

UNLEASHING THE FINANCIAL POWER OF WOMEN: THE BUSINESS CASE FOR FINANCIAL INSTITUTIONS IN LATIN AMERICA



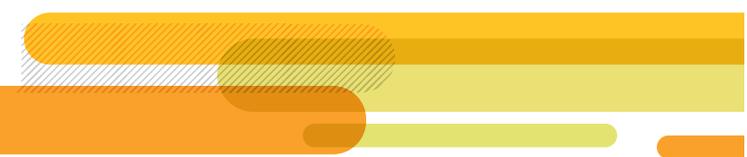


Ecobanking studies the women's market

The report *“Unleashing the financial power of women: The business case for financial institutions in Latin America”*, issued by the Ecobanking project (www.ecobankingproject.org) of the Latin American Center for Competitiveness and Sustainable Development (CLACDS), INCAE Business School, examines the reasons why the financial sector in general –and financial institutions (FIs) in particular –ignore or underserve women (personal banking, corporate banking, insurance, others) to the detriment of the women themselves, their families and the societies in which we live. The policies, practices, strategies, tactics, products, services, and even regulations of FIs simply do not deal with this new client, nor do they measure the potential that this market represents for its positioning, growth, profitability and reputation, among other factors.

FIs continue to serve women under the business as usual scenario, and in so doing: a) they lose short and medium-term opportunities for new and better businesses; b) they overlook socio-economic and demographic changes—higher levels of women’s education, greater control over family spending, increased independence, among others –experienced by this segment, and c) they mistakenly believe that they will meet the needs of the market and of society by simply offering the same products and services as for men.

This study also documents the efforts made by multiple organizations to turn women into financial sector customers, taking into account their present characteristics. Based on this analysis, Ecobanking is able to make the case, for FIs, on the importance of introducing a process of market analysis different from the one that has been done up to now, one that takes into account the demographic and cultural changes and the role that women now have in decision-making in society. This understanding has led some to design new financial products. Many FIs in the region are basing their future growth on this new market, represented by a multifaceted customer base, with growing financial resources and willing and able to invest in products that actually meet their needs.



EXECUTIVE SUMMARY

This report was prepared during the second semester of 2017, following an inquiry into the state of integration of women as customers of the financial system. To do this, multiple research papers and documentary sources on the subject were reviewed, and interviews were conducted with executives at FIs that have corporate and consumer banking programs aimed at women. The first section reflects on the changing role of women in societies, specifically related to: their growing influence over family spending and other financial decisions, their increasing integration into the labor force, and their burgeoning presence in the business world –in particular small and medium-sized companies.

The second section examines the factors that are thus far resulting in a limited or inadequate allocation of financial resources to this segment, including lack of experience and knowledge in FIs, cultural aspects, and even legal provisions in some countries.

The third section presents the elements that, when linked together, constitute the business case for improving service to women as valuable clients of FIs. Female characteristics such as their loyalty, greater than their male counterparts', their observance and punctuality in the payment of their debts, among others, result in lower rates of delinquency and risk, which of course positively impacts the financial performance of the FI. Women constitute a poorly served segment, one that, in addition to the aforementioned desirable characteristics, enjoys increasing purchasing power and is implementing growing numbers of business projects. All this results in a very attractive opportunity for FIs. The business case is complemented with examples of current practices and financial products developed by some FIs.

The fourth section presents some useful (and currently in use) mechanisms to better align financial institutions and related regulatory bodies with the needs of women as clients of the financial sector.

TABLE OF CONTENT



Unleashing the Financial Power of Women: The business case for financial institutions in Latin America	3
Executive summary	4
Introduction.....	6
General objective	7
Specific Objectives.....	7
The specific goals of this report are to:	7
Methodology	8
About the Ecobanking Project	8
Section 1. Drivers of Change – Socio-Economic Dynamics	9
1. Growth of this Demographic Group and Changes in the Social Structure of the Family	10
2. Women´s Growing Education Level	12
3. Women´s Increasing Income Levels and Negotiating Power in the Household	13
4. Massive Entry of Women into the Labor Force	13
5. Explosion in Women Entrepreneurs.....	14
Section2. Factors that Limit Women´s Access to the Financial System.....	16
1. Lack of Knowledge	17
2. Legal Provisions	18
3. Financial Regulations.....	18
4. Cultural and Social Aspects	19
5. Other Obstacles	19
Section 3. The Financial Sector and Women – The Business Case	21
1. Long Term Income Growth.....	22
2. Profitability.....	23
3. Competitive Advantage	26
Recognizing The Business Case: Financial and Non-financial Products.....	28
Section 4. Enabling Forces and Support Mechanisms for the Women´s Market.....	30
1. Greater Emphasis on Gender Equality by Governments and Policy Makers.	30
2. Social Pressure	30
3. Greater Business Commitment to Society	30
4. Areas of Innovation Aimed at Removing Access Limitations	30
5. Role of the Multilateral Development Banks	31
6. The work of the Global Banking Alliance for Women	32
7. Internal Programs aimed at Gender Equality and Women´s Empowerment	33
8. New Delivery Mechanisms	33
Conclusion	35
ANNEX 1. Case Studies	36
BHD	36
WESTPAC.....	38
Banorte.....	39
INTERFISA	41
PORTO SEGURO	42
BANCO ITAÚ	43
BLC	44
ANNEX 2. Some characteristics that support the business case for Financial Institutions	46
ANNEX 3. Evolution of the population and projection according to gender in Latin America and the Caribbean	49

1. INTRODUCTION

We live in a changing world and “one of the key transformations is the growing realization by the private sector that investing in women is not only the right thing to do, it is good business,” said Klaus Schwab, Swiss economist and founder of the World Economic Forum (WEF).

Exploring the female market means, in addition to understanding their positive characteristics (loyalty, versatility, creativity, flexibility, perseverance, teamwork, among others), recognizing the difficulties that they have faced in accessing financial services: limited

access to formal financial services, services whose delivery does not adapt well to the realities of women, legal provisions that discriminate access to credit based on gender in some countries of the region, and cultural and organizational factors at their own banks. The Financial Institutions (FIs) that manage to serve this market successfully design their value proposition with the goal of overcoming these limitations, by taking into account the characteristics and profile of the woman user of the financial sector –head of household, wage earner and entrepreneur –.



2. GENERAL OBJECTIVE

The object of this report is to put forward several alternatives for Latin American FIs to improve the quantity and quality of financial services for women, positively contributing to the profitability and relevance of these institutions. This requires understanding the business case for serving this market and documenting the advances and challenges facing the Latin American financial sector in this area. Through an analysis of the relevant characteristics of this market, and incorporating the experience of the pioneer IFs –“first movers”– that have successfully integrated the needs, attitudes and preferences of women in their business models, we wish to encourage financial institutions to take advantage of this promising opportunity for them and critical for the development of Latin America.

2.1 Specific Objectives

The specific goals of this report are to:

- a. Identify the main reasons why the financial sector continues to under-serve women.
- b. Publicize the opportunities and the business case that the women’s market presents for the financial sector, emphasizing the strategic benefits of serving it.
- c. Inform the financial sector of the

enabling forces and support mechanisms, which facilitate, and in some cases, even mandate, the participation of women in this market.

- d. Highlight the most relevant characteristics of this market, so that they constitute the benchmark for the analysis of the financial sector in each country of the region, as they move towards an approach to products and services that considers and is consistent with those characteristics.
- e. Present the financial and non-financial products and services that have been shown to enable new financing opportunities in the women’s market, based on actual successful experiences both in the region and in the world.
- f. Recommend actions and strategies that should be followed at the early stages of exploration of this market, facilitating the process of identifying and defining a value proposition for female customers.



3. METHODOLOGY

The authors used, as their principal sources of information, the data collected from available research on the subject in the Latin American region and the world, considering the perspective and relevance for the financial sector. From the experiences analyzed, more than 20 successful cases were selected in the region. Finally, interviews were held with some people from the FIs directly involved in these initiatives.

About the Ecobanking Project

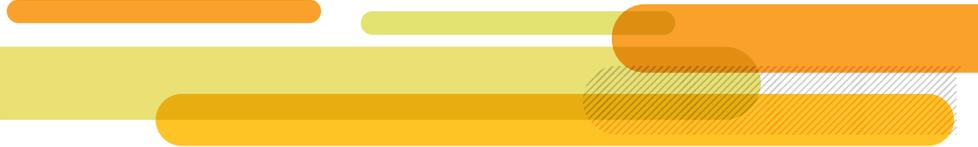
The Ecobanking Project (www.ecobankingproject.org) is a division of the Latin American Center for Competitiveness and Sustainable Development (CLACDS) of INCAE Business School (www.incae.edu). Its mission is to improve the competitiveness of the Latin American financial sector by promoting and supporting innovative - green and social - financial investments aimed at sustainability.

The Ecobanking Project, along with its partners FMO, Philips and CAF-Banco de Desarrollo de América Latina, aims to promote a vision of long-term sustainability among FIs in Latin America, to

stimulate the capacity for evolution of the regional financial sector in the region towards the adoption of best practices.

In this report Ecobanking presents, in its desire to contribute to the collective learning of its clients and members, real opportunities to provide financial products and services to women, seeking to awaken the interest of the region's banks in this market and to facilitate the start of a process of analysis and profound comprehension that translates into the development of sharply focused products and services to capture the benefits represented by this market.





SECTION 1:

DRIVERS OF CHANGE – SOCIO-ECONOMIC DYNAMICS

The participation of women in the labor force, their incursion in business as entrepreneurs, and their role as consumers are much greater today than they were a generation ago¹. Considering that women constitute the majority of university students in most countries², and these trends are expected to intensify.

To get an idea of the importance and depth of the change faced by banking and the private sector in general, it is enough to recognize the dramatic reduction in the percentage of women who are raised in the belief that their economic needs will be met by men. In the United States, that percentage has fallen from 57% during the first half of the 20th century, to barely 3% today³. This important change in expectations and orientation is manifest in the data about their participation in education. Until the 1960s, men stayed longer and went further in education than women, with a higher probability of graduating from college⁴. Currently, the balance has shifted in most developed

countries and in several developing countries, so that professional men and women begin their working life with almost identical academic qualifications⁵. This has resulted in greater participation in the labor force and in business entrepreneurship, and ultimately, in a progressive strengthening of the purchasing power of women.

In the world, today there are more independent women, with no partner, single mothers, and even married, looking to establish their own businesses and life projects. In parallel, the role of women as providers of income in the family has gained importance in 4 out of 10 American households with children under 18, the mother is the sole or main source of income. This participation is the highest on record and has quadrupled since 1960, according to an analysis of the “Pew Breadwinner moms” Research Center Census and recent survey data. In Latin America and the Caribbean, the main income of one third of households comes from a woman⁶.

¹ [Progress of Women in Latin America and the Caribbean](#). UN Women. 2017

² The global gender gap report. Insight report. World Economic Forum. 2016 <http://reports.weforum.org/global-gender-gap-report-2016/gender-parity-and-human-capital/> browsed on october 17th, 2017.

³ Warren S. Hersch. The women’s market: big, lucrative and rewarding – but underserved. June 16, 2015. <http://www.thinkadvisor.com/2015/06/16/the-womens-market-big-lucrative-and-rewarding-but>

⁴ The weaker sex – Boys are being outclassed by girls at both school and university, and the gap is widening. <https://www.economist.com/news/international/21645759-boys-are-being-outclassed-girls-both-school-and-university-and-gap>. March 7th 2015 issue. Browsed on October 17th, 2017.

⁵ Women continue to be underrepresented in careers related to science, technology, engineering and mathematics (STEM) where the global gap is 47%, with 30% of all men graduating in careers of this type in contrast to 16% of all women.

⁶ Data on the progress of women in Latin America and the Caribbean for 2014. ECLAC.

In almost all countries, women represent more than half the population and, therefore, more than half the potential for innovation and creativity, in addition to being, to a large extent, those who determine and define aggregate spending and investment in society.

In the words of Christine Lagarde, director of the International Monetary Fund (IMF): "Women account for 70% of global consumer spending. So, if we want growth, let us put women in the driver's seat." ⁷

In the present report, strong arguments are identified that confirm the importance and magnitude of the opportunity currently represented by the women's market, both for the private sector in general and for the financial sector in particular. The relationship between these arguments generates a virtuous circle that makes it easy to predict that, for the foreseeable future, women will continue to strengthen their economic position and play a more central role as customers of the FIs.

Some of the main economic, demographic and cultural changes that are key to analyzing the business case for FIs that seek to serve and succeed in serving women are listed here.

1. Growth of this Demographic Group and Changes in the Social Structure of the Family

In the period 1960-2016, world population tripled, and an additional growth of 31% is expected by 2050, to reach 9.7 billion. In 2016 there were a total of 322 million women in Latin America and the Caribbean –212 million more than in 1960. By 2050 an additional 72 million women are projected, for a total of 394 million.

Of the current total of approximately 7.4 billion people in the world, women represent 49.6%. While, both globally and in Latin America and the Caribbean, the population pyramid is balanced by gender, the proportion of women in this region has gradually grown from 50% in 1960 to 50.6% in 2016, and is projected to reach 50.7% by 2050. This variation is more marked in countries like El Salvador, where women have gone from constituting 50.7% of the population in 1960 to 53% in 2016. Except for Paraguay, Mexico, Chile, Ecuador and Bolivia, where the proportion of women remains unchanged or has decreased marginally compared to men, it is projected that in the rest of the countries, the proportion of women will increase by at least one percentage point by 2050, reaching parity and, in some cases, ranking above the male population, as is the case of Argentina,

⁷ The Economic Power of Women's Empowerment, Keynote Speech by Christine Lagarde, Managing Director, International Monetary Fund, Tokyo, September 12, 2014. <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp091214>

⁸ Analysis by the authors based on information in the World Bank database. <https://data.worldbank.org>

Brazil, Colombia, Ecuador, Salvador, Uruguay, Venezuela, Haiti and Puerto Rico. For more information, see the table in Annex 3.⁸

Moreover, in each country of the region, the population or demographic pyramid⁹ looks more like a dome¹⁰, reflecting different proportions of men and women in certain stages of their lives, which has implications from the point of view of needs for savings and financial products and services.

Finally, there are changes derived from the attitude of today's woman and her role within the family, compared to the model that prevailed until a generation ago. In many countries, women are redefining their relationship towards family and employment in order to achieve their personal goals and interests. These changes are reflected for example in: the decision not to marry, to cohabitate with their partner or to get married older; decreasing levels of fertility by their own decision; greater number of women entering the labor force; women with children returning to the labor force after increasingly shorter periods, and in general, an increase in their role as

head or head of family. According to the World Bank "in 1960, women worldwide had an average of 5 children. The rate has since halved, and in 2012, women had an average of 2.5 children across all regions."¹¹

The average age at marriage for women in the world has increased from 22 to 25 years¹² and in at least half the countries of Latin America and the Caribbean, the average age at marriage is around 30 and 27 years for men and women, respectively¹³. Other studies in the region show that, in all age groups, the proportion of women who live with their partner instead of getting married has increased since the seventies.

In countries like Brazil and Uruguay, where cohabitation was not visible before the 1980s, this proportion increased rapidly in subsequent years for women in all groups.¹⁴

Although just a generation ago women mostly planned their adult life around marriage and household, now women

⁹ The demographic pyramid is a horizontal bar graph, where the length of each bar is proportional to the number of people in the corresponding age group and gender.

¹⁰ The end of the population pyramid. The Economist. November 18th, 2014. <https://www.economist.com/blogs/graphicdetail/2014/11/daily-chart-10>

¹¹ Submitted by Emi Suzuki. July 10th 2014. Browsed on April 18th 2018. <https://blogs.worldbank.org/opendata/between960-and012-world-average-fertility-rate-halved5-births-woman>

¹² Alex Mayyasi, Priceonomics. July 7th, 2016. Browsed on April 18th, 2018. <http://www.businessinsider.com/the-age-when-people-get-married-around-the-world-2016-7>

¹³ United Nations issues wall chart on marriage patterns 2000. United Nations press release. June 15th, 2000. Browsed on April 18th, de 2018. <http://www.un.org/esa/population/publications/worldmarriage/worldmarriage2000PressRelease.htm>

¹⁴ Cohabitation and human development in Latin America, International Journal of Sociology of the Family. Vol. 40, No. 2, special issue: demography and family sociology in Latin America. 2014, pp. 153-173 <http://epc2014.princeton.edu/papers/140177>

are no longer just wives and mothers, but simultaneously act in many cases as head and support of the family. The impact of these changes is not limited to the family nucleus: it affects the extended family and circles of friends. Given this new reality, the financial sector must be very attentive, as these changes will define the demands and financial decisions of a whole family, as well as the individual financial demands of a demographic group that is seeking to satisfy goals and interests quite different from the usual.

2. Women's Growing Education Level

The world is close to achieving parity in primary and secondary education, with gender gaps of 2% and 3%, respectively, and a 7% gap in tertiary education.¹⁵ Moreover, according to the World Bank, in Latin America and the Caribbean the percentage of young women starting college, compared to the total number of women who qualify for this level, has grown at a considerably faster rate than that of men since the early seventies. The percentage of women enrolled in universities increased in the 1970-2014 period from 5% to 50% of the total group of women who qualified for this educational level, while in the case of men the progress was from 9% to 39% of the total group of men, during the same period.¹⁶

Data from the International Monetary Fund (IMF) shows that, for the six largest

economies in the region, women between 25 and 34 have a higher level of education than men in the same age bracket.

On average, 34% of women in this age group hold university degrees, compared to 31% for men. If we compare that to the group aged 55 to 65, the depth of change is appreciable, since only 15% of women in that bracket hold college degrees, compared to 18% for men.¹⁷

Consider, as an example, the figures for women's participation in three of INCAE's executive education programs: in the Senior Management Program (PAG), 52% of the participants are female, doubling the overall figure for executive education, which is currently at 25%.¹⁸ In 2017, women represented 49% of total MBA program enrollment.

These figures are relevant, because there is a relationship between income, education levels, and access to the products offered by the formal financial system. In effect, as the level of education increases, income and access to the financial system also increases. Typically, a positive correlation is observed between the regions of higher income and the penetration of banking.¹⁹

¹⁵ Worldbank.org. Gender data portal. School enrollment tertiary for men and women in Latin America and the Caribbean.

¹⁶ Indicator of enrollment in the tertiary level, regardless of age, compared to the total population that has officially completed the requirements to access said level of education. Tertiary education usually requires, as a minimum condition of admission, the successful completion of secondary education.

¹⁷ Women at work in Latin America and the Caribbean IMF, 2017 Natalija Novta and Joyce Cheng Wong.

¹⁸ Porcentaje de mujeres récord en el Programa de Alta Gerencia. Noticias INCAE. October 29th, 2015. Katie Carr. Browsed on April 18th, 2018. <http://www.incae.edu/es/blog/2015/10/29/porcentaje-de-mujeres-record-en-el-programa-de-alta-gerencia.html>

¹⁹ Inclusión financiera en América Latina y el Caribe. Coyuntura actual y desafíos para los próximos años. BID, 2015. <https://publications.iadb.org/handle/11319/6990>

3. Women's Increasing Income Levels and Negotiating Power in the Household

The influence of women in household decisions regarding the purchase of big ticket items, such as cars, housing, and appliances is also increasing,²⁰ and Latin America and the Caribbean are no exception. According to the United Nations, in this region, between 2003-2008, the average proportion of married women between the ages of 15 and 49 who usually make decisions for themselves or their husbands on household purchases is 82%, and 71% for major purchases.²¹ In 2014, 75% of women in the United States were identified as the main buyers for the household, deciding the purchase of 50% of products typically aimed at men, including 60% of car purchases and 40% of the purchases of financial securities.²²

*An analysis by the Harvard Business Review projected the annual consumption expenditure controlled by women at US\$ 28 trillion by 2014, based on the US\$ 18 trillion of profits of that year. Women represent a growth market of more than double China and India combined, and yet many companies continue to underestimate this market.*²³

Another indicator that supports this fact is the percentage of the population (aged 15 or older) without income, by gender. The analysis of the evolution of this index shows that the female population without its own income in Latin America and the Caribbean has reduced considerably, going from 41.7% in 2000 to 28.9% in 2014.²⁴ The evolution of women's contribution to total household labor income also confirms the above. The study "Female-headed Households and Living Conditions in Latin America" highlights that Latin American women today are more likely to be household leaders, regardless of their marital status (married or in cohabitation).²⁵

4. Massive Entry of Women into the Labor Force

According to the International Labor Organization (ILO), a milestone has recently been reached: for the first time in history, close to half of working age women –49.7% in the first quarter of 2016- are part of the labor force in Latin America and the Caribbean.²⁶ This progress is undoubtedly related to greater access to secondary and tertiary education. Although this proportion is still considerably lower than that of men (74.6% in the first quarter of 2016), it has almost doubled since the 70s, when it was

²⁰ According to Bridget Brenna, author of the book "Why She Buys", women influence 70-80% of all consumer purchases, through a combination of purchasing power and influence. Their influence is even exerted in those cases where the woman is not the one who pays, as she is often the authority or the veto behind another individual's purchasing decision.

²¹ UN statistics division, *The World's Women 2010. Trends and Statistics*

²² América Economía magazine. April, 2014. 3Ps Poder Adquisitivo, Poder de Compra y Poder de la expresión de la Mujer, by Natalie Boden

²³ Harvard Business Review. *The female economy*. Michael J. Silverstein and Kate Sayre. September 2009

²⁴ *Progress of Women in Latin America and the Caribbean*, UN Women. 2017

²⁵ Liu, Chia & Esteve, Albert & Treviño, Rocío, 2017. "Female-Headed Households and Living Conditions in Latin America," *World Development*, Elsevier, vol. 90(C), pages 311-328.

²⁶ International Labour Organization Regional Office for Latin America and the Caribbean Report, 2016 Labour Overview of Latin America and the Caribbean, http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_545825.pdf

approximately 30%, and continues to grow steadily. The massive entrance of women into the labor market has contributed to an increase in their income and to a decrease in the gap –still wide– with the income of men. This suggests that there is yet much room to expand the participation of women in employment and income, particularly for those with higher levels of education. The analysis of the Economic Commission for Latin America and the Caribbean (ECLAC) shows that there has been a 12% overall reduction in the income difference between 1990 and 2014, with the salary of women reaching 84% of the salary of men.²⁷

5. Explosion in Women Entrepreneurs

There are only 10 economies around the world where women are equally or more likely than men to become entrepreneurs. These 10 economies are located in three regions: El Salvador and Brazil in Latin America; Vietnam, Indonesia, Malaysia and the Philippines in Southeast Asia; and Zambia, Nigeria, Uganda and Ghana in Africa.²⁸

The special report on female entrepreneurship, Global Entrepreneurship Monitor GEM,²⁹ considered one of the most

prestigious reports on entrepreneurship at a global level, reveals that during the period 2014-2016 the entrepreneurial activity of women around the world has increased by 10 % while the gender gap –the proportion of women relative to men participating in ventures - has narrowed by 5%.³⁰

This report indicates that in 2016 about 163 million women worldwide started new ventures in 74 economies, while 111 million already own established businesses.³¹ The report adds a new budding trend: the participation of women investors.

In Latin America, the cases of Argentina, Belize, Brazil, Colombia and Peru stand out because of their high rates of entrepreneurship, and what is more interesting, the growing number of women entrepreneurs who take this path by choice and not by necessity. In this region, Colombia presents the largest increase in terms of the proportion of women participating in entrepreneurial activities-increasing from 15% in 2014 to 25% in 2016, a 68% increase.³²

²⁷ The wage gap persists between men and women. United Nations Economic Commission for Latin America and the Caribbean. Gender Equality Observatory. Notes for equality No.18. March 8, 2016. Browsed on April 18, 2018. https://oig.cepal.org/sites/default/files/note_18_wage_gap.pdf

²⁸ Women´s entrepreneurship report. 2015. <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%202015%20Womens%20Report.pdf>

²⁹ The report collects information on entrepreneurial activity in 74 countries, based on their economic development: economies driven by factors of production and efficiency or driven by innovation.

³⁰ CEPYME news. Aumenta el número de mujeres emprendedoras, reduciendo la brecha con respecto a los hombres. Taken from the following link: <https://cepymenews.es/aumenta-numero-mujeres-emprendedoras-reduciendo-la-brecha-respecto-los-hombres/>

³¹ Actividad emprendedora entre mujeres aumentó en 10% en Perú. Taken from the following link: <https://www.google.com/amp/s/gestion.pe/amp/economia/actividad-emprendedora-mujeres-aumento-10-peru-143913>

³² La nueva revolución de las mujeres emprendedoras en Colombia recibe aplausos. Obtenido del siguiente enlace: <https://www.google.com/amp/s/www.dinero.com/amp/porcentaje-de-mujeres-emprendedoras-y-empresarias-en-colombia/250135>

According to the International Finance Corporation (IFC), part of the World Bank Group, the Latin America and Caribbean region is ranked number three, behind East Asia and the Pacific, and Europe and Central Asia, in percentage of SMEs owned by women (39%). However, they receive just 22% of loans aimed at SMEs.

*The negative impact for Latin America and the Caribbean is significant. The World Bank estimated that productivity in the region could grow by 25% just by promoting the entrepreneurial capacity of women.*³³

Despite this progress, women's presence as entrepreneurs does not yet exceed 15%, even though they represent more than 40% of the economically active population in the region. One of the contributing factors is the conditions under which women with formally established SMEs in Latin America are able to access

credit. These women are likely to consider these conditions as an obstacle to their business, due to the high cost of financing (interest rates), the demand for collateral and the usually short repayment terms. In many cases, the cost of formalizing credit is higher for women than for men, due to the added burden of domestic and family responsibilities, to social restrictions that limit their mobility by confining them to the home environment, and to their limited access to cash to cover the costs of processing a loan application.³⁴

Several studies indicate that women entrepreneurs have fewer opportunities to secure a loan, and that the terms of the loans may be less favorable for them than for men with similar characteristics. In addition, women entrepreneurs are more likely to have to accept higher interest rates, present higher guarantees and be offered shorter term loans. However, these results must be interpreted carefully before determining whether they are due to gender-related issues or other risk-related factors.³⁵

³³ El desafío del emprendimiento femenino en América Latina. Susana García-Robles. Septiembre 16, 2017. <http://pulsosocial.com/2015/09/16/el-desafio-del-emprendimiento-femenino-en-america-latina/>

³⁴ Acceso al crédito de las mujeres en América Latina. ECLAC/GTZ Project Políticas laborales con enfoque de género. Santiago de Chile, March 2004. https://www.cepal.org/mujer/proyectos/gtz/publicaciones/word_doc/Muriel_Zuniga.pdf

³⁵ Regulación Financiera y Género. IDB. 2014

SECTION 2.

FACTORS THAT LIMIT WOMEN'S ACCESS TO THE FINANCIAL SYSTEM

More than 1.3 billion women around the world are still excluded from the formal financial system.³⁶ Efforts to improve gender parity have been hampered by the lack of systematic indicators on the use of different financial services, both formal and informal, in most economies. The credit gap, or inadequate access to financing for small and medium-sized enterprises owned by women is estimated at close to US\$ 300 billion.³⁷ One third of this is in emerging markets. It is important to recognize the contribution of microfinance institutions to the reduction of this gap since their origin in the 70s, thanks to their focus on women with scarce resources. Since then, this model has proven to be self-sustaining and profitable in many contexts and the sector has grown considerably. According to MIX Market, a non-profit organization specialized in monitoring the microfinance sector, in 2015 approximately 100 million women received close to US\$ 100 billion in micro-credits from the leading FIs.³⁸

Access to bank accounts –usually the first step for people to enjoy the benefits offered by FIs– has improved for women in recent years. According to the Global Findex database of the World Bank³⁹, the

proportion of women in Latin America and the Caribbean who have an account in a formal institution increased from 35% (2011) to 48.5% (2014), –above the worldwide average which is 42%⁴⁰– reducing the gap with men from 9.3 to 5.5 points.

This decrease was the highest of all regions analyzed, a noteworthy fact considering that this gap was not reduced overall and even increased in some regions.

This increased female ownership of accounts in formal institutions is due to both an increasing number of women account holders and a reduction in the gap. Countries such as Brazil, Costa Rica, Jamaica, Mexico and the Dominican Republic have implemented national strategies for financial literacy and measurement of financial literacy. Other countries such as Chile, El Salvador and Uruguay significantly improved the number of female account holders, although at the same time they posted a widening of the gender gap. This

³⁶ Data from the Global Findex Database

³⁷ Banking on women bonds. International Finance Corporation. November, 2015. Browsed on April 18 2018. <https://www.ifc.org/wps/wcm/connect/92704680421785afbad7fe0678385eae/Banking+on+Women+Bonds+factsheet+November+2015+REV.pdf?MOD=AJPERES>

³⁸ "You asked, we answer: can microloans lift women out of poverty?" National Public Radio Newroom. Nurith Aizenman. November 1st, 2016. Browsed on April 18th, 2018. <http://www.npr.org/sections/goatsandsoda/2016/11/01/500093608/you-asked-we-answer-can-tiny-loans-lift-women-out-of-poverty>.

³⁹ The Global Findex Database. World Bank. Financial Inclusion in Latin America and the Caribbean. 2014

⁴⁰ In OECD countries, this figure is 6%. Inclusión financiera en América Latina y el Caribe. Coyuntura actual y desafíos para los próximos años. IDB, 2015

suggests that the intensive processes of inclusion are not always equitable.

The female savings market is also quite underserved. A study by CAF concludes that in Latin America most of women's savings are made informally, outside the financial sector.⁴¹ In addition, it suggests that although women continue to have lower savings capacity than men, but when they empower themselves and take charge of the household's financial resources, their management tends to be more efficient.⁴²

Although information in the region is limited, several studies indicate that the population groups with the highest levels of exclusion in the use of credit are: women who are not heads of household, younger women, pensioners, students, people with lower incomes and levels of education, and the rural population.⁴³

According to research and analysis that covers demographic, socioeconomic and regulatory issues related to the financial inclusion of women and its challenges, the factors that explain why women are apparently underserved or poorly served by the financial sector include:

1. Lack of Knowledge

One of the main factors limiting the offer and acceptance of financial services suitable for the women's market is the lack of knowledge and poor understanding,

on the part of the FIs, of the needs and preferences of women. Women's attitudes towards financial matters are clearly different from those of men (vis-à-vis risk, debt, savings, pensions, insurance, among others).

Previous experience of FIs successful in this field suggests that only when FIs begin to consider these differentiating factors do they manage to go to market with value propositions and relevant services that are appreciated by this segment. As noted in section 1, while women control spending in most categories of consumer goods, many companies behave as if they have no influence on purchasing decisions.

One manifestation of this is the marketing of products that imply superficial considerations – known as “pink-washing” or that are based on narratives that evoke traditional feminine stereotypes. These products fail to promote sustained success, both for the FIs and for the women they seek to serve.

There is lack of knowledge not only on the part of FIs, but also in women who, depending on their educational level or social status, may be poorly informed about financial matters. A comprehensive OECD report concludes, after examining a range of studies in several countries, that women are typically equally or less

⁴¹ CAF. Determinantes socioeconómicos de la educación financiera. Evidencia para Bolivia, Colombia, Ecuador y Perú. 2016.

⁴² CAF. Determinantes socioeconómicos de la educación financiera. Evidencia para Bolivia, Colombia, Ecuador y Perú. 2016.

⁴³ La educación financiera en América Latina y el Caribe, Situación Actual y Perspectivas. CAF. 2013.

knowledgeable than men in basic financial concepts, although this is changing.⁴⁴ Most FIs that are interested in the women's market offer non-financial products such as online support, face-to-face workshops and individual consultancies to build the necessary capacity to allow female customers to access financial products.

2. Legal Provisions

The 2016 World Bank report titled "Women, Business and the Law" argues that in most economies there is at least one law that treats women and men inequitably. In some countries, women may be restricted from entering into contracts on their own behalf, controlling property inside and outside of wedlock, or receiving an equal share of property in the event of divorce or inheritance. Limitations on women's legal capacity and property rights over assets have direct consequences on their ability to access financial products and services.⁴⁵

In addition, women may not have the same ability to obtain a national identity document, passport or identification document - which is usually a precondition for conducting financial transactions such as opening a bank account, taking out a loan or even registering a warranty.⁴⁶

Women in the world perform 66% of the work, produce 50% of the food, but earn only 10% of the income and own 1% of the property (UN Women, 2011, World Bank and CFI, 2012). In 100 countries women face labor restrictions based on their gender and in 18 countries, the husband can legally prevent his wife from working,⁴⁷ which logically has a negative impact when it comes to applying for a loan and fulfilling all the requirements requested by the bank.

In Latin America and the Caribbean inequality takes many forms, notably land tenure and its use as collateral. Although the law in almost every country enshrines the equality of women's right to land under the same conditions as men, real control of women over this resource is usually limited.⁴⁸ If we consider that banks generally require mortgaging assets to guarantee the credits granted, the lack of ownership or control of the property directly limits women's access to credit facilities.

3. Financial Regulations

Assets owned are one of the determining factors used by FIs when establishing the borrowing capacity of their clients, as well as the guarantees (real estate or other tangible assets) that they may present as collateral to warrant a certain credit operation. According to international regulations and standards, FIs must base their credit decisions primarily on

⁴⁴ Hung, A., J. Yoong and E. Brown (2012), "Empowering Women Through Financial Awareness and Education", OECD Working Papers on Finance, Insurance and Private Pensions, No. 14, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5k9d5v6kh56g-en>.

⁴⁵ Regulación Financiera y Género. IDB. 2014.

⁴⁶ IDB, World Bank and GTZ, 2010.

⁴⁷ Women, Business and the Law 2016: Getting to Equal, report by The World Bank Group.

⁴⁸ Regulación Financiera y Género. IDB. 2014.

analyzing the debtor's risk of default and only secondarily on the debtor's assets or risk mitigators of the operation. However, the basic criteria of many FIs in the region for lending are still based on the existence of risk mitigators or on the customer's patrimony.

4. Cultural and Social Aspects

Due to certain cultural factors and social conventions, it is still common to observe important disparities in the ownership of property as well as in the capacity to dispose of it and the proportions in which it is distributed between men and women. Despite great advances in the recognition of women's rights, there are still considerable gender gaps that, to some degree, originate in cultural barriers and deep-rooted gender stereotypes that impede or limit greater participation of women in the business world, including the financial sector.

For example, with respect to the role of women within the family many people believe that their place is limited exclusively to the home, in their role as wife and mother, without having the opportunity to access a better education, much less to work or control important capital assets.

Culturally and traditionally, men may be the ones who retain primary and exclusive responsibility for certain aspects of financial decisions⁴⁹ and therefore, women in such families are not allowed, are not interested, or do not see a reason to get involved in these decisions.

These biases, which may originate in families, in educational establishments, in the media, or even in particular experiences of some people, predispose or generate stereotypes that, involuntarily and in some cases unconsciously, preclude the visualization of the actual needs and the areas of action that would enable opportunities in this market.⁵⁰

5. Other Obstacles

Additional obstacles exist in many societies, including prejudices that suggest that women have lower ambitions or are less capable, or that functioning businesses are no place for them. This can inhibit their ability to access growth capital.⁵¹ Candida Brush, Professor of Entrepreneurship at Babson College, author of pioneering studies on venture capital funds led by women, has found that one of the main reasons why women have difficulties in obtaining financing is simply because the typical profile of the successful entrepreneur is associated with that of men. In this way, when potential investors are approached

⁴⁹ Hung, A., J. Yoong and E. Brown (2012), "Empowering Women Through Financial Awareness and Education", OECD Working Papers on Finance, Insurance and Private Pensions, No. 14, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5k9d5v6kh56g-en>

⁵⁰ Regulación financiera y género. El enfoque de género en las operaciones de reforma financiera de la División de Mercados de Capitales e Instituciones Financieras. Cristina Pailhé. IDB. April 2014

⁵¹ Investing in the Power of Women. Goldman Sachs. <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kw-progress-report/progress-report-full.pdf>

by an enterprising woman there is an unconscious bias that suggests less reliability in the woman's company, which would not happen if the entrepreneur were male.⁵²

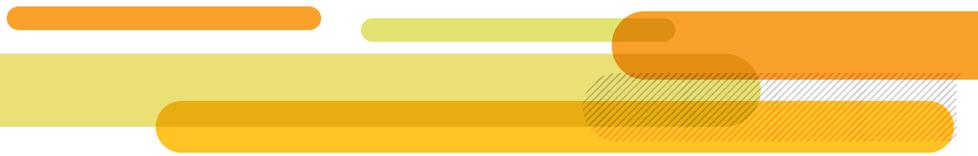
These biases must be identified and eliminated so that women entrepreneurs

have the same opportunities as men to grow their businesses. In addition, these prejudices may influence people who occupy leadership positions in the different entities of the financial infrastructure, reinforcing practices and negative behavior towards women in the provision of financial services.⁵³



⁵² Candida Brush, Patricia Greene, Lakshmi Balachandra & Amy Davis (2017): The gender gap in venture capital- progress, problems, and perspectives, Venture Capital, DOI: 10.1080/13691066.2017.1349266

⁵³ Global Partnership for Financial Inclusion, GPF, Work plan 2011-2012 <http://www.gpfi.org/sites/default/files/documents/GPFI%20work%20plan-combined-200311%20Aug%202026.pdf>



SECTION 3.

THE FINANCIAL SECTOR AND WOMEN – THE BUSINESS CASE

The financial sector, and banks in particular, face unprecedented changes. Trends such as the influence of environmental and social variables, changes in the level of influence of different stakeholders in the financial business (customers, depositors, investors, government, shareholders, employees, civil society, others), technological innovation and the growing importance of international capital flows have changed the way in which the FIs of the region approach their strategies and business models.

Within this complex panorama, this report pinpoints a fundamental change in the base of current and potential customers: a more dynamic role of women in business, the economy and society in general.

Nevertheless, most FIs in the region have omitted or neglected the analysis of women as a market, without becoming aware of their particular characteristics, needs and way of acting.

Given the changes in this segment and the speed at which they are occurring,

continuing to operate under a business as usual manner, assuming that the characteristics of women as clients are similar to those of men, is not a viable option. For the formulation of the strategy and long-term growth of an FI, this phenomenon calls for a reevaluation of lines of products and services and their delivery mechanisms, and to do it from a perspective different from the one that which has been traditionally used, focused primarily on men.

Beyond the issue of gender equality, which both governments and international development banks will continue to push in order to boost economic development in the countries of the region, there are several important arguments for the development of a value proposition for female customers that is both compelling and represents excellent business opportunities for FIs.

The business case arises from recognizing the women customers (different from their men customers) in the development of a value proposition that takes into account women's needs and characteristics, and incorporates a better understanding of the factors that have thus far limited her access

to financial system. The FI would thus be able to design new products and services that lead to better financial performance, lower operating costs, greater and more stable clientele, better positioning in the market, among others. By starting to serve this market, the FI will also have an even more positive impact on the economy and the society where it operates.⁵⁴

The business case is manifested in at least three strategic elements for an FI: its long-term growth trajectory, its profitability, and its competitive advantage.

1. Long Term Income Growth

There are solid arguments that there is an opportunity for FIs to obtain higher income derived from better serving their existing women clients, as well as from pursuing the large portion of the market that is not currently served or that is being served ineffectively by competitors. As a demographic group, women are growing more than men and their high level of education translates into higher income and therefore, greater purchasing power.⁵⁵ Women play an increasingly important role in household economic decisions,

and their participation as entrepreneurs in SMEs is increasing. Despite this reality, the participation of women in leadership positions or on boards of directors continues to be rather low, and therefore many organizations lose the opportunity to capitalize, both on the distinctive ideas that women contribute and on their knowledge about the way women want to be treated. Women are opting for those jobs where they know they will add value and where they will be valued. Increasingly, this means their own businesses.

Recent analyses conducted by the Global Banking Alliance (GBA)⁵⁶ show that their members' group of women customers outgrew men by 3 percentage points during the period 2014-2015, after they developed specific value propositions aimed at that group. Credit granted to women during the same period grew by 15%, compared to 10% in the case of men.

In addition, women's loyalty is a key quality that contributes to reinforcing the expectation of higher income for the FIs that serve them, as it enables the deployment of cross-selling strategies for products. Women entrepreneurs are less likely to change their financial services provider and more likely to use various financial services from the same FI.⁵⁷ According to Mary Ellen Iskenderian, President and CEO of Women's World Banking,⁵⁸ there is no

⁵⁴ Goldman Sachs Global Markets Institute. "Women-controlled finances have been shown to be more prone to invest in products and services that increase family activity (food, health, education, child care, consumer durables and savings).

⁵⁵ According to the UN Women study "Progress of women in Latin America and the Caribbean 2017", the main income of a third of households comes from a woman.

⁵⁶ <http://www.gbaforwomen.org/download/the-economics-of-banking-on-women/>. In brief. The economics of banking for women. GBA. 2017.

⁵⁷ Strengthening Access to Finance for Women-owned SMEs in Developing Countries. October 2011. IFC.

⁵⁸ Women's World Banking is a non-profit organization, dedicated to promoting access to credit for low-income women, through the provision of services, information and financial tools to microfinance entities.

doubt that women are loyal customers for the financial sector once their trust is earned. Maintaining a portfolio of loyal customers brings benefits to FIs: costs per customer go down considerably, risk is minimized, and revenues increase significantly. The key for an FI is not to provide service once, but a second and third time to the same customer. The resulting, earned, loyalty translates into long-term profitability.

2. Profitability

Women can contribute significantly to the profitability of FIs, by using credit to finance their businesses or by being good quality clients. FIs can promote the linking of new clients with the development of new products, thanks to the use of technology or through access to different funding sources, among others.

a.) Better Portfolio Quality. Providing credit for women is an opportunity to expand the loan portfolio to a market that has proven profitable due to its good financial performance. Several financial services companies in the world are already developing investment products based on the expectation of profitability of the women's market. The Nordea Global Stable Equity Fund,⁵⁹ a private investment fund and a subsidiary of Nordea Bank—the largest bank in Scandinavia— gives an important weight in its portfolio to

female-led companies, obtaining annual returns of 14% over the last 5 years.⁶⁰ Nordea Bank's strategy is not isolated. A study conducted yearly since 2009, among nearly 11,000 companies around the world, shows that companies run by women had a return of 25% per year, more than doubling MSCI World Index's⁶¹ 11%. Between 2002 and 2014, the firm Quantopia analyzed companies with women CEOs in the United States, and showed that the performance during those 12 years was three times better than the S & P 500 index. Moreover, in 2014 the Research Institute of Credit Suisse launched the CS Gender 3000, a report that analyzes the 3,400 largest companies globally (including companies from Chile, Mexico and Brazil) demonstrating, among other things, that those in which at least 15% of senior management are women achieve profits 50% higher than those where female representation is below 10%.

The improved portfolio quality is also based on an important characteristic of women: their integrity, reflected in better payment indicators than those of men and in low levels of delinquency. The evidence is undeniable in the case of microcredit. The document "Women and Repayment in Microfinance" analyzes 350 microfinance institutions in 70 countries, and strongly supports the argument that women in general present lower risk. The analysis

⁵⁹ Para consultar la cotización más reciente del Nordea Global Stable Equity Fund ver el siguiente enlace: <https://www.bloomberg.com/quote/NORGCXE:LX>

⁶⁰ Investing in female CEOs pays off. Nordea press release. Consultado en abril 18 de 2018. <https://www.nordea.com/en/press-and-news/news-and-press-releases/news-en/2017/investing-in-female-ceos-pays-off.html>. September 8, 2017.

⁶¹ Anteriormente Morgan Stanley Capital International, se utiliza como punto de referencia común para los fondos de acciones mundiales o globales. El índice incluye una colección de acciones de todos los mercados desarrollados en el mundo.

concludes that microfinance institutions with the highest number of female clients have a lower portfolio risk, lower portfolio penalties and lower provisions for non-performing loans. Also, according to GBA's analysis among its members, in 2013 the proportion of nonperforming loans for small businesses was 54% higher for men than for women.

*The Superintendency of Banks and Financial Institutions of Chile (SBIF), within its gender equity agenda, evaluated the access and use of banking products including savings, credit and cash management by men and women, with information collected between 2002 and 2014.*⁶²

One of the most important findings of this analysis on the issue of financial integrity is that women systematically exhibit lower rates of portfolio delinquency and check protest than men. As examples of the benefit to FIs of the better women's track record, we also note the women-focused programs at BLC Lebanon and the Access Bank of Nigeria. Annex 1 includes a presentation of successful cases.

So far, the lower probability of non-payment of women's credit obligations and their low levels of delinquency are not reflected in the cost of their loans, since,

were they taken into account, the costs should be lower. According to the IFC, women in the region who own SMEs with access to financing are paying high interest rates (between 30% -50%).⁶³ However, the low delinquency of this portfolio proves its good performance, and therefore the potential to extend larger amounts of credit by FIs to women SME entrepreneurs, without detriment to the quality of the loan portfolio. This reveals a systemic error in the pricing of these loans, and creates an extraordinary opportunity for FIs to take advantage of, and increase their participation in, the women's market.

b.) New Customers, New Products.

Engaging women by providing credit and maintaining a good relationship with them not only opens the possibility of cross-selling other products, it also begets new customers that are referred by them –not all of them women- without the FI incurring additional advertising and marketing costs (see subsection c below). Women are more likely than men to offer recommendations or references on financial products or services. In fact, during their lifetime women recommend financial services to 26 people on average, compared to 11 for the typical male customer.⁶⁴ In short, when the financing needs of women are correctly addressed, they tend to be loyal to the provider and to "evangelize" other clients. Additionally, women traditionally assume the care of their children and are responsible for the care of their

⁶² Gender in the financial system. Superintendency of Banks and Financial Institutions SBIF. Chile. 2014

⁶³ IFC.2014. Women owned-SMES: A business opportunity for Financial Institutions. A market and credit gap assessment and IFC's portfolio gender baseline.

⁶⁴ Information taken from the market study by Delia Passi, as published in her book: "Winning the toughest customer: the essential guide to selling to women". July 1, 2006.

parents, other elderly family members or their partner, which means they make decisions on behalf of those persons. The relationship and attention to women is key for the financial sector, not only to grow the client base and retain them, but also in its role as a transmitter of references on services, whether positive or negative.⁶⁵

Moreover, there is an opportunity to use deeper understanding of women as customers to innovate and develop financial and non-financial products and services that complement the current offer and generate additional income that contributes to the net earnings of the FI.

c.) Reduction in Operating Costs. Trends in social networks and technology are the factors that have most revolutionized the traditional business models in the financial sector. Online research on financial products is growing in popularity, particularly in Latin America and Asia. An Accenture survey found that, in Brazil and Colombia, 65% of financial product research is conducted online.⁶⁶ In addition, ComScore found that, globally, more women than men go online to look for financial services products.⁶⁷ FIs can reduce their current marketing and advertising costs if they redirect their efforts towards attracting clients from the segment of women who value the convenience offered by the digital

channels, such as wage earners, mothers working online, as well as towards micro and small rural women entrepreneurs, who have greater restrictions on mobility than men in many countries of the region, whether due to safety or other issues. Of course, FIs need to address the concerns that customers in general have about security and transparency of their online transactions, nevertheless, the use of online platforms and discussion forums also present possibilities to increase their loyalty and trust and, in the future, positively impact the growth of the customer base.

d.) Stable Funding Source. Population growth and the burgeoning female influence should arouse the interest of the financial sector, not only in terms of financing, but also in relation to the stability of deposits. When women receive credit, it is very likely they will also open a savings account that in the same FI, becoming an additional and stable source of funding and income. It is believed that there are billions of dollars “available” that are not entering the formal financial system. Moreover, the fact that women tend to be more conservative with regards to the risk-reward equation means that they are much more oriented towards savings and represent a stable base of liquidity for the sector. This point is clear for the Women’s World Banking: in the

⁶⁵ Accenture, “Insurers Commit to Digital Transformation as a Lever of High Performance,” 2013 Digital Insurance Survey: Europe, Latin America and Africa, (2013): 3-22.

⁶⁶ Accenture, “Insurers Commit to Digital Transformation as a Lever of High Performance,” 2013 Digital Insurance Survey: Europe, Latin America and Africa, (2013): 3-22.

⁶⁷ ComScore. Marketing for Women. Data insights by ComScore. 22nd, 2013

words of its President and CEO Mary Ellen Iskenderian, “women maintain, in their long-term savings accounts balances, more significant amounts than men”.⁶⁸ Particularly in Latin America and the Caribbean, women are the main promoters of savings in the family.⁶⁹

Loyalty again appears to be an important ingredient, in this case in the construction of a stable funding base at a reasonable cost (savings accounts, certificates of deposit, bonds), as well as in the generation of additional income.

Currently, beyond the funds coming from women’s savings, there is also the opportunity to access resources from international banks, particularly from development Funds that have special interest in the issue of gender equality and the promotion of greater access for women to financing.

3. Competitive Advantage

Competition in the financial sector forces FIs to explore non-traditional markets. The articulation and implementation of a value proposition aimed at this segment of the market represents a crucial opportunity available to FIs to differentiate themselves from their competitors and reap the benefits of being the first movers, including brand recognition and the loyalty of women clients. Given the loyalty shown by

women, being the first to serve this market can mean a real competitive advantage. In many cases, it may be that the motivation to make a woman change financial provider or consider joining a FI for the first time is simpler than the bank can imagine.

When the Westpac Bank in Australia decided to become the bank of Australian women, they realized that women did not necessarily want “women’s products”; they just wanted to be taken seriously and treated with respect as the heads of family, businesswomen and salaried professionals that they are. It was these findings that led to the creation of the Women in Business Unit, and from there the Bank began to build its advantage around the women’s market (see details in Annex 1).

It is important to add that there are other actors, relevant to the financial sector, such as the government and development banks, which are increasingly focused on the responsibilities of FIs to the environment and society at large. The issue of gender equality occupies a preponderant place in the agenda of these actors. Therefore, the alignment of the FI with these values can mean an important advantage in

⁶⁸ Mary Ellen Iskenderian: a global model leader in women empowerment financial inclusion. Amazons Watch Magazine. August 18, 2016. Browsed on April 18, 2018. <https://www.amazonswatchmagazine.com/exclusive-qa/mary-ellen-iskenderian-a-global-model-leader-in-women-empowerment-financial-inclusion/>

⁶⁹LATAM 360 savings study carried out in 6 countries in Latin America (Mexico, El Salvador, Colombia, Peru, Uruguay and Chile) with a sample of more than 12,000 interviewees. https://www.inese.es/noticias/la-mujer-principal-promotora-del-ahorro-en-latinoamerica#.Wd6G_kyZN4o

attracting, engaging and retaining women as customers, and thus in capturing local and international capital for this purpose.

Annex 2 summarizes the qualitative characteristics of women on which the business case for FIs is based.

Recognizing the Business Case: Financial and Non-Financial Products

The FIs around the world –and in the region–are in various stages of attention in this market. Those FIs that have recognized the changing role of women due to their growing purchasing power, education and influence in the making of financial decisions, have managed to translate their vision into concrete actions. These FIs are designing products and services tailored to the female customer, filling their expectations, and in return reaping benefits such as stable customer growth, better positioning in the market, lower operating costs, among others. In reality, what these FIs have in common and wherein lies the success of their initiatives focused on the female client is nothing more than the logical-financial analysis for identifying good business.

There is no universal model to follow, however, it is possible to identify characteristics that FIs with successful experiences have in common. Some FIs have created specific programs aimed

at women, introducing changes in the way they deliver products and services, and they have trained their sales force appropriately. Others, instead of creating a unit exclusively dedicated to a formal initiative or program aimed at the women's sector, have integrated the theme in all the functions of the institution.

What has become clear is that non-financial services -which add value to the supply of financial services- are being modified to cover specific needs of women based on their preferences, motivations and multiple roles. Some examples include:

- offering advice, usually in management, finance, taxes, marketing
- creation of exclusive networks for women clients
- generation of trust relationships between FI officials and women customers
- training workshops on topics relevant to women entrepreneurs
- acknowledgments and awards.

The experiences to date show that the market is ready to be explored and exploited. Several companies in the insurance industry, for example, have already begun to incorporate certain characteristics of women, which differentiate them from men when buying insurance. Women tend to buy insurance not just for themselves, but also for their families, because they are more likely to consider the risks faced by their children

or their own parents, as they often become responsible for their finances during their old age. On the other hand, women are more conservative when it comes to mortgaging their home, and bear in mind the possible risks of becoming widowed,⁷⁰ divorced or becoming financially dependent. Insurers are creating tailor-made products with these characteristics in mind, considering the power of mobile technology and

creating alliances to educate women about their insurance options.⁷¹ Box 1 summarizes insurance industry trends and the services it offers, considering the needs and preferences of women according to segment and lifecycle milestones when they make most insurance-related decisions (marriage, entry into the labor force, buying a house / car, children, divorce / widowhood and retirement).



⁷⁰ The fixed-term deposit certificate with a fixed interest rate was born in California in the 1960s. Widows became their main client, since by inheriting financial resources from their husbands, they needed a conservative and easy-to-understand product, superior to the savings account.

⁷¹ Women entrepreneurs are now one-third of the world's business owners, and they are looking for ways to expand their businesses and contribute more to the wealth and security of their families. Despite this, relatively few insurers are targeting the women's market and positioning themselves to share in the success of these entrepreneurs. " Thomas D. Meyer, Accenture Insurance Industry Lead Europe, Africa and Latin America.

Box 1

Vision of the insurance sector about the women's market

What is generating your global growth and in emerging markets?

GLOBAL

- Socioeconomic Progress: increase in women's tertiary education
- The willingness of women to invest in insurance:
 - Household bargaining power.
 - Independence as a result of an increase in income

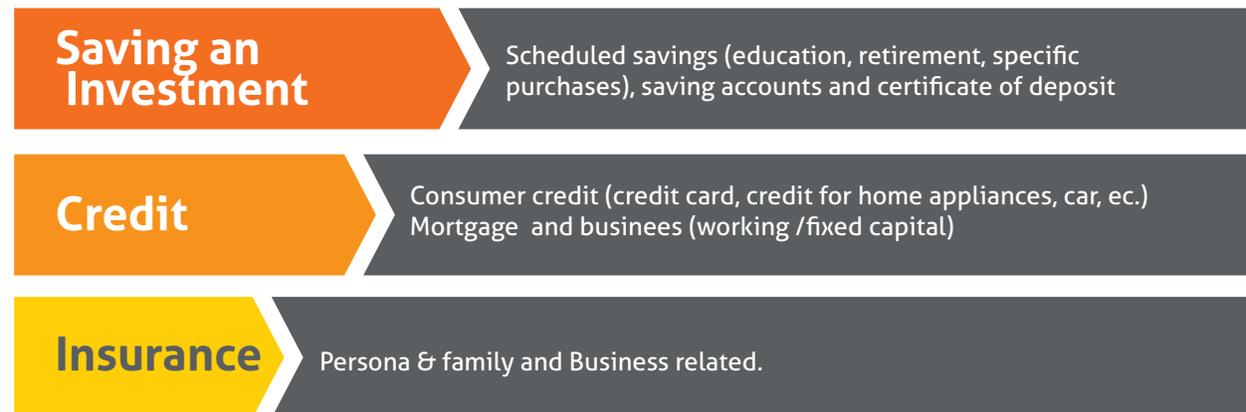
EMERGING MARKETS

- Increase in the participation of women in the labor force.
- Risk awareness
- Willingness to pay to have a clear conscience
- Increase in women's income in emerging markets.
- Women as a conduit for family members.

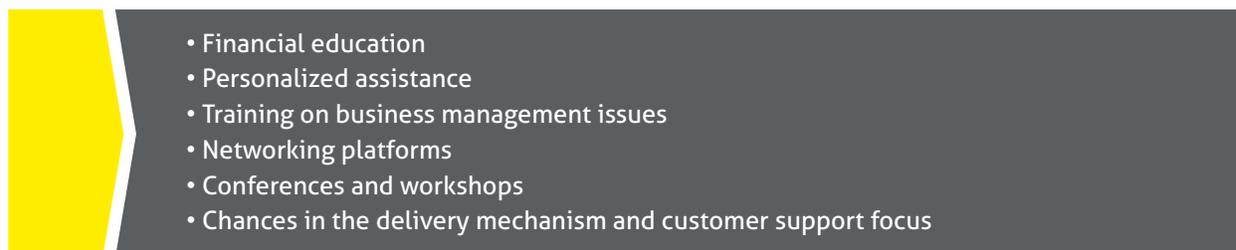
Source: "She for Shield: Insure Women to Better Protect All" IFC, AXA, and Accenture. 2015

In general, FIs in the region that recognize the business case for banking women, offer the following products:

Financial Offerings



Non Financial Offerings



Annex 1 shows a selection of IFs and the products that they offer to their customers.



SECTION 4.

ENABLING FORCES AND SUPPORT MECHANISMS FOR THE WOMEN'S MARKET

The business case for women as a separate market in the financial sector is indisputable with strong supporting arguments. There are other forces that are, in some way, facilitating or accelerating the development of women-oriented vision within the financial sector:

1. Greater Emphasis on Gender Equality by Governments and Policy Makers

For example, reforms have been introduced in laws and regulations in several countries, including in Latin America and the Caribbean, seeking to eliminate barriers so that women have access to financial products and services, or so that the credit bureaus are allowed to use information from non-bank sources. The integration of the Sustainable Development Goals (SDGs) in public policy and in key programs that foster these initiatives is also facilitating women's access to the financial system.

2. Social Pressure

There is increased awareness and pressure to eliminate discriminatory aspects from legal and regulatory frameworks, particularly provisions related to land tenure, patrimony and property. Likewise,

awareness of the interdependence of the private sector and society has also grown, which has resulted in the development of business models with a strong strategic focus on social values, including the search and promotion of gender equality.

3. Greater Business Commitment to Society

In recent years, companies have realized that their role within their countries is not limited to seeking customers and obtaining profits, so they have committed to being responsible members of the society that hosts them. The diversification of the employee matrix plays a central role in this commitment, and thus little by little, more women are occupying leadership and management positions, which results in greater gender equity. In Latin America, according to an ILO report, women have made significant progress in taking on more and more responsibilities in business management.⁷² The female labor force participation rate increased from 48.5% in 2006 to 49.7% in 2016, which contrasts with the decrease in the world rate during the same period. However, there is still a long way to go, since their participation in senior management barely reaches 4.2% of the of executive director positions (CEO).

⁷² More women business leaders but still room for progress at the top. News from the ILO May 23, 2017. Browsed on April 18, 2018. http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_554702/lang--en/index.htm

4. Areas of Innovation Aimed at Removing Access Limitations

Ownership of collateral and identification documents are factors that have traditionally limited some segments of the women's market. However, recent innovations mitigate these disadvantages:

a.) The creation of mobile asset collateral registries⁷³ b.) Segmented requirements for Know Your Customer (KYC) which helps people with limited proof of their identity open basic savings and payments accounts, and c.) Experiment and conduct pilots with psychometric tests to determine the creditworthiness of potential customers (See Box 2).

Box 2

Psychometric tests, an innovative element that helps women

A new test by **VisualDNA** uses an online questionnaire where respondents are asked to choose a photo from a series. The test is based on the classification of personality types "Ocean", which highlights features such as openness, responsibility, sociability, kindness and emotional stability.

Another company, **Entrepreneurial Financial Lab (EFL)**, an American firm that emerged from Harvard University, developed a test to help bring banking services to the unserved.

In Peru, three local banks - Banbif, Banco Financiero and Caja Trujillo - use these psychometric tests.

Through this type of tests, Maribel Sierra, a small merchant in Lima, was able to rebuild her business after a fire reduced her to ashes. "Through a questionnaire I was granted a loan and thanks to that I had the opportunity to start over". To the question of how she faces the problems, Maribel answered: "never give up". These tests assess the applicants' ability to credit by revealing their personality traits.

Source: Financial Times. Psychometric testing on the rise in emerging markets. February 1st, 2015

⁷³This is an area of innovation related to real estate as collateral, an aspect that affects women more than men. As evidenced by the investigations conducted so far, women tend not to have large real estate holdings to use as collateral. The World Bank and the IFC have contributed to the establishment of mobile asset collateral registries in Malawi, in order to allow business owners access to financing.

5. Role of the Multilateral Development Banks

Development banks have become a champion of the women's financing market, through their direct support of FIs. Specific projects such as *Banking on Women*, in which the IFC has invested close to US\$ 1.4 billion through more than 40 initiatives around the world -including several in the region-; the *Women Entrepreneurship Banking (weB)* of the Inter-American Development Bank (IDB) and the IIC; and

the existence of indicators such as Women, Business and the Law⁷⁴ or Doing Business⁷⁵ (both from the World Bank Group), are some of these efforts. The support of development banks has been key to the launch of many of the programs that currently operate in the region and in other parts of the world. For example, shared risk agreements with development banks facilitate women's access to financing or loans, which would otherwise not be granted (see more examples in Box 3).

Box 3

Multilateral banks as a promoter and enabler of the women's market

Promoting the financing of women and strengthening their participation in the financial sector are issues central to the sustainable development agenda of the multilateral banks that operate in the region. Some of the relevant interventions of these organizations that enable the incursion of FIs in this market are:

- Share in the risk and costs of the "first movers"
- Pilot new effective and scalable methodologies for this market
- Develop effective training programs, tutoring and networking for women entrepreneurs
- Identify "champions" that promote the theme at the industry level
- Strengthen access to other essential financial services, such as savings and capital for an early stage of investment.

⁷⁴This report provides data on barriers to entrepreneurship and employment for women in 173 economies. It includes global data on laws and regulations that affect the perspectives of women as entrepreneurs, while also facilitating the comparison of economies.

⁷⁵Doing Business 2017 presents quantitative indicators on business regulations and the protection of property rights in 190 economies.

6. The work of the Global Banking Alliance for Women

The Alliance is a non-profit organization based in New York City. It joins some 40 FIs and other entities around the issue of women's economic empowerment. The Alliance operates in more than 135 countries. Its focus is the development of innovative and comprehensive programs that offer access to capital, markets, education and training to women entrepreneurs. Through its members, it is a pioneer in a great number of good practices to serve the women's market. It is financially backed by international credit institutions such as the IDB and the IFC, foundations such as Goldman Sachs 10000 Women, the Clinton Foundation and the FIs membership fees, among others.

7. Internal Programs aimed at Gender Equality and Women's Empowerment

Many FIs have launched internal programs for their employees, generating advantages –mentioned above– based on a broader business model based on gender diversity.⁷⁶ In some cases, FIs are signatories of the women's empowerment principles (WEP) of the United Nations– Banco do Brasil, Banco Pichincha in Ecuador, Banco Sumitomo Mitsui Brasileiro, Banco Estado in Chile and Banorte in Mexico, to name a few.

WEP is a voluntary corporate code of conduct focused on the empowerment, progress and investment in women around the world.

WEP identifies various areas in which companies can contribute to women's advancement such as: employment and compensation, work-life balance, professional development, health, safety and violence, equality and corporate governance, non-discrimination in the supply chain and in marketing, civic and social commitment, and transparency and responsibility. The WEP's gender gap analysis tool is a free tool that allows private sector companies - confidentially and in an easy-to-use platform - to evaluate their current policies and programs and identify areas for improvement, establishing corporate goals and future objectives.

8. New Delivery Mechanisms

Because of women's higher education level, higher income and greater access to the financial system, the level of sophistication and demand for more complex products also increases. The new delivery mechanisms for various financial services, such as branchless banking and mobile technology have attracted women, since they help resolve mobility issues

⁷⁶ "The private sector must take firm steps towards focusing on the visibility of women, putting more emphasis on how many women they manage to retain and promote and less on increasing the number that enters the organization." World Economic Forum, 2016.

that often limit the potential of female clients, particularly in the rural sector. Indeed, the availability of smartphones and mobile broadband offers possibilities for expansion of different types of digital financial services and helps eliminate some of the entry barriers that exist in the market.

In Latin America and the Caribbean there have been few alliances between telecom companies and banks, and those that have been established have been small in scale

and oriented to the already banked clientele. That is, banks have failed to see these links as a means to pursue new segments, and they have missed the opportunity to leverage their installed infrastructure (correspondents, ATMs and POS) and deploy the possible interconnection with clearing and settlement systems. The lack of alliances may be related to the issue of competition. In this region, there are some very large regional banks and telecom companies, and it is difficult to negotiate business deals among dominant players.



CONCLUSION



The business case presented in this study is based on two sets of factors. On the one hand, economic, demographic, social and cultural changes have opened up more spaces for women, who emerge as a client with a high educational level, a greater and growing purchasing power derived from their incursion into the labor force and occupation of increasingly important positions in society and politics, and an increasingly influential presence in the financial decision making of the home. On the other hand, an improved understanding of the characteristics of women, which differentiate them from men, and which until now have been ignored or unnoticed, today translates into benefits for FIs in terms of income growth, better quality of the portfolio, diversification and increase in the customer base, diversification of risk through new products and funding sources, which in turn lead to a better positioning and reputation of FIs. Although there are IFs in the world and even in the region that are already leading the way and developing models that recognize women as clients –which become success cases worthy of being studied–, there is still a considerable market potential that is unexplored and under exploited, and which is very much within the reach of the financial sector.

ANNEX 1.

CASE STUDIES

Next, some of the most important programs in the region are presented, as well as two extra-regional programs that deserve to be considered as models for analysis.

BHD

One of the most noteworthy cases in the region is Banco BHD León in the Dominican Republic, the third largest bank in the country. Founded in 1972, it is considered an avant-garde bank and a forerunner in the local financial sector: from being the first multiple bank in the Dominican Republic to

being a pioneer in the implementation of a corporate governance model. To top it all there is its gender strategy, stemming from a culture of social responsibility which seeks to promote economic improvement and the integral well-being of women, starting with the bank's customers and collaborators.

Program. In early 2015, BHD launched its *Mujer Mujer* initiative, a model that offers financial and non-financial services focused on women as a strategy to grow in that market.

BHD – Key facts(I (As of December 2016)⁷⁷

- About US\$ 5.4 billion dollars in assets.
- Signatory of the United Nations Principles. 64% of total staff and more than 60% of senior management are women.
- It employs approximately 4,700 people.
- It serves more than 980,000 clients (including 17,000 micro-enterprises and 128,000 SMEs).

As part of this program, BHD identified four specific segments of women customers with unmet needs: owners of SMEs, independent professionals, salaried employees and

heads of households. To respond to these needs, BHD developed bundles of products and services (credit, savings and insurance) along five main axes:

⁷⁷ BHD. Audited Financial Statements as of December 2016.

1. Education of women and their children:

loans at 0% interest and 6 to 10 month terms for women and / or their children, discounts on the purchase of computers, training courses, free children education insurance, among others.

2. Support for new businesses or to grow existing ones:

credit lines for working capital available 24/7, flexible loans including grace periods, training programs, health insurance and capital assets for businesses, among others.

3. Health: insurance for cancers that typically affect women, home medical service, no interest loans for wellness, telephone medical assistance, among others.

4. Home: loans for the acquisition, maintenance and remodeling of houses, with flexible payments to match budget, legal advice on documentation and completion of credit, property and life insurance, advice on design and other issues related to remodeling and maintenance, among others.

5. Purchase and maintenance of vehicles:

loans with flexible payments including insurance payment, scheduled savings for purchase, road assistance and related insurance.

Actions. BHD set the goal of becoming the preferred bank for women in the

Dominican Republic but did not have a clear strategy. With technical assistance resources from the IFC and its Banking on Women program, BHD undertook a project to understand the needs (financial, social and personal), preferences and behavior of women in the Dominican Republic. The effort, which lasted about 14 months, included research focused on women to develop greater knowledge about this market and identify unmet needs. The findings of these investigations were used to segment the market, develop specific products and services for different needs and develop the respective marketing campaigns. Likewise, the project was important to promote gender equality within the organization.

Results. In the first year following the launch of *Mujer Mujer*, BHD gained market share and grew at an accelerated rate. The program has also contributed to the bank's profitability. At the end of 2016, its loan portfolio grew to RD \$ 133.5 billion -approximately US\$ 2.9 billion- which represents an increase of 15.8% in percentage terms, and its market share increased by 1%, the largest gain in the banking sector.⁷⁸ In addition, during its first year of implementation, the program achieved an internal rate of return (IRR) of over 35%, and a return on assets (ROA) of 20% for individuals, 14% for small businesses and 12 % for medium-sized businesses.⁷⁹ The bank estimates that more than 20,000 female customers

⁷⁸ Argentarium.com. BHD's portfolio grew 15.8% in 2016. April 2017.

⁷⁹ IFC. BHD León bank uses women-centric design to grow its market in the Dominican Republic. Gender Smart Business Solutions. 2016

chose the portfolio of solutions for women during 2016.⁸⁰ Finally, BHD recognizes that the new strategy has created an advantage in terms of greater differentiation from their competitors, and has earned them both national and international awards.

Westpac

Westpac is a relevant non-regional case. It is the oldest Australian bank (1817) and one of the four largest – and a pioneer and role model on the issue of placing women at the center of the business strategy.

Program. Since the late 1990s, Westpac has set out to be the Australian women's

preferred bank, both as an employer and as a provider of financial products and services. In 1999, it created the Women in Business unit as the strategic center for the planning and long-term development of programs aimed at the women's market. In this unit, a team that specializes in women's markets has developed various programs and initiatives to support professionals and entrepreneurs in the development of their careers in a profitable and sustainable manner, with priority areas such as: a) access to education; b) development and promotion of a model to follow; c) financial information; and d) networking opportunities.

Westpac – Key facts (As of December 2016)⁸¹

- Assets close to US\$ 600 billion.
- Goal as an employer, to have women occupy 50% of leadership positions by 2017. As of December 2016, the proportion reached 48%.
- It employs approximately 40,000 people.
- It serves about 13 million customers through different brands.

In addition, the Women Investment Advisory Service Unit (WIAS) was created, with a team of financial consultants specialized in investment planning, education, risk management and other business services

for women. In 2011, Westpac launched the Ruby Connection⁸² online community to inspire, promote and connect all Australian women by providing them with business management training and a wide range of

⁸⁰ eldinero.com.do. Banco BHD muestra resultados de estrategia de género mujer. Mach 8, 2017.

⁸¹ Westpac. Annual Report 2016 and information from their web page

⁸² IFC. Strengthening Access to Finance for Women-Owned SMEs in Developing Countries. October 2011.

tools and opportunities to establish peer and / or mentor contact networks, opening the possibility for them to associate and grow their businesses.⁸³ In 2016, Westpac was the first bank in Australia to standardize a process to take into account the differences in salary income received during maternity leave and upon returning to work, in the capacity to acquire mortgage loans.

Actions. Westpac has been known to have a customer service-focused business model. This led them to notice important demographic changes in the Australian women's segment in the late 1990s, and to recognize the need to establish contact and information exchange networks that went beyond traditional forums. Later studies revealed that women in Australia felt that FIs did not treat them with respect and, more generally, that men and women had different needs. From there, the process of disaggregating the portfolio by gender in all divisions of the bank and their close knowledge of the client have helped them identify specific needs of women and guide their objectives and priorities. In 2006, they implemented mechanisms to monitor performance and measure the impact of the strategy on the women's market.

Results. In addition to improving customer service, raising staff morale, getting closer

to the community and strengthening their brand value, Women in Business initiatives have raised the profitability of Westpac. As of March 2014, the 2.1 million women with accounts in the bank contributed AUD 1.55 billion -about US\$ 1 billion- to the Bank's annualized profitability. In addition, the sustainability focus of this bank, largely supported by the issue of gender equality, has made Westpac recognized since 2002 as a Global Leader of the Banking Sector by the DJSI Review. In the past three years, it became the Most Sustainable Bank in the World (its top 95-point score was obtained in September 2016). It is also considered one of the 100 most sustainable banks in the world by the World Economic Forum and ranks first in Australia, according to the Bloomberg Financial Services Gender Equality Index.⁸⁴

Banorte

Founded in 1899, Banorte (Grupo Financiero Banorte) is the fourth largest bank in Mexico, with assets close to US\$ 51 billion,⁸⁵ 12 million customers and a marked strategy of innovation throughout its history. The Group, consolidated after the Mexican financial crisis of the 90s,⁸⁶ also offers products and services through its insurance and pension subsidiaries, investment companies, brokerage firms, among others.

⁸³ www.westpac.org

⁸⁴ Westpac. Annual Report 2016

⁸⁵ Best banks in Mexico 2017. Obtained from the following link: <https://www.rankia.mx/blog/mejores-opiniones-mexico/3452821-mejores-bancos-mexico-2017>. Retrieved on September 29, 2017. Information as of December 2015.

⁸⁶ Annual report Grupo Financiero Banorte. Obtained from the following link: https://www.banorte.com/cms/gfb/RI/Informe_Anuar/Interativo2015/eng/cifras-relevantes.html

Banorte in figures (As of December 2016)

- GFNorte manages US\$ 130 billion in assets and Banorte US\$ 51 billion.
- Its portfolio is 35% consumer credit and 55% mortgage credit. The corporate and government segments represent an important portion of the portfolio. In 2016 it employed 28 thousand people.

Program: Banorte is focused on being one of the leading banks in Mexico, both financially and sustainably, an effort that has been recognized through its inclusion in the Sustainable CPI of the Mexican Stock Exchange during the last six years and in the Dow Jones Sustainability Index (DJSI)⁸⁷ for the last three years.

Aware of the existing gaps between men and women in the financial sector, the bank established an axis called "Mujer Banorte," under the guidelines of the Women's Empowerment Principles signed in 2014,⁸⁸ which covers several products and services, including mortgages, insurance, assistance and others.

Actions: In 2002, the Group acquired Bancrecer, becoming the largest branch network in Mexico. Later, the bank focused its efforts on innovative products such as Mujer Banorte, the first savings account specializing in women's needs. Over the years, it has expanded its products and

services portfolio with the Mujer Banorte credit card, corporate loans such as Mujer PYME, the well-known Hipoteca Mujer product, and insurance products that seek to provide coverage in the event of initial detection of diseases such as breast and / or cervico-uterine cancer including no-cost assistance.

Results: A year after launching the Mujer Banorte savings products, the number of accounts increased by 142%. Eight years after launch, this product already had 800,000 female clients. Moreover, the women-only mortgage loan was expected to represent 5% of new applications in the first 5 months and ended up reaching 20%.⁸⁹ Although some of its products are no longer offered and new ones have been created, Banorte is the top gender equality benchmark in the Mexican financial sector, achieving special recognition through its recent inclusion in February 2017 in the Bloomberg Gender Equality Index.

⁸⁷ Taken from the following article: El DJSI 2016 suma cuatro nuevas empresas latinoamericanas. <http://mexico.corresponsables.com/actualidad/el-djsi-2016-suma-cuatro-nuevas-empresas-latinoamericanas>. December 9, 2016. Retrieved on April 18, 2018. The LAC banks in the DJSI 2016 are: Bancolombia, Davivienda, Banorte, Bradesco, Banco do Brasil, Itaúsa - Investimentos Itaú, Itaú.

⁸⁸ Principles for the Empowerment of Women. Obtained from the following link: <http://bit.ly/2qZuLJE>. Retrieved on September 29, 2017.

⁸⁹ Hipoteca Mujer Banorte acapara una de cada 5 solicitudes. Obtained from the following link: <http://www.jornada.unam.mx/2012/08/01/economia/029n4eco>. Retrieved on September 29, 2017. Roberto González Amador. August 1, 2012.

Interfisa

The SAECA International Finance Group (INTERFISA) was founded in 1978 in Paraguay, to meet the needs of the country's most vulnerable populations, which had no access to the financial system. In 1995, with support from the Inter-American Development Bank (IDB), it began to serve urban microenterprises, and rural populations in 2005. In 2012, with support from the IDB's Multilateral

Investment Fund (MIF) and Women's World Banking, Interfisa adopted microfinance technologies aimed at women in the rural sector of the country.⁹⁰

Program: In 2012, with support from the IDB-MIF and Women's World Banking, the Access to Rural Financing with a Gender Approach project named "NdeValé" was structured, with the goal of increasing women's banking in Paraguay and reducing the vulnerability of micro

Interfisa in figures (As of December 2016)

- Assets US\$ 316 million
- Net profit US\$ 2.8 million.⁹¹
- 730 employees.
- 45 branches throughout the country.
- 100 thousand customers.

and small businesses through credits designed for that purpose. Maintaining a detailed profile of each of its customers, the bank can offer grace periods, amount and periodicity of payments customized for each business, adjusting to the customers' flow of income. In the same way, NdeValé's education campaigns focus on rural women, who mostly sell agricultural products. The broader objective of the program was to make Interfisa a more equitable bank, with greater financial depth, more oriented towards development and more socially responsible.

Actions: After the program was structured in 2012, technological improvements were completed and training was provided to its commercial partners to ensure good service quality. In 2013, the local consulting firm EAC⁹² and a team of consultants from the World Bank for Women reviewed all the NdeValé processes, guaranteeing their efficiency.⁹³ In 2014, the MIF approved a loan of US\$ 5 million to benefit 5,000 MSMEs run by women. By 2017, the MIF has lent a total of US\$ 10 million for the NdeValé Program with the goal of financing 14,000 women.⁹⁴

⁹⁰ Quienes somos Interfisa. Obtained from the following link: <https://www.interfisa.com.py/quienes-somos>. Retrieved on September 30, 2017.

⁹¹ 2016 Interfisa Annual Report. Obtained from the following link: <http://www.cnv.gov.py/registros/emisoras/interfisa/2016/InterfisaDiciembre2016.pdf>. Retrieved on September 30, 2017

⁹² EAC Consultores – Ezequiel Acha es una firma consultora en Paraguay especializada en formación y entrenamiento de la gerencia y recursos humanos de las empresas. <http://www.ezequielacha.com/team-member/quienes-somos/>

⁹³ Progress report February 2012-2013. https://www.unglobalcompact.org/system/attachments/69271/original/Comunicación_de_Progreso_2013.pdf. Retrieved on September 30, 2017.

⁹⁴ How Inclusive is Inclusive Business for Women? Examples from Asia and Latin America. Obtained from the following link: <https://www.adb.org/sites/default/files/publication/183942/inclusive-business-women.pdf>. Retrieved on October 1, 2017.

Results: As of 2013, Interfisa had 6,000 clients, 40% of them women with a portfolio of approximately US\$ 5 million. As of July 2014, 35% of its rural customers were women, with a total of 5,161 loans (33% of the total loans disbursed to women). In 2014, 38% of new customers were women, which represented a 30% increase due to the program.⁹⁵

Porto Seguro

Porto Seguro was founded in 1945 in Brazil, as an insurance and reinsurance company with 50 employees. Currently, it covers all insurance lines, with approximately 15,000 employees, 135 branches throughout the country, a network of 20,000 intermediaries

and a total of 5 million customers, including its subsidiary in Uruguay.

Program: Already the market leader in the automobile industry, Porto Seguro structured a service called Auto Mulher, offering Brazilian women services beyond simple insurance. Premiums are approximately 20% more expensive than for conventional policies, but customers are willing to pay them because of the added benefits. One of the most successful advantages of these policies are the seminars, offered exclusively to women, to teach them basic mechanical concepts, for example how to change the oil or what a refrigeration system is, among others.

Porto Seguro in figures (As of December 2016)

- Investment portfolio of US\$ 7.4 billion.
- Profit US\$ 385 million⁹⁶
- Nearly 15,000 direct employees and 20,000 intermediaries.
- Presence throughout the country.

Actions: Porto Seguro is aware that segmentation is necessary for some products, since it can offer several benefits to women, including those included in Auto Mulher insurance: 24-hour assistance, 50% in enrollment and 15 % in the monthly fees of the Contours Academy, discount in the purchase of safety seats

for the transport of children, discounts in several establishments. Additionally, Porto Seguro is responsible for bringing the vehicle to its required techno-mechanical review.⁹⁷ Internally, the insurer promotes gender equality, reducing its gender salary compensation breach by 26% in 2016.⁹⁸

⁹⁵ Making Women's Work Visible: Finance for rural women. Obtained from the following link: <http://www.womensworldbanking.org/wp-content/uploads/2014/11/Making-Womens-Work-Visible-Rural-Finance-WomensWorldBanking.pdf>. Retrieved on October 2, 2017.

⁹⁶ Annual Sustainability Report. Retrieved from: http://ri.portoseguro.com.br/conteudo_en.asp?idioma=0&conta=28&tipo=58436 Retrieved on September 30, 2017.

⁹⁷ Seguro Auto Mulher: criado especialmente para elas. Obtained from the following link: <https://www.meuportoseguro.com.br/meu-carro/seguro-auto/seguro-auto-mulher-criado-especialmente-para-elas/>. Retrieved on October 1, 2017.

⁹⁸ Relatório Anual de Sustentabilidade. Obtained from the following link: http://ri.portoseguro.com.br/download_arquivos.asp?id_arquivo=0D4FAE62-1294-4EF1-B4FA-EE73D709DEB8. Retrieved on September 30, 2017.

Banco Itaú

Itaú is the largest private bank in Brazil and one of the largest companies in the world. In its 91-year history it has grown to more than 90 thousand employees and almost 60 million customers. In addition, it has more than 95 thousand shareholders. Its sustainability strategy stands out worldwide.

Program: Innovation is a fundamental pillar of Banco Itaú's strategy. In 2013, thanks to funding from financial

institutions such as the IFC and the IDB, Mulher Empreendedora was created. This program sought to reinforce the ability of women company-owners to access the financial sector more successfully and was intended to serve up to 160,000 women.

Actions: For Itaú, the empowerment of women consists of facilitating a digital financial education environment through the use of videos and other free tools, exclusive access to a network of entrepreneurs, and advisory services. In

Banco Itaú in figures (As of December 2016)⁹⁹

- US\$ 414 billion in assets.
- Profit of US\$ 7.5 million.
- 95 thousand shareholders.
- It employs 90 thousand collaborators worldwide.
- 60 million customers.

addition, the scoring method is replaced by an innovative psychometric model to improve the credit methodology.¹⁰⁰ In recent years, Itaú has focused on facilitating spaces for dialogue among women entrepreneurs, such as the Itaú Café Mulher initiative developed jointly with Google, or its participation in the discussion forum of the Council of the Global Banking Alliance for Women. In the design of the program, the first step was to diagnose the specific needs of women and identify the type of services

and financial operations that best suit them. The next step was the creation of a risk matrix associated with women's projects to decide the characteristics of the program.¹⁰¹

Results: The Women Entrepreneurs program has been very successful since its launch and is today an important business strategy for Itaú. In 2016, women represented 39% of their small business customers (companies with less than US\$ 380,000 in sales), 34% in their mid

⁹⁹ Relatório anual consolidado 2016. Obtained from the following link: https://www.itaubr.com.br/_arquivosstaticos/RI/pdf/pt/Itaú_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017

¹⁰⁰ Itaú Mulher Empreendedora. Obtained from the following link: <https://imulherempreendedora.com.br/quem-somos>. Retrieved on October 1, 2017.

¹⁰¹ Itaú and the MIF formalize a program to support female entrepreneurship in Brazil. Obtained from the following link: <https://www.fomin.org/en-us/Home/News/article-details/ArtMID/18973/ArticleID/57/Itaú-and-the-MIF-formalize-a-program-to-support-female-entrepreneurship-in-Brazil.aspx>. Retrieved on October 2, 2017.

-segment and 30% in the larger category (over US\$ 10 million in sales.¹⁰² In its first two years, the program increased the women SME portfolio from 22% to 34%, serving up to one million companies.¹⁰³ The success of the program is not only reflected in the financial figures, but in the improved relationship with its female clients, which in turn affects the growth of its financial services portfolio (7% in banking services and 55% in insurance). Likewise, the program has achieved 42% less refinancing of its debts and 16% more working capital.¹⁰⁴ In conclusion, each year Mulher Empreendedora develops new solutions for its female clients, facilitates a greater number of spaces and is proactive in strengthening its relationship with international institutions that ensure gender equality.

BLC

Established in 1949 by the Abou Jaoudeh family, BLC started its activities in 1950. It currently holds approximately a 2.7% share of the Lebanese market.¹⁰⁵ It offers insurance, asset management and conventional banking services. It manages total assets of US\$ 5.75 billion and made a profit of US\$ 47.3 million in 2016. BLC has 55 branches and employs 1,042 people.¹⁰⁶

BLC has been characterized as a leader in the economic empowerment of women and has received awards from the American Chamber of Commerce, CPI Financial and the GBA. By 2015, it was serving 32,000 women with a total portfolio of US\$ 188 million and US\$ 834 million in deposits.

Program: The We Initiative, launched in 2012, centers around the empowerment of women in the Middle East and North Africa (MENA) region. It provides solutions for 2,690 women so that they are granted their financial rights and increase their knowledge as well. In addition, it provides seminars, workshops, articles and motivational success stories. We-initiative.com is a networking platform with expert consultants or mentors on hand to help make businesses sustainable. It is the only bank in the MENA region that has committed to the United Nations Women's Empowerment Principles and is a member of the GBA.

Actions: BLC followed a three-step plan, which resulted in the successful implementation of the program:

1. They created a database, with gender classification, in order to review the accounts and identify their female

¹⁰² Relatório anual consolidado 2016. Obtained from the following link: https://www.itau.com.br/arquivosstaticos/RI/pdf/pt/Itau_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017.

¹⁰³ Mujeres emprendedoras: una oportunidad de inversión inexplorada. Obtained from the following link: <https://blog.iic.org/2016/11/04/estran-los-bancos-de-america-latina-y-el-caribe-atendiendo-al-mercado-del-futuro/>. Retrieved on October 1, 2017.

¹⁰⁴ Relatório anual consolidado 2016. Obtained from the following link: https://www.itau.com.br/arquivosstaticos/RI/pdf/pt/Itau_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017.

¹⁰⁵ BBLB BANK - LEBANON: LEADING IN BANKING ON WOMEN - A STUDY. Obtained from the following link: https://www.ifc.org/wps/wcm/connect/f24d9b5f-855e-4502-a771-8f2f1c95c21b/Case+Study+BLC+Bank+Lebanon_31082016.pdf?MOD=AJPERES. Retrieved on October 1, 2017.

¹⁰⁶ Annual Report 2016. Obtained from the following link: [https://www.bclbank.com/BackOffice/Media/NewsEvents/AR_BLC%20\(2\)1-085753-28092017.pdf](https://www.bclbank.com/BackOffice/Media/NewsEvents/AR_BLC%20(2)1-085753-28092017.pdf) Retrieved on October 1, 2017.

customers and the companies managed by women.

2. They incorporated, within the structure of existing incentives in the Bank, performance goals for all segments and products of the program, in order to have attainable, measurable and consistent figures.

3. They trained all staff members in gender equality, which increased their effectiveness. The training program was based on the following modules: "Outstanding in selling to women",

"Gender intelligence", and "SMEs and the women's market".

Results: Between 2011 and 2015, the number of women taking SME loans grew 82% (to 528 in 2015) and the portfolio of loans to women SMEs increased by 121%. The IRR is approximately 34%. The delinquency rate of women SMEs (5.52%) is lower than the total for the bank (5.74%) and the SME segment (7.38%).¹⁰⁷ The HRC expects that success will continue in the coming years and that the numbers of both women who belong to the program and women within the financial system will continue to grow.



¹⁰⁷ BBLB BANK - LEBANON: LEADING IN BANKING ON WOMEN - A STUDY. Obtained from the following link: https://www.ifc.org/wps/wcm/connect/f24d9b5f-855e-4502-a771-8f2f1c95c21b/Case+Study+BLC+Bank+Lebanon_31082016.pdf?MOD=AJPERES. Retrieved on October 1, 2017.

ANNEX 2.

SOME CHARACTERISTICS THAT SUPPORT THE BUSINESS CASE FOR FINANCIAL INSTITUTIONS

Men and women are not the same. Their mental structures, their biological role as the givers of life, builders of relationships, and communicators, are just some of the aspects that differentiate women from men. Moreover, their characteristics such as loyalty, versatility, creativity, flexibility, perseverance, among others, mean that they make decisions in a different way than men in topics such as savings, credit, consumption, housing, insurance, others. The following table summarizes

some of the women’s responses –based on their characteristics and qualities– to provisions related to banking (risk, savings, guarantees). The first column states the situation, condition or quality of women, and the second describes their response and the possible implication for the FI. These responses have an impact and relevance for the financial sector; their analysis is essential to obtain benefits from the business case of financially catering to women.

Situations, personality traits and facts relevant to the FI	Women’s Response
Risk	They tend to be more conservative with respect to the risk-reward equation, therefore they are more oriented to saving and less likely to be financed through debt, especially if the execution of collateral can seriously affect family welfare.
Possession of collateral and their execution	Women are reluctant to commit family assets as collateral for loans, so it is important to innovate and consider alternatives such as mobile collateral records, the use of accounts receivable, contracts with reputable firms, and even the use of their own savings. An example of innovation known worldwide is Grameen Bank, where micro entrepreneurs, mostly women, represent 50% of the total deposits of the bank, which allows them to use these savings as collateral instead of demanding guarantees from their applicants. ¹⁰⁸

¹⁰⁸ As of September 2017, the Bank has 8.92 million borrowers, 97% of whom are women. With 2,568 branches, GB provides services in 81,399 villages, representing more than 97% of the total villages in Bangladesh.

Situations, personality traits and facts relevant to the FI	Women's Response
Savings	<p>The main goals of women's savings are related to safeguarding their future and that of their family, and the purchase of housing.</p> <p>Their savings are a potential source of funding of importance to the financial sector. In addition, women, being conservative and savers, can offer their savings as collateral for their loans, in their desire to keep them and not lose them.</p>
Loyalty	<p>Women are loyal to an institution when they perceive that their needs have been understood and satisfied, and that their expectations have been met. Likewise, women show a greater propensity than men to buy the same brand, regardless of price, quality, convenience or promises, as well as being linked to a greater number of loyalty programs.¹⁰⁹</p>
Fulfillment of financial obligations	<p>The probability of non-payment of their credit obligations tends to be lower than that of men. They also register low delinquency levels.</p>
Building relationships	<p>Women tend to build profound relationships, while men tend to do transactions (relational versus transactional approach).</p>
Influence on others	<p>They tend to "evangelize" others, turning them into potential clients. If a mother has had a good experience with a financial institution, she is quite likely to influence her children's decision so they choose the same institution.</p>
Financial education	<p>If women receive financial education, they become more active users of the products and services of an FI. In addition, they transmit this education and its practical applications to their children and other members of the household.</p>
Networking	<p>Women prefer to consolidate smaller, but deeper contact networks (made up of their partner, family, friends) versus men who weave similar networks, but composed of other entrepreneurs and / or investors.</p>

¹⁰⁹ Battle for the sexes: the 2016 crowdtwist gender loyalty report. CrowdTwist. September 2018. Retrieved on April 2018. <http://resource-center.crowdtwist.com/ii/776415-2016-gender-loyalty-report/3>

Situations, personality traits and facts relevant to the FI	Women's Response
Vision on career and work	They are willing to interrupt their professional careers for motherhood, parenting, and other events, which leads to particular savings needs and lending structures.
Stay at work	Women stay in the labor force an average of 27 years compared to 40 years in the case of men, which implies a differentiated approach in the supply of products and services from the financial sector.
Retirement	They face greater limitations on saving for their own retirement and tend to put the needs of others above their own (they assume the function of primary caregiver of their children or for their elderly parents). Once again, this implies the need to search for comprehensive solutions and a differentiated approach that leads to meeting their savings needs as well as their retirement constraints.
Survival	A large majority of women survive their husbands, inheriting their financial assets or being in charge of the decision on investments and household credits, which means that, although previously they have not been clients of the FI, the probability of a stage of your life becoming customers is getting higher and higher.

Source: Prepared by the authors based on multiple sources.

ANNEX 3

EVOLUTION OF THE POPULATION AND PROJECTION ACCORDING TO GENDER IN LATIN AMERICA AND THE CARIBBEAN

Period 1960 – 2050¹¹⁰
(figures in millions, except as otherwise indicated)

	Female population			Female population (% of total)			Total Population		
	1960	2016	2050 ^e	1960	2016	2050 ^e	1960	2016	2050 ^e
Global (billions)	1.5	3.5	4.8	49.9%	49.6%	49.7%	3.0	7.4	9.7
Latin America	110.2	322.1	394.1	50.0%	50.6%	50.7%	220.4	637.6	782.5
Argentina	10.1	22.3	28.0	49.2%	51.1%	50.8%	20.6	43.8	55.2
Bolivia	1.8	5.4	7.9	50.5%	49.9%	50.2%	3.6	10.8	15.9
Brazil	36.2	105.5	118.9	50.2%	50.8%	51.1%	72.2	207.6	232.6
Chile	3.9	9.0	10.3	50.8%	50.5%	50.1%	7.7	17.9	20.7
Colombia	8.2	24.7	28.0	50.3%	50.8%	51.2%	16.4	48.6	54.7
Costa Rica	0.6	2.4	2.8	49.1%	50.0%	50.1%	1.3	4.8	5.7
Ecuador	2.2	8.1	11.5	50.0%	50.0%	50.1%	4.5	16.3	22.9
Guatemala	2.0	8.4	13.6	49.4%	50.8%	50.5%	4.2	16.5	26.9
Honduras	1.0	4.5	6.6	49.8%	50.1%	50.2%	2.0	9.1	13.2
Mexico	19.1	64.0	82.4	50.2%	50.2%	50.2%	38.1	127.4	164.2
Nicaragua	0.8	3.1	3.9	50.1%	50.7%	50.5%	1.7	6.1	7.8
Panama	0.5	2.0	2.9	49.0%	49.9%	50.1%	1.1	4.0	5.8
Paraguay	0.9	3.3	4.4	50.1%	49.3%	49.9%	1.9	6.7	8.8
Peru	5.0	15.9	20.8	49.7%	50.1%	50.1%	10.0	31.7	41.6
Dominican Rep.	1.6	5.3	6.7	49.4%	50.2%	50.6%	3.2	10.6	13.2
El Salvador	1.4	3.3	2.7	50.7%	53.0%	53.1%	2.7	6.3	6.9
Uruguay	1.2	1.7	1.8	50.0%	51.7%	50.9%	2.5	3.4	3.6
Venezuela	3.9	15.8	21.1	49.0%	50.2%	50.8%	8.1	31.5	41.5
Haiti	1.9	5.4	7.1	50.9%	50.5%	51.0%	3.8	10.8	14.0
Guyana	0.2	0.3	0.4	49.9%	49.6%	49.2%	0.5	0.7	0.8
Jamaica	0.8	1.4	1.3	51.9%	50.2%	50.5%	1.6	2.8	2.7
Cuba	3.4	5.7	5.4	48.9%	50.0%	49.9%	7.1	11.4	10.8
Puerto Rico	1.1	1.7	1.5	50.6%	51.9%	51.3%	2.3	3.4	3.0

Not including Guadeloupe, French Guyana, Martinique, Saint Martin or Saint Barthélemy.

E = Estimated

¹¹⁰ Analysis by the authors based on information in the World Bank database. <https://data.worldbank.org>

Index of notes

1. Progress of Women in Latin America and the Caribbean. UN Women. 2017
2. The global gender gap report. Insight report. World Economic Forum. 2016 <http://reports.weforum.org/global-gender-gap-report-2016/gender-parity-and-human-capital/> browsed on october 17th, 2017.
3. Warren S. Hersch. The women´s market: big, lucrative and rewarding – but underserved. June 16, 2015. <http://www.thinkadvisor.com/2015/06/16/the-womens-market-big-lucrative-and-rewarding-but>
4. The weaker sex – Boys are being outclassed by girls at both school and university, and the gap is widening. <https://www.economist.com/news/international/21645759-boys-are-being-outclassed-girls-both-school-and-university-and-gap>. March 7th 2015 issue. Browsed on October 17th, 2017.
5. Women continue to be underrepresented in careers related to science, technology, engineering and mathematics (STEM) where the global gap is 47%, with 30% of all men graduating in careers of this type in contrast to 16% of all women.
6. Data on the progress of women in Latin America and the Caribbean for 2014. ECLAC.
7. The Economic Power of Women´s Empowerment, Keynote Speech by Christine Lagarde, Managing Director, International Monetary Fund, Tokyo, September 12, 2014. <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp091214>
8. Analysis by the authors based on information in the World Bank database. <https://data.worldbank.org>
9. The demographic pyramid is a horizontal bar graph, where the length of each bar is proportional to the number of people in the corresponding age group and gender.
10. The end of the population pyramid. The Economist. November 18th, 2014. <https://www.economist.com/blogs/graphicdetail/2014/11/daily-chart-10>
11. Submitted by Emi Suzuki. July 10th 2014. Browsed on April 18th 2018. <https://blogs.worldbank.org/opendata/between960-and012-world-average-fertility-rate-halved5-births-woman>

12. Alex Mayyasi, Priceonomics. July 7th, 2016. Browsed on April 18th, 2018. <http://www.businessinsider.com/the-age-when-people-get-married-around-the-world-2016-7>

13. United Nations issues wall chart on marriage patterns 2000. United Nations press release. June 15th, 2000. Browsed on April 18th, de 2018. <http://www.un.org/esa/population/publications/worldmarriage/worldmarriage2000PressRelease.htm>

14. Cohabitation and human development in Latin America, International Journal of Sociology of the Family. Vol. 40, No. 2, special issue: demography and family sociology in Latin America. 2014, pp. 153-173 <http://epc2014.princeton.edu/papers/140177>

15. Worldbank.org. Gender data portal. School enrollment tertiary for men and women in Latin America and the Caribbean.

16. Indicator of enrollment in the tertiary level, regardless of age, compared to the total population that has officially completed the requirements to access said level of education. Tertiary education usually requires, as a minimum condition of admission, the successful completion of secondary education.

17. Women at work in Latin America and the Caribbean IMF, 2017 Natalija Novta and Joyce Cheng Wong.

18. Porcentaje de mujeres récord en el Programa de Alta Gerencia. Noticias INCAE. October 29th, 2015. Katie Carr. Browsed on April 18th, 2018. <http://www.incae.edu/es/blog/2015/10/29/porcentaje-de-mujeres-record-en-el-programa-de-alta-gerencia.html>

19. Inclusión financiera en América Latina y el Caribe. Coyuntura actual y desafíos para los próximos años. BID, 2015. <https://publications.iadb.org/handle/11319/6990>

20. According to Bridget Brenna, author of the book "Why She Buys", women influence 70-80% of all consumer purchases, through a combination of purchasing power and influence. Their influence is even exerted in those cases where the woman is not the one who pays, as she is often the authority or the veto behind another individual's purchasing decision.

21. UN statistics division, [The World's Women 2010. Trends and Statistics](#)

22. América Economía magazine. April, 2014. 3Ps Poder Adquisitivo, Poder de Compra y Poder de la expresión de la Mujer, by Natalie Boden

23. Harvard Business Review. [The female economy](#). Michael J. Silverstein and Kate Sayre. September 2009

24. [Progress of Women in Latin America and the Caribbean](#), UN Women. 2017

25. Liu, Chia & Esteve, Albert & Treviño, Rocío, 2017. "[Female-Headed Households and Living Conditions in Latin America](#)," [World Development](#), Elsevier, vol. 90(C), pages 311-328.

26. International Labour Organization Regional Office for Latin America and the Caribbean Report, 2016 Labour Overview of Latin America and the Caribbean, http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_545825.pdf

27. The wage gap persists between men and women. United Nations Economic Commission for Latin America and the Caribbean. Gender Equality Observatory. Notes for equality No.18. March 8, 2016. Browsed on April 18, 2018. https://oig.cepal.org/sites/default/files/note_18_wage_gap.pdf

28. Women´s entrepreneurship report. 2015. <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%202015%20Womens%20Report.pdf>

29. The report collects information on entrepreneurial activity in 74 countries, based on their economic development: economies driven by factors of production and efficiency or driven by innovation.

30. CEPYME news. Aumenta el número de mujeres emprendedoras, reduciendo la brecha con respecto a los hombres. Taken from the following link: <https://cepymenews.es/aumenta-numero-mujeres-emprendedoras-reduciendo-la-brecha-respecto-los-hombres/>

31. Actividad emprendedora entre mujeres aumentó en 10% en Perú. Taken from the following link: <https://www.google.com/amp/s/gestion.pe/amp/economia/actividad-emprendedora-mujeres-aumento-10-peru-143913>

32. La nueva revolución de las mujeres emprendedoras en Colombia recibe aplausos. Obtenido del siguiente enlace: <https://www.google.com/amp/s/www.dinero.com/amp/porcentaje-de-mujeres-emprendedoras-y-empresarias-en-colombia/250135>

33. El desafío del emprendimiento femenino en América Latina. Susana García-Robles. Septiembre 16, 2017. <http://pulsosocial.com/2015/09/16/el-desafio-del-emprendimiento-femenino-en-america-latina/>
34. Acceso al crédito de las mujeres en América Latina. ECLAC/GTZ Project Políticas laborales con enfoque de género. Santiago de Chile, March 2004. https://www.cepal.org/mujer/proyectos/gtz/publicaciones/word_doc/Muriel_Zuniga.pdf
35. Regulación Financiera y Género. IDB. 2014
36. Data from the Global FINDEX Database
37. Banking on women bonds. International Finance Corporation. November, 2015. Browsed on April 18 2018. <https://www.ifc.org/wps/wcm/connect/92704680421785afbada7fe0678385eae/Banking+on+Women+Bonds+factsheet+November+2015+REV.pdf?MOD=AJPERES>
38. "You asked, we answer: can microloans lift women out of poverty?" National Public Radio Newroom. Nurith Aizenman. November 1st, 2016. Browsed on April 18th, 2018. <http://www.npr.org/sections/goatsandsoda/2016/11/01/500093608/you-asked-we-answer-can-tiny-loans-lift-women-out-of-poverty>.
39. The Global Findex Database. World Bank. Financial Inclusion in Latin America and the Caribbean. 2014
40. In OECD countries, this figure is 6%. Inclusión financiera en América Latina y el Caribe. Coyuntura actual y desafíos para los próximos años. IDB, 2015
41. CAF. Determinantes socioeconómicos de la educación financiera. Evidencia para Bolivia, Colombia, Ecuador y Perú. 2016.
42. CAF. Determinantes socioeconómicos de la educación financiera. Evidencia para Bolivia, Colombia, Ecuador y Perú. 2016.
43. La educación financiera en América Latina y el Caribe, Situación Actual y Perspectivas. CAF. 2013.
44. Hung, A., J. Yoong and E. Brown (2012), "Empowering Women Through Financial Awareness and Education", OECD Working Papers on Finance, Insurance and Private Pensions, No. 14, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5k9d5v6kh56g-en>

45. Regulación Financiera y Género. IDB. 2014.
46. IDB, World Bank and GTZ, 2010.
47. Women, Business and the Law 2016: Getting to Equal, report by The World Bank Group.
48. Regulación Financiera y Género. IDB. 2014.
49. Hung, A., J. Yoong and E. Brown (2012), "Empowering Women Through Financial Awareness and Education", OECD Working Papers on Finance, Insurance and Private Pensions, No. 14, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5k9d5v6kh56g-en>
50. Regulación financiera y género. El enfoque de género en las operaciones de reforma financiera de la División de Mercados de Capitales e Instituciones Financieras. Cristina Pailhé. IDB. April 2014
51. Investing in the Power of Women. Goldman Sachs. <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kw-progress-report/progress-report-full.pdf>
52. Candida Brush, Patricia Greene, Lakshmi Balachandra & Amy Davis (2017): The gender gap in venture capital- progress, problems, and perspectives, Venture Capital, DOI: 10.1080/13691066.2017.1349266
53. Global Partnership for Financial Inclusion, GPFI, Work plan 2011-2012 <http://www.gpfi.org/sites/default/files/documents/GPFI%20work%20plan-combined-200311%20Aug%2026.pdf>
54. Goldman Sachs Global Markets Institute. " Women-controlled finances have been shown to be more prone to invest in products and services that increase family activity (food, health, education, child care, consumer durables and savings).
55. According to the UN Women study "Progress of women in Latin America and the Caribbean 2017", the main income of a third of households comes from a woman.
56. <http://www.gbaforwomen.org/download/the-economics-of-banking-on-women/>. In brief. The economics of banking for women. GBA. 2017.
57. Strengthening Access to Finance for Women-owned SMEs in Developing Countries. October 2011. IFC.

58. Women's World Banking is a non-profit organization, dedicated to promoting access to credit for low-income women, through the provision of services, information and financial tools to microfinance entities.

59. Para consultar la cotización más reciente del Nordea Global Stable Equity Fund ver el siguiente enlace: <https://www.bloomberg.com/quote/NORGCXE:LX>

60. Investing in female CEOs pays off. Nordea press release. Consultado en abril 18 de 2018. <https://www.nordea.com/en/press-and-news/news-and-press-releases/news-en/2017/investing-in-female-ceos-pays-off.html>. September 8, 2017.

61. Anteriormente Morgan Stanley Capital International, se utiliza como punto de referencia común para los fondos de acciones mundiales o globales. El índice incluye una colección de acciones de todos los mercados desarrollados en el mundo.

62. Gender in the financial system. Superintendency of Banks and Financial Institutions SBIF. Chile. 2014

63. IFC. 2014. Women owned-SMES: A business opportunity for Financial Institutions. A market and credit gap assessment and IFC's portfolio gender baseline.

64. Information taken from the market study by Delia Passi, as published in her book: "Winning the toughest customer: the essential guide to selling to women". July 1, 2006.

65. Accenture, "Insurers Commit to Digital Transformation as a Lever of High Performance," 2013 Digital Insurance Survey: Europe, Latin America and Africa, (2013): 3-22.

66. Accenture, "Insurers Commit to Digital Transformation as a Lever of High Performance," 2013 Digital Insurance Survey: Europe, Latin America and Africa, (2013): 3-22.

67. ComScore. Marketing for Women. Data insights by ComScore. 22nd, 2013

68. Mary Ellen Iskenderian: a global model leader in women empowerment financial inclusion. Amazons Watch Magazine. August 18, 2016. Browsed on April 18, 2018. <https://www.amazonswatchmagazine.com/exclusive-qa/mary-ellen-iskenderian-a-global-model-leader-in-women-empowerment-financial-inclusion/>

69. LATAM 360 savings study carried out in 6 countries in Latin America (Mexico, El Salvador, Colombia, Peru, Uruguay and Chile) with a sample of more than 12,000 interviewees. https://www.inese.es/noticias/la-mujer-principal-promotora-del-ahorro-en-latinoamerica#.Wd6G_kyZN4o

70. The fixed-term deposit certificate with a fixed interest rate was born in California in the 1960s. Widows became their main client, since by inheriting financial resources from their husbands, they needed a conservative and easy-to-understand product, superior to the savings account.

71. Women entrepreneurs are now one-third of the world's business owners, and they are looking for ways to expand their businesses and contribute more to the wealth and security of their families. Despite this, relatively few insurers are targeting the women's market and positioning themselves to share in the success of these entrepreneurs. " Thomas D. Meyer, Accenture Insurance Industry Lead Europe, Africa and Latin America.

72. More women business leaders but still room for progress at the top. News from the ILO May 23, 2017. Browsed on April 18, 2018. http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_554702/lang--en/index.htm

73. This is an area of innovation related to real estate as collateral, an aspect that affects women more than men. As evidenced by the investigations conducted so far, women tend not to have large real estate holdings to use as collateral. The World Bank and the IFC have contributed to the establishment of mobile asset collateral registries in Malawi, in order to allow business owners access to financing.

74. This report provides data on barriers to entrepreneurship and employment for women in 173 economies. It includes global data on laws and regulations that affect the perspectives of women as entrepreneurs, while also facilitating the comparison of economies.

75. Doing Business 2017 presents quantitative indicators on business regulations and the protection of property rights in 190 economies.

76. "The private sector must take firm steps towards focusing on the visibility of women, putting more emphasis on how many women they manage to retain and promote and less on increasing the number that enters the organization." World Economic Forum, 2016.

77. BHD. Audited Financial Statements as of December 2016.

78. Argentarium.com. BHD's portfolio grew 15.8% in 2016. April 2017.
79. IFC. BHD León bank uses women-centric design to grow its market in the Dominican Republic. Gender Smart Business Solutions. 2016.
80. eldinero.com.do. Banco BHD muestra resultados de estrategia de género mujer. Mach 8, 2017.
81. Westpac. Annual Report 2016 and information from their web page
82. IFC. Strengthening Access to Finance for Women-Owned SMEs in Developing Countries. October 2011.
83. www.westpac.org
84. Westpac. Annual Report 2016
85. Best banks in Mexico 2017. Obtained from the following link: <https://www.rankia.mx/blog/mejores-opiniones-mexico/3452821-mejores-bancos-mexico-2017>. Retrieved on September 29, 2017. Information as of December 2015.
86. Annual report Grupo Financiero Banorte. Obtained from the following link: https://www.banorte.com/cms/gfb/RI/Informe_Anuual/Interativo2015/eng/cifras-relevantes.html
87. Taken from the following article: El DJSI 2016 suma cuatro nuevas empresas latinoamericanas. <http://mexico.corresponsables.com/actualidad/el-djsi-2016-suma-cuatro-nuevas-empresas-latinoamericanas>. December 9, 2016. Retrieved on April 18, 2018. The LAC banks in the DJSI 2016 are: Bancolombia, Davivienda, Banorte, Bradesco, Banco do Brasil, Itausa - Invercredit, Itaú.
- 88 .Principles for the Empowerment of Women. Obtained from the following link: <http://bit.ly/2qZuLJE>. Retrieved on September 29, 2017.
89. Hipoteca Mujer Banorte acapara una de cada 5 solicitudes. Obtained from the following link: <http://www.jornada.unam.mx/2012/08/01/economia/029n4eco>. Retrieved on September 29, 2017. Roberto González Amador. August 1, 2012.
90. Quienes somos Interfisa. Obtained from the following link: <https://www.interfisa.com.py/quienes-somos>. Retrieved on September 30, 2017.

91. 2016 Interfisa Annual Report. Obtained from the following link: <http://www.cnv.gov.py/registros/emisoras/interfisa/2016/InterfisaDiciembre2016.pdf>. Retrieved on September 30, 2017
92. EAC Consultores – Ezequiel Acha es una firma consultora en Paraguay especializada en formación y entrenamiento de la gerencia y recursos humanos de las empresas. <http://www.ezequielacha.com/team-member/quienes-somos/>
93. Progress report February 2012-2013. https://www.unglobalcompact.org/system/attachments/69271/original/Comunicación_de_Progresso_2013.pdf. Retrieved on September 30, 2017.
94. How Inclusive is Inclusive Business for Women? Examples from Asia and Latin America. Obtained from the following link: <https://www.adb.org/sites/default/files/publication/183942/inclusive-business-women.pdf>. Retrieved on October 1, 2017.
95. Making Women´s Work Visible: Finance for rural women. Obtained from the following link: <http://www.womensworldbanking.org/wp-content/uploads/2014/11/Making-Womens-Work-Visible-Rural-Finance-WomensWorldBanking.pdf>. Retrieved on October 2, 2017.
96. Annual Sustainability Report. Retrieved from: http://ri.portoseguro.com.br/conteudo_en.asp?idioma=0&conta=28&tipo=58436 Retrieved on September 30, 2017.
97. Seguro Auto Mulher: criado especialmente para elas. Obtained from the following link: <https://www.meuportoseguro.com.br/meu-carro/seguro-auto/seguro-auto-mulher-criado-especialmente-para-elas/>. Retrieved on October 1, 2017.
98. Relatório Anual de Sustentabilidade. Obtained from the following link: http://ri.portoseguro.com.br/download_arquivos.asp?id_arquivo=0D4EAE62-1294-4EF1-B4FA-EE73D709DEB8. Retrieved on September 30, 2017.
99. Relatório anual consolidado 2016. Obtained from the following link: https://www.itaubr.com.br/arquivosstaticos/RI/pdf/pt/Itau_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017
100. Itaú Mulher Empreendedora. Obtained from the following link: <https://imulherempreendedora.com.br/quem-somos>. Retrieved on October 1, 2017.

101. Itau and the MIF formalize a program to support female entrepreneurship in Brazil. Obtained from the following link: <https://www.fomin.org/en-us/Home/News/article-details/ArtMID/18973/ArticleID/57/Itau-and-the-MIF-formalize-a-program-to-support-female-entrepreneurship-in-Brazil.aspx>. Retrieved on October 2, 2017.

102. Relatório anual consolidado 2016. Obtained from the following link: https://www.itau.com.br/arquivosstaticos/RI/pdf/pt/Itau_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017.

103. Mujeres emprendedoras: una oportunidad de inversión inexplorada. Obtained from the following link: <https://blog.iic.org/2016/11/04/estan-los-bancos-de-america-latina-y-el-caribe-atendiendo-al-mercado-del-futuro/>. Retrieved on October 1, 2017.

104. Relatório anual consolidado 2016. Obtained from the following link: https://www.itau.com.br/arquivosstaticos/RI/pdf/pt/Itau_RAC_2016_port.pdf#page=18. Retrieved on October 1, 2017.

105. BBLC BANK - LEBANON: LEADING IN BANKING ON WOMEN - A STUDY. Obtained from the following link: https://www.ifc.org/wps/wcm/connect/f24d9b5f-855e-4502-a771-8f2f1c95c21b/Case+Study+BLC+Bank+Lebanon_31082016.pdf?MOD=AJPERES. Retrieved on October 1, 2017.

106. Annual Report 2016. Obtained from the following link: [https://www.blcbank.com/BackOffice/Media/NewsEvents/AR_BLC%20\(2\)1-085753-28092017.pdf](https://www.blcbank.com/BackOffice/Media/NewsEvents/AR_BLC%20(2)1-085753-28092017.pdf) Retrieved on October 1, 2017.

107. BBLC BANK - LEBANON: LEADING IN BANKING ON WOMEN - A STUDY. Obtained from the following link: https://www.ifc.org/wps/wcm/connect/f24d9b5f-855e-4502-a771-8f2f1c95c21b/Case+Study+BLC+Bank+Lebanon_31082016.pdf?MOD=AJPERES . Retrieved on October 1, 2017.

108. As of September 2017, the Bank has 8.92 million borrowers, 97% of whom are women. With 2,568 branches, GB provides services in 81,399 villages, representing more than 97% of the total villages in Bangladesh.

109. Battle for the sexes: the 2016 crowdtwist gender loyalty report. Crowdtwist. September 2018. Retrieved on April 2018. <http://resource-center.crowdtwist.com/i/776415-2016-gender-loyalty-report/3>

110. Analysis by the authors based on information in the World Bank database. <https://data.worldbank.org>

ABOUT THE AUTHORS

Gracia María Barahona has 20 years' experience in development banking, a substantial part focused on the field of sustainable finance, including the design of numerous portfolios and innovative products for the financial sector, in the areas of renewable energy, microfinance, biodiversity and climate change. She has procured and managed several hundred million dollars from various international sources - Mexico, IDB, JBIC, GEF, UNDP - for regional development projects and initiatives. She is currently the Director of the Ecobanking project, CLACDS / INCAE, a visionary program that provides knowledge and tools for environmental and social management to improve the competitiveness of financial institutions in the Latin American region. She studied economics at the UNAH and holds an MBA in sustainable development from the INCAE Business School.

Mariángeles Camargo combines a career in finance with extensive experience advising on sustainable finance in Latin America. She started her career in the Colombian financial sector, and after 12 years in commercial banking, investment banking, project financing and private investment funds, she became an independent consultant. She has worked in the financial sector in organizations such as Suleasing Internacional (Grupo Bancolombia), the International Finance Corporation (World Bank Group) and UBS. She has advised various financial institutions in the region, including multilateral entities such as the IDB, the IIC and CAF-Development Bank for Latin America. She is a business administrator from the Autonomous University of Bucaramanga, holds a Master's degree in Finance from Bentley College and a certificate of special studies in Administration and Management from Harvard University/Extension School. She is accredited as Internal Auditor (TPECS) OHSAS 18001-2007 and Lead Auditor (TPECS) ISO 14001: 2015.

Lawrence Pratt is a member of the Faculty at INCAE Business School and founder of several programs that enjoy international recognition, such as the Ecobanking Project (www.ecobankingproject.org) and the Sustainable Markets Intelligence Center (www.cims-la.com). He has advised several multilateral financial institutions and their Latin American partners on the design of sustainable financial products, as well as consulted on the implementation of environmental and social risk systems for more than 20 commercial and development banks in Latin America. He also serves as advisor and consultant to several multilateral organizations, as well as manufacturing, natural resources and financial services companies in the United States, Europe and Latin America. He has focused his research on the incorporation of sustainability in the strategic positioning of countries, industries and companies. He is a graduate of the College of William and Mary (Virginia, USA), and holds a Masters degree of Public and Private Administration from the Yale School of Management (Connecticut, USA).



Copyright 2018. Proyecto Ecobanking del CLACDS, INCAE Business School.
Design: Marcela Martínez - marcemargo@gmail.com
Editor in Chief: Eugenia Wo Ching - eugeniaws@gmail.com