



Criteria for SME Financier of the Year Category

General Information

1. Name
2. Industry Type
3. Headquarters location
4. Number of years in operation
5. Number of countries where you have active operations
6. IDA/FCS countries
7. Number of staff
8. Please state how you define micro, small and/or medium-sized businesses. How do you define SME? How do you distinguish this from microenterprise? Do you have separate accounting for your SME portfolio – e.g., numbers of accounts, loans, product volume; financial spread; allocated overhead; net profit?

Specific Judging Criteria for SME Financier of the Year

1. SME Significance
 - a. What is your target market among micro, small and medium enterprises – clarify in terms of definition above; provide information on target market segments, if applicable. Be specific about what you have done for MSMEs in a specific period of time (could provide graphs or charts as attachments to back up/illustrate your impact)
 - b. Describe any market leading products and services you offer. Please explain why they are superior to others in the market. (*Describe your delivery system/operating for SME products/services: is it an innovation in the market? Why have you chosen this delivery system?*)
 - c. What makes you a market leader in your country/region? How do you compare to the competition in your market? (*What is your overall market share as a financier in the SME market and among your competitors for your market segment?*)
2. Market share and growth (*Provide information on target market segments, if applicable. Be specific about what you have done for SMEs in a specific period of time.*

You could provide graphs or charts in the Attachments Tab to support/illustrate your impact)

- a. Are SMEs your primary target customer in your market? Why did you choose to pursue this market strategy?
 - b. Are SME end-clients limited to 'formal' economy actors or are 'informal' clients part of your target market?
 - c. What is your market share in the SME market in terms of indicators that are relevant to your business, e.g., loans, deposits, assets, liabilities, customers, etc?
 - d. Describe your current portfolio. (*Do you pursue a comprehensive approach with SMEs that includes managing deposits and cash management services (CMS) as well as lending? Provide metrics relevant to your business model with SMEs, e.g., total MSME Loan Outstanding in USD and also as a % of overall Loan Outstanding; total number of your MSME Clients in absolute numbers and as % of overall client base; NPLs for SME portfolio, etc.*)
 - e. What has been the year-on-year growth of your SME business in the past 2-3 years?
 - f. How do you measure your success in serving the SME market?
3. Profitability
 - a. What profitability measures do you use for the SME line of business? Please explain and provide measures for as many years as you can, up to three years.¹ (*Key indicators would be: ROA; ROE; avg spreads in lending; SME business Net Profit%/LTD preferably in comparison to the total institution's profitability. Feel free to fill in the [SME Financier of the Year worksheet](#) to show key metrics if you prefer, but the worksheet is not obligatory.*)
 4. Sources of Funds/Tenor of Funding
 - a. Please provide details of your funding sources (% wholesale vs deposit funding; what are your funding sources, i.e., customer deposits, borrowing, securities issued, etc.; do you have loan-to-deposit ratios that you could provide?)
 - b. What is the percentage of your funding that is short term (< 1 year), medium term (1-3 years) and long term (3 years+)? Estimates are sufficient.
 5. Credit Risk Management
 - a. Provide information on your CRM process. Consider answers to some of the questions below in your answer:
 - i. **Process:** Do you have specialized or segment-specific approaches to underwriting for SMEs? Do you use a statistical scoring system? What place does it have in the overall underwriting process? If credit scoring models are applied, are they specific to SMEs and are they determinant or just one input into a committee level decision? Is the underwriting process streamlined for repeat customers?
 - ii. **Validation:** What percentage of loans are processed solely through scoring and what percentage receive further review? What form does that further review take e.g., credit committee, manager review, etc? What are the procedures for verification of critical input data? Do you have specific rules around validation and recalibration for SMEs?

¹ The longer you can show performance data, the stronger your case.

- iii. **Collateral:** What do you accept as collateral? Do you offer collateral free loans, and if so, what share of your loans are collateral free? Is strong collateral sufficient to offset weak or unclear payment capacity or are there explicit debt service capacity maximums?
 - iv. **Post-disbursement monitoring:** What is the frequency for monitoring and/or validating credit scores? Who is responsible for this? Other than collection, what else occurs? How is data gathered? Is post-disbursement part of the feedback loop for product development?
6. Efficiency
- a. What is the average turnaround time in days to process an SME's request for products and services (from application to disbursement) e.g., loans, commercial mortgages, insurance quotations, etc.
 - b. What is your loan rejection rate?
 - c. Average cross-sell, i.e., number of products/services per SME customer.
 - d. What do you do in your application process to make it easier for the SME client to apply? Please describe. (Do you use digital processes for example?)
 - e. What active channels do you operate and where are transactional versus sales interactions concentrated? (*Think about traditional channels such as ATMs, branches, agents, etc as well as new digital channels such as contact centers, on-line banking, mobile apps, chatbots, etc.*)

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