio to women by rural outreach of Financial Institutions (median)



FIs with **higher rural outreach** achieve higher female outreach (56.6%) compared to FIs with a lower rural outreach (50.7%), while the proportion of Gross loan portfolio to female borrowers is similar in both cases.

Lending methodology appears to be significantly associated with borrowers' gender: **Group and Village banking** methodologies are more successful at reaching **women**, possibly thanks to soft guarantees, while **Individual lending** methodology is associated with a higher proportion of **male** borrowers, in part due to the harder **guarantees** and **titles** required, often in the **name** of **male** members of the household.

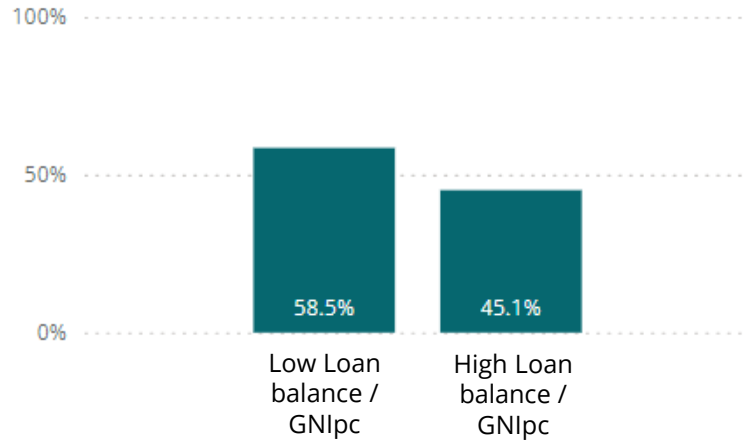
Percentage women borrowers by lending methodology of Financial Institutions (median)



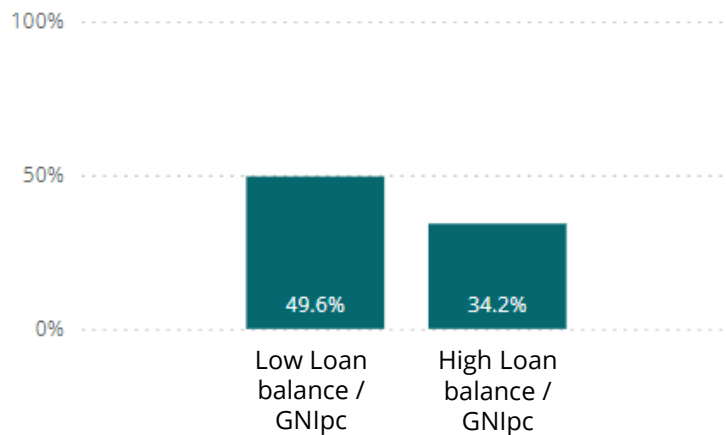
Rural outreach measured by % rural borrowers and if not available % rural GLP (low<50%; high >50%)

# Trends by Loan size

Percentage women borrowers by average loan size of Financial Institutions (median)

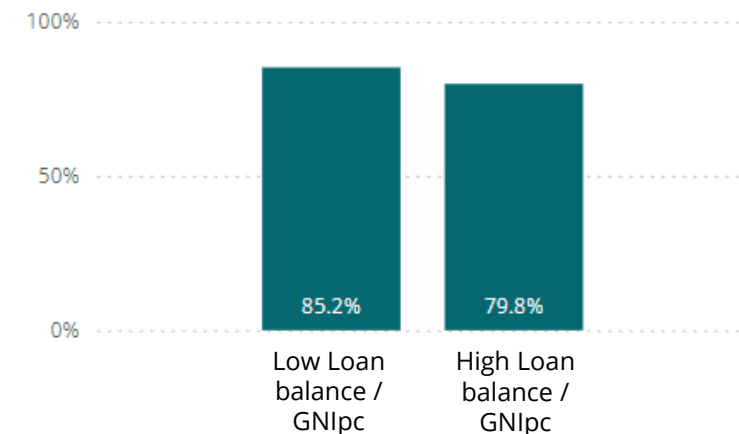


Percentage gross loan portfolio to women by average loan size of Financial Institutions (median)



FIs with **Low average loan balance / GNI pc** achieve better results in terms of % female borrowers, % Gross loan portfolio to female borrowers, and marginally better loan size equality results. FIs with lower loan sizes may serve women better because of a deliberate specialisation strategy, taking into account legal and social barriers to property ownership faced by women specifically.

Female / male average loan balance by average loan size of Financial Institutions (median)



Average Loan Balance / GNI pc: Low if <100%; high if >=100%)



05

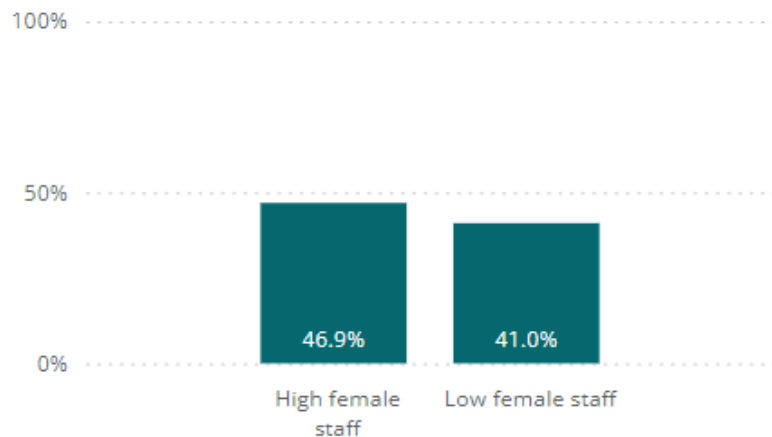
# Staff Composition

# Trends by Female Staff

Percentage women borrowers by female staff of Financial Institutions (median)

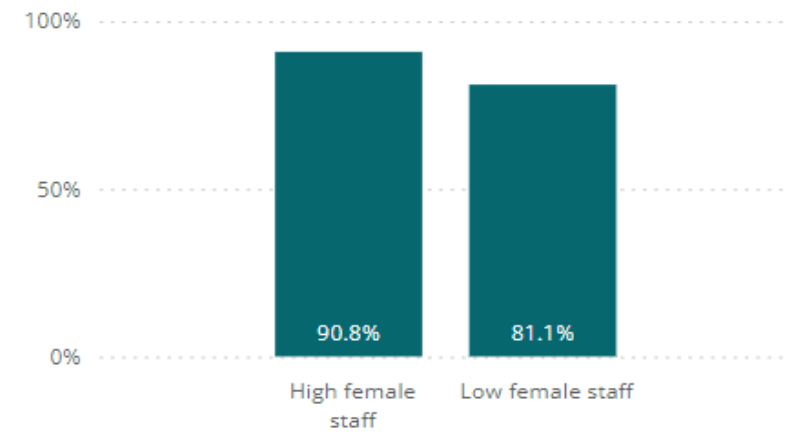


Percentage gross loan portfolio to women by female staff of Financial Institutions (median)



FIs with more than **50% female staff** show improved **equality of loan amounts** lent to female and male (91% compared to 81%), possibly due to female field staff being more equipped to meet female borrowers' loan size needs. However, the % of female staff is not associated with significant differences in % of female borrowers reached and % of Gross loan portfolio lent to women.

Female / male average loan balance by female staff of Financial Institutions (median)



% female: low if <50%; high if >=50%

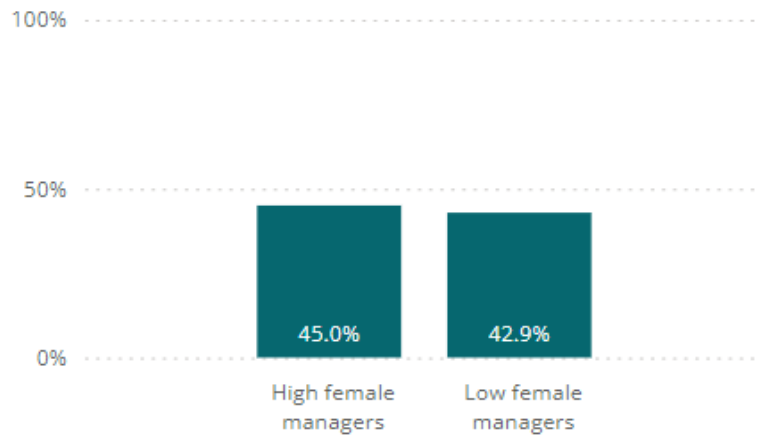
# Trends by Female Managers

Percentage women borrowers by female managers of Financial Institutions (median)

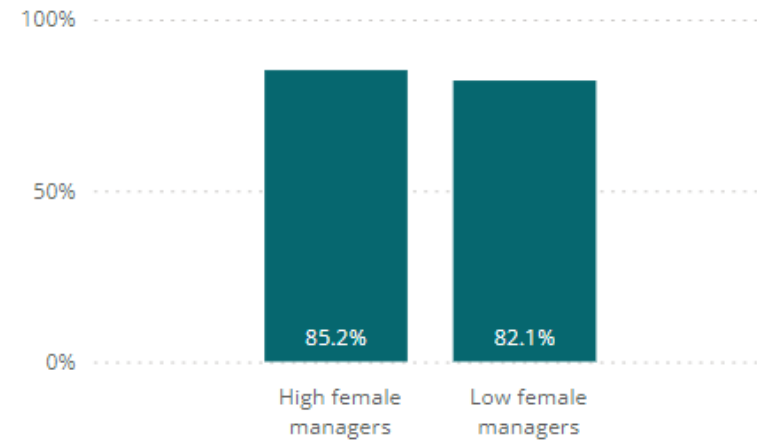


Based on the data available, the proportion of **female managers does not seem to have an impact** on the female outreach of Financial Institutions.

Percentage gross loan portfolio to women by female managers of Financial Institutions (median)



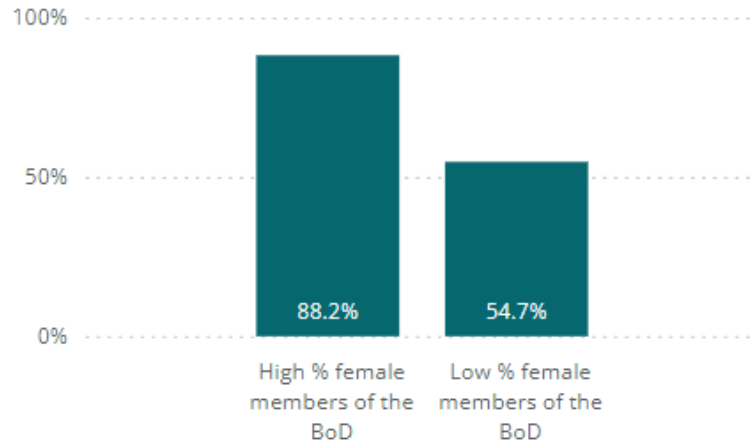
Female / male average loan balance by female managers of Financial Institutions (median)



% female: low if <50%; high if >=50%

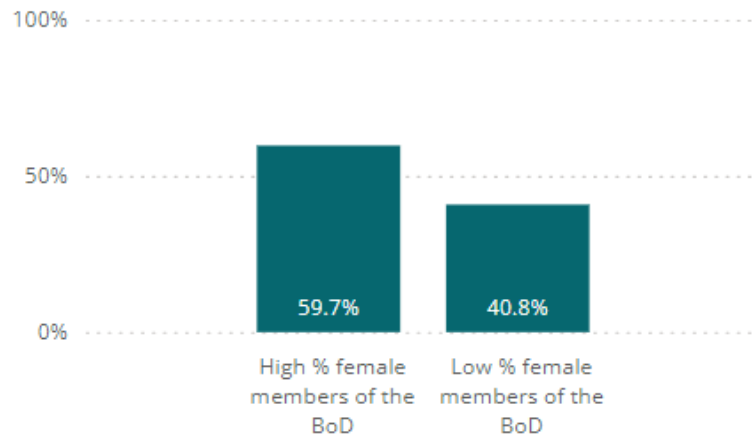
# Trends by Female BoD

Percentage women borrowers by female BoD members of Financial Institutions (median)

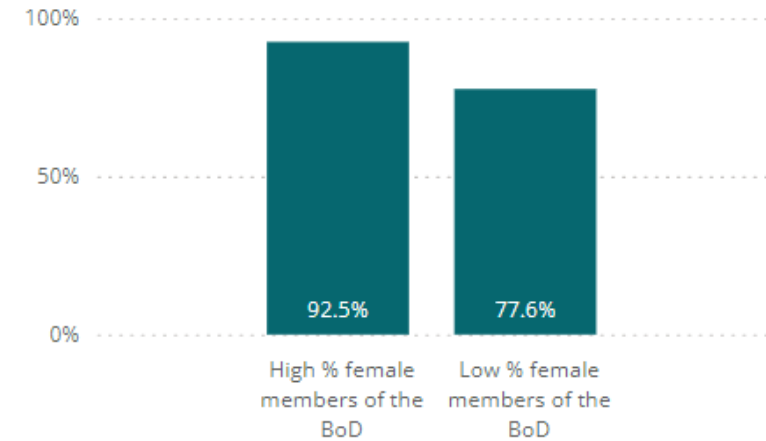


Financial Institutions with **Higher share of female members of the BoD** display significantly better gender outreach results in all respects: % number of borrowers, % volume of Gross loan portfolio, and loan size equality. SSA and SSEA are key regions driving this positive trend.

Percentage gross loan portfolio to women by female BoD members of Financial Institutions (median)



Female / male average loan balance by female BoD members of Financial Institutions (median)



% female: low if <50%; high if >=50%

06

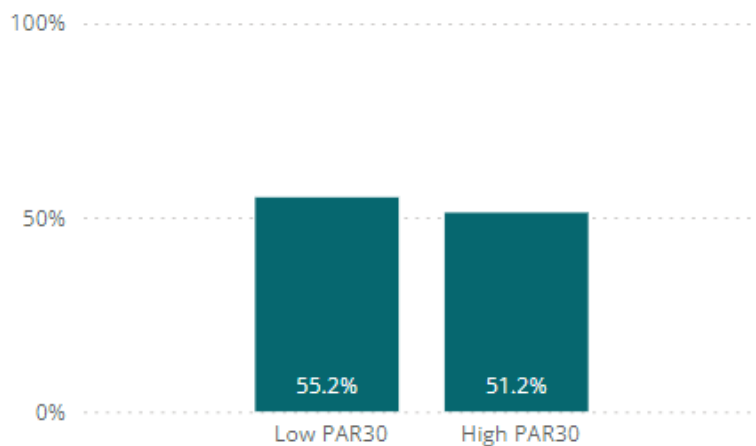
# Financial Performance



# Trends by Portfolio Quality (PAR30)

Financial Institutions with **lower PAR30 levels** (<9%) present a marginally higher female outreach by % number of female borrowers and % Gross loan portfolio.

**Percentage women borrowers by PAR30 of Financial Institutions (median)**



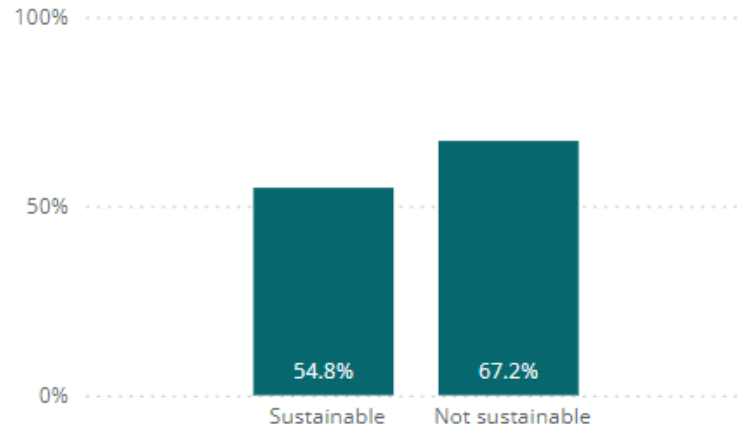
**Percentage gross loan portfolio to women by PAR30 of Financial Institutions (median)**



PAR30: low if <5%; high if >=5%

# Trends by Financial Sustainability

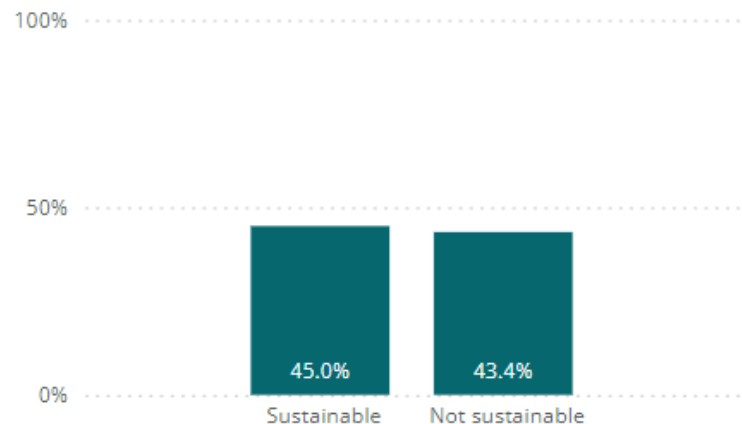
Percentage women borrowers by sustainability of Financial Institutions (median)



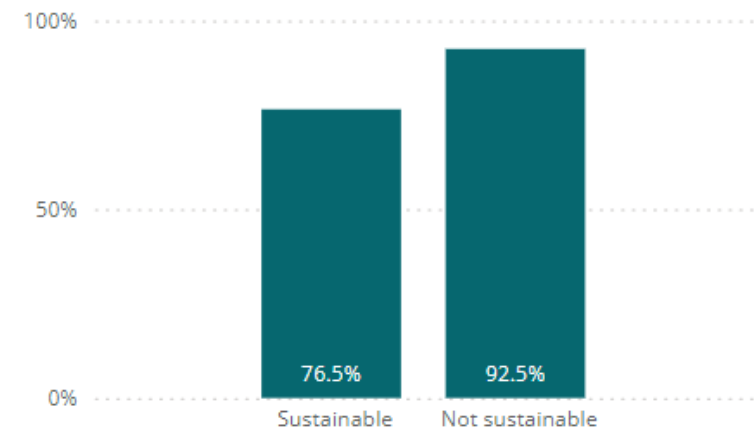
## Not financially sustainable Financial Institutions

present a higher proportion of female borrowers (67.0%). Smaller FIs and FIs with higher rural outreach, found to have better gender outreach results (see previous slides), have to deal with lower economies of scale and higher operating expenses, making it more challenging to cover all costs.

Percentage gross loan portfolio to women by sustainability of Financial Institutions (median)



Female / male average loan balance by sustainability of Financial Institutions (median)



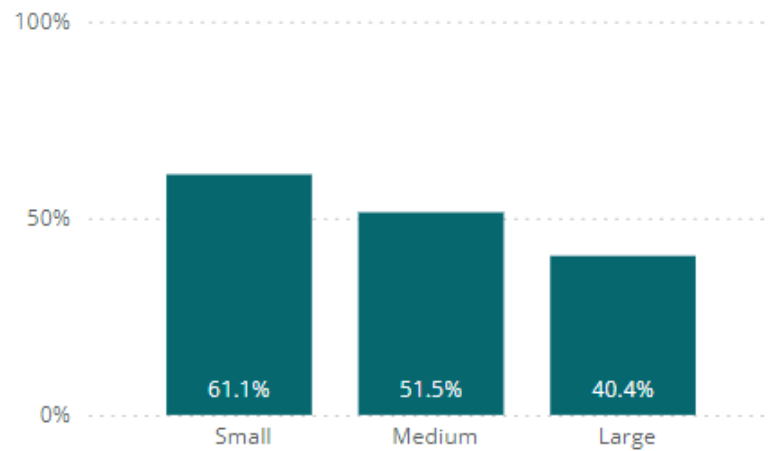
Sustainability measured by OSS (>100%), ROE or ROA (>0%)

# Sub-Saharan Africa by size and Sustainability

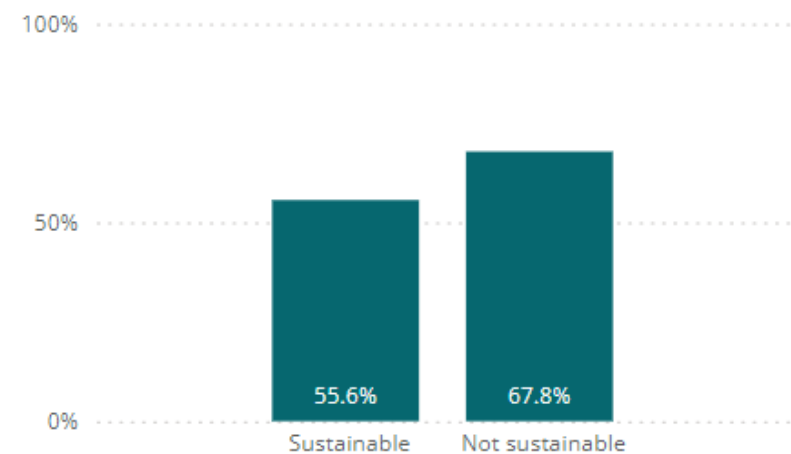
In **Sub-Saharan Africa (SSA)**, **Smaller size** Financial Institutions tend to reach a higher proportion of female borrowers, similarly to the global trends. Higher gender outreach is also observed in Financial Institutions that have **not reached financial sustainability yet**.

FIs with the highest gender outreach in Africa offer in their majority **low loan sizes** (lower than the Gross National Income per capita).

Percentage women borrowers by size of Financial Institutions, in SSA (median)



Percentage women borrowers by sustainability of Financial Institutions, in SSA (median)





07

# Annex



# Annex – Financial Institutions Count

Indicators - Global	2019	2020	2021	2022	2023
% gross loan portfolio – Female by Year	46	80	92	88	39
Female / Male Average Loan Balance	16	55	47	47	34
% Number of borrowers – Female	207	302	313	249	131

Indicators - Regional	ECA	LAC	SSA	SSEA
% gross loan portfolio – Female by Region	11	39	26	15
Female / Male Average Loan Balance – Region		22	12	
% Number of borrowers – Female	98	77	73	77

Indicators – by size	Small	Medium	Large
% gross loan portfolio – Female by Size	21	43	22
Female / Male Average Loan Balance – Size	5	25	16
% Number of borrowers – Female – Size	113	143	54

Indicators – by Charter Type	Bank	NBFI	NGO	Coop
% gross loan portfolio – Female	6	14		
Female / Male Average Loan Balance	4	8		
% Number of borrowers – Female	5	41	7	6

Indicators – by Female Staff	Low Female Managers (%)	High Female Managers (%)
% gross loan portfolio – Female	41	29
Female / Male Average Loan Balance	19	19
% Number of borrowers – Female	97	87

Indicators – by Female Managers	Low Female Managers (%)	High Female Managers (%)
% gross loan portfolio – Female	43	11
Female / Male Average Loan Balance	28	9
% Number of borrowers – Female	99	36

Indicators – by Female BOD	Low Female BOD (%)	High Female BOD (%)
% gross loan portfolio – Female	48	7
Female / Male Average Loan Balance	28	7
% Number of borrowers – Female	50	13

Indicators – by Financial Sustainability	Sustainable	Not Sustainable
% gross loan portfolio – Female	47	19
Female / Male Average Loan Balance	33	11
% Number of borrowers – Female	163	82

# Annex – Financial Institutions Count

Indicators – Average Loan Balance	Low	High
% gross loan portfolio – Female	43	18
Female / Male Average Loan Balance	31	5
% Number of borrowers – Female	205	78

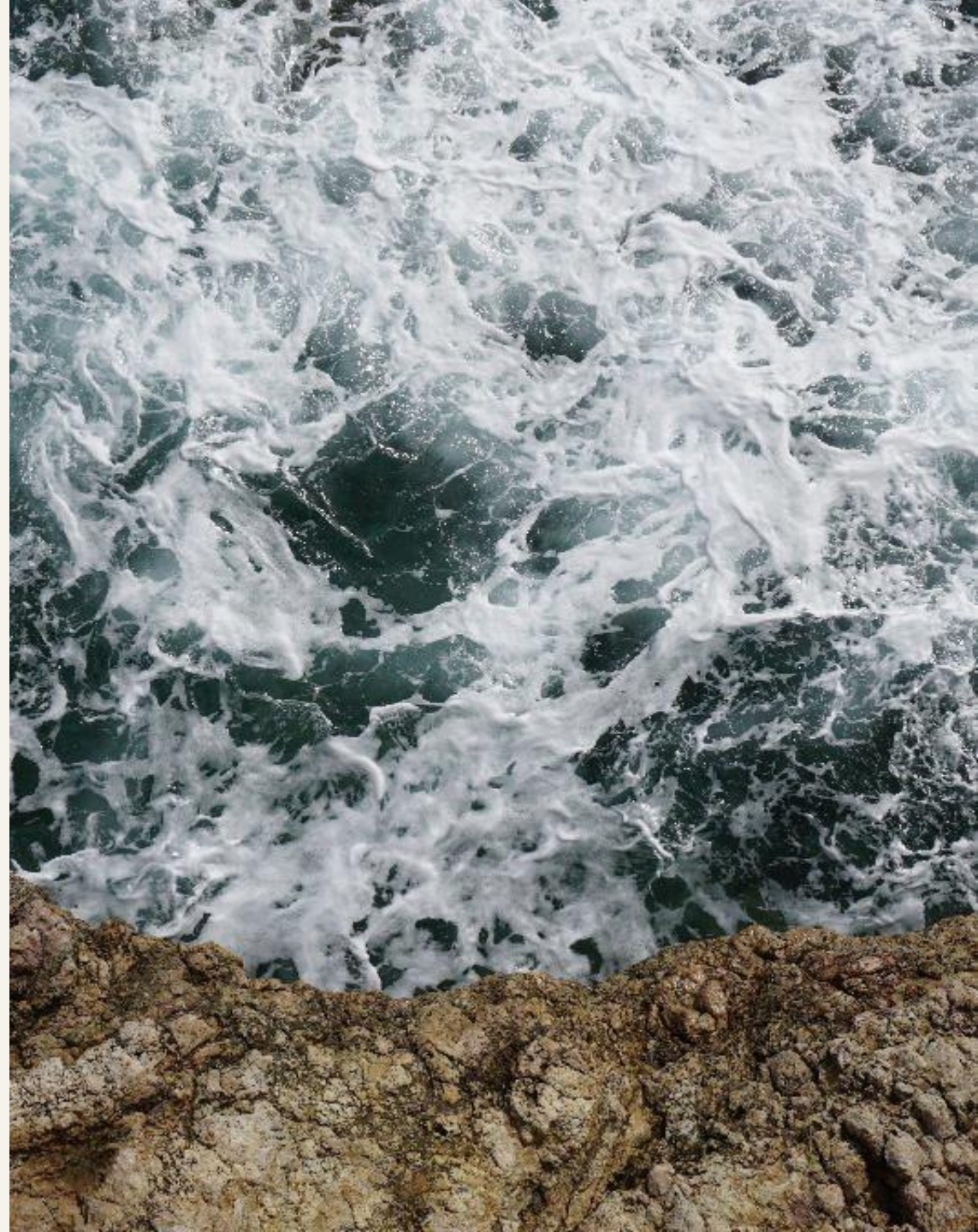
Indicators – Rural Outreach	Low	High
% gross loan portfolio – Female	4	6
% Number of borrowers – Female	10	12

Indicators – Lending Methodology	Individual	Group & Village Banking	Mixed Lending Methodology
% Number of borrowers – Female	115	15	51

Indicators – by Portfolio Quality	Low PAR30	High PAR30
% gross loan portfolio – Female	41	38
% Number of borrowers – Female	89	74

# Annex - Definitions

Category	Indicators	Definition
General	Number of borrowers	Total number of borrowers including borrowers on time with their payments and late with their payments
Financial	Gross loan portfolio	Includes the outstanding principal balance (short-term and long-term) of FI's all outstanding loans including current, delinquent and rescheduled loans, but not loans that had been written off
General	Female / male average loan balance	Average loan balance of female active borrowers / Average loan balance of male borrowers
Portfolio quality	PAR30	Outstanding receivables > 30 consecutive days unpaid / Outstanding receivables
Social	Lending Methodology	Lending methodologies used in loans disbursement
Social	Average Loan Balance	Average value of all loans disbursed during the period, regardless of whether they are now performing, non-performing or written-off



# Contact Information


---

## Office

Via Rinaldo Rigola 7  
20159 Milan - Italy

## Contacts

[contact@atlasdata.org](mailto:contact@atlasdata.org)  
+39 2 3656 5019

 [mf-rating.com](http://mf-rating.com)

 [mf-rating](https://www.linkedin.com/company/mf-rating)

 [@microfinrating](https://twitter.com/microfinrating)

