

# WOMEN RISING

A STUDY OF THE GROWING  
FINANCIAL POWER OF  
**THE WOMEN'S MARKET**  
IN LATIN AMERICA AND  
THE CARIBBEAN AND  
WHAT THIS MEANS FOR  
**FINANCIAL INSTITUTIONS.**



Investment Funds



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## IDB Invest

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IDB Invest, a member of the IDB Group, is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social, and environmental development in the region. With a portfolio of \$13.1 billion in assets under management and 385 clients in 25 countries, IDB Invest provides innovative financial solutions and advisory services that meet the needs of its clients in a variety of industries.

# Acronyms

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**ABM:** Mexican Association of Banks

**AFI:** Alliance for Financial Inclusion

**AMSOFIPO:** Asociación Mexicana de Sociedades Financieras Populares

**ASBANC:** Commercial Banks Association of Peru

**CAGR:** Compound annual growth rate

**CCX:** ConsumerCentriX

**CGAP:** Consultative Group to Assist the Poor

**CNBV:** Comisión Nacional Bancaria y de Valores

**CoDi:** Cobro Digital, Mexico

**Co-op:** Cooperative

**DEI:** Diversity, equity, and inclusion

**DFS:** Digital financial services

**ESG:** Environmental, social, and governance

**FAW:** Financial Alliance for Women

**FI:** Financial institution

**Fintech:** Financial technology

**FMO:** Dutch Entrepreneurial Development Bank

**FUNDEA:** Fundación para el Desarrollo Empresarial y Agrícola

**ICT & ID:** Information communications technology and identification data

**IDB:** Inter-American Development Bank

**IDB Invest:** Inter-American Development Bank Invest

**IFC:** International Finance Corporation

**IPA:** Innovations for Poverty Action

**KPI:** Key performance indicator

**KYC:** Know Your Customer

**LAC:** Latin America and the Caribbean

**MDB:** Multilateral development bank

**MFI:** Microfinance institution

**MICOOPE:** Federation of savings and credit cooperatives in Guatemala

**MSME:** Micro, small, and medium enterprise

**NFS:** Non-financial services

**NPL:** Non-performing loan

**QR:** Quick response code

**ROI:** Return on investment

**UNHCR:** United Nations Refugee Agency

**UN Women:** United Nations Entity for Gender Equality and the Empowerment of Women

**USAID:** United States Agency for International Development

**WFI:** Women's Financial Inclusion

**WMSME:** Women-owned/-led micro, small, and medium enterprise

**WSME:** Women-owned/-led small and medium enterprise

**WWB:** Women's World Banking

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# Foreword



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Financial Institutions in Latin America and the Caribbean have taken important steps to close gender financial gaps and have dramatically advanced in data collection to better understand how they can help women entrepreneurs grow their businesses. The women's market is increasingly relevant for many financial institutions in the region, including banks, microfinance institutions, and FinTech. On average, 41 percent of financial institutions surveyed consider women a key element of their strategy.

**We're at a tipping point.** IDB Invest's findings in "Women Rising" show why we are at an exceptional moment to substantially improve the role of FIs in women's entrepreneurs' financing.

There are opportunity costs in neglecting this market. In only five more years, women will control [75 percent](#) of discretionary spending worldwide. Moreover, we know that today, in

our region, women own nearly one-quarter of entrepreneurial enterprises and small and medium businesses. Even with this, at \$86 billion (about \$260 per person in the US), the credit gap for women is among the highest in the world.

Only 18 percent of Financial Institutions without a women small and medium enterprises (WSMEs) definition have a dedicated offering for women businesses, while 85 percent of FIs that have identified the segment offer products geared toward women business customers. This study revealed how, for financial institutions, it is not enough to collect general information about clients' creditworthiness or repayment behavior. The collection of sex-disaggregated data must be automated and used to improve products and services. Only then will financial institutions be able to expand their women's market propositions.

**Women's financial inclusion is a journey, and this journey starts with ambition.**

The study shows that financial institutions that are truly reaching the women's market have several common characteristics: an embedded gender lens into product development, an efficient and user-friendly online platform, gender-inclusive credit processes, adjusted interest rates, targeted cross-selling initiatives, and non-financial services, among others. The key is to design women-centered approaches that consider entrepreneurs' main pain points when accessing credit. We hope you find the women's market best practices compiled from over 240 financial institutions as useful as we do so we can all contribute to closing gender financial gaps in Latin America and the Caribbean.

# 1 Executive summary

How are women in Latin America and the Caribbean served by the financial sector today? What drives financial institutions' investment in products targeting the women's market? What are the opportunities available to those serving this market? This first-of-a-kind study, spanning more than 240 institutions in 13 countries and covering much of the financial sector in these nations, provides answers to these critical questions, with insights gleaned from financial data, an extensive survey of the players in the financial sector, and numerous in-depth interviews with stakeholders<sup>1</sup>.

The research, commissioned by IDB Invest as part of its efforts to advance women's financial inclusion in the region, draws on information provided by commercial banks, fintechs, microfinance institutions, cooperatives, and first-tier development banks, offering a comprehensive look at the state of the women's market across the entire financial ecosystem and within its various subsectors. It explores the extent to which women's financial needs are being met, uncovers evidence of the business case for serving women, and identifies revenue opportunities for financial institutions that expand their women's market propositions<sup>2</sup>.

The findings describe a unique moment in time, **pointing to a clear way forward to improve women's financial inclusion, as well as revealing a considerable financial opportunity for the financial institutions** that operate in these markets.

For financial institutions (FIs) in the countries studied, the research underscores that **now is the time to make concrete and determined commitments aimed at serving the women's market. As more women have a say in significant financial decisions, financial institutions will need to adapt to find ways to better meet their financial needs.** Although women's financial inclusion is a journey, the journey starts with ambition. Women's banking is not about pink-washing or a half-hearted marketing effort. In fact, it is not worth the investment without a strong commitment to quality and follow-through. This study shows that the financial institutions that are truly serving women have several characteristics in common. Their experience serving the female market points to a minimum threshold for women-centric financial and non-financial products and services that FIs should offer, based on their own market context.

**The report also reveals that there are opportunity costs for FIs in neglecting the women's market.** A strong focus on women's banking can allow institutions to stand out from the competition and thus improve their market position. However, **designing successful women's financial products means applying a gender lens to all aspects of the sales funnel.** This means putting in place efficient digital financial services, gender-inclusive credit processes, alternative credit scoring, targeted cross-selling initiatives, and non-financial services.

<sup>1</sup> The countries featured in the study were Bolivia, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Paraguay and Peru.

<sup>2</sup> A range of products and services targeting women and adapted to their specific needs.

Tapping into the women's market will also require **prioritizing sex-disaggregated data collection and analysis**, and enhanced data systems to enable the routine and timely generation of high-quality, detailed sex-disaggregated metrics. This will allow progress to be measured, uptake to be assessed, and gaps in the market to be identified that could be filled by new products targeting women.

**FIs interviewed as part of this study identified internal capacity limitations as the main barrier preventing the collection of sex-disaggregated data.**

They may have the data available but lack the systems to extract it quickly and easily in a disaggregated fashion.

The study highlights another important message for FIs: Focus on women-led businesses, as they tend to have significant financing needs that are not being met. This gap between supply and demand presents a significant business opportunity for FIs prepared to act fast. However, this requires deliberate national and institution-level strategies.

## Main Findings

Most FIs in the countries studied—77 percent—reported that they either have a strategy in place aimed at targeting the women's market, or are considering developing one. This suggests that FIs in these countries are aware of the women's market and could be poised to take advantage of the opportunity that this market represents.

## Modeling in three countries revealed a significant annual revenue opportunity in the women's market for financial institutions



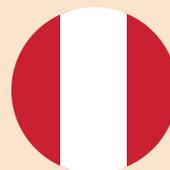
GUATEMALA:

**\$283**  
MILLION



MEXICO:

**\$1.87**  
BILLION



PERU:

**\$756**  
MILLION

**However, a more granular look at the findings reveals that the degree of ambition and progress varies from country to country and depending on the types of financial institutions in a particular market.** For example, only

about one-third of the commercial banks in the countries surveyed currently have a women's market strategy in place for the women's market, although an additional 40 percent reported that they are considering developing one of—<sup>3</sup>.

Of the banks with products aimed at women, most see them as an aspect of their corporate social responsibility (CSR) or environmental, social, and governance (ESG) initiatives, rather than as a mainstream growth opportunity. For microfinance institutions, development banks, and cooperatives, women's market propositions are largely the results of their social and development-driven missions.

**In fact, the fintech sector is alone in seeing the strong potential of the women's market as a way of growing its customer base.** The evidence indicates that this sector, which has already disrupted traditional ways of conducting financial transactions, is creating further positive disruption by upending financial ecosystem norms and mainstreaming a focus on women as a strategic customer segment.

**There is a strong business case for serving the women's market, with the research revealing that women retail and business customers pay their loans back at better rates than men.** The difference in 90-day non-performing loan (NPL) ratios is significant. For example, at 2.7 percent, the average 90-day NPL ratio, specifically for commercial banks' women retail customers, is well below the four percent average 90-day NPL for men. Earlier studies have found a strong correlation between lower NPL ratios and higher bank profitability<sup>4</sup>.

**The business case is further amplified by the significant contribution of FIs' female customer base—representing nearly 50 percent of their retail customers and a sizeable share of their business customers—and the emerging evidence of higher growth rates for these.** Evidence from individual banks points to significant compound annual growth rates (CAGRs) for these women's market portfolios—surpassing the CAGR of the total portfolio. For FIs, the message here is that overlooking the growing financial clout of the women's market and its various customer segments could lead to a weakening of their overall positioning.

**Market modeling in three countries—Guatemala, Mexico, and Peru—conducted as part of this study further cements the business case.** This revealed that the untapped annual revenue opportunity in the women's market for FIs ranges from \$1.87 billion in Mexico to \$756 million in Peru and \$283 million in Guatemala.

**In relation to sex-disaggregated data, the study indicates a trend toward more of this data being collected and analyzed, especially in retail portfolios, with 68 percent of financial institutions reporting that they collect and tabulate data separately for men and women.** Of those FIs that collect sex-disaggregated data, 57 percent reported that they track it for all products in their retail portfolio. At 41 percent, the tracking of data on women-owned/-led micro, small, and medium enterprises (WMSMEs) lags behind.

<sup>3</sup>The Financial Alliance for Women (FAFW) defines a women's market strategy as one specifically targeting women with a comprehensive value proposition that includes both financial and non-financial services.

<sup>4</sup>Elekdog, S., Malik, S., & Mitra, S. 2020. "Breaking the Bank? A Probabilistic Assessment of Euro Area Bank Profitability." *Journal of Banking & Finance*. Vol. 120.

Collecting sex-disaggregated data on enterprises remains a manual process for most FIs in the countries studied—except for fintechs, which have inherent automated capabilities. The reliance on a process that involves staff manually recording and tagging data disaggregated by sex could impact data quality and comprehensiveness, leading

to inaccurate conclusions. This institutional capability gap represents an opportunity for technical service providers to offer guidance and support on how to upgrade and make better use of their existing systems.

Most FIs, apart from fintechs, include sex-disaggregated data in their regular management reporting: more than 55 percent of the FIs

surveyed said they reported this information. Of those that include it in their reporting, the vast majority—86 percent—said they use it to track how well they are doing towards achieving the goals of a specific initiative.

**However, they do not translate the data on hand into key performance indicators (KPIs), either at the operational or individual managerial level, meaning that there are neither consequences for falling short on targets nor incentives for achieving them.**



**FOR MOST FINANCIAL INSTITUTIONS IN THE LATIN AMERICAN AND THE CARIBBEAN COUNTRIES STUDIED, THE BUSINESS CASE FOR SERVING THE WOMEN'S MARKET IS EVIDENT FROM THEIR CLIENT DATA. THE PROBLEM IS THAT THEY HAVE NOT USED THIS DATA TO MAKE THE CASE.**

In addition, the extent to which the data is used to assess returns on women-focused investments, or to inform product design, risk management policies, and future strategies targeting the women's market, remains limited. **FIs could be overlooking a critical business imperative to offer more products and services aimed at women by failing to analyze data that is already available to them, which could provide**

**insights—such as on non-performing loan ratios, return on investment or profitability, and size of the market—broken down by gender.**

For donors, regulators, and others participating in the financial ecosystem, the study reveals a strong need for guidance and support in a variety of areas, such as understanding the business case for serving women

customer segments, including WMSMEs; developing a holistic women's market strategy designing products and services aimed at women; using sex-disaggregated data to provide actionable insights; and de-risking investments targeting the women's market. To date, however, the survey shows that there has been limited uptake of donor support or technical assistance, both region-wide and across all types of financial institutions. Increased access to and use of such technical assistance could lead to a notable uptick in the availability of products and services targeting women, particularly as FIs' awareness is raised about the value of providing such an offering for women.

# 2

## Why focus on the women's market now?

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Now, more than ever, the women's market represents an important business opportunity, serving as a differentiator that could strengthen a financial institution's market position. While sizing the women's market remains difficult, the potential is clear. Research suggests that by 2028, women will control 75 percent of discretionary spending worldwide.<sup>5</sup> In Latin America and the Caribbean (LAC), women's buying power is on the rise. Women own nearly one-quarter (22 percent) of the region's entrepreneurial enterprises and small and medium businesses (WMSMEs), making it a commercial segment that is filled with potential, with significant collective purchasing power and growth prospects.<sup>6</sup> And yet, at \$86 billion, the credit gap for WMSMEs in Latin America is among the highest in the world.<sup>7</sup>

In the last five years, LAC countries have made significant progress towards women's financial inclusion, as defined by increases in women's account ownership. Across the 13 countries covered in this study, nearly 50 percent of women over the age of 15 own accounts, although this varies from a low of around 29 percent in Honduras and El Salvador to a high of 81 percent in Brazil.

Based on the countries surveyed as part of this study, LAC women account for more than half of financial service providers' customers, and this figure continues to grow, as regulatory pressure has led to women's increased financial inclusion in the region. This is an indication of strong demand from female customer segments.

The 2021 edition of the World Bank's Global Findex report shows a decline in the gender gap for account ownership in the region between 2017 and 2021. Notable exceptions are Bolivia, where there was an increase in the gender gap of 9.6 percentage points in 2021, and Honduras, which saw an increase of 10.4 percentage points.<sup>8</sup> There was no available data on women's financial inclusion for Haiti.

However, the Findex findings also highlight that women's financial inclusion is far from universal across the region, and significant gender gaps remain. These gaps represent a significant opportunity for the region's financial institutions, as they are not currently maximizing the market potential.

<sup>5</sup> Neilson. "Wise Up to Women." March, 2020.

<sup>6</sup> Vegas-Lee, Camila. "Caribbean." DB ConnectAmericas blog

<sup>7</sup> IDB Invest. "Growing as Equals." August, 2018.

<sup>8</sup> World Bank. 2021. Global Findex.

To understand more about how financial service providers are serving the women's market in the region and gain insight into the business opportunity open to the financial industry, IDB Invest conducted in-depth research that looked at the current state of the women's market within the financial ecosystems of 13 LAC countries, these serving as a representative sample for the entire region. The research sought to further quantify the business case for FIs of prioritizing the development of holistic strategies targeting the women's market. It also set out to uncover common characteristics among institutions currently having success with their products aimed at women, as a way of providing guidance for others interested in more specifically serving the female market. Specifically, the research looked at several aspects of FIs' women's market performance in relation to the women's market to build up an accurate picture, including:



Women's market strategy



Size and characteristics of their portfolio of products aimed at the women's market, including mix of products and non-financial services



Management of sex-disaggregated data



Use of technical assistance





## *About the **research methodology***

The research team used a combination of quantitative and qualitative research methods for the study. The quantitative research consisted of a structured, online survey provided to selected financial institutions in each country. Qualitative research methodologies included an open-ended online survey to capture market performance data from FIs, and semi-structured, in-depth interviews with selected FIs and financial ecosystem stakeholders. The research team also conducted three country case studies (for Mexico, Guatemala, and Peru) using the analytical framework developed by the Alliance for Financial Inclusion (AFI) to assess whether an enabling environment has been created for women's financial inclusion.

The survey sample consisted of 13 countries: Bolivia, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Paraguay and Peru.

## No. of FIs surveyed by country

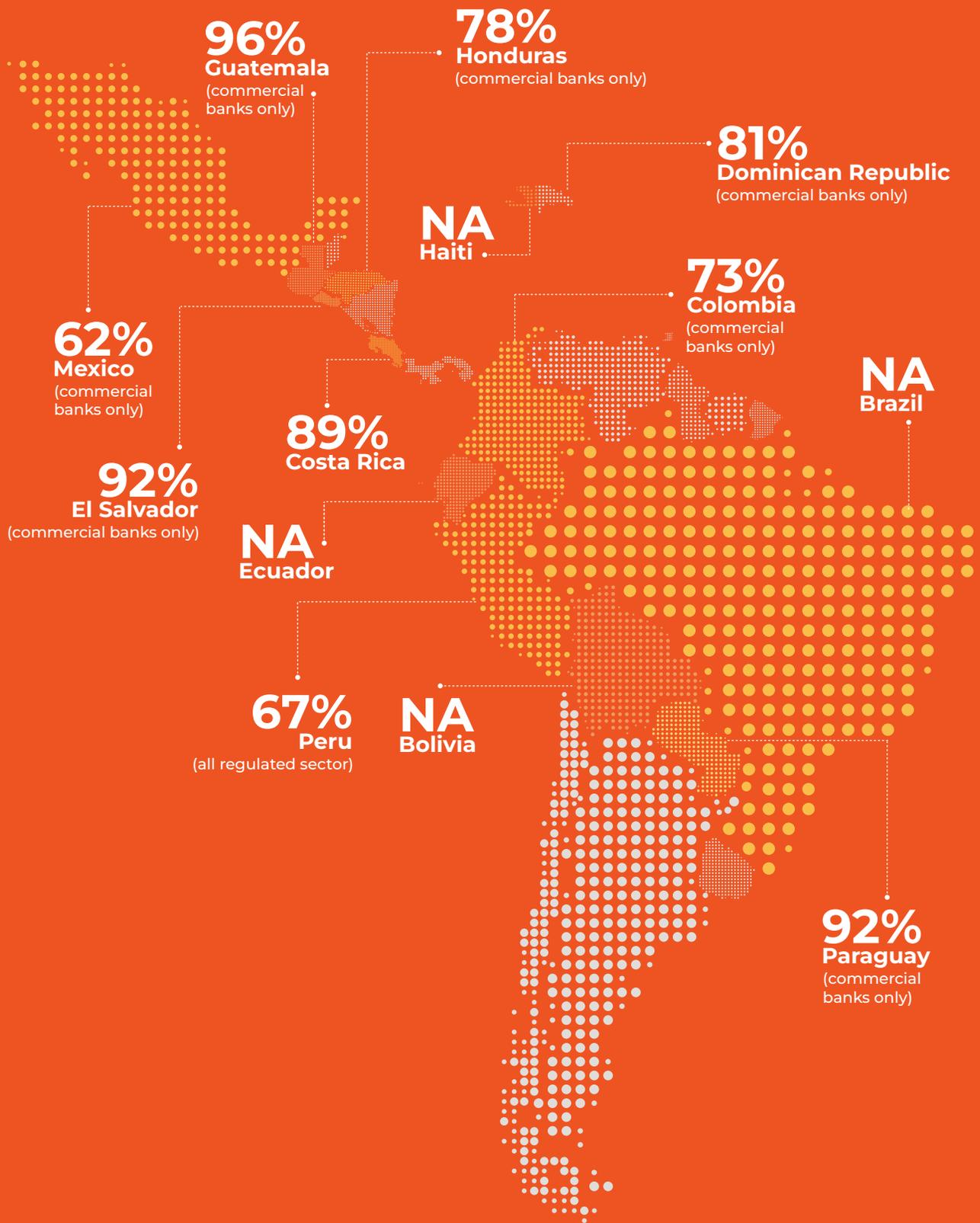


Within each country, a representative sample covering different types of financial institution was selected, including banks, fintechs, development banks, cooperatives and microfinance institutions.

This approach resulted in an 87 percent response rate based on the 282 online surveys sent out, covering more than 60 percent of the financial market assets in most countries, and included responses from 13 regional bank groups. In total, the research team collected 161 market performance data sets from financial institutions, and 32 in-depth interviews with representatives of 32 leading financial institutions, yielding deep insights into their perspectives on the women's market. For more detail on the research methodology, see Appendix B.

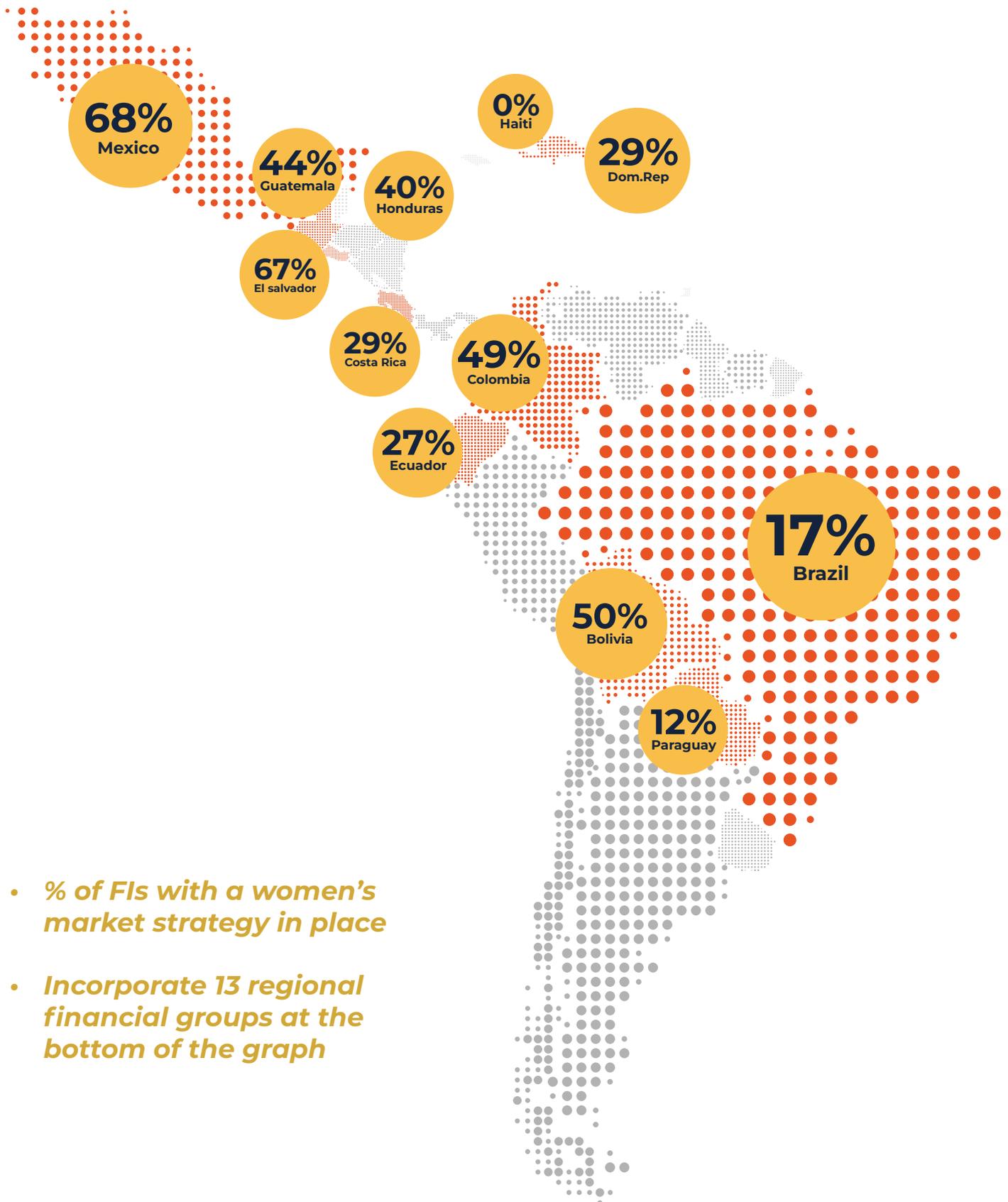
Figure 2.1

*% of market assets coverage per country<sup>9</sup>*



<sup>9</sup>In most markets, commercial banks make up 80% or more of market assets and represented the only official information available

*Proportion of respondents with a strategy to serve the women's market, by country*



- *% of FIs with a women's market strategy in place*
- *Incorporate 13 regional financial groups at the bottom of the graph*

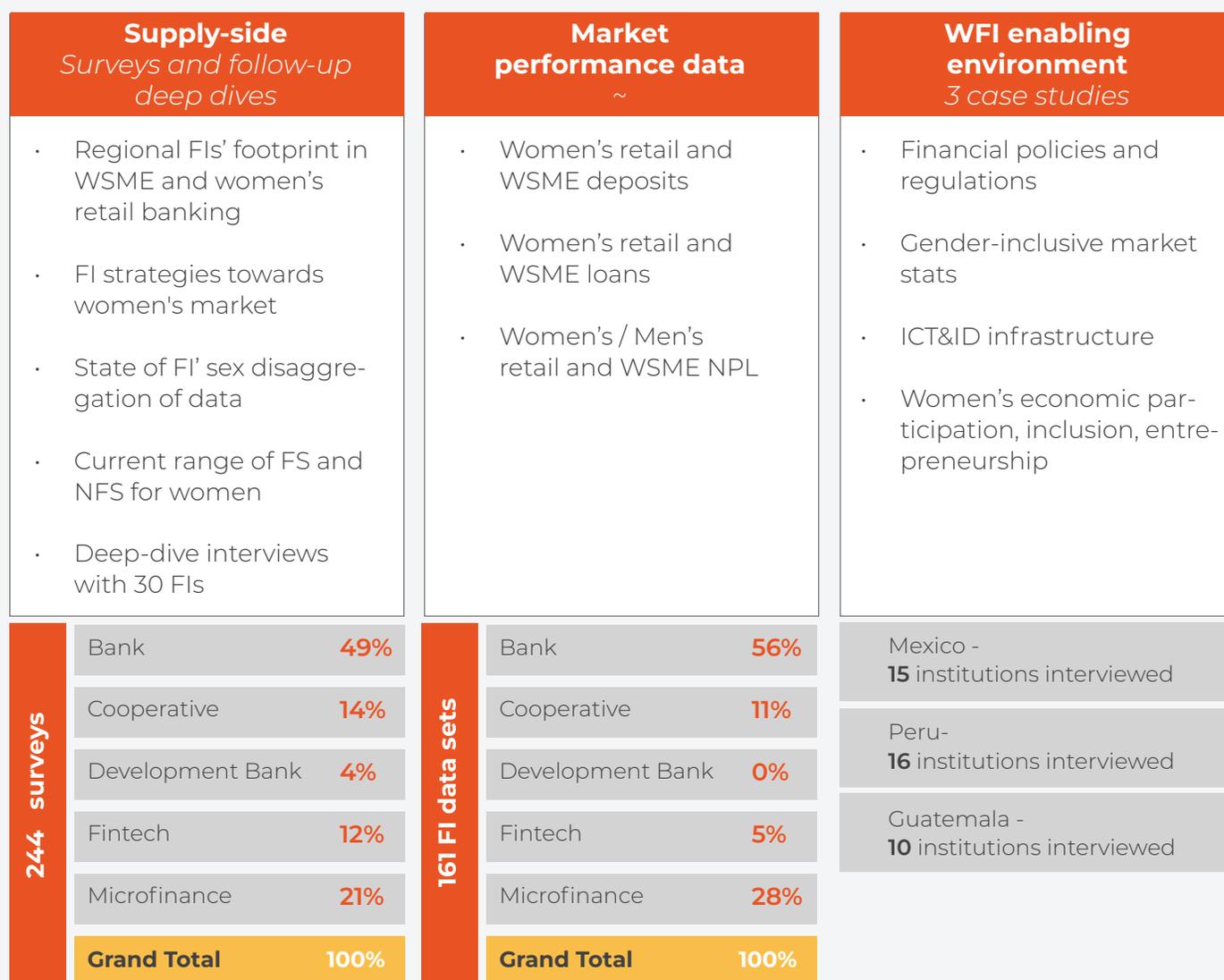


FIGURE 2.2. Research scope

# About the research process

During the months of August to December 2022, the research team conducted an online survey of financial institutions in the region, including banks, fintechs, development banks and microfinance institutions, using a survey tool that included 40 questions. In addition, local experts in each country reached out to key players in the financial ecosystem, conducting in-depth interviews with representatives of 32 leading financial institutions.

# 3

## How are LAC financial institutions currently serving women?



**The research revealed significant progress in terms of closing gaps in women's financial inclusion in the countries studied.** In general, women accounted for nearly 50 percent of the customer base of financial institutions across the 13 countries making up the study's sample.

However, performance varied by country—and often by type of financial institution. For example, in Mexico, 45 percent of commercial banks and 88 percent of microfinance institutions (MFIs) reported having a women's market strategy in place or plans to introduce one, compared with 25 percent of Peruvian commercial banks and 80 percent of the country's MFIs.<sup>10</sup> In Haiti, none of the surveyed FIs had a strategy for the women's market, while in Paraguay, 15 percent of commercial banks had one, but no other financial institutions had either a strategy or plans to develop one. Similarly, the extent to which FIs disaggregate their data by sex ranges from as high as 85 percent in Peru to 38 percent in Haiti. Access to technical assistance<sup>11</sup> with matters relating to women's financial inclusion also varies widely, although it remains relatively low throughout the region—possibly indicating significant unmet demand. The following sections highlight the findings from the main areas covered by the survey.

<sup>10</sup>For a definition of a women's market strategy, please see glossary.

<sup>11</sup>The study did not ask directly about the accessibility of technical assistance. Respondents were asked whether they had received such assistance or not (the question asked was: Have you received technical assistance to help you advance your women's market strategy?).

## 3.1 Women's market strategy

**Most financial institutions in the countries surveyed consider the women's market to be a relevant customer segment.** About one-third of banks (32 percent), fintechs (30 percent), development banks (33 percent), and cooperatives (38 percent) said that women are currently a core part of their strategy, while 71 percent of microfinance institutions (MFIs)—whose clients are primarily women—indicated that women were a core part of their strategy. In addition, a significant portion of FIs indicated that developing a women's strategy was on their radar: 43 percent of banks, 37 percent of fintechs, 18 percent of MFIs, 44 percent of development banks and 38 percent of co-ops.

**Nevertheless, there is still room for progress: 22 percent of banks and 30 percent of fintechs in the countries surveyed indicated that they had not even considered a women's market strategy.**

*What best describes your institution's approach to female customers of financial services? (All countries)*

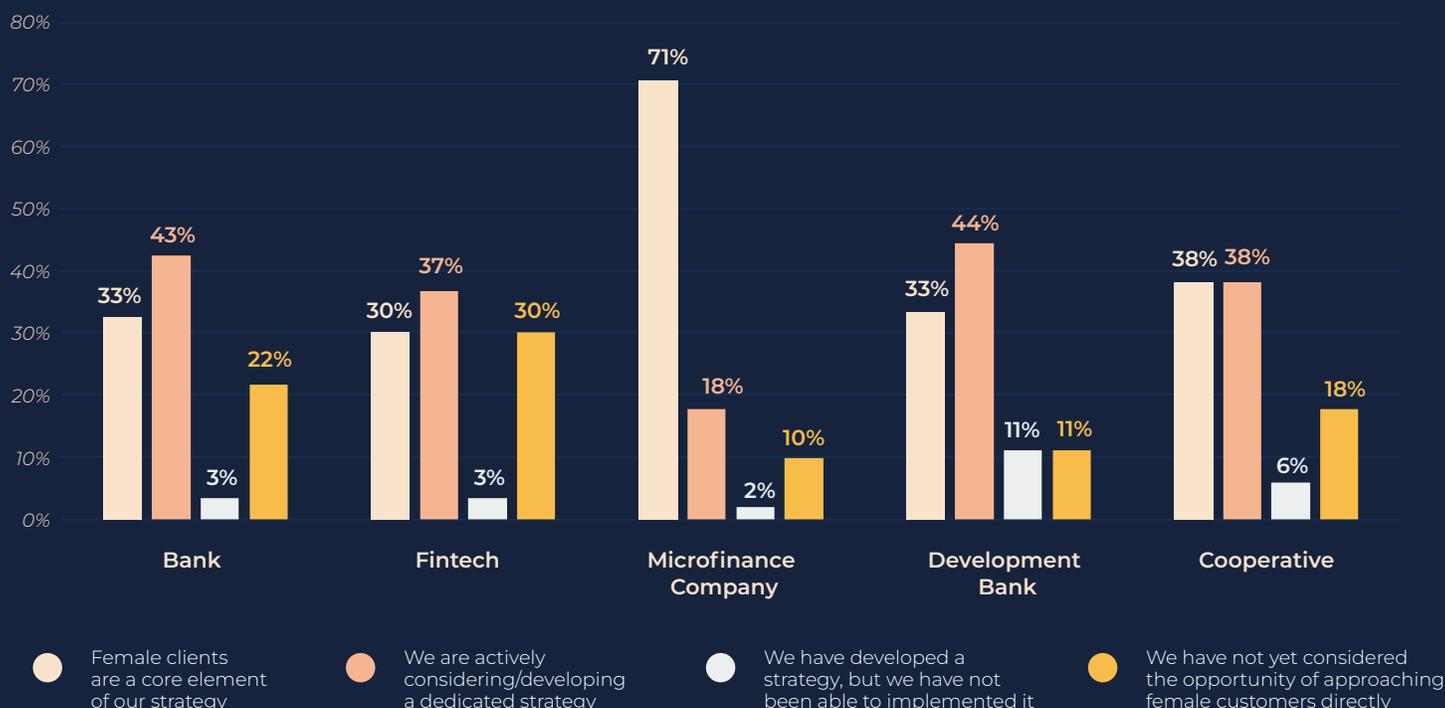


Figure 3.1.1 Extent to which respondents had developed a women's market strategy, by type of financial institution

## Successful women's market approaches: *What market leaders are doing*



In Colombia, **Juancho Te Presta dedicates a larger portion of its lending portfolio** to women and provides longer repayment terms (up to 36 months) and more affordable rates (15 percent lower than for men).



**In Mexico, KUBO Financiero tailored their marketing approach and redesigned their customer forms** after noting that women were drawn to a softer communications style, less technical language, and more user-friendly formats. Specifically, they developed more inclusive communications materials, simplified their credit application forms, and created a more intuitive and user-friendly onboarding process.



**In Paraguay, Visión Banco developed a comprehensive market proposition aimed at women**, which involves preferential rates and minimum requirements. Benefits include an exemption on average balance requirements for account holders, discounts at numerous businesses, and home and vehicle insurance services through partnerships with plumbing and electricity contractors.



**In Ecuador, Banco Pichincha offers a comprehensive range of products tailored to women retail and WSME customers**, including credit with flexible terms and guarantees, and home and business insurance.



**In El Salvador, Banco Cuscatlán** created a dedicated WMSME customer service and coaching platform called Mujer Cuscatlán.



Of those with a women's market strategy, most respondents said that they have targeted marketing aimed at women, and that they have developed specific products for the women's market, including retail customers and WMSMEs. However, what constitutes a women's market strategy differs from institution to institution within individual countries (*Figure 3.1.1*) and from country to country (*Figure 2.1*). For example, in Paraguay, the products FIs were using to target the women's market ranged from undifferentiated products and services overlaid with women-friendly messaging, and value propositions targeting women that included one or two products and services with women-focused features, to a comprehensive strategy for the female market featuring a holistic product offering aimed at women retail and WMSME customers, combining dedicated products and non-financial services.

Survey respondents with market propositions for the women's market cited ease of access, customized service, and flexible requirements as important differentiators that drive uptake.



**Through market research, we understand the specific needs and constraints [of female customers], and which subsegments can be identified. We developed 24 diverse segments, combining economic and social variables, and identified specific needs [for each group].**



**Fundación Génesis Empresarial,**  
Guatemala

## **Analysis:** *What the study reveals about the rationale for a women's market strategy*

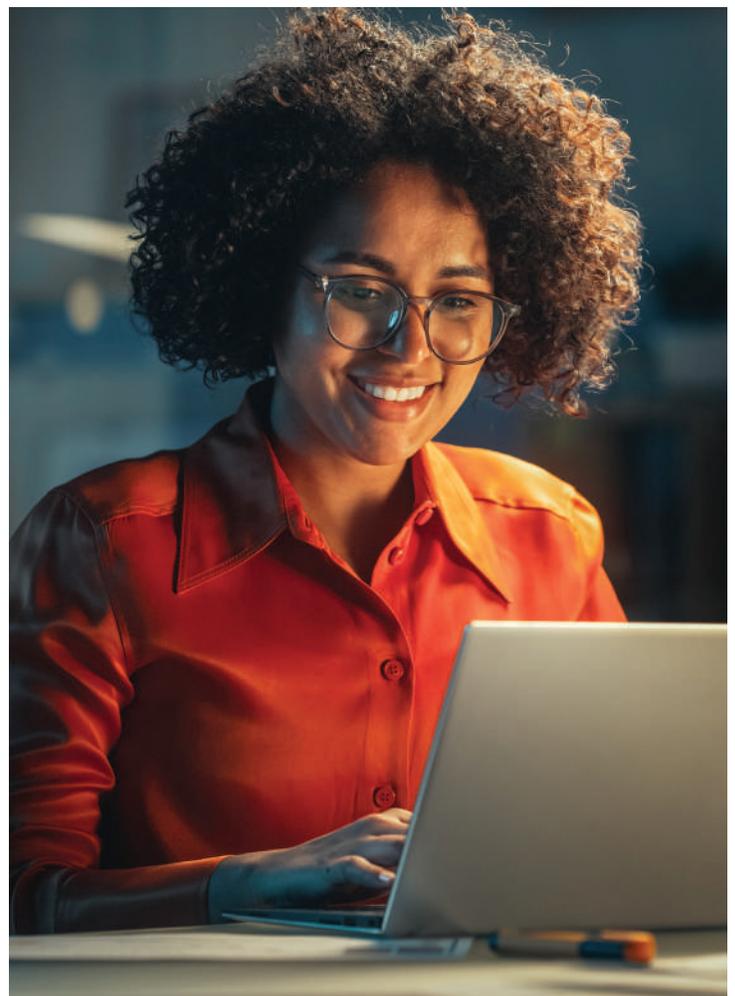
**A look at the survey responses reveals that only a handful of FIs in the countries surveyed see a business imperative for investing in a women's market strategy (Box 3.1.2).** This could be due in part to a lack of understanding of what it means to have market proposition targeting women or why it is important.<sup>12</sup>

Most FIs in the commercial banking sector of the countries studied consider women's market strategy to be part of their corporate social responsibility (CSR) or environmental, social, and governance (ESG) initiatives. However, they are waking up to the business case for serving the

<sup>12</sup> Financial Alliance for Women. 2014. "How Banks Can Profit From the Multi-Trillion Dollar Female Economy."

women's market, with more than 40 percent indicating that they see more actively targeting women as a way of increasing engagement, while about one-quarter understand that the women's market could be a way of growing their customer base or standing out from the competition. For MFIs and other institutions, market propositions aimed at women are largely the product of their social and development-driven mission.

**Within the FI sector, fintechs stand out as an exception, with the majority—67 percent—reporting that they see the women's market as a genuine business opportunity.** This is an indication that fintechs represent the vanguard of change, as their business-driven focus on the women's market has the potential to accelerate progress on women's financial inclusion.



“Our women’s market strategy is driven by **CORPORATE SOCIAL RESPONSIBILITY OR OUR SOCIAL MISSION.**”



**79%**  
BANKS

**67%**  
FINTECH

**100%**  
DEVELOPMENT  
BANK

**77%**  
CO-OPS

**89%**  
MFIs

“Our women’s market strategy is driven by a desire to **GROW OUR CUSTOMER BASE.**”

**26%**  
BANKS

**67%**  
FINTECH

**0%**  
DEVELOPMENT  
BANK

**15%**  
CO-OPS

**31%**  
MFIs



“Our women’s market strategy is driven by a desire to **INCREASE ENGAGEMENT AMONG OUR EXISTING CUSTOMERS.**”



**44%**  
BANKS

**33%**  
FINTECH

**0%**  
DEVELOPMENT  
BANK

**38%**  
CO-OPS

**36%**  
MFIs

“Our women’s market strategy is driven by a desire to **STAND OUT FROM THE COMPETITION.**”

**23%**  
BANKS

**22%**  
FINTECH

**0%**  
DEVELOPMENT  
BANK

**15%**  
CO-OPS

**8%**  
MFIs



# Challenges to financial institutions implementing a women's market strategy



Survey participants cited several challenges<sup>13</sup> hindering them from serving the women's market and developing a holistic strategy. The following are the top five issues reported:

## 1 Lack of the knowledge needed to develop a women's market strategy, including how to approach product design and marketing:

Forty-two percent of MFIs, 37 percent of fintechs, and 25 percent of banks cited lack of knowledge as a primary barrier to designing women-centric financial services.

## 2 Limited understanding of the business value or rationale for a differentiated approach:

Twenty-eight percent of banks, 19 percent of fintechs, and 13 percent of MFIs said they did not see a compelling business case for more actively targeting women. Several said that their existing products meet the needs of the customers they want to reach, regardless of gender.

## 3 Insufficient system capacity to sex-disaggregate data:

Twenty-five percent of banks, 24 percent of MFIs, and 11 percent of fintechs said their systems could not handle disaggregation.

## 4 Limited budgets for targeted marketing:

Twenty-five percent of banks, 30 percent of fintechs, and 42 percent of MFIs said they did not have the marketing resources to devote to campaigns aimed at women customers.

## 5 Lack of internal alignment:

Sixteen percent of banks, 11 percent of fintechs, and 7 percent of MFIs reported that organizational buy-in was an obstacle to moving forward with women-targeted products.

Other frequently cited challenges included lack of the internal structure and resources needed to support the development of products targeting women, and fierce competition in the female market.

<sup>13</sup> These challenges were identified by FIs that had either developed a strategy but had not been able to implement it, or had not considered the possibility of targeting female customers directly.

## The takeaway

**The findings of this study reveal a growing awareness of and interest in the women’s market among FIs, as well as an appetite for addressing barriers and identifying solutions. However, although the demand is clearly there, it is not yet being met, representing an important opportunity for businesses get ahead of the curve.**

While some FIs have started to invest in a meaningful and holistic women’s market strategy and others are considering doing so, there are barriers to overcome—starting with accepting that prioritizing such investments makes good business sense. A willingness to consider possibilities, learn from the positive experiences of fellow FIs in the region, and embrace opportunities to deepen one’s knowledge and understanding of the women’s market may begin to break down these barriers.



### BOX 3.1.3

#### *Primary providers of WFI-related technical assistance in Latin America and the Caribbean*

- IDB Invest
- IFC
- USAID

**For technical assistance providers, the findings also reveal a significant opportunity for increased activity in the region.** At an average of around 23 percent across all 13 countries surveyed, only a small percentage of FIs reported receiving or taking advantage of technical assistance. This, despite the fact that there is clearly demand for it, since FIs themselves reported a desire to fill the gaps in their knowledge and awareness.



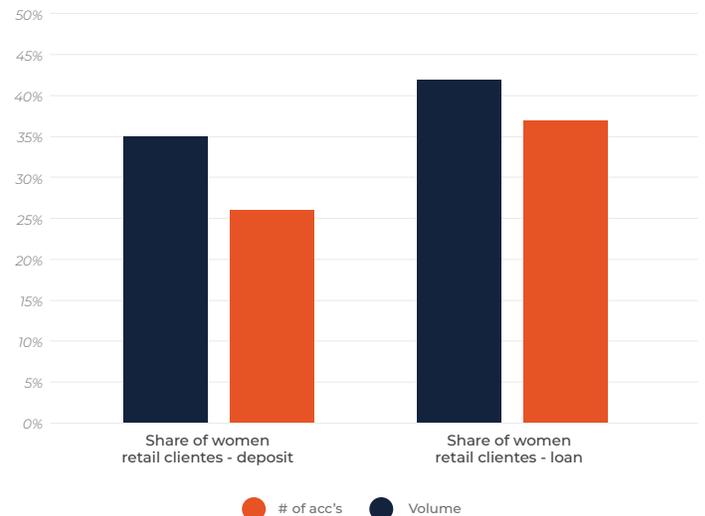
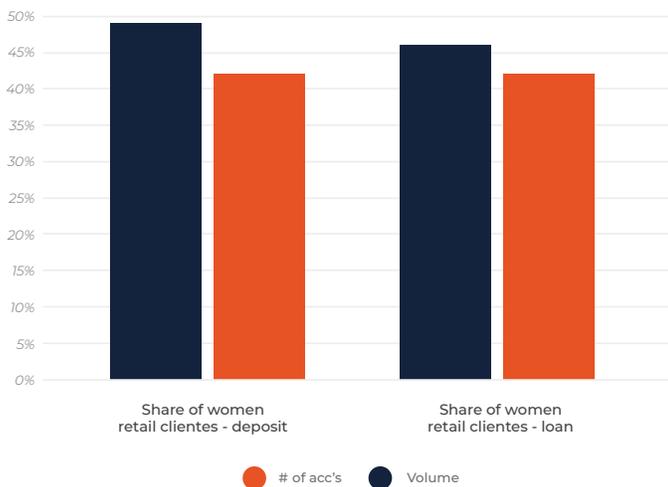
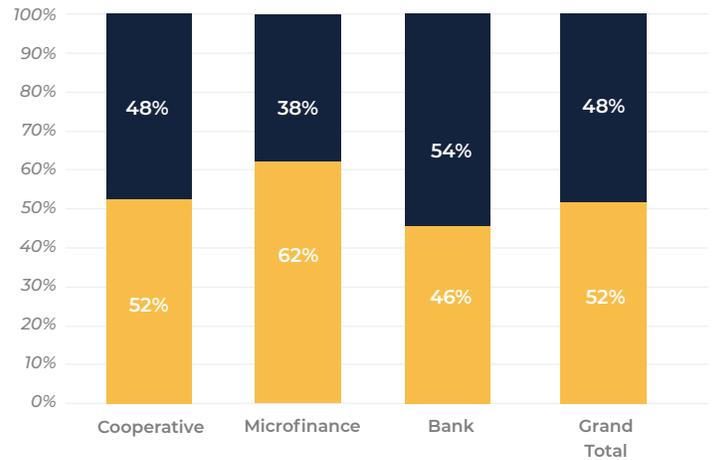
**Pushing and aligning a gender strategy has always been a challenge... but in the last couple of years we have moved forward, with the support of technical assistance and public policies... Women have higher enrollment and penetration rates. This growing trend is what supports our strategy. [We believe that] women are the largest emerging market in the world.**

*Costa Rica Bank*



## 3.2 Customer portfolios broken down by sex

**In the countries studied, women account for a significant proportion of FIs' overall business** (Figure 3.2.1). Women now make up the majority of clients for microfinance institutions and cooperatives, and account for almost 50 percent of the clientele of banks, with this being mostly driven by their retail portfolios (Figure 3.2.2). WMSMEs represent a smaller share of banks' business portfolios for both deposits and loans. (Figure 3.2.3, Table 3.2.2).



**BOX 3.2.2. Women make up a significant portion of FIs' retail portfolios and a smaller portion of business portfolios**

### Mix of financial products for women

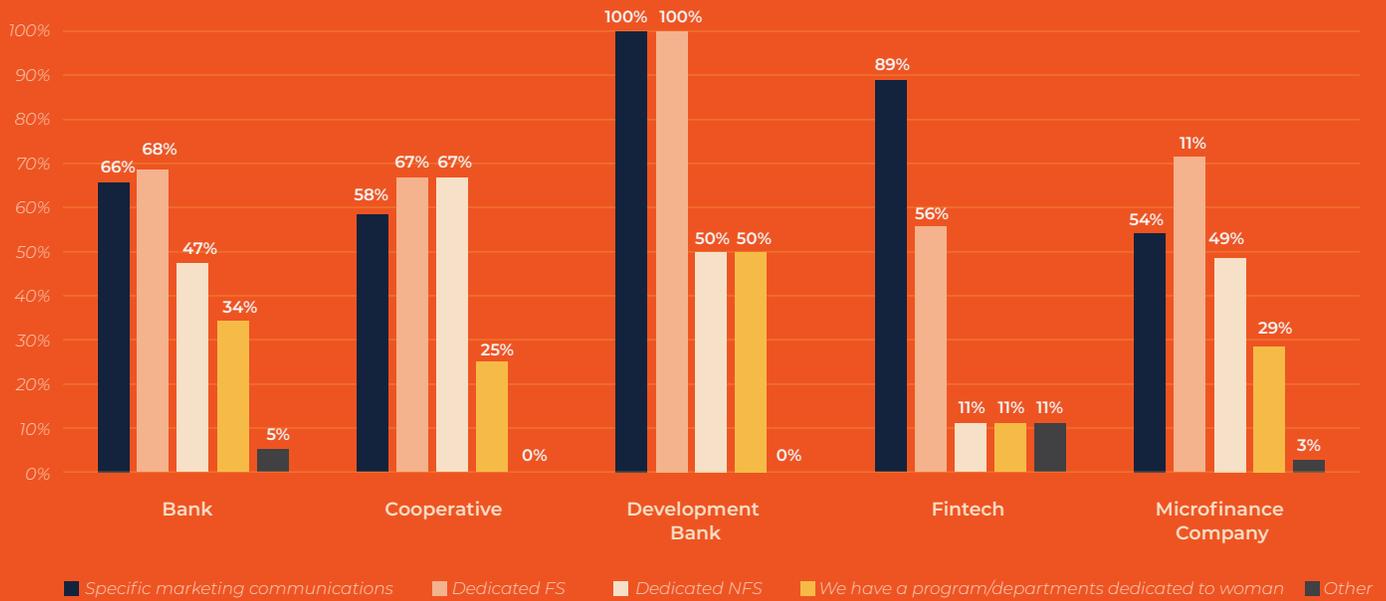
The majority of FIs in the sample offer dedicated products geared towards women, including more than half of the commercial banks surveyed (Figure 3.2.3). Most incorporate financial products such as credit and savings; non-financial services, including training, financial education, networking, and business platforms; and digital amenities such as online banking. Of those that do not have separate products aimed at women, some survey respondents said they did not see the need, since women already represented a significant portion of their customer base, and they did not see the rationale for doing so.



We designed a women’s savings account as an entry into the institution. [It then gives] women access to the rest of our products and services, including: insurance, rewards, and assistance programs, among others.



*BANORTE, Mexico*



**BOX 3.2.3. How LAC FIs address women's financial needs**

On non-financial services, 48 percent of banks said they offered non-financial services for all their customers, while 31 percent provided specialized non-financial services for women.

Meanwhile, 44 percent of cooperatives, 56 percent of development banks, 40 percent of fintechs, and 27 percent of microfinance institutions (MFIs) offer non-financial services for all their customers. Unsurprisingly given that they cater largely to female clients, nearly half (49 percent) of MFIs provided specialized non-financial services for women, while 48 percent of co-ops, 11 percent of

development banks, and 20 percent of fintechs did so. Of the FIs that provide non-financial services, most focus on business training and product knowledge. In the survey sample, those FIs offering more sophisticated women-focused non-financial services typically went beyond these basics, providing networking platforms, activities, and events that generate growth for their customers—as well as for the FIs themselves.

Other FIs interviewed noted that **women customers are active users of non-financial services, which promote loyalty, encourage**

**increased use of the financial products, and allow for cross-selling of other products, such as insurance.** Such services help women increase their financial well-being, adding value to the bank as they grow their net worth and become bigger clients. There is also evidence from studies of the fintech sector that women who feel loyal to their financial service provider have stronger net promoter scores.<sup>14</sup>



## Analysis: A quantifiable business case for serving women

**By analyzing the sex-disaggregated financial data gathered from 161 financial institutions across the countries studied, the research team found quantifiable evidence that that women make good retail and business customers.** They pay their loans back more quickly than men, as reflected by consistently lower non-performing loan (NPL) ratios: At 2.7 percent, women retail customers' average 90-day NPLs for banks in the region were considerably lower than the average of 4 percent for men (*Figure 3.2.5.*). Banks' average 90-day NPL ratios were also lower for female business customers: 2.4 percent, compared with 2.5 percent for men. MFIs' female business customers outperformed men on this metric by two full percentage points: 4.4 percent compared to 6.4 percent (*Figure 3.2.6.*).

**In financial terms, even these seemingly minor variations in 90-day NPL rates**

### BOX 3.2.1

## Financial institutions in the region offer a variety of non-financial services for women

In Peru, **Financiera Confianza, part of the BBVA Microfinance Foundation,** provides a basic financial education program, followed by monthly sessions carried out by loan officers. This approach reinforces the initial learning and helps create a safe space for women to ask questions and manage their individual and collective learning.

In Paraguay, **Vision Banco's** financial education program focuses on personal and business finances. Its hybrid approach includes in-person classes and an online learning platform.

In Colombia, 64 percent of **Bancamia's** women customers use the bank's digital channels for consultations and financial transactions. Women customers said they liked the convenience and that access to digital services saves them time. The bank, part of the **BBVA Microfinance Foundation,** hosts a financial education platform that includes a women-focused learning module.

In Costa Rica, **BAC** provides financial coaches for its women customers—a program that has met with such success that the bank plans to expand it.

<sup>14</sup> Financial Alliance for Women. 2021. "How Fintechs Can Capture the Female Economy."

**matter.** One recent study of European banks found that there was a significant link between lower NPL ratios and profitability. The study's authors calculated that a decline of one percentage point in the NPL ratio can increase a bank's return on assets by 4–9 basis points. The same study determined that having fewer NPLs on the books is associated with lower servicing costs, further contributing to profitability<sup>15</sup>

## THE STUDY CLEARLY SHOWS THAT WOMEN RETAIL AND BUSINESS CUSTOMERS PAY THEIR LOANS BACK MORE QUICKLY THAN MEN.

### BOX 3.2.2

The compound annual growth rate for BHD León's women customers exceeds that of their male customers



Overall CAGR of

**12%**

For women customers from 2018-2022



Overall CAGR of

**11%**

For men customers from 2018-2022

#### Women retail customers

**20%**

CAGR, personal loans

**12.5%**

CAGR, home loans

#### Women business customers

**21%**

CAGR, personal loans

**16%**

CAGR, home loans

#### Men retail customers

**18.3%**

CAGR, personal loans

**12.5%**

CAGR, home loans

#### Men business customers

**15.6%**

CAGR, personal loans

**11.1%**

CAGR, home loans

The growing importance of women customers—as measured by women's deposit and loan volumes—is further evidence of the business case for serving women. The fact that women retail customers represent nearly 50 percent of FIs' retail portfolios in the countries studied means that they are a powerful force for FI growth (Figure 3.2.3). One participating FI, BHD León, one of the top three commercial banks in the Dominican Republic, shared data to underscore the increasing importance of their women customers, revealing an overall 12 percent compound annual growth rate for women's retail and business loan volumes, exceeding the overall 11 percent CAGR for men. Of particular note is the fact that growth in the share of the bank's women's business loan portfolio composed of female customers outperformed growth in the share composed of men by more than five percentage points—yet another indicator of the strong demand for financial services in the WMSME segment (Box 3.2.2). The way in which these metrics can be used to understand more about the role women customers play in banks' portfolios also demonstrates the value of sex-disaggregated data (for more about sex-disaggregated data, see section 3.3).

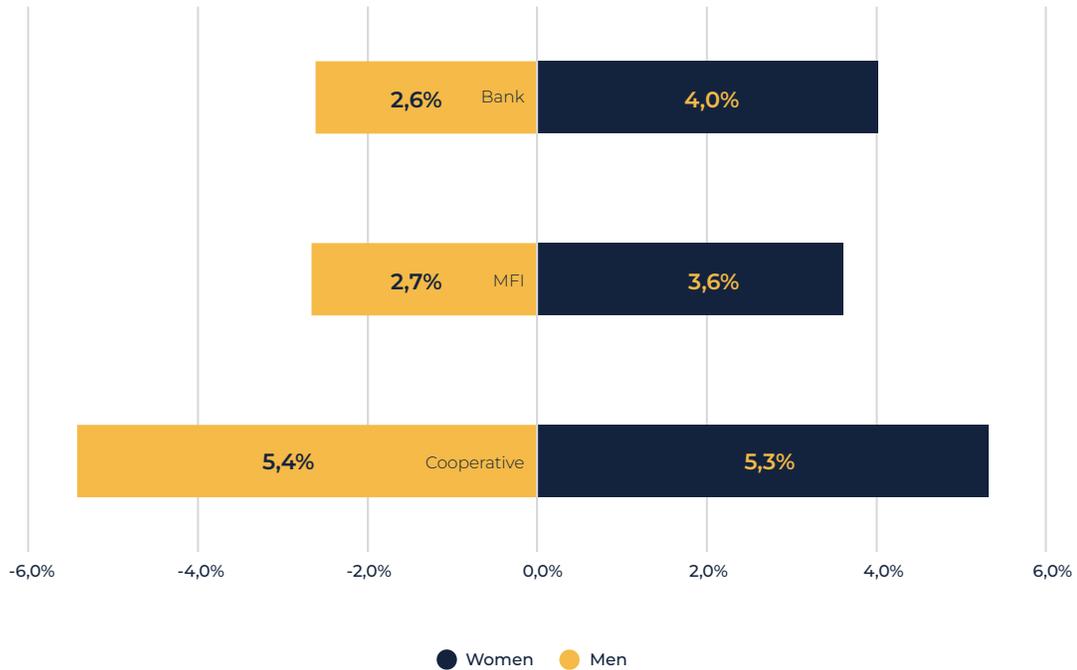
<sup>15</sup> Elekdag, S., Malik, S., & Mitra, S. 2020. "Breaking the Bank? A Probabilistic Assessment of Euro Area Bank Profitability." *Journal of Banking & Finance*. Vol. 120.



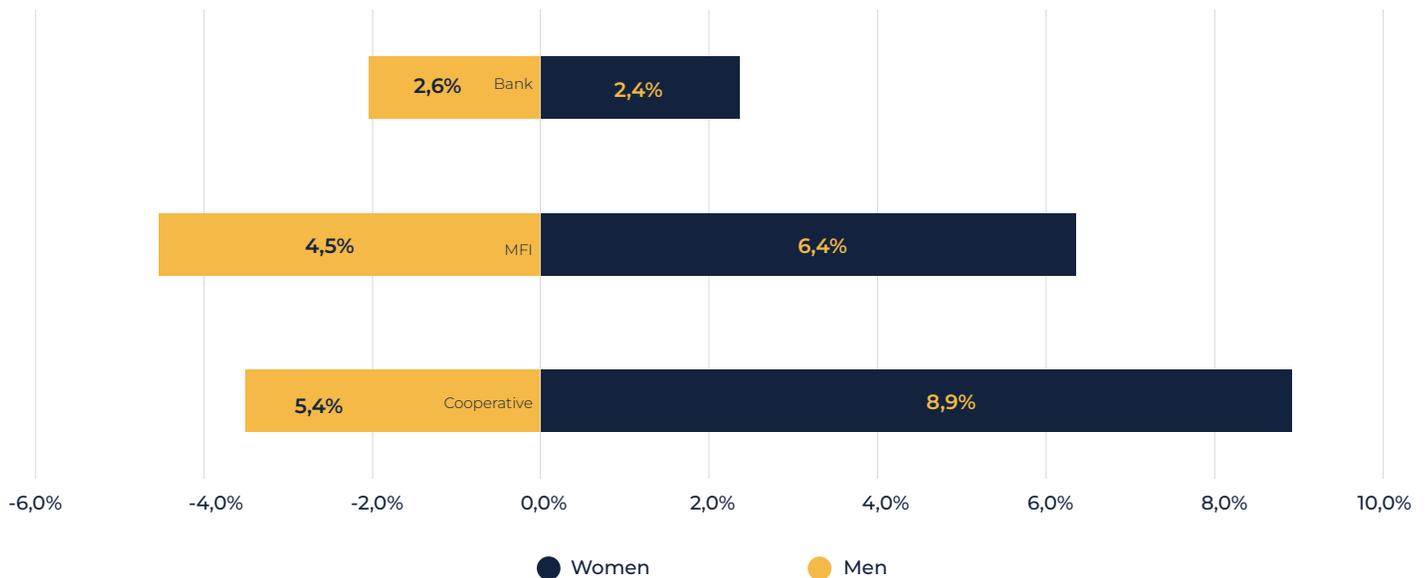
When it comes down to it, we have a program for women for commercial reasons: women tend to be more careful and responsible with loan repayment



*Scotiabank, Peru*



**BOX 3.2.7. Women retail customers in LAC outperform men in terms of loan repayment**



**BOX 3.2.6. Women business customers in LAC outperform men in terms of loan repayment**

## Better at saving and repaying loans



“ Since women are better payers, we wanted to have better loan conditions with different credit ratings and concessions on the risk side. ”



## Higher rates of portfolio growth



“ The growth experienced by products aimed at women is higher than for other products and this encourages engagement for the business areas to be more interested. ”



“ Women have strong savings behavior, are thirsty for information and have higher receptiveness to a broader set of products and a stronger propensity to word of mouth and networking. ”



“ Our female portfolios are growing faster. From Sept21-Sept22, the rest of the WSMEs portfolio grew 10% higher. ”



## Active participation in NFSs



“ Women participate more on NFS activities, 70% of attendance is women and 70% of best grades come from women. ”



“ We see a tendency for higher growth in female product portfolios; we are talking about profitability too. This has been key to defending the Program. ”



## Solid profitability after the onboarding stage



“ Although women take longer to onboard and accumulate significant savings balances, over time their profitability increases and eventually they cross-subsidize other segments. ”



# Challenges designing products and services for women

Survey respondents and those interviewed identified several needs as they look to develop products and services for women. These include:

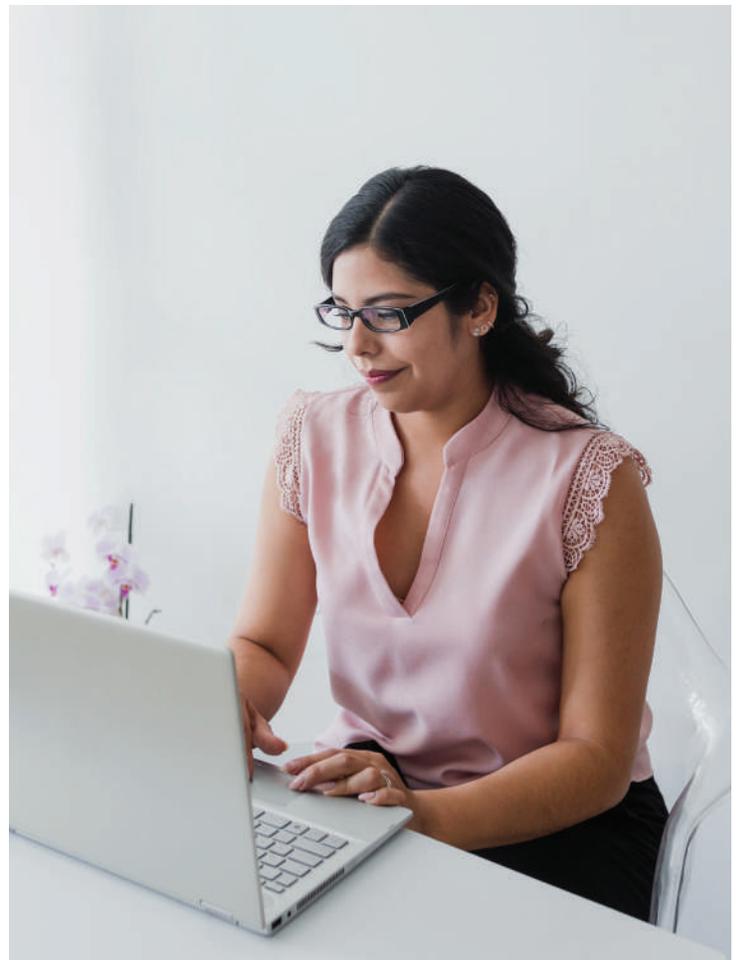
- Assistance with designing effective women's offerings.
- Guidance on developing a holistic women's strategy.
- Access to concessional finance/risk-sharing/guarantee funds.

## The takeaway

**The research study's findings on customer portfolios highlight an unequivocal business case for ramping up the focus on the women's market**—not only as a “nice-to-have” aspect of corporate social responsibility (CSR), but as a fundamental element of operational strategy and a critical driver of growth. For FIs, this means that there are opportunity costs involved in neglecting all segments of the women's market, including WMSMEs. The study reveals that WMSMEs make good customers, outperforming other MSMEs on loan repayment and making up an increasingly important share of FIs' savings portfolios. And yet, few FIs have made a concerted effort to tap into this highly promising market segment. The demand–supply gap in the financing of WMSMEs is yet another excellent revenue opportunity for FIs.

However, to truly meet the needs of women retail and business customers, FIs must ensure that they are incorporating a differentiated gender focus into all aspects of the design, development, rollout, and maintenance of their products and non-financial services.

The study also reveals FIs' concerns about their ability to mitigate risks as they look to innovate with new product offerings that might involve altering their credit protocols, pointing to an additional role **for technical assistance providers.**



## 3.2 Availability and use of sex-disaggregated data

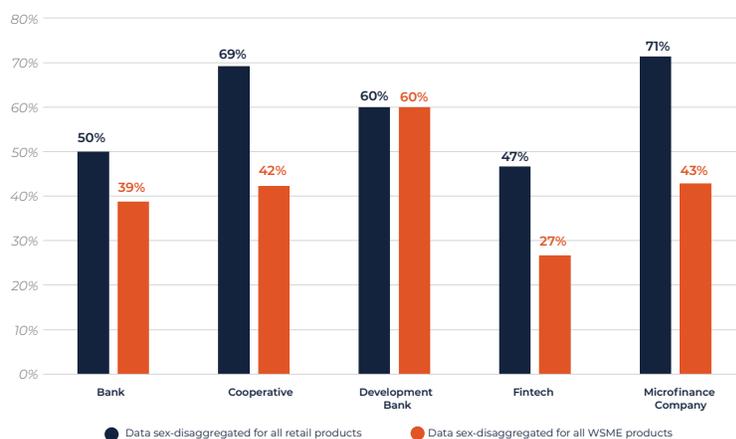
Recent years have seen a strong global push for greater collection, reporting, and use of sex-disaggregated financial data to increase our understanding of women's financial needs, inform the design of women-centered financial products, and quantify the business opportunity offered by the women's market. Financial regulators and other policymakers in countries around the world, including several in Latin America and the Caribbean, have incorporated sex-disaggregated data reporting into broader initiatives aimed at increasing women's financial inclusion. For example, the Costa Rican regulator has placed a strong emphasis on collecting and reporting sex-disaggregated financial data on retail customers from the country's financial institutions and has conducted national sex-disaggregated financial inclusion surveys.<sup>16</sup> Similarly, a women's financial inclusion plan launched by Honduras's regulator prominently features the collection of sex-disaggregated data on retail customers, which the regulator sees as key to enabling data-driven policymaking and setting out an evidence-based business case for FI's providing products aimed at women.<sup>17</sup> There is an opportunity for increased regulatory action in the region, since regulators in only a handful of countries collect sex-disaggregated data from FIs under their remit.

This research reveals that FIs are already collecting sex-disaggregated financial data: 65 percent of banks, 76 percent of co-ops, 56 percent of development banks, 50 percent of fintechs, and 80 percent of MFIs track sex-

disaggregated data. Of these, however, the vast majority tag data manually, which can impact quality. Management reporting on the data, while similarly widespread, is often manual as well, and not included in routine processes (for more on this, see the section on challenges below).

Of those FIs that collect sex-disaggregated data, 57 percent reported that they track it for all products in their retail portfolio. In contrast, tracking for all WMSME products lags behind at 41 percent. Use of this data is limited, with 59 percent of FIs that sex-disaggregate their data reporting that they do not include it in key performance indicators, making it more difficult to assess the impact of products and services directly targeting women on their performance.

The degree to which data is collected also varies depending on the type of financial institution (*Figure 3.3.1*). **Moreover, while many FIs reported that they have sex-disaggregated data, this does not always mean that it is readily available: Many survey respondents had difficulty swiftly accessing the data requested.**



<sup>16</sup> Special Report and Case Studies on "Mapping AFI members Progress in Closing the Financial Inclusion Gender Gap project. AFI. 2023. Costa Rica Case Study

<sup>17</sup> AFI. 2023. Honduras case study.

# Analysis: How and why financial institutions use their gender data



BOX 3.3.1

## Market innovators understand the value of sex-disaggregated data

Of the FIs that collect gender data, just over half (55 percent) of banks, 58 percent of co-ops, and 60 percent of MFIs include it in their regular management reporting.

Only 33 percent of fintechs report this data to management. This is a surprising finding, indicating that while most fintechs have efficient data systems in place, they are underutilizing the available gender data to inform management decisions.

The majority of FIs surveyed indicated that they typically use these reports to manage performance and deepen their understanding of women customers (Figure 3.3.2). However, they do not routinely use their data to measure and report on the profitability of their woman-centered offering, quantify future opportunities, or inform product design: Only 24 percent of banks said they use reports to assess returns on their investments targeting women, and just 17 percent said that they use reports for risk management purposes, such as setting credit policies. Sixty five percent indicated that they do not include sex-disaggregated data in their key performance indicators.

**This is an interesting disconnect: If more FIs made use of their own data for risk metrics, such as NPLs, they would likely find compelling evidence that women make good credit customers, just as**

In Costa Rica, **Banco Nacional** deepened its analysis of sex-disaggregated data and used the insights it gained to set goals for each women customer segment, as part of the process of devising a holistic gender strategy.

In Ecuador, **Banco Pichincha** uses sex-disaggregated data as the basis for establishing different loan terms for women, addressing traditional barriers such as by providing more flexibility when it comes to repayment periods and guarantees and making co-signatures optional.

In Mexico, **Kubo Financiero** realized that they could be making more use of their available sex-disaggregated data. By making gender an important category of their routine analysis, they have gained critical insights into the value of female customers and have used the evidence to streamline loan application processes and deploy gender-inclusive communication strategies.

In El Salvador, **BAC** understood that a lack of guarantees was creating an obstacle to WSMEs in accessing credit. To address the issue, the bank uses sex-disaggregated data to analyze clients' credit bureau references. In this way, the terms and amount of credit are linked to WSMEs financial behavior instead of guarantees.

**this research found.** Some women's market innovators, such as Costa Rica's Banco Nacional and El Salvador's BAC have already made this connection, adjusting their credit policies accordingly (*Box 3.3.1*).

Similarly, if more FIs used their sex-disaggregated data to conduct business analytics such as return on investment or CAGR—as BHD León does— **they might find that their products and services aimed at women are strong drivers of revenue and growth.** This would create an evidence-backed rationale for prioritizing an expanded array of women-focused solutions. As noted earlier, most FIs do not currently see bottom-line benefits in doing so.

A look at the numbers also shows that in most of the countries studied, the percentage of FIs with defined market strategies in place or plans to develop them more or less in line with the extent to which sex-disaggregated data is collected (*Figure 3.3.3*). **This suggests a correlation between greater availability of sex-disaggregated data and more attention being paid to women-focused products, although establishing a definitive connection and determining causation are beyond the scope of this research.**

“

**Sex-disaggregated data allows us to see whether we are achieving our gender KPIs and provides quantitative evidence to support our differentiated gender strategy.”**

*BHD, Dominican Republic*

”

“

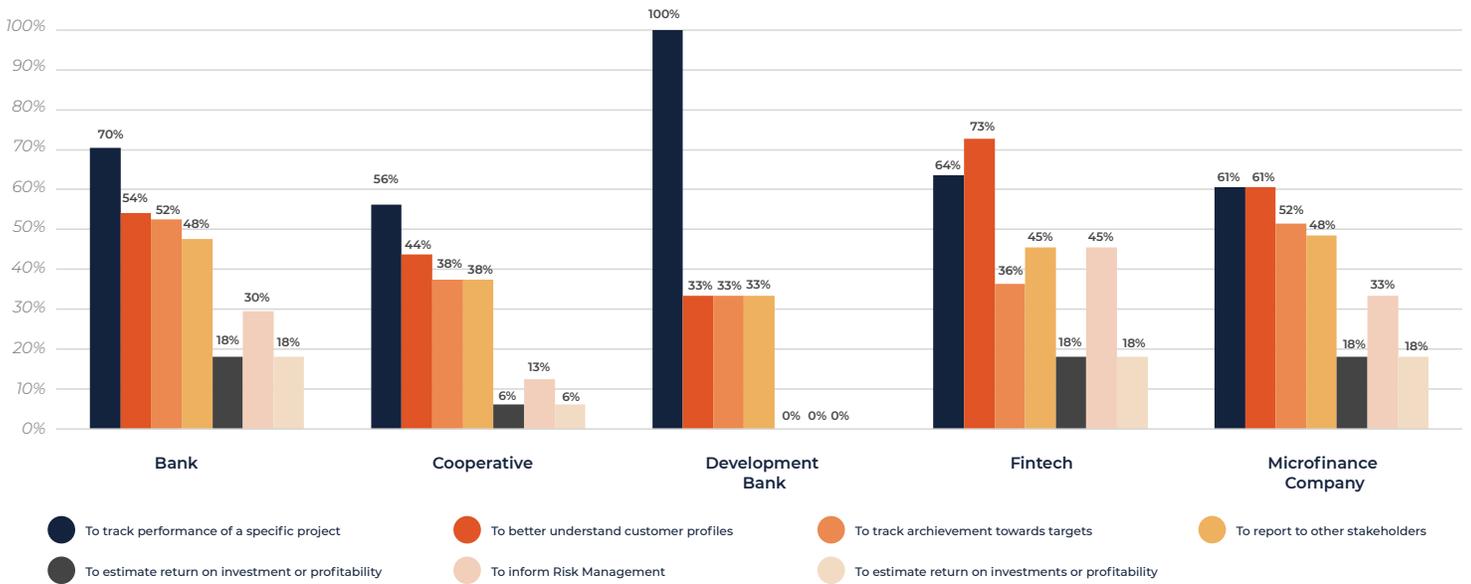
**Tracking sex-disaggregated data indicators enables us to quickly adapt and respond to women's needs**

*Banco ADOPEM, part of the BBVA Microfinance Foundation, Dominican Republic*

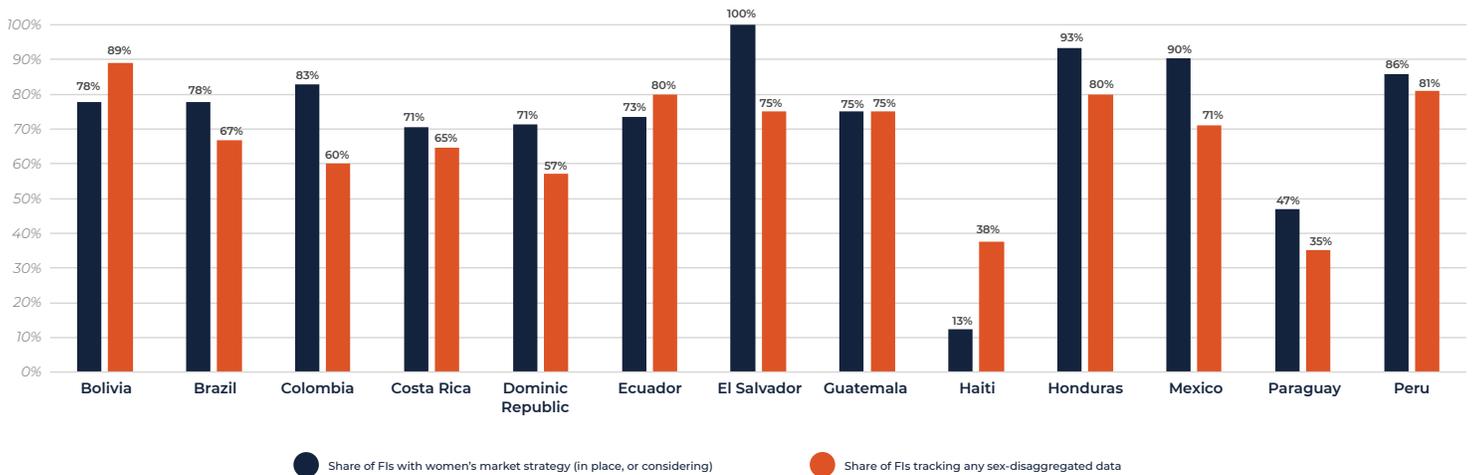
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BOX 3.3.2. How LAC FIs use sex-disaggregated data reports



BOX 3.3.3. FIs with a women’s market strategy also tend to be those that sex-disaggregate their data



# Challenges involved in the collection and use of sex-disaggregated data

*FIs face several challenges associated with increasing their use of sex-disaggregated data:*



## Manual recording

Except for fintechs, which are built on platforms enabling automated data collection, the **vast majority of FIs in the region manually tag their sex-disaggregated data, including 75 percent of banks, 85 percent of co-ops, 100 percent of development banks, and 83 percent of MFIs.** The downside of manual data recording is that it takes time and introduces the risk of human error. For example, forms could be left blank, meaning that the information is not provided. All these issues impact data quality and reliability. They also limit the degree of detail in the data itself, all of which leads to inaccurate analysis and potentially incorrect conclusions.

## Manual reporting

Just over half (52 percent) of banks continue to use manual reporting processes, although most MFIs, co-ops, and development institutions automatically generate reports. Even with their inherent technological capabilities, of the fintechs in the region that do sex-disaggregate their data, 46 percent continue to face challenges related to automating their reporting processes.

Frequency of reporting also varies. Only 33 percent of banks and 17 percent of fintechs generate weekly or monthly gender data reports. Nearly half of MFIs (49 percent) and 34 percent of co-ops do so, while all development banks produce weekly or monthly reports on the sex-disaggregated data collected.

## WMSME data reporting and analysis

FIs also face challenges in relation to gathering reliable, detailed data on their WMSME customers, particularly since some may be using their personal accounts for business purposes. MFIs and co-ops face additional challenges when it comes to recording WMSME data, as they do not always distinguish between personal and business accounts, and so business customer data cannot always be distinguished from retail customer data. Compounding the WMSME data analysis issues for all FIs is the lack of agreement on what constitutes a woman-owned business, since WMSME definitions vary from country to country and institution to institution (see Box 3.3.2 for more on why this matters). For example, in the 13 countries studied:



**29%**

of banks define WMSMEs as companies either owned or managed by women.



**22%**

of banks define WMSMEs as companies where women are the owners.



**16%**

of banks identify WMSMEs as companies in which women hold a majority share.



**4%**

of banks said that WMSMEs were companies where women hold a key position.



**22%**

of banks in the region have no definition at all.

## System limitations

Internal system limitations represent a major constraint to more frequent reporting. For most FIs surveyed, extracting the targeted data is a complicated and time-consuming task, since the data is not all in one place and cannot be brought up in the click of a button.

### BOX 3.3.2

#### Four reasons why standardizing WMSME definitions matters

WMSME definitions vary from country to country and institution to institution. Standardizing the definition of a WMSME across institutions within a country enables FIs to more accurately:

1. Scope the market and take advantage of this business opportunity
2. Achieve alignment for their female market strategy
3. Calculate business metrics such as return on investment
4. Benchmark for competitive differentiation



# The takeaway

While FIs are collecting and reporting sex-disaggregated data, quality concerns remain. In addition, even those with sophisticated market propositions typically do not make use of the data they have to assess return on investment or profitability. They therefore remain unaware of tangible opportunities for business growth, as reflected in the fact that they do not view profitability as a rationale for targeting the women's market. **In fact, FIs could be overlooking a critical business imperative for increasing their targeting of women, simply by failing to thoroughly analyze the data that is already available to them.**

A critical takeaway for FIs is therefore that they should prioritize increasing their collection of high-quality gender data and focus on further developing analytics capabilities to enable data-driven decision-making.

For technical assistance providers, the research highlights considerable opportunities to provide something of value to FIs in the region by:



Supporting internal system upgrades to enable automated recording and reporting.



Raising awareness of the value of data analytics to inform decisions, design new products, and evaluate the business performance of women-focused products.



Boosting overall data analytics capabilities, including gender data analysis.



Getting stakeholders to agree on a standardized WMSME definition, beginning with ecosystem-wide acceptance in each country, and ultimately gaining region-wide consensus.



Linking FI's up with national business registries that might hold information on the sex of shareholders (current examples are Colombia and Brazil).

# 4

## Where is the women's market headed? Quantifying the future opportunity

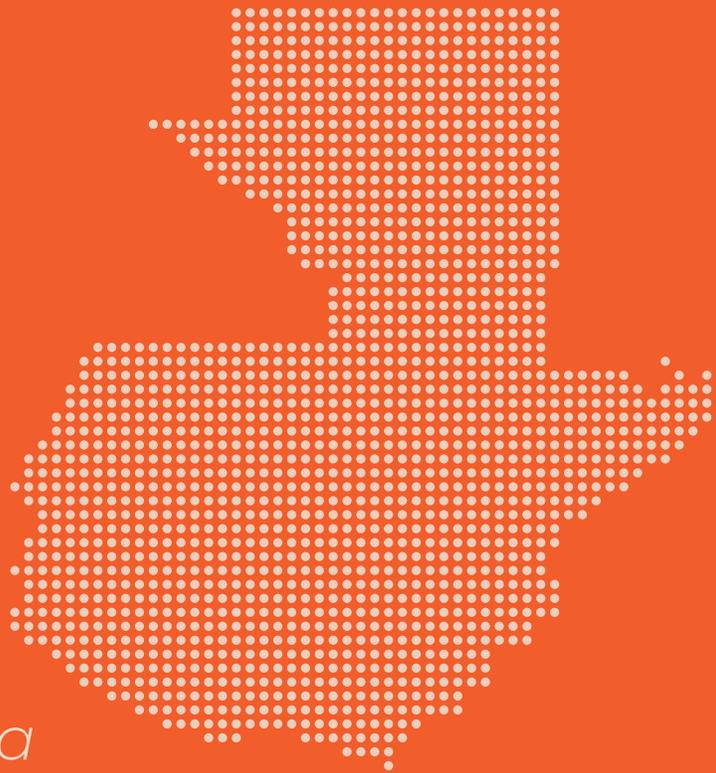
The market modeling conducted as part of this research revealed significant business opportunities for FIs that offer well-developed market propositions aimed at the women's market. **Calculations using data from three representative countries—Guatemala, Mexico, and Peru—uncovered nearly \$3 billion in additional annual revenue that could be captured by FIs that optimize their women's market offerings for retail and business customers<sup>18</sup>** (for details on the methodology used for the analysis, see Appendix C.) Country-specific findings are detailed below.

### BOX 4.1

#### Estimated annual revenue opportunity in Guatemala, Mexico and Peru



<sup>18</sup> The high-level logic of the model involves determining the number of un- and underbanked women in each socioeconomic segment, then the potential revenue per customer for each segment (from net interest income and fee and commission income). This yields the annual revenue opportunity open to financial institutions in the unserved market. For the detailed table of assumptions and more details on the modelling process, please see Appendix C.



## 4.1 Guatemala

In Guatemala, the research team conducted key informant interviews and reviewed data publicly shared by the Superintendency of Banks and other public sources to inform their calculations. **The analysis revealed that FIs in Guatemala could be leaving \$283 million in additional annual revenue on the table by not maximizing on opportunities in the women’s market.**

Guatemala’s financial sector is made up of a large number of providers, including 17 registered banks (such as Banco Industrial, Banco G&T, and Banrural), 10 financial groups, 24 microfinance institutions (such as Fundación Génesis Empresarial and Fundea), and nearly 1,000 cooperatives, 25 of these operating under MICOOPE). Despite **financial institutions primarily serving high- and middle-income earners**, defined as those earning the equivalent of more than \$52 per month, there remains a demand–supply gap for women in these same customer segments. Market modeling reveals significant additional revenue opportunities for FIs that develop products and services that are

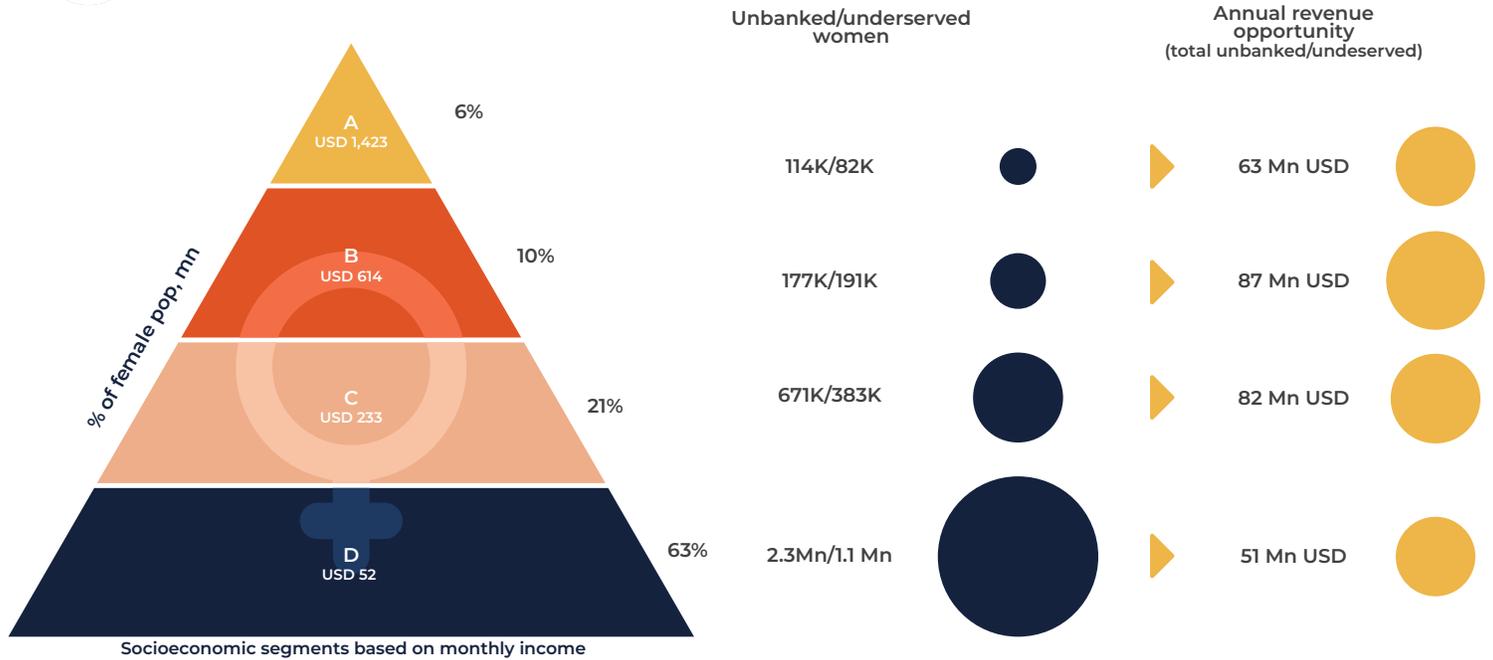
relevant to these women—particularly those in the middle-income bracket. At about \$169 million, the two segments of middle-income earners represent nearly 60 percent of the total additional annual revenue potential (Figure 4.1.1).

Women at the upper end of the economic spectrum also remain unbanked or underserved. And while this segment accounts for only six percent of Guatemalan women, the opportunity here is disproportionately favorable, estimated by the modeling at about \$63 million in potential additional annual revenue for FIs.

Low-income earners in Guatemala, including women and youth, Indigenous Peoples, and poor women entrepreneurs, are generally excluded from the formal financial sector.<sup>19</sup> Attempts to bank these segments of the population are still nascent. For example, MICOOPE offers remittance-linked savings accounts and concessionary terms for credit products.<sup>20</sup> Here again, this creates opportunities for FIs, estimated at about \$51 million in additional annual revenue.

<sup>19</sup> Exceptions include those receiving international remittances or government-to-person payments and humanitarian aid, who use over-the-counter transactions, primarily via Banrural.

**BOX 4.1.1. Market modeling based on demand-side data reveals the revenue opportunity for FIs in Guatemala's women's market, including retail and business customer segments**



Source: Superintendency of Banks of Guatemala and the National Household Survey (ENAH0)

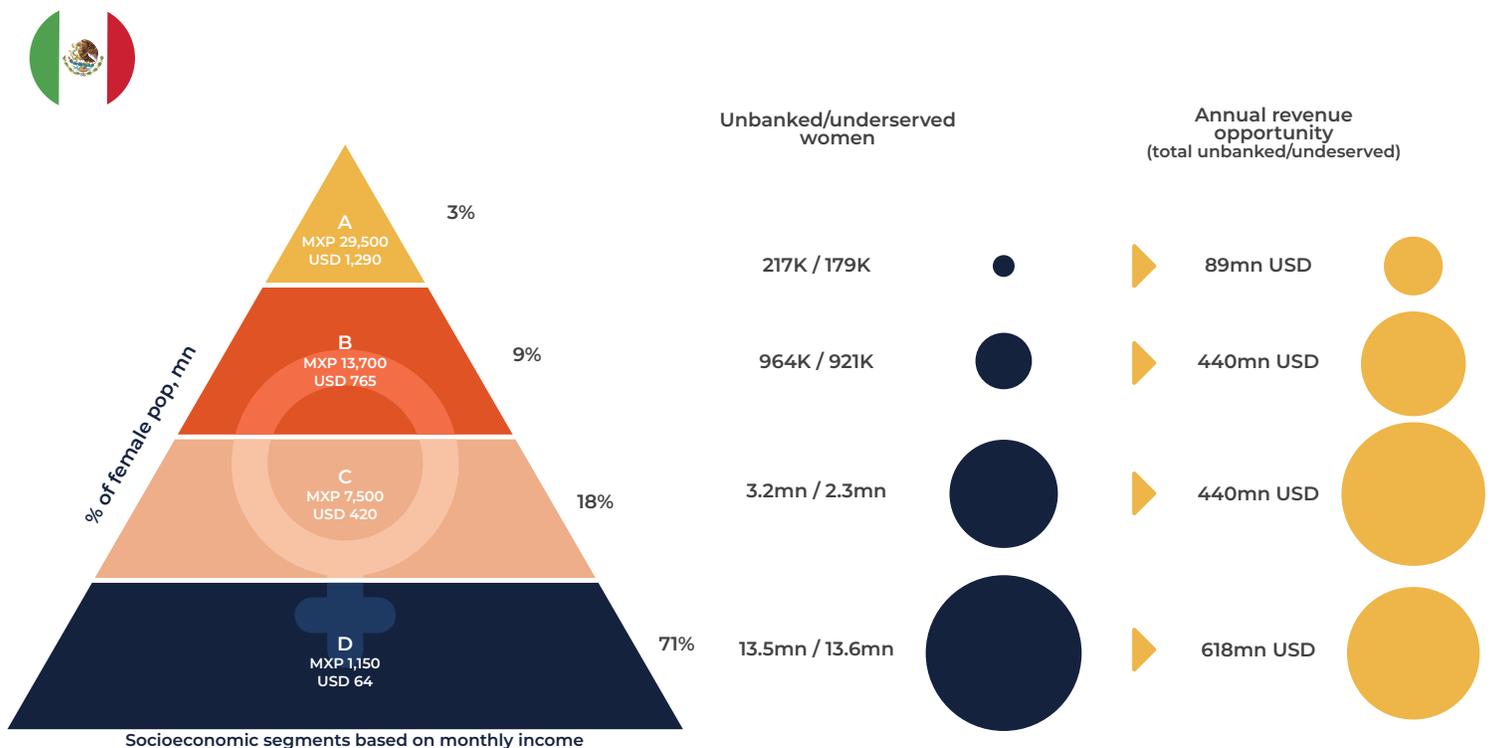


## 4.2 Mexico

The research team leveraged demand-side data to gauge the women's market revenue opportunities open to FIs. As shown in Figure 4.2.1, the opportunity is significant, totaling \$1.87 billion when both unbanked and underserved customer segments are taken into account. The greatest potential lies in the lower middle-income segment. While accounting for just 18 percent of the female population, these women, with monthly earnings of up to around \$420, represent a \$720 million opportunity for FIs. Those in the lowest income bracket, which includes nearly three-quarters of Mexico's women, bring in monthly earnings of around \$64 or less, representing an opportunity of \$618 million for FIs.



**BOX 4.2.1. Market modeling based on demand-side data reveals the revenue opportunity for FIs in Mexico's women's market, including retail and business customer segments**

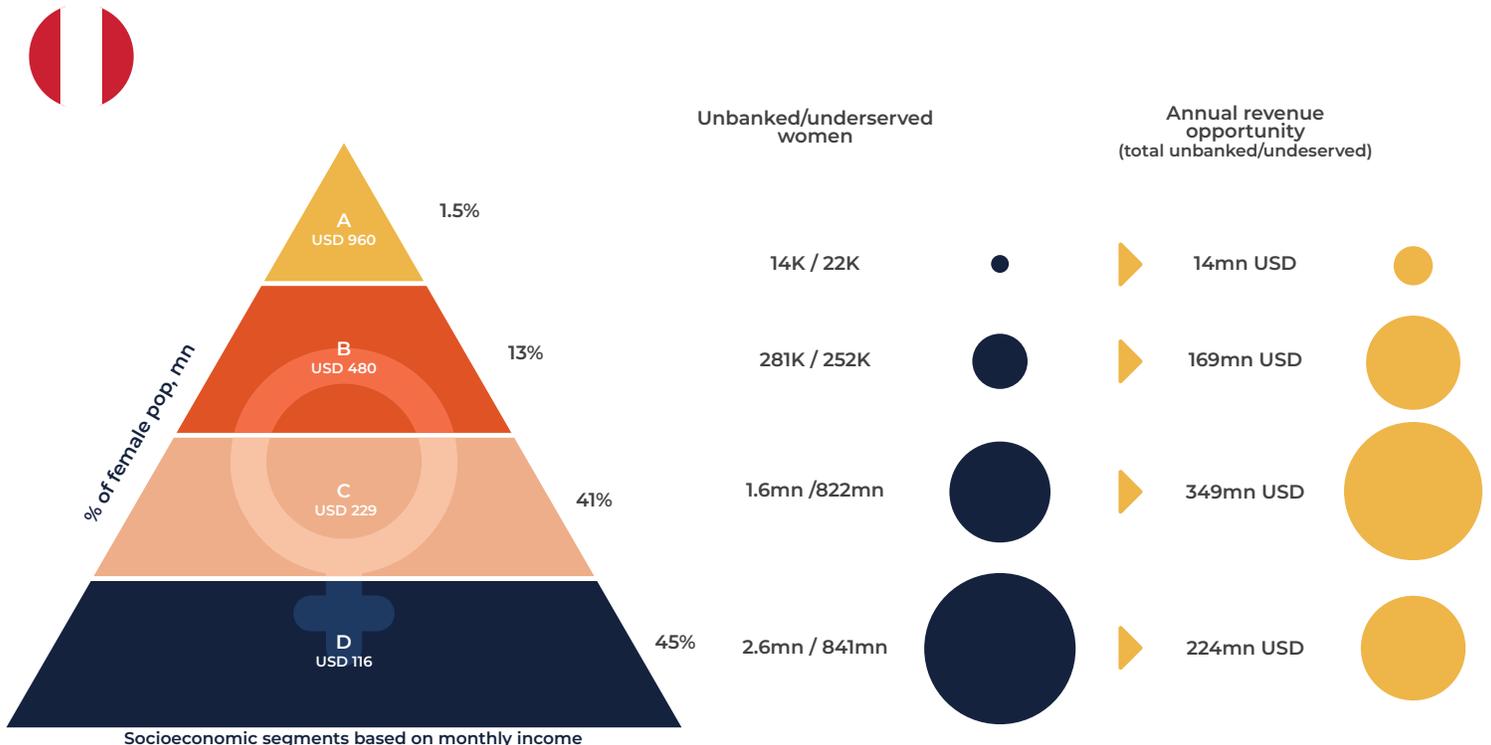


Source: National Commission of Banks and Securities (CNBV) and National Institute of Geographic Statistics (INEGI)

## 4.3 Peru

In Peru, the CCX research team also made use of demand-side data to estimate the size of opportunity open to FIs in the women's market. Here, too, the opportunity is significant, totaling \$756 million in annual revenue that could be earned by meeting the demand from both unbanked and underserved women customers (Figure 4.3.1). While all socioeconomic segments of women's customers—as defined by monthly earnings—offer potential for FIs, the greatest potential lies in the lower income brackets, comprising 86 percent of Peru's female population. The lowest earners, those bringing in \$116 or less each month, represent a \$224 million opportunity, while those with monthly earnings up to around \$229 represent a \$349 million opportunity. As a customer segment, Peruvian women at the highest income levels offer the least amount of additional revenue potential—likely because their needs are already being met. In analyzing the demand-side data, the research team found that only around 14,000 upper-income women—those earning \$960 or more a month—do not own bank accounts, while only 22,000 are underserved.

**BOX 4.3.1. Market modeling based on demand-side data reveals the revenue opportunity for FIs in the Peruvian women's market, including retail and business customer segments.**



Source: Superintendency of Banks and National Institute of Statistics (INEI)

# Where to go from here? **A call to action**

# 5

The research uncovered several characteristics common to the region's 32 leading performers in the women's market. These traits can serve as guideposts for other FIs seeking to capture a share of the valuable women's market. They are presented here as recommended actions FIs can take:

- **Recognize the business case for serving the women's market**, including better loan repayment; significant source of deposits, both by volume and value; strong portfolio growth rates; and active use of non-financial services.
- **Invest in understanding the women's market** through continuous research, by measuring progress and revising approaches based on the findings, and by developing specific market strategies targeting various segments of the women's market, including WMSMEs.
- **Establish a standard WMSME definition** to enable more accurate market scoping, a more sophisticated understanding of this segment's needs, more tailored products and services, and competitive benchmarking.
- **Build internal alignment around the women's segment**, for example by gaining buy-in from senior leaders, creating a dedicated women's market team and/or committee, designing and implementing internal gender communications and training strategies, and engaging with stakeholders throughout the institution.
- **Use sex-disaggregated data for decision-making and performance management**, which can help to inform risk management, track progress towards targets, and deepen understanding of customer behaviors.

<sup>21</sup> Peru: Banco de la Nación, Caja Huancayo, Financiera Confianza, Prestamype, Mi Banco, and Scotiabank. Mexico: Banco de México, Bancomext, Banorte, BBVA, Kubo Financiero, Santander, and Scotiabank. Colombia: Bancamía and Juancho te presta. Bolivia: Banco FIE, Banco Solidario, and Sembrar Sartawi. Guatemala: Banco G&T and Genesis Empresarial. Paraguay: Banco Vision and Banco Interfisa. Ecuador: Banco Pichincha and Produbanco. Costa Rica: BAC and Banco Nacional. Dominican Republic: Banco ADOPEM and BHD León. Honduras: Cooperativa Elga and FICOHSA. El Salvador: Banco Agrícola and Banco Cuscatlán.



**Women think that they do not qualify [for credit] if they don't bring their husbands to guarantee their loans. That's why we decided to communicate to them that we trust them. We removed our guarantee requirements and our women's portfolio grew significantly**



*Mi Banco*

- **Develop women-centric products and offer value-added services**, for example to address traditional barriers such as credit requirements. The experience of leading FIs highlights the importance of providing a minimum threshold of women-centric financial and non-financial products and services—based on the individual financial market context of each country surveyed. By bundling products and services, it is possible to combine a variety of solutions to meet the needs of women, such as credit products that offer an extended payback period while new mothers are out of work on maternity leave, and insurance products.
- **Adapt customer-facing communications to resonate with women.** The leading FIs interviewed underscored the importance of women-friendly communications approaches, which may require altering traditional messaging aimed at men.

- **Include non-financial services in women's market positions**, such as financial education, online financial learning, networking, and business platforms. The FIs interviewed found that women do take advantage of such services, which build their financial capabilities, make them more knowledgeable customers, and reinforce their loyalty to the bank—potentially strengthening their net promoter scores while putting them on the path to long-term financial well-being. Non-financial services are also beneficial to the FIs offering them. One recent study found that well-integrated non-financial services for WMSMEs yield positive returns on investment (ROIs) within one to two years, based on several metrics: increased interest income; share of wallet, which includes cross-sell, deposit volume, and fee income, including fees charged for NFS participation; loyalty; and reduced risk.<sup>22</sup>



**[Building our women's market proposition] is a long-term strategy. A crucial element is the involvement of senior management, shareholders, and direct advisors. We do women's banking by carrying it throughout the organization.**



*Banco G&T Continental*

<sup>22</sup> FMO and IFC. 2020. "Non-Financial Services: The Key to Unlocking the Growth Potential of Women-led Small and Medium Enterprises for Banks."

- **Leverage partnerships and global alliances** to increase capabilities and knowledge. Many FIs in the region have not taken advantage of the technical assistance available. Among the high-performing FIs, several described such guidance as invaluable when designing strategies and solutions, as well as for gaining exposure to global best practices.
- **Develop or improve gender diversity, equity, and inclusion (DEI) workforce strategies** to build awareness and buy-in internally for women's market strategy.



BOX 5.7

## What leading FIs are saying about technical assistance and guidance

Some of the main providers of technical assistance include IDB Invest, FMO, FinDev, Financial Alliance for Women, RedAccion, IPA, CGAP, Women's World Banking, UN Women, and the IFC.



We have realized the importance of technical assistance. Thanks to IDB Invest support we have developed our range of products aimed at the female market and are continuing to develop our gender strategy.

*Banco Nacional de Costa Rica*



IDB Invest, UN Women, and IFC technical assistance has been a key source of support in designing our value propositions for women

*Banco Pichincha*



With the study revealing different women's market drivers for FIs depending on their type, several recommended approaches to targeting the women's market are also provided.

### ***For commercial banks:***

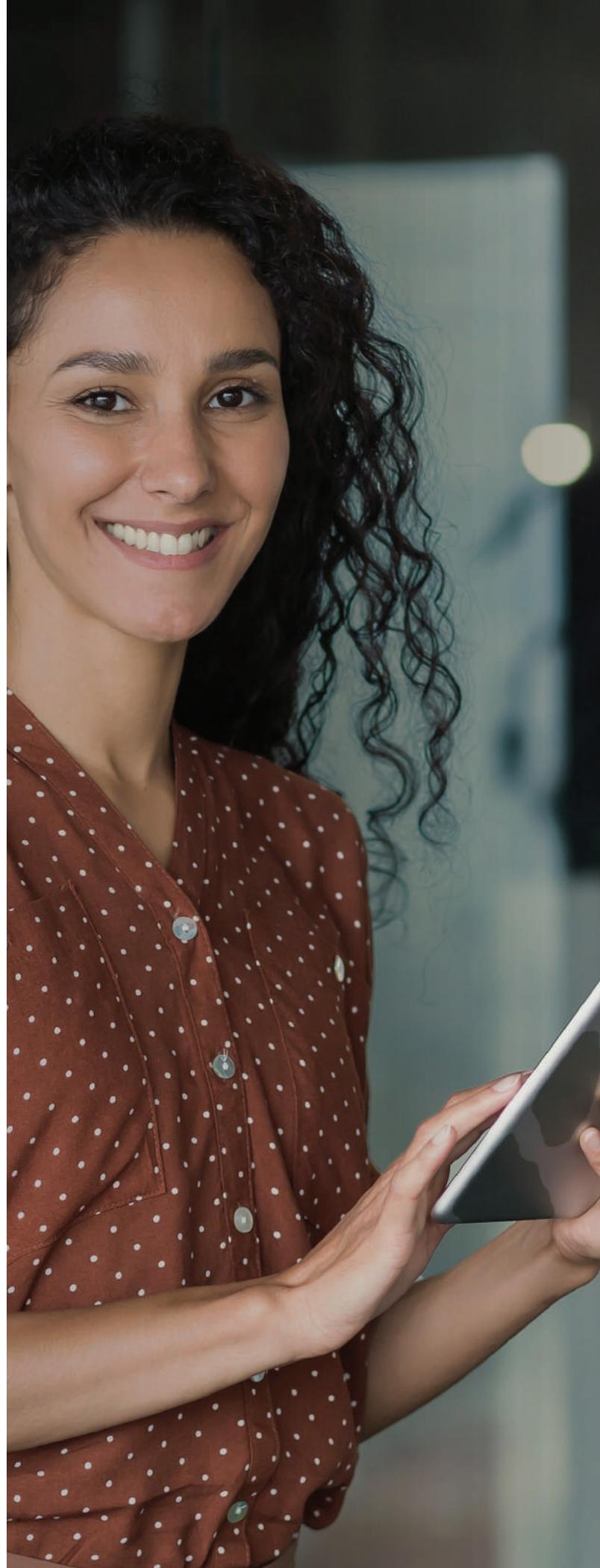
- Make better use of available sex-disaggregated data to calculate business metrics such as the return on investment for products targeting women.
- Integrate the strategy for targeting the women's market into mainstream strategic planning, with a stronger focus on developing offerings that will attract new customers and contribute to growth goals.
- Include gender targets in operational and management KPIs.

### ***For Fintechs:***

- Build on existing frameworks and focus on developing women-centric approaches for each stage of the sales funnel.
- Efforts by regulators to provide stronger customer protections.
- Utilize already available sex-disaggregated data to develop women centric product offerings and to inform management decisions.

### ***For microfinance institutions:***

- Leverage digital technologies and partner with other financial institutions to increase account ownership among the most underserved women customer segments, including poor and rural women and low-income entrepreneurs.
- Work with regulators and other policymakers to encourage women's universal enrollment in national identification systems.



# Recommendations for technical assistance providers

In addition to IDB Invest, IFC, and USAID, survey respondents identified several institutions and organizations that are active in providing technical assistance in their countries, including CGAP, Dutch Entrepreneurial Development Bank (FMO), Financial Alliance for Women, FinDev Canada, Innovations for Poverty Action (IPA), Red Acción, and Women's World Banking (WWB).

However, FIs reported that they remain underserved in terms of technical assistance and that they would be interested in additional support. Specifically, FIs indicated a need for support with sex-disaggregated data collection, analysis, and reporting, including automation. The research team observed that many FIs could not readily access their sex-disaggregated data. They noted that the gaps in data availability had more to do with the time-consuming nature of manually extracting and inputting numbers than with a lack of willingness or interest. Assistance with overcoming these hurdles—for example, through guidance on automating processes and setting up gender data dashboards that enable rapid, real-time analysis—could have an immediate and positive impact. Readily available data insights would give FIs an evidence-backed path forward in structuring their women's market strategies and designing successful women's offerings. Other areas where FIs indicated a need for assistance include:



Guidance on developing a holistic women's market strategy.



Assistance with designing effective products targeting the women's market, and WMSMEs in particular.



Access to concessional finance/risk-sharing/guarantee funds.

# What is happening at the country level?

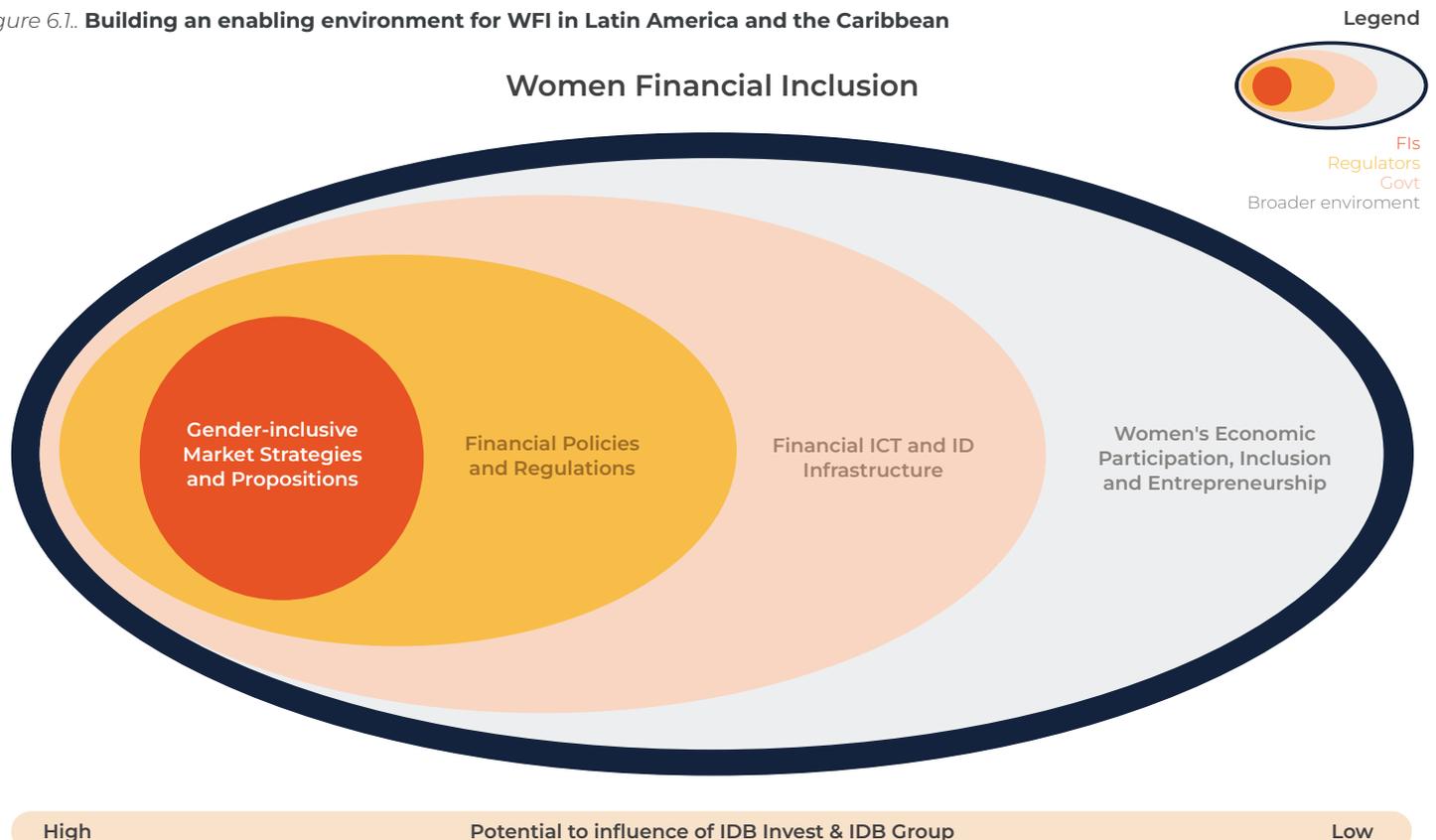
# 6

This section offers deep dives into the financial ecosystems of three countries: Guatemala, Mexico and Peru.<sup>23</sup> The case studies explore how well financial institutions are serving their women customers and how they view the women’s market.

Figure 6.1 illustrates how these spheres of influence intersect. FIs—as the bright orange sphere—have an important role to play in developing products for the female market and providing solutions that meet women’s financial needs. The infographic also shows that FIs’ ability to capitalize on opportunities in the women’s market is shaped by the regulatory environment, as well as other factors, including the current state of economic inclusion generally.

The case studies look at all these factors. In addition to detailing the ways in which FIs are serving the women’s market, they provide an overview of the regulatory infrastructure in place to support women’s access to finance, and they touch on the broader environment of women’s economic participation. Each case study concludes with a set of recommendations aimed at accelerating progress towards women’s full financial inclusion.

Figure 6.1. Building an enabling environment for WFI in Latin America and the Caribbean



<sup>23</sup>The country-specific research approach is underpinned by a framework developed by the Alliance for Financial Inclusion (AFI) and ConsumerCentriX, which identifies the various spheres of influence in advancing women’s financial inclusion.



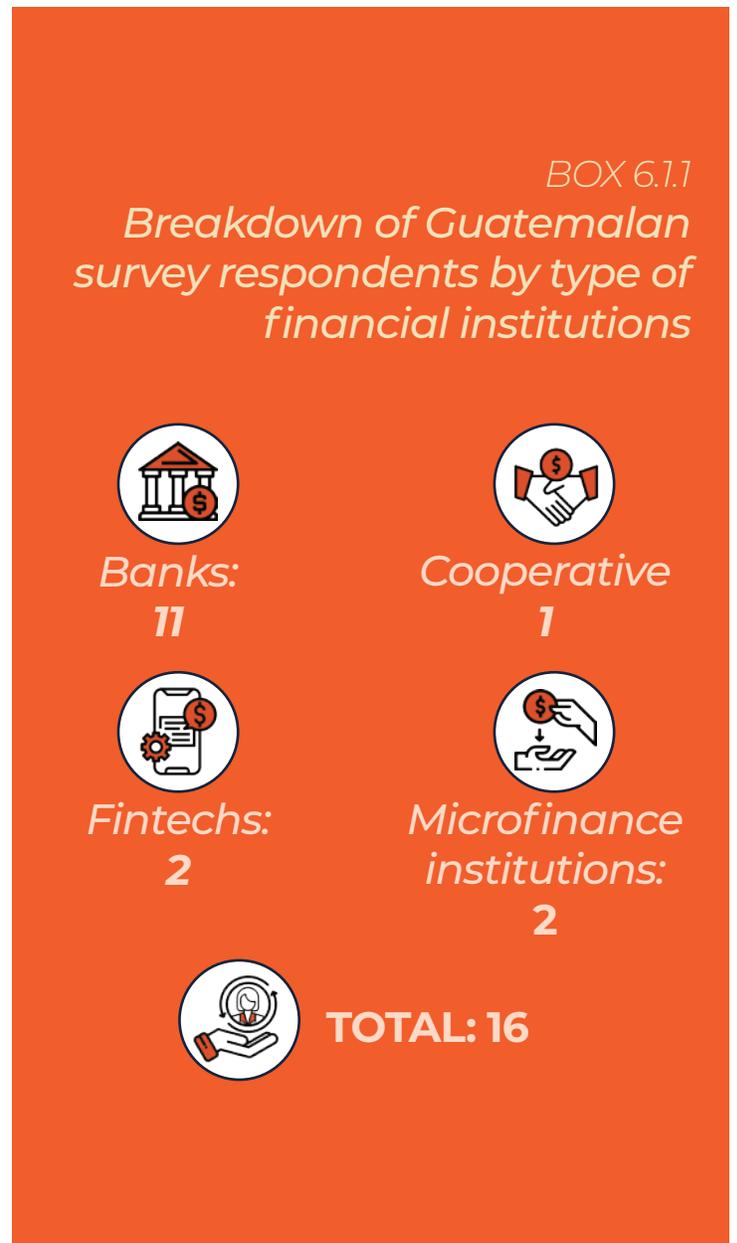
## 6.1 Guatemala

Guatemala is proving to be an outlier when it comes to the increase in overall financial inclusion experienced in the region. As defined by account ownership, overall financial inclusion doubled from 22 percent in 2011 to 44 percent in 2017. For women, financial inclusion nearly tripled during this time—from 16 percent to 42 percent—while financial inclusion among the rural population more than doubled, representing notable progress among traditionally un- and underserved segments in a relatively short timeframe.

Despite this progress, the nation lagged well behind its regional peers for this period, where average overall inclusion was 37 percent. In recent years, the positive trend in Guatemala has reversed, with women’s financial inclusion declining to 34 percent in 2021, even as the rest of the region continued to narrow the gaps (*Figure 6.1.1*).

### *Role of digital financial services*

The digitization of wages and payments in Guatemala has spurred growth in financial inclusion, as it has across the region as a whole. As of 2017, 33 percent of Guatemalans had made or received a digital payment.



In parallel, the mobile financial services sector has seen the most growth in recent years, with a significant expansion of access points, primarily through bank agents. Uptake increased markedly between 2017 and 2022, from 17 percent to 30 percent, likely due—at least in part—to the Covid-19 pandemic, which triggered extensive proliferation and use of digital services. Regulations associated with digital financial services have helped to reduce barriers to financial access for women. For example, in the past, Know-Your-Customer (KYC) requirements made it more difficult for women to open accounts. But with the 2021 passage of an e-KYC regulation specifying a Tier 1 account definition, this barrier began to be lifted (Table 6.1.1).

## Financial institutions' approach to the women's market

The survey of Guatemalan financial institutions revealed that most either already have in place or else plan to develop a strategy for the women's market. However, these intentions are largely driven by social mission or corporate social responsibility commitments, rather than a business

motive. Eighty-six percent of respondents—the majority of which were banks—reported a social rationale for their focus on the women's market (Figure 6.1.1).

Guatemalan FIs' approach to the women's market varies. Most respondents (86 percent) reported that they have marketing campaigns and financial services targeting women customers, while only 57 percent said that they offer non-financial services specifically aimed at women.

Seventy-five percent of Guatemalan survey respondents reported that they collect sex-disaggregated data. The financial regulator overseeing banks has required its regulated institutions to report such data since 2013. However, the collection of this data is a manual process for most FIs. Of those that collect sex-disaggregated data, 67 percent said that they use the data in management reports, but only half incorporate it into management KPIs.

Most FIs have not taken advantage of technical assistance to help them develop products targeting the women's market, with just 36 percent of banks reporting using technical assistance.

Figure 6.1.1. Approach to women customers by type of financial institution

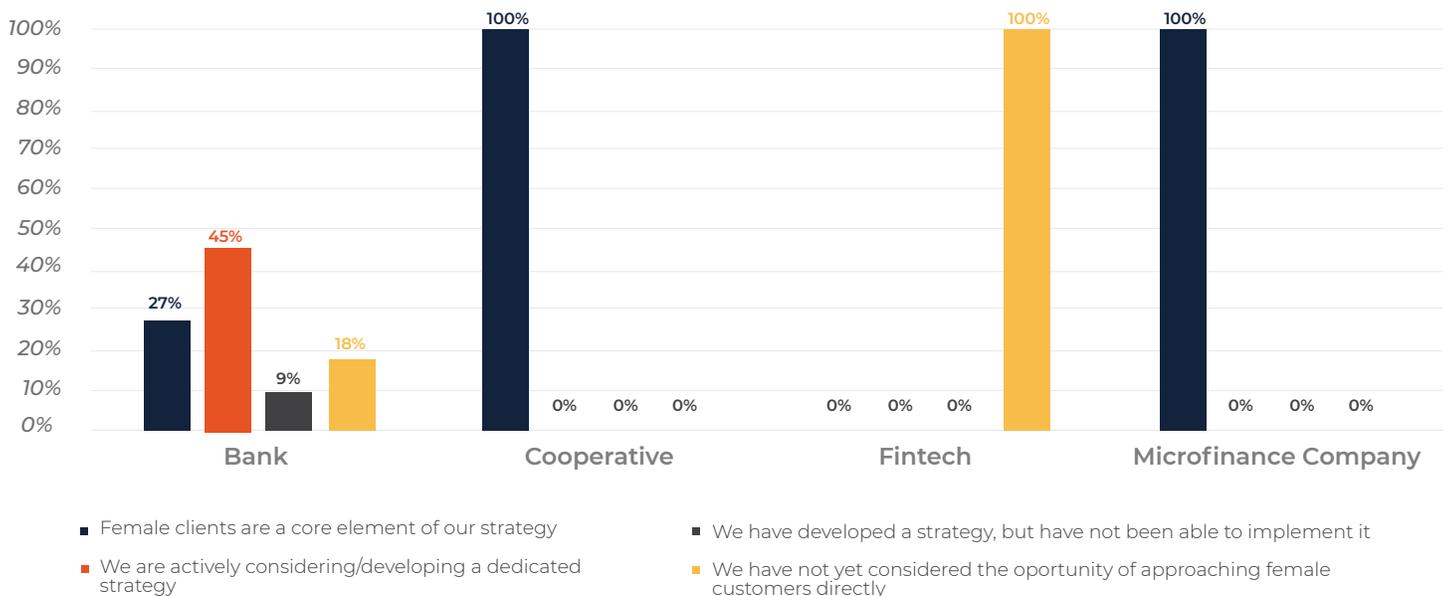
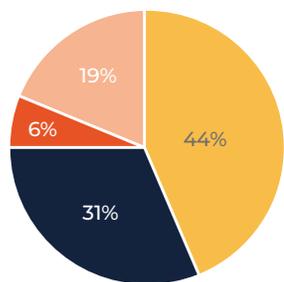


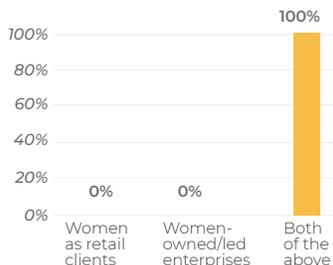
Figure 6.1.2. How Guatemala's financial institutions serve the women's market.

Most FI's have a women's market strategy

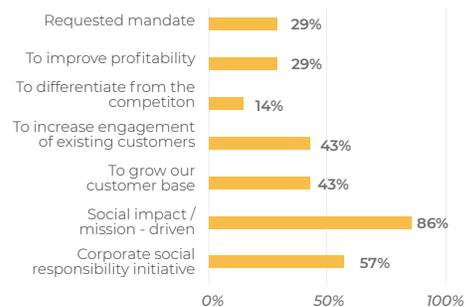


- Women are a core element of our strategy
- Developing/considering a dedicated strategy
- Not been able to implement a strategy
- Not considered the opportunity

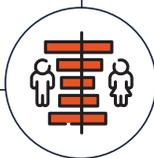
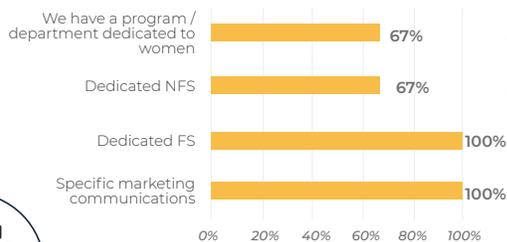
Target segments



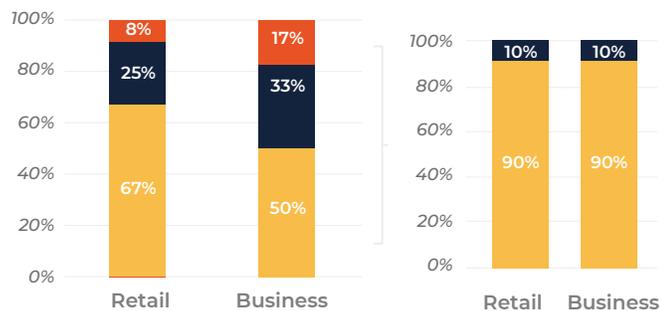
Serving the women's market: why?



and how are they addressing the women's market?

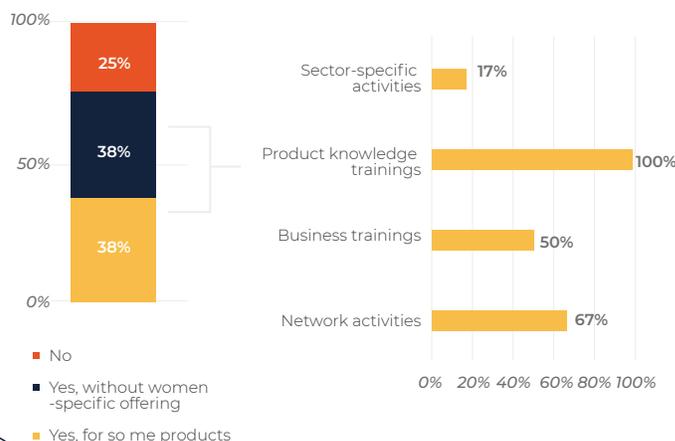


Most FIs collect gender data, primarily via manual disaggregation

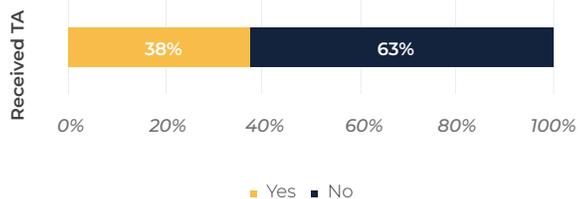


- Yes, for all products
- Yes, for some products
- No
- Manual
- Automatic

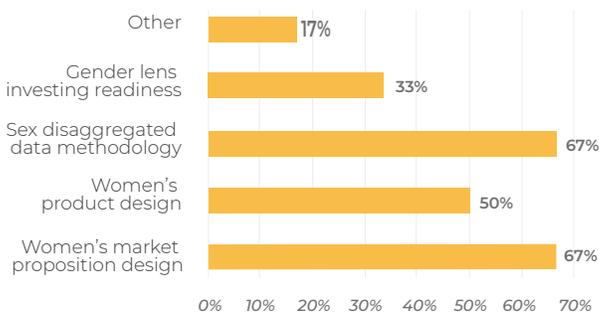
76% of FIs offer NFS, but only 38% with a women-specific offering



- No
- Yes, without women-specific offering
- Yes, for some products



Type of TA



## Barriers to serving women's businesses

In Guatemala, FIs are divided on the definition of a women's business:



31 percent of those surveyed said that WSMEs were a blend of ownership and management roles.



44 percent of those surveyed said that WSMEs were companies in which a woman is the owner, and the company is in her name.

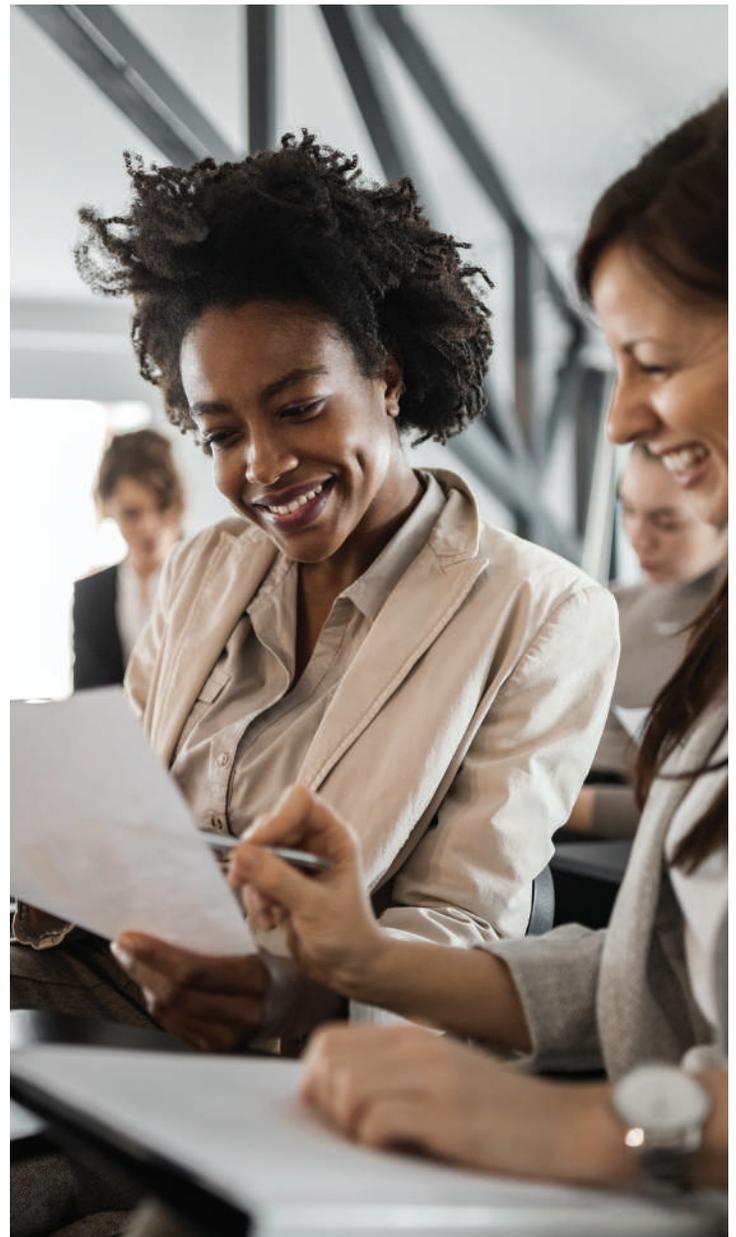


6 percent of those surveyed said that they do not yet have a WSME definition in place

The lack of a standardized definition makes it more difficult for FIs to collect accurate data on WSMEs—and, in turn, gain insight into these customers' behaviors as well as the types of products they need. It also affects data analysis, increasing the risk that FIs could be overlooking important indicators of business value, such as lower NPL ratios. At the financial ecosystem level, without a standard definition, it can be challenging to benchmark progress on closing WSME credit gaps.

## Current state of foundational regulatory infrastructure

Guatemala's foundational infrastructure is less developed than that of other countries in the region. For example, nearly one-third of Guatemalans—women and men—do not have a form of national identification. **This represents a significant barrier. Without a form of ID, people are inherently excluded.** In particular, the lack of an ID prevents many from accessing the digital financial services that have spurred recent progress on financial inclusion.





Legend



Tabla 6.11

Component		Indicator	Guatemala
<b>Financial infrastructure</b>		Number of ATMs	4,283
		Number of bank branches	2,733
		Number of registered mobile money agent outlets	25,985
<b>ICT infrastructure</b>		Percentage of population using the internet	29%
		Mobile ownership	78%
		Affordability of mobile services and devices	3%
		Women's phone ownership	73%
		Proxy women's access to internet	47%
		Percentage of population with access to electricity	96%
<b>ID infrastructure</b>		Percentage of adult population registered	74%
		Percentage of adult females registered	n/a
		Is there a national ID system in place that stakeholders can use to access services?	Yes
		Is there a digital ID system in place that can be used for transactions?	Yes

Sources: IMF FAS, GSMA, ITU, ID4D, CCX calculations, SIB, December 2022

The introduction of a national financial inclusion strategy, in place since 2019, and currently being updated to include a heightened focus on women’s financial inclusion, provides a strong indication that national-level stakeholders are increasingly aware of the importance of improving access to finance for women. In addition, alongside the development of digital financial services (DFSs), regulatory initiatives have also been introduced that have supported increased access. Here, too, additional work is needed, in areas such as ensuring data privacy and security, and enabling mobile banking interoperability (Table 6.1.1).

Legend



Table 6.1.2. Guatemala’s regulatory environment

Component		Evidence in Guatemala
Foundational DFS regulations		<ul style="list-style-type: none"> <li>• <b>Mobile Money regulation</b> has been in the works since 2019</li> <li>• <b>Interoperability</b> of ATMs but not agents; national switch is present</li> <li>• <b>KYC requirements</b> were a barrier to account opening in the past; e-KYC regulation in 2021 specified a tier 1 account definition</li> <li>• <b>Agent Banking regulation</b> is in place &amp; government investment has contributed to expansion of agent network No regulatory framework for <b>open banking</b></li> <li>• <b>Data privacy &amp; use</b> framework not in place</li> </ul>
Foundational non-DFS regulations		<ul style="list-style-type: none"> <li>• <b>ENIF (national financial inclusion strategy) is in place</b> spanning 2019-2023 &amp; overseen by a Financial Inclusion Committee</li> <li>• ENIF covers four thematic areas: <b>payments, access to finance, insurance, savings</b></li> <li>• <b>ENIF is being updated for 2024-2027</b> with private sector perspectives being incorporated; a focus on women, digital solutions and SMEs</li> <li>• <b>Microfinance Regulatory Framework</b> in place since 2016</li> <li>• <b>Movable collateral registry</b> is in place</li> <li>• Credit bureaus are not regulated</li> <li>• Cooperatives do not have a regulatory framework</li> </ul>
Promotion of DFS initiatives		<ul style="list-style-type: none"> <li>• The National Registry of Persons (RENAP) has the technical capacity to lead digital identity efforts, but progress needs to be made</li> <li>• Digital G2P payments, under the Bono Familia program, were implemented during the pandemic through the VisaNet platform</li> <li>• Since 2008, the Law for the Recognition of Communications and Electronic Signatures is compatible with international norms</li> <li>• Electronic invoices have been implemented by the Superintendency of Tax Administration, democratizing access to electronic signatures</li> <li>• Since 2021, the law for the Simplification of Administrative Procedures and Requirements advances the use of technology to expedite public procedures</li> </ul>
Promotion of financial inclusion across public sector agencies and with private sector		<ul style="list-style-type: none"> <li>• Since <b>2013</b>, the <b>SIB</b> collects <b>supply-side financial inclusion data</b> from regulated FIs</li> <li>• In 2018 the <b>Law for Reinforcing Entrepreneurship</b> was approved</li> <li>• In 2018 the <b>Laws for Factoring and Discount Contracts and Movable Guarantee for the promotion of MSMEs</b> were approved</li> <li>• <b>Bank of Guatemala (since 2002) and SIB (since 2008) incorporate Financial Education</b> as part of their frame of action</li> <li>• Digitization of government conditional cash program (education, health, nutrition)</li> </ul>

## Women’s economic participation, inclusion, and entrepreneurship

Guatemala is characterized by high poverty rates, despite being the largest economy in Central America.<sup>2</sup> Women often face more financial hardships than men, and indigenous and rural women typically fare worst of all. Of the women in the labor force, nearly two-thirds—65.5 percent—work in the informal sector, and lack of access to advanced education limits women’s earnings potential. Half of Guatemalan women have children by the age of 19, which further restricts their ability to pursue formal careers with better pay. Compounding these difficulties, according to the United Nations Refugee Agency (UNHCR), are widespread violence, territorial control by criminal organizations and gangs, fragile institutions, the impact of climate change, and deeply entrenched inequalities made worse by the Covid-19 pandemic.<sup>3</sup>

While women have rights, they don’t have protections. Gender-based violence is a huge issue in Guatemala. According to USAID, violence against women is the most reported crime in the country; six out of ten migrating women are raped during their journey; and girls traveling alone are at high risk of being trafficked.<sup>4</sup>

While financial system stakeholders may not have control over many of the challenges confronting Guatemalan women, there are steps they can take to build women’s financial independence and well-being. These include supporting the expansion of mobile money, with a particular focus on those most marginalized, such as internally displaced, rural, and Indigenous women; increasing the focus on financial and digital literacy for consumers with limited general education; and enabling entrepreneurial opportunities that lead to formal business creation.



Table 6.1.3 Women’s status in Guatemala

Component		Evidence in Guatemala
Economic participation, inclusion, entrepreneurship		<ul style="list-style-type: none"> <li>• Poverty at 52.4% in 2020; poverty rate is higher for women &amp; indigenous peoples (up to 79%)</li> <li>• 63% LFPR for adults 15+; <b>88% for men versus 42%</b> for women</li> <li>• Women earn an estimated 47% of what men earn and are less likely to be formally employed (35.5% of economically active women compared to 64.5% of economically active men)</li> <li>• Low Global Entrepreneurship Index score of 18.5, making Guatemala 108 out of 137 countries ranked</li> <li>• 25% of adults generate income through having a business; of those employed in the country, 39% are self-employed</li> <li>• 32% of firms are partly owned by women; 18% of businesses are directly owned by women</li> </ul>
Skill development & educational attainment		<ul style="list-style-type: none"> <li>• 81% of adults (aged 15 or above) are literate; 85% of men are literate versus 77% of women</li> <li>• Primary school completion is 87% with no gender gap; for those aged 25+, upper secondary school completion is 26% for men versus 24% for women</li> <li>• Public education is free and compulsory for six years</li> <li>• 18% of primary school students go to private school</li> <li>• Education gaps are a major contributor to gaps in economic participation and wages; women and indigenous Guatemalans have fewer years of education than men</li> </ul>
Legal, environmental and social norms		<ul style="list-style-type: none"> <li>• Overall score of 70.6 out of 100 for Women, Business and the Law Index</li> <li>• No restrictions on women’s mobility or rights to manage assets</li> <li>• Women lack protections related to the workplace, pay equality, marriage, parenthood, entrepreneurship (i.e., the law does not prohibit discrimination in access to credit based on gender) and pensions</li> <li>• Gender-based violence is at epidemic levels, with the country ranking 3rd in the world for femicide</li> <li>• 50% of Guatemalan girls have a child before the age of 19 and 20% (or more) have 2 children before the age of 18</li> </ul>

## *Recommendations to drive future progress on women's financial inclusion:*

The research into the women's market in LAC has uncovered several actions that **Guatemalan commercial banks and fintechs in particular can take to enhance their efforts to serve the women's market.** These include:

- Developing products targeting customer segments that receive remittances. Remittances, representing 40 percent of Guatemala's GDP, offer a significant and currently overlooked business opportunity for FIs, since many customers do not have bank accounts and currently cash out all money received.
- Increasing the number of access points for digital financial services. At present, Guatemala has 30 access points per 10,000 people—quite a low number, in comparison to other countries in the region. To expand access to financial services for marginalized populations through mobile money, more access points are needed.

Reaching out to and engaging with other financial ecosystem stakeholders, including regulators and other public sector actors, to coordinate women's financial and digital literacy initiatives and co-create innovative digital solutions for women.

- Reaching agreement on a definition of WSMEs.
- Making greater use of technical assistance in areas such as data management, business case modeling, women's product development, and market research, with a particular focus on WSMEs.

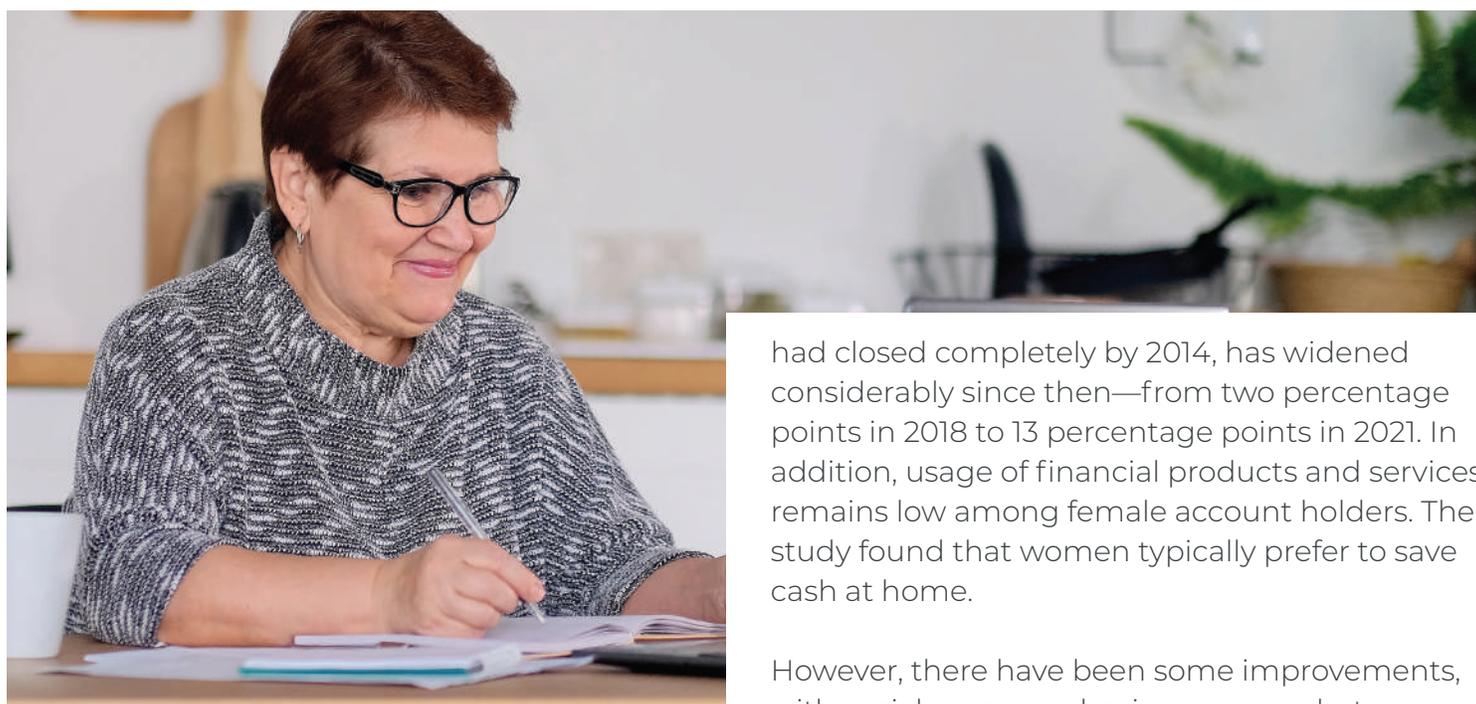
- Pursuing risk-sharing mechanisms to support increased investment in products targeting the women's market.

While significant progress has been made in building an enabling regulatory environment for financial inclusion through the 2019 launch of Guatemala's National Financial Inclusion Strategy, more work is needed to develop women-centric regulatory conditions for mobile banking, interoperability, and data governance. These aspects are being considered for the next iteration of the strategy. **For regulators and other public stakeholders, recommendations include:**

- Building on financial and ICT Infrastructure: There has been significant progress, but more work is needed. Critical efforts needed include ensuring that more people are entered into the national ID system, especially in rural areas, where nearly one-third of the population lacks an ID.
- Heightening the focus on digital financial services, including by adding regulations. The regulations developed as part of the National Financial Inclusion Strategy currently lack a digital financial services component, including covering mobile banking interoperability, particularly as this pertains to bank agents, and in relation to consumer privacy and data security protections. The gaps in digital financial services infrastructure have created uncertainty for operators, who are reluctant to make additional investments in mobile money as a result.
- Increasing the collection of sex-disaggregated data to allow more sophisticated analysis: While supply-side, sex-disaggregated, and geographically disaggregated data is available, it should be disaggregated for more services than just credit. This will enable a deeper understanding of how different

population groups are served, especially with digital channels.

- Creating a gender data dashboard: Such an interactive tool can bring together financial performance data from the banking, co-op, and MFI sectors, providing real-time overviews of women's financial access and usage.
- Making greater use of technical assistance.
- Considering the use of regulatory incentives to encourage FIs to heighten their focus on women and WSMEs.
- Building momentum for improving the enabling environment by convening main players, including representatives from the private sector and government, and working together on an action plan with concrete milestones.



had closed completely by 2014, has widened considerably since then—from two percentage points in 2018 to 13 percentage points in 2021. In addition, usage of financial products and services remains low among female account holders. The study found that women typically prefer to save cash at home.

However, there have been some improvements, with social programs having a somewhat strong influence. Between 2014 and 2019, the government opened accounts for around four million people, allowing them to receive social benefits or cash transfers. Of these accounts, 80 percent belong to women, although further steps are needed to ensure the quality of these financial products and services.

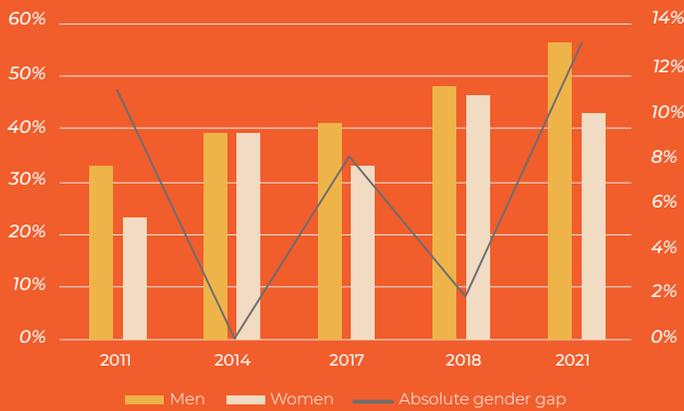
Another important development is the nationwide expansion of the bank agent network, which has significantly increased access to financial services in remote areas. The number of users in rural areas has more than doubled in recent years.

## 6.2 Mexico

Mexico has long struggled with a low degree of overall financial exclusion. While this has improved somewhat in the last decade, still only half of Mexican adults currently own bank accounts, and seven million people—six percent of the population—live more than four miles from the nearest bank or ATM.

For women, the degree of exclusion is even greater: 57 percent of Mexican women remain unbanked. The gender gap in ownership, which

**Figure 6.2.1. Mexico has made uneven progress towards women's financial inclusion, but most women remain unbanked and the gender gap in ownership is growing**



In addition, the expansion of microfinance has benefited many small entrepreneurs, especially women. For example, in the ProDesarrollo microfinance network, women currently represent 95 percent of collective credit clients and half of individual borrowers.

## Role of digital financial services

In Mexico, cash is king. Ninety-five percent of all transactions under 500 Mexican pesos (about \$28.63) are paid in cash. The lack of uptake on mobile financial services is due to high fees, limited service offerings, a small agent network, and low awareness, despite the existence of enabling regulatory conditions.

Nevertheless, the situation is beginning to change. Electronic banking has advanced in recent years, with the Bank of Mexico's introduction of Cobro Digital (CoDi)—a digital platform that allows real-time electronic transfers. Use of the platform has grown significantly, with an 82 percent increase in electronic transactions and transfers between the end of 2019 and the end of 2021.<sup>5</sup> This strong performance is an important indicator of the high demand for digital financial services in the country.

A large swath of the population does not make use of such services—specifically those who receive remittance payments. Although Mexico is the third largest remittance recipient in the world, with women representing 70 percent of receivers, most transactions do not involve mobile money. Typically, they take place over the counter, with money paid out in cash.

The limited role of mobile money in Mexican society today represents a promising opportunity for FIs, which could also accelerate financial inclusion. Given the country's high levels of mobile phone ownership and strong internet connectivity throughout the country, by expanding the range of digital services on offer, reducing transaction costs and raising public awareness, the use of digital financial services has the potential to increase exponentially going forward. See Table 6.2.1 for more on the current regulatory environment for digital financial services.



# Financial institutions' approach to the women's market

Box 6.2.1. Breakdown of Mexican survey respondents by type of financial institution



**Banks:**  
12



**Cooperative**  
2



**Fintechs:**  
2



**Microfinance institutions:**  
16



**TOTAL: 31**

Most of the Mexican financial institutions surveyed indicated that the women's market is a core part of their strategy. However, it is primarily seen as an ESG activity, driven by social and CSR motives. Banks and fintechs typically view financial inclusion as a core role for microfinance and other specialized institutions rather than for them.

Among the banks and fintechs that reported having value propositions aimed at the women's market in place, many point to internal diversity strategies and non-financial services as among the main features. Across all FI types, 74 percent reported offering non-financial services, although only 27 percent said that they had developed dedicated non-financial services for women.

Of note is the fact that 40 percent of all FI respondents—and 50 percent of banks—reported receiving technical assistance to help them develop their women's offerings, making Mexican FIs the second highest users of such assistance in the region. Those accessing such services typically sought assistance with designing products and market propositions for the women's market.

Most FIs sex-disaggregate at least some of their data. This is likely due in part to a regulatory environment that encourages this practice, with the 2016 approval of a national financial inclusion strategy that supports the collection and reporting on gender data.<sup>6</sup> Most FIs continue to collect data manually, increasing the potential for errors and possibly affecting data quality.

Figure 6.2.1. Approach to women customers by type of financial institution

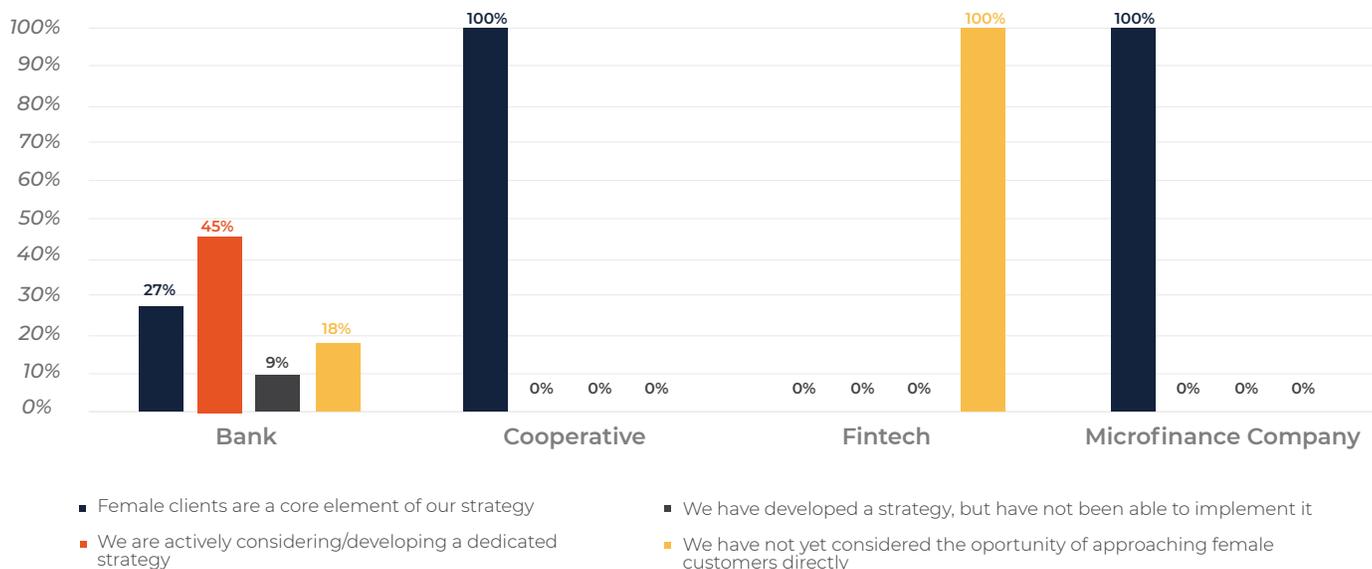
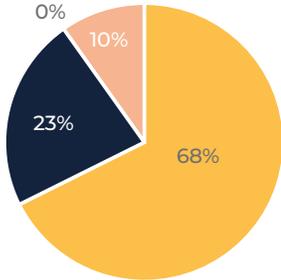


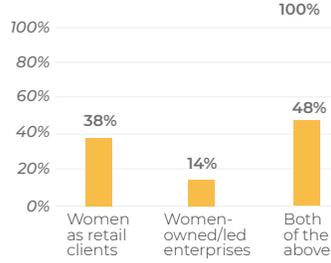
Figure 6.2.2. How Mexico's financial institutions serve the women's market.

Most FI's have a women's market strategy



- Women are a core element of our strategy
- Developing/considering a dedicated strategy
- Not been able to implement a strategy
- Not considered the opportunity

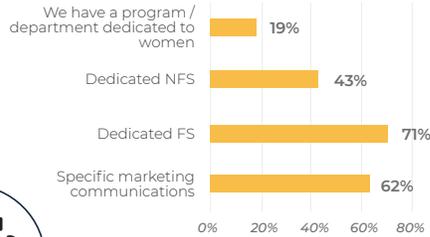
Target segments



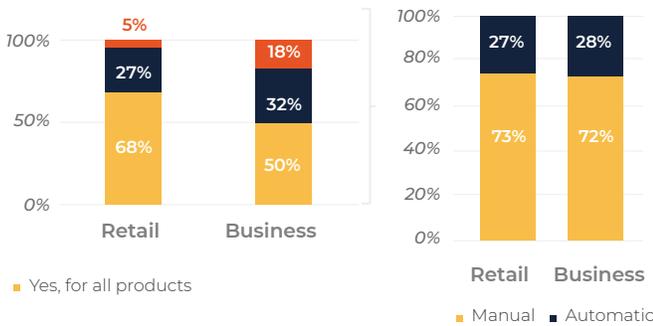
Serving the women's market: why?



and how are they addressing the women's market?

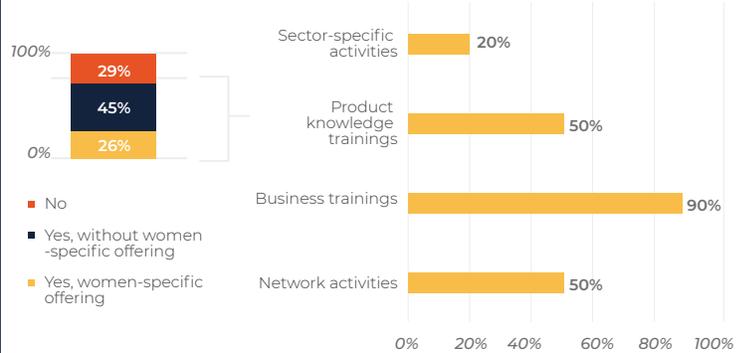


Most Fis collect gender data, primarily via manual disaggregation



- Yes, for all products
- Yes, for some products
- No

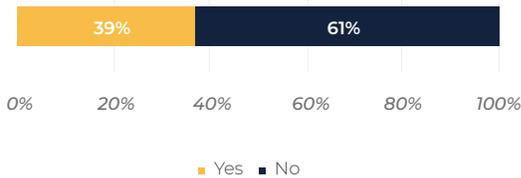
71% of Fis offer NFS, but only 26% with a women-specific offering



- No
- Yes, without women-specific offering
- Yes, women-specific offering

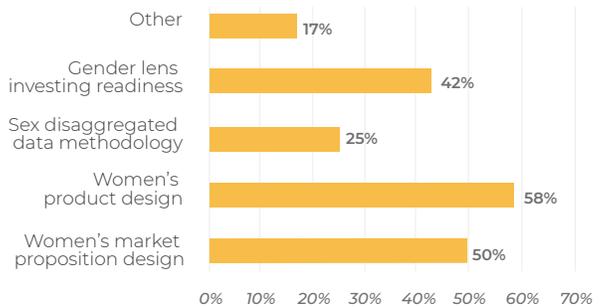


Received TA



- Yes
- No

Type of TA



## Barriers to serving women's businesses

As in Mexico, the lack of a standardized definition for WSMEs represents a significant barrier to expanding financial offerings for women retail customers. A sizable percentage of those surveyed reported having no definition at all, an indication that this segment might not be high on FIs' radar. The breakdown is as follows:



37 percent of those surveyed said that WSMEs were those in which women were present in either ownership or management roles.



30 percent of those surveyed said that WSMEs were companies in which the woman is the owner, and the company is in her name.



17 percent of those surveyed said that they do not yet have a WSME definition in place, including three banks and two microfinance institutions.

Among financial ecosystem stakeholders from the public sphere, there is growing acknowledgement of the importance of supporting the WSME sector. **Actions taken include setting up public finance facilities aimed at WSMEs.** (For more detail on WSME-specific measures, see Table 6.2.3.)

## Current state of foundational regulatory infrastructure

In recent years, the Mexican public sector has heightened its focus on women's financial inclusion and made tangible progress (Tables 6.2.1, 6.2.2). In addition to efforts aimed at increasing access to finance for WSMEs, some important measures taken were:

- Including women-centric activities in the latest national financial inclusion strategy.
- Forming a gender equality committee that brings together 11 financial ecosystem stakeholders from the public and private sectors.<sup>7</sup>
- Encouraging reporting of sex-disaggregated data from regulated FIs.
- Introducing national financial literacy campaigns.





Table 6.2.1. Mexico's regulatory environment

Component		Evidence in Mexico
Foundational DFS regulations		<ul style="list-style-type: none"> <li>• 2010 enacted <b>mobile banking regulation</b> (mobile access to bank account)</li> <li>• 2018 <b>Fintech Law</b> permitted e-wallets (EPIs). Ex. Albo. Regulated by CNBV.</li> <li>• E-wallets from major banks/FIs are accepted at most retail outlets. Gov mobile money platform CoDi will also be accepted almost everywhere, although usage is low (smartphone; QR codes)</li> <li>• SPEI is the Central Bank's <b>national switch</b>.</li> <li>• Since 2009 Mexican banks authorized to establish <b>CICO banking networks</b>. But Mexico has stricter regulation than other countries for authorizing financial agents – results in fewer small shops and more retail chains. High transaction costs.</li> <li>• 2010 Federal Law on the <b>Protection of Personal Data</b> held by Private Properties: in line with EU's GDPR, includes mandatory accountability &amp; impact assessment frameworks.</li> <li>• 018 Fintech law paves the way for Mexican open banking system.</li> <li>• CoDi functions as <b>national payment system</b>: regulated FIs can build APIs on top of it.</li> </ul>
Foundational non-DFS regulations		<ul style="list-style-type: none"> <li>• 2020-2024 <b>National Financial Inclusion Strategy</b> based on 2018 ENIF data: women at the forefront of 2/6 priority areas; target for gender gap in number of accounts.</li> <li>• No separate policy but MSMEs (especially access to finance) are integral part of 2016 and 2020 Inclusion Policy/Strategy.</li> <li>• Nafin dev. bank provides loan guarantee to banks lending to women SMEs (7 banks have approved over 12,000 loans beyond 2018).</li> <li>• 2017 INADEM women SME Program, in collaboration with Nafin and CREA network – provide advisory services to women entrepreneurs.</li> <li>• National Commission for the Protection of Consumers of Financial Services (CONDUSEF) addresses customers and details with complaints and records the sex of user/analyzes SDD. Conducts financial education campaigns targeting women.</li> <li>• El Buró de Crédito, private organization run by Mexican banks, enables banks/creditors to share borrower transaction history.</li> </ul>
Promotion of financial inclusion across public sector agencies and with private sector		<ul style="list-style-type: none"> <li>• Gender Committee set up by Hacienda and coordinating gender-focused activities of CNBV and Banco de México</li> <li>• ENIF demand-side surveys since 2012 sex-disaggregated data (SDD). ENAFIN 2015 first enterprise survey, by sex.</li> <li>• Since 2018, CNBV collect SDD from regulated FIs.</li> <li>• Digitization of Prosper conditional cash program (education, health, nutrition) in 2016 – 98% of recipients are women. Disbursed through debit or chip card (Bansefi). Has helped increase WFI even though most are closed-loop (they cash out).</li> <li>• NFIP 2016 has women's representation in decision-making positions as a priority. No mention in 2020 NFIS; however, the Gender Committee just completed the diversity survey.</li> </ul>



Table 6.2.2. Mexico's financial, ICT, and ID infrastructure

Component		Indicator	Mexico
Financial		Number of ATMs per 100,000 adults	124.3
		Number of bank branches per 100,000 adults	6.0
		Number of registered mobile money agent outlets	48,845
ICT		Percentage of population using the internet	72%
		Mobile ownership, GSMA	70%
		Affordability of mobile services and devices	1%
		Proxy women's phone ownership	68%
		Proxy women's access to internet	71%
ID		Percentage of population with access to electricity	98%
		Percentage of adult population registered	100%
		Percentage of adult women registered	100%
		Is there a national ID system in place that stakeholders can use to access services?	Yes
		Is there a digital ID system in place that can be used for transactions?	Yes

Sources: IMF-FAS, ITU, GSMA, CCX calculations, ID4D

## Women’s economic participation, inclusion, and entrepreneurship

With a gender gap of 32 percentage points in their labor force participation rates, it is clear that women in Mexico are economically active in far fewer numbers than their male counterparts. Of those women who work, many are employed in the informal sector, which limits their earning power. One likely reason for so many women working in the informal sector is that 65 percent of Mexican women have not completed secondary school, meaning they do not qualify for higher-paying jobs requiring higher-level skills.

And while more than half of the country’s micro, small, and medium enterprises are women-owned, here, too, most operate in the informal sector, similarly limiting their financial resources.

Mexico’s laws do not discriminate against women, but social norms characterized by gender stereotypes can make it more difficult for women to advance in their careers and achieve financial independence. Adding to this issue is a high incidence of gender-based violence and a female homicide rate that is among the highest in the region.<sup>8</sup>

### Legend



Table 6.2.3. Women’s status in Mexico

Component		Evidence in Mexico
Economic participation, inclusion, entrepreneurship		<ul style="list-style-type: none"> <li>• Labor force participation gender gap remains significant (48% of women vs. 80% of men)</li> <li>• Income gap: average pay for women is only 49% that of men</li> <li>• 57% of Mexicans work off the books and women are over-represented in the informal sector, which impacts her access to financial services.</li> <li>• 6.3 million MSMEs in total, generating nearly half the country’s GDP (2018)</li> <li>• 94% of MSMEs are micro and more than half are women-owned. Many are informal and cash based. Lack of guarantor and collateral are major barriers, as are lack of trust of FIs and DFS.</li> </ul>
Skill development & educational attainment		<ul style="list-style-type: none"> <li>• Female literacy rate is high (95%)</li> <li>• But schooling is lower: only 35% of adult women completed secondary education. This may explain low financial literacy among women.</li> <li>• 2016 NFIP called for coordination with Ministry of Public Education and teachers unions to include financial education in the curriculum. Essentially no gender gap in schooling.</li> </ul>
Legal, environmental and social norms		<ul style="list-style-type: none"> <li>• Mexico’s laws support women’s freedom of movement (mobility), decisions to work, marriage and starting a business and right to inherit and own property.</li> <li>• Opportunity to equalize laws by: equal remuneration; paid maternity/paternity leave; allowing pension benefits to accumulate during period of absence.</li> <li>• Social norms restrict women (machismo still exists and perpetuates traditional gender norms where women expected to stay home and raise children/manage household) and her autonomy over money/work.</li> <li>• Discrimination and gender-based violence is high (femicides have increased since COVID-19).</li> </ul>

## **Recommendations to drive future progress on women's financial inclusion:**

In Mexico, it is specialized institutions that have driven the progress on financial inclusion to date, with limited involvement from banks and fintechs. Further progress towards full inclusion will require collaboration, buy-in, and political will from the main players in the financial ecosystem, which may involve regulatory incentives. For **financial institutions**, recommendations include:

- Focusing on expanding digital financial services, which offer a significant market opportunity, particularly in relation to remittance customers, given that most recipients currently cash out the remittances they receive rather than depositing them in an account.
- Making greater use of available sex-disaggregated data to reveal insights into women customer behaviors and conduct profitability analytics, such as NPL ratios, to uncover the business rationale for expanding their market footprint in the women's market.
- Leveraging key industry associations such as the Mexican Association of Banks, A.C. (ABM), Fintech México, and the Mexican Association of Popular Financial Societies (AMSOFIPE) to raise awareness of the business case for serving the women's market, and provide capacity building and exposure to best practices, such as gender sensitization training, and case studies on successful gender-inclusive solutions.
- Increasing collaboration between the public and private sectors by including industry associations in the gender equality committee to coordinate implementation of the national financial inclusion strategy.

- Aligning on a definition for WSMEs and encouraging peer institutions that do not yet have a working definition to adopt it.
- Continuing to access technical assistance on data management, program design and business case modeling, product development and market research, with a particular focus on WSMEs.

For regulators and other financial ecosystem stakeholders, efforts should focus on enabling financial and ICT infrastructure, strengthening the data management capabilities of development banks, and ensuring the implementation of appropriate finance mechanisms (not subsidies).

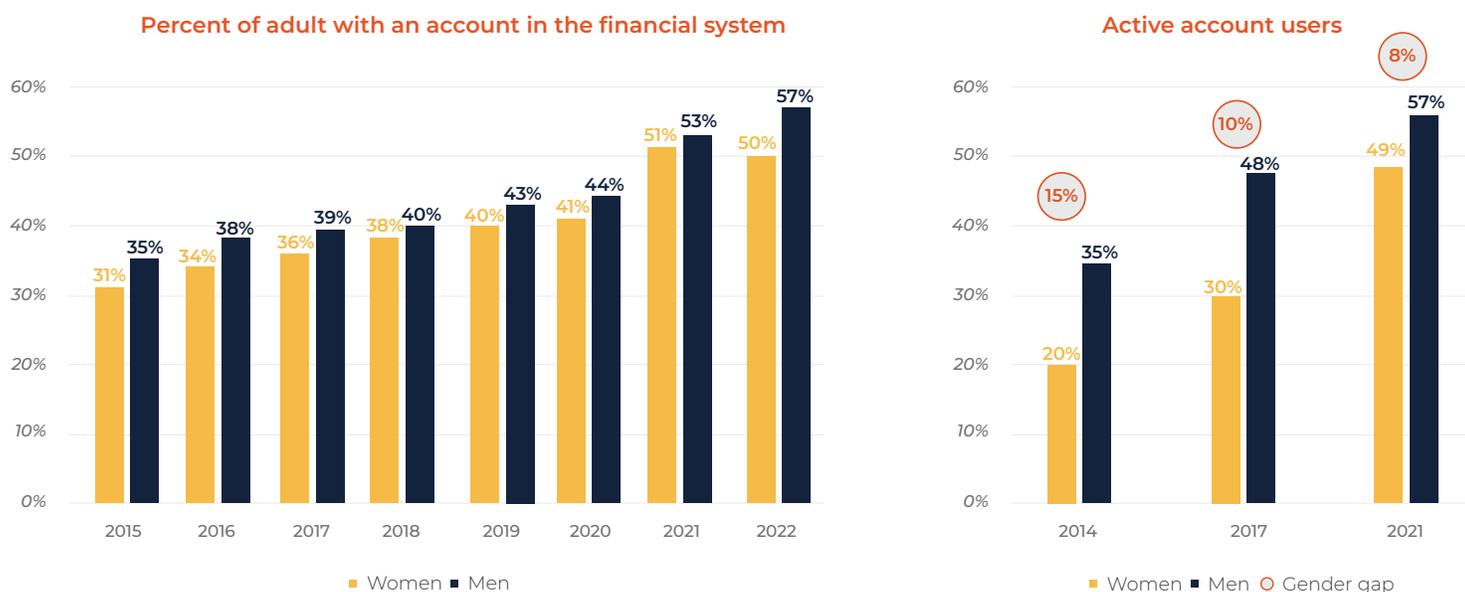


## 6.3 Peru

Overall access to finance in Peru has increased in recent years, with progress slow but steady. Women’s account ownership doubled in the years 2014–2021, while women’s active account use increased from 20 percent to 49 percent during this same period. Today, 57 percent of Peruvian men and 50 percent of women own accounts. However, gender gaps in ownership and usage remain, as *Figure 6.3.1* shows.



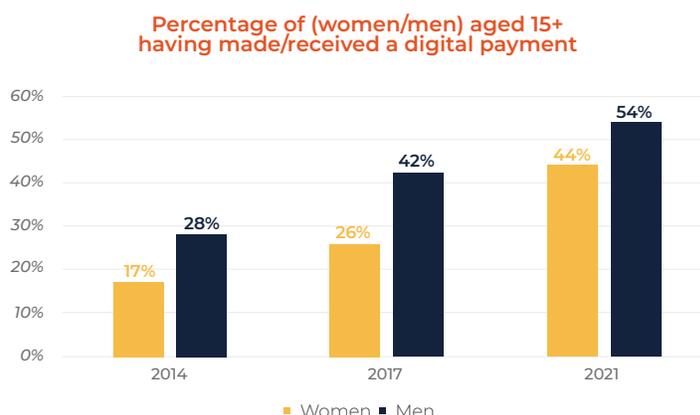
Figure 6.3.1. Access to finance in Peru has increased, but gender gaps in ownership and usage remain



### Role of digital financial services

The growth in Peruvian women’s financial inclusion is due in large part to the 2016 introduction of mobile money and the Modelo Perú strategy—a collaborative initiative involving financial institutions, telecommunications companies, and the government aimed at setting up a mobile money platform that would enable easy access to financial services for the unbanked.<sup>9</sup>

Figure 6.3.2. The introduction of mobile money has catalyzed financial inclusion in Peru



Source: Findex 2021

Following the creation of the platform, more mobile money providers entered the market. As of 2021, more than 50 percent of Peruvians—17 million people—use mobile money. And the number of users continues to rise as the popularity of digital financial services grows.

Six mobile money providers currently dominate the market, including Bim, the digital wallet app created through the Modelo Perú initiative, which has resulted in multiple layers of interoperability between FIs, regulators, and telecoms companies. Other platforms include PLIN, which allows users to electronically transfer money between banks, and apps such as Yape and Tunki (Figure 6.3.2).

Peru's central bank has issued regulations to support the expansion of digital financial services in the country. During the Covid-19 pandemic, the bank acted quickly to introduce an immediate transfer clearing service, which processes payments in real time, 24 hours a day, 7 days a week. Another regulation adopted in 2020 allows transactions to be made using a QR (quick response) code, as a way of increasing efficiency, security, and interoperability.

## Financial institutions' approach to the women's market

The survey of 21 Peruvian financial institutions revealed that most either have a women's market strategy in place or are in the process of developing one. For most of the financial institutions surveyed—83 percent—social impact, rather than business value, was the rationale for serving the women's market (Figure 6.3.3).

Box 6.3.1. Breakdown of peruvian survey respondents by type of financial institution



**Banks:**  
5



**Cooperative**  
4



**Fintechs:**  
2



**Microfinance institutions:**  
10



**TOTAL: 21**



In addition to offering dedicated financial products, around 66 percent provide some kind of non-financial services, although only around 33 percent have developed a range of non-financial services aimed specifically at women. While the type of services offered varies, they typically take the form of training to improve financial knowledge.

Eighty-eight percent of Peruvian FIs said that they collect sex-disaggregated data for at least some of their retail and business products. However, most have not automated their data collection processes.

Uptake on technical assistance in Peru is extremely limited. In fact, of the 21 FIs surveyed, only two--both microfinance institutions—reported receiving technical assistance. This support focused on designing products for women retail customers and WSMEs, as well as on developing a strategy to increase financial inclusion among migrant women. Technical assistance providers included IDB Invest, IFC, USAID/DFC, and CARE Peru.

Figure 6.3.3. Approach to women customers by type of financial institution

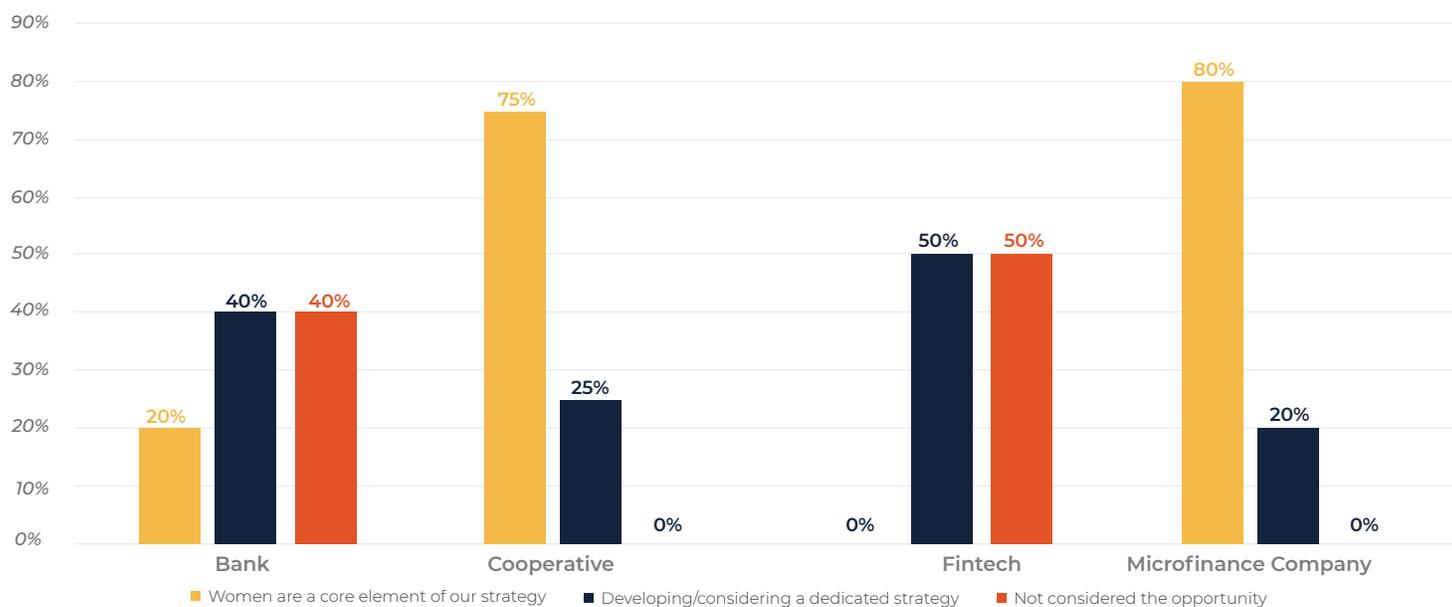
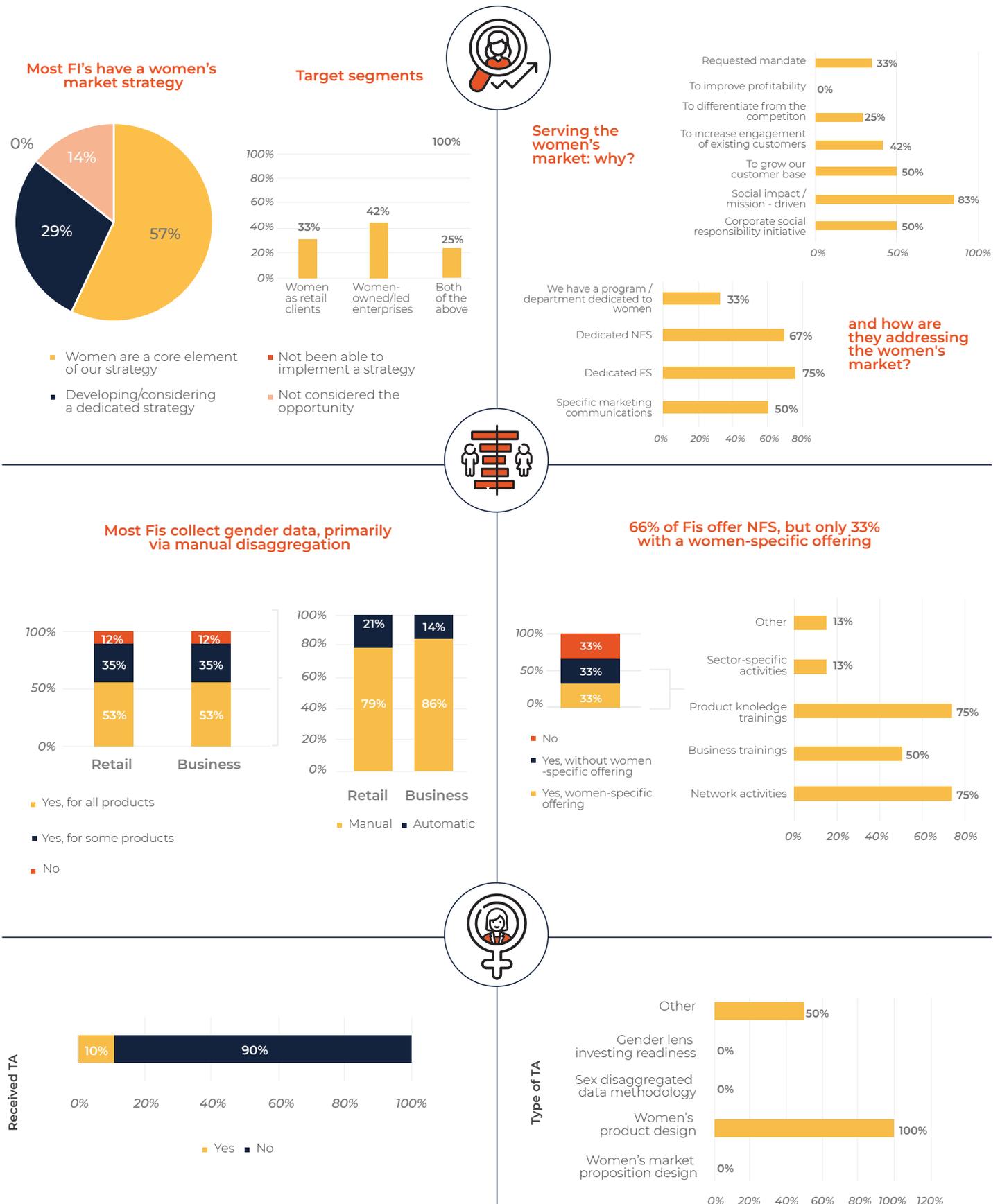


Figure 6.3.2. How Peru's financial institutions serve the women's market



## Barriers to serving women's businesses

Financial institutions in Peru reached an agreement on a definition of what constitutes a women-led business:



28 percent of those surveyed said that WSMEs were those in which women held either ownership or management roles.



28 percent of those surveyed said that WSMEs were companies in which the woman is the owner, and the company is in her name.



12 percent of those surveyed said that they do not yet have a WSME definition in place.

The lack of a standardized definition makes it more difficult for FIs to collect accurate data on WSMEs—and, in turn, gain insight into these customers' behaviors and the types of products they need. It also affects data analysis, increasing the risk that FIs may be overlooking important indicators of business value, such as lower NPL ratios. At the financial ecosystem level, without a standard definition, it can be challenging to benchmark progress on closing WSME credit gaps.

## Current state of foundational regulatory infrastructure

Peru has put in place important regulations to promote women's financial inclusion and encourage financial institutions to increase their range of products and services aimed at women (Table 6.3.1). Peru is also more advanced in other areas of its enabling financial infrastructure, such as the reach of its banking and mobile money segments, as represented by the number of ATMs and bank branches, the number of registered mobile money outlets, the percentage of the population using the internet and owning mobile phones, and affordability of mobile devices and services. The country also has a national identity system and digital ID system in place, both of which facilitate access to financial services.

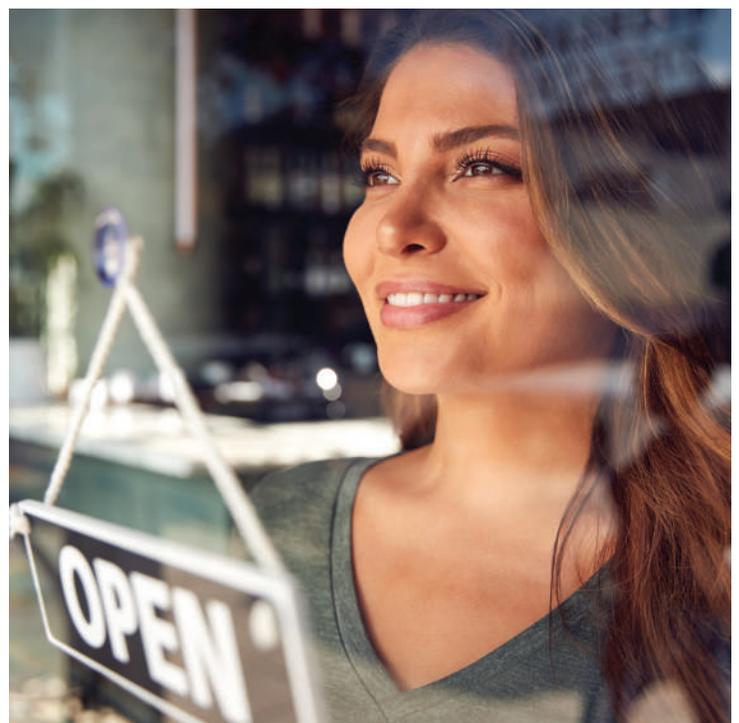




Table 6.3.1.

Component		Indicator	Peru
<b>Financial infrastructure</b>	✔	Number of ATMs per 100,000 adults	62.1
		Number of bank branches per 100,000 adults	12.8
		Number of registered mobile money agent outlets	80,000
<b>ICT infrastructure</b>	~	Percentage of population using the internet	65%
		Mobile ownership, GSMA	81%
		Affordability of mobile services and devices	2%
		Proxy women's phone ownership	58%
		Proxy women's access to internet	63%
		Percentage of population with access to electricity	100%
<b>ID infrastructure</b>	✔	Percentage of adult population registered	98%
		Percentage of adult females registered	100%
		Is there a national ID system in place that stakeholders can use to access services?	Yes
		Is there a digital ID system in place that can be used for transactions?	Yes

The 2021 creation of a high-level stakeholder group, known as the Gender Working Group and headed by Peru's Ministry of Women, has enabled increased government-private sector coordination and collaboration on efforts to advance women's financial inclusion. Participants in the working group include representatives from government and financial industry associations. The Commercial Banks Association (ASBANC) also plays an important role, by running marketing campaigns in support of women's financial inclusion and promoting financial literacy.



Legend



Table 6.3.2. Regulatory environment for financial services (including digital financial services) in Peru

Component		Evidence in Peru
Foundational DFS regulations		<ul style="list-style-type: none"> <li>· <b>Mobile Money regulation</b> (electronic money law) in place since 2013</li> <li>· <b>Interoperability</b> launched with BIM and will be expanded in March 2023 with the launch of wallet interoperability</li> <li>· <b>Tiered KYC</b> is a key aspect of the 2013 Electronic Money Law</li> <li>· eDNI enables <b>eKYC</b> for setting up accounts with FIs</li> <li>· <b>Agent Banking</b> regulation since 2005</li> <li>· 2011 Personal <b>Data Protection</b> Law</li> <li>· No regulatory framework for open banking</li> </ul>
Foundational non-DFS regulations		<ul style="list-style-type: none"> <li>· <b>NFIS (PNIF) is in place</b> since 2019, it has a multisectoral plan which includes 30 measures, is <b>gender focused</b> and is linked to the National Policy for Gender Equality</li> <li>· PNIF highlights the importance of <b>financial literacy</b> for inclusion, there is a Rural Women Financial Education Act in place</li> <li>· Measure 2.13 in PNIF provides for financing and development of MSMEs</li> <li>· <b>Microfinance Regulatory Framework</b> in place</li> <li>· <b>Movable collateral registry</b> is enabled by the 2018 secured transactions law revisions</li> <li>· <b>Credit bureaus</b> are in place and regulated</li> </ul>
Promotion of WFI across public sector agencies and with the private sector		<ul style="list-style-type: none"> <li>· <b>Gender Working Group</b> headed by the Ministry of Women has been set up in 2021 and coordinates activities of public agencies and with the private sector via 4 industry associations</li> <li>· Collaboration between the Ministry of Economy and Finance (MEF) with industry associations on <b>FE for rural women</b></li> <li>· <b>Promotion of gender diversity</b>: SBS superintendent is a woman, Gender Equality Policy mandates that 38% of civil servants are female</li> <li>· SBS conducts <b>sex-disaggregated demand-side national surveys of financial capacities</b> every 3 years (since 2012) and analyzes this data to reach financial inclusion goals</li> <li>· INEI collects and reports <b>sex-disaggregated data on internet and financial access</b></li> <li>· OSPITEL collects <b>sex-disaggregated data on mobile and internet penetration</b></li> </ul>

## Women’s economic participation, inclusion, and entrepreneurship

Women in Peru face some economic, educational, and social barriers to financial well-being. In fact, educational and workforce skills gaps are among the main contributors to the gender pay gap in the country. Seventy percent of Peruvian women work. However, most—60

percent—are employed in the informal sector, limiting their earning potential, and making access to finance even more difficult. See Table 6.3.2 for more detail on the status of women in Peru.



Table 6.3.3. **Women’s status in Peru**

Component		Evidence in Peru
Economic participation, inclusion, entrepreneurship	✓	<ul style="list-style-type: none"> <li>• 70% female LFPR over the age of 15 (2019)</li> <li>• Women comprise over 45% of the labor force (2021)</li> <li>• 3.74% of female LF is unemployed compared to 3.08% of men, less than regional average (2019)</li> <li>• 56.6% of firms have female participation in ownership (2017)</li> <li>• 40% of businesses are directly owned by women (2017)</li> <li>• Women make up over 42% of the agricultural labor force (2011)</li> <li>• 60% of all female workers in Peru are informal</li> <li>• 19.9% of firms have a female top manager (2017)</li> </ul>
Skill development & educational attainment	✓	<ul style="list-style-type: none"> <li>• 92% of adult women (aged 15 or above) are literate compared to 97% of men (2020)</li> <li>• 53.4% of adult women have completed secondary school compared to 62.8% of men (2019)</li> <li>• 21.2% of women have completed post-secondary education compared to 22.7% of men (2019)</li> <li>• Public education is free and compulsory from age 6 to 16</li> <li>• 24% of primary school students go to private school, which costs around \$1,500 per month</li> <li>• Education and workforce skill gap contribute significantly to the wage gap</li> </ul>
Legal, environmental and social norms	✓	<ul style="list-style-type: none"> <li>• Women are expected to do most unpaid care work and there is bias against women in business</li> <li>• Legal environment is favourable to women opening businesses, costs of business start-up procedures were the same for men and women from 2012-2019</li> <li>• Inheritance laws do not disadvantage women</li> <li>• 17% of women get married or are in a union before age 18</li> <li>• Fertility rate (2.23) is higher than income group average</li> </ul>

## Recommendations to drive future progress on women’s financial inclusion:

Peru has made significant strides in relation to increasing women’s access to finance in recent years. However, half of Peruvian women remain unbanked. To accelerate progress towards universal women’s financial inclusion and active use of financial and non-financial services, there are a number of steps that financial ecosystem stakeholders can take:

- **Expand digital financial services-driven strategies** for the women’s market, with a particular focus on user experience, financial and digital literacy, and reduced transaction costs.
- **Align on a definition of what constitutes a WSME** and incentivize financial institutions to serve them through de-risking mechanisms.
- **Increase the number of women executives** at financial institutions and work to strengthen the female leadership talent pipeline.
- **Increase the availability and encourage greater use of technical assistance** for market research, strategy design, data management, and women’s leadership programs.
- **Prioritize work with fintechs, most of which are in the early stages of understanding the women’s market**, placing particular emphasis on the importance of applying a gender perspective to all aspects of operations.
- **Encourage large banks offering digital services to introduce a gender perspective to their digital operations**, and to build up a portfolio of products specifically targeting WSMEs, which are currently primarily served by microfinance institutions.
- **Ensure robust collaboration** between the public and private sectors to implement Peru’s national financial inclusion strategy.
- **Build wider awareness of the impact and business case** for serving the women’s market, leveraging industry associations such as ASBANC.

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**In Brazil:** ACCredito Sociedade de Crédito Direto S.A., Associação Brasileira para o Desenvolvimento da Família - Banco Da Família, BADESC - Agência de Fomento do Estado de Santa Catarina S/A, Banco Bradesco S.A., Banco Cooperativo Sicredi, Banco Daycoval S.A, Banco do Brasil S.A., Banco do Nordeste do Brasil, Banco Nacional de Desenvolvimento Econômico e Social (BNDES), Banco Regional de Desenvolvimento do Extremo Sul - BRDE, Banco Safra, Caixa Economica Federal, CEAPE Brasil - Centro de Apoio aos Pequenos Empreendimentos do Estado do Maranhão, Cooperativa de Crédito Vale do Itajaí - Viacredi, Cresol, Finsol SCM EPP S.A, and Itau Unibanco SA.

**In Colombia:** Agricapital S.A.S, Avanzo, Bancamía S.A, Banco BANAGRARIO, Coopcentral Banco Cooperativo, Banco Davivienda, Banco de Bogotá, Banco de Occidente, Banco Mundo Mujer S.A., BANCO W S.A., Bancolombia, COMFAMA, Confiar Cooperativa Financiera, Contactar, Interactuar, CREDITEK S.A.S, Crezcamos S.A. Compañía de Financiamiento, Emilian S.A.S, Finky S.A.S, Finsocial SAS, Fundación Amanecer, Juancho Te Presta S.A.S, LIBERTEC, Mi Banco S.A., Microempresas de Colombia, Neurona Tecnología Financiera

S.A.S, PandaID Soluciones S.A.S, Payqubit SAS, Rapticredit S.A.S, Reperencia S.A.S , SEMPLI S.A.S ,Vaki and Vita Wallet, and Asociación Fintech de Colombia.

**In Costa Rica:** Banco de América Central Credomatic, Banco Davivienda Costa Rica S.A., Banco de Costa Rica, Banco LAFISE, S.A, Banco Nacional de Costa Rica, Banco Popular y de Desarrollo Comunal, Banco Promerica Costa Rica S.A., Caja de ahorro y préstamos de la Ande R.L, Coopealianza R.L, Coopenae R L Cooperativa Nacional de Educadores, R.L. (COOPENAE, R.L.), Cooperativa de Ahorro y Crédito de la Comunidad de Ciudad Quesada COOCIQUE R.L., CS Coopeservidores R.L., Financiera DESYFIN S.A., Somosindi, Mutual de Cartago, MUCAP, and Scotiabank de Costa Rica S.A.

**In the Dominican Republic:** Banco de Ahorro y Crédito ADOPEM, Addiuva Dominicana, Asociación la Vega Real de Ahorros y Préstamos (ALAVER), Asociación Popular de Ahorros y Préstamos (APAP), Asociación Cibao de Ahorros y Préstamos (ACAP), Banco BHD León, Banco de Ahorro y Crédito ADOPEM, Banco de Ahorro y Crédito Unión, Banco de Reservas de la Republica Dominicana (BANRESERVAS), Banco Múltiple ADEMI, Banco Múltiple Lafise, Banco Popular Dominicano (BPD), Banco Promerica República Dominicana, BEI, Cooperativa de Ahorro y Crédito (COOPASPIRE), Cooperativa de Ahorro y Crédito Central (COOPCENTRAL), Cooperativa de Ahorros y Créditos Momón Bueno, Cooperativa de Ahorros y Créditos Sabaneta Novillo (COOPSANO), Cooperativa de Ahorro y Crédito San José, and Genzoft.

**In Ecuador:** Banco Bolivariano C.A., Banco De La Producción S.A Produbanco, Banco de Machala S.A., Banco General Rumiñahui S.A., Banco Guayaquil S.A., Banco Internacional S.A., Banco Pacifico S.A, Banco Pichincha C.A., Banecuador E.P., Cooperatica De Ahorro y Crédito Policia Nacional Limitada, Cooperativa De Ahorro y Crédito 23 de Julio Limitada, Cooperativa de Ahorro y Crédito Alianza del Valle Limitada,

Cooperativa de Ahorro y Crédito Cooprogreso Limitada, Cooperativa de Ahorro y Crédito Jardín Azuayo Limitada, and Cooperativa de Ahorro y Crédito Juventud Ecuatoriana Progresista JEP Limitada.

**In El Salvador:** BAC Credomatic El Salvador, Banco Abank S.A., Banco Agrícola S.A., Banco Azul de El Salvador S.A., Banco Cuscatlán de El Salvador S.A., Banco Davivienda Salvadoreño S.A., Banco de Fomento Agropecuario, Banco Hipotecario de El Salvador S.A, Banco Promérica S.A., Federación de Cajas de Crédito y de Banco de los Trabajadores S.C. de R.L. de C.V. (FEDECREDITO), and DitoBanx El Salvador S.A. de C.V.

**In Guatemala:** BAC Credomatic Guatemala, Banco Agromercantil de Guatemala S.A., Banco Crédito Hipotecario Nacional (CHN), Banco de Antigua S. A., Banco de Desarrollo Rural S.A., Banco Ficohsa Guatemala, Banco G&T Continental, Banco Industrial S.A., Banco Inmobiliario S.A., Banco Promerica, Banco de los Trabajadores (Bantrab), Cooperativa Guayacán R.L., Cooperativa San José Obrero R.L. Esquipulas, Chiquimula (COOSAJO), FINCA Guatemala, Fri, Fundación Génesis Empresarial, Superintendencia de Bancos de Guatemala, Alterna, MICOOPE, and the Ministry of Economy.

**In Haiti:** Association National des Caisses Populaires Haïtienne (ANACAPH), Banque de l'union Haïtienne (BPH), Banque de l' Union Haïtienne (BUH), Fédération des Caisses Populaires Le Levier, SOGEBANK, and SOGEBEL. In Honduras: Banco Popular S.A., Banco de América Central Credomatic Honduras, Banco Atlántida S.A., Banco del Pais S.A., Banco Financiera Comercial Hondureña S.A. (FICOHSA), Banco Hondureño del Café S.A., Banco Lafise Honduras, Banrural Honduras, Cooperativa ELGA, Davivienda Honduras, Financiera Codimersa, Financiera FINCA Honduras S.A., Fundación Microfinanciera Hermandad de Honduras, Financiera Solidaria S.A., ODEF Financiera S.A., TENGO, and Asociación de Bancos de Honduras.

**In Mexico:** Administradora de Caja Bienestar S.A. de C.V. S.F.P., Amextra Finanzas, Avanza Sólido S.A. de C.V. SOFOM, Banca Afirme, Banco Azteca Mexico, Banco del Bajío, S.A., Banco Forjadores S.A. Institución de Banca Múltiple, Banco Multiva, Banco ve por más, Banregio, BBVA México, Caja Popular Mexicana, Compartamos Banco, Con Ser tu Amigo, Consejo de Asistencia al Microemprendedor S.A. de C.V. S.F.P., Crediclub, Financiera Braxel, Fincomún, Servicios Financieros Comunitarios S.A. de C.V., SOFIPO, Grupo Financiero Banorte, Kapitalmujer, Konfío, kubo.financiero, Paso Seguro Creando Furuto S.A. de C.V. S.F.P., Pro Mujer, Provident México, Santander Inclusión Financiera (Tuiio), Scotiabank México, SOFIPA Corporacion Sapi de C.V. SOFOM ENR, Solución ASEA S.A. de C.V. S.F.P. (Credicapital), TE CREEMOS, FIRA, ASOFIPO, Inmujeres Federal, Comisión Nacional de Bancos y Valores, Secretaría de Hacienda y Crédito Público, TALA, Bancomext, and Banco de México.

**In Paraguay:** Banco Atlas S.A., Banco Continental S.A.E.C.A., Banco Familiar S.A.E.C.A., Banco GNB Paraguay S.A., Banco Itaú Paraguay S.A., Banco Nacional de Fomento, Banco Regional S.A.E.C.A., Banco Río S.A.E.C.A., Sudameris Bank S.A.E.C.A., BANCOP S.A., Financiera Finexpar S.A.E.C.A., Financiera Paraguayo Japonesa S.A.E.C.A., Solar Banco S.A.E., Financiera UENO S.A.E.C.A., Goiko Paraguay, Interfisa Banco S.A.E.C.A., and Visión Banco S.A.E.C.A.

**In Peru:** ADEA Andahuaylas, ADRA Perú, Banco de Crédito del Perú (BCP), Banco Interamericano de Finanzas, BBVA Perú, CMAC Arequipa, CMAC Maynas, CMAC Cusco, CMAC Huancayo, CMAC Piura, Compartamos Financiera, Cooperativa de Ahorro y Crédito MF Prisma, Cooperativa de Ahorro y Crédito FONDESURCO, Cooperativa de Ahorro y Crédito KORI, Cooperativa de Ahorro y Crédito Abaco, CrediFace Perú, Financiera Confianza, Interbank, Mi Banco, Movimiento Manuela Ramos-CrediMUJER, Prestamype, Scotiabank Perú, ASBANC, Banco de la Nación, Superintendency of Banks, Ministry of Economy and Finance, Equifax, Ministry of Production,

Ministry of Development and Social Inclusion, Womens Ministry, AsoMIF, Banco Central de Reservas del Perú, and Fintech Perú.

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## Appendix A. **Research methodology**



The study used a combination of quantitative and qualitative research methods. The quantitative research consisted of analyzing the responses to a structured, online survey of data provided by selected financial institutions. Qualitative research methodologies included an open-ended online survey to capture market performance data from FIs, and semi-structured, in-depth interviews with selected FIs and financial ecosystem stakeholders. The research team adopted an in-depth case study methodology to obtain the information provided in the three detailed country profiles.

### ***Selection of study methods, target countries and financial institutions***

The research team held several working sessions with the IDB Invest project team and other stakeholders to agree on optimal research approaches, the countries and survey respondents to target, and the focus of the country case studies.

The survey sample consisted of financial institutions in 13 countries: Bolivia, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Paraguay, and Peru. Within each country, a representative sample of all types of regulated financial institutions was selected, including banks, fintechs, development banks, cooperatives, and microfinance institutions.

Within each country, a representative sample of all types of regulated financial institutions was selected, including banks, fintechs, development banks, cooperatives, and microfinance institutions, guided by several criteria as suggested by IDB Invest:

- Inclusion of leading FIs, as defined by those with the largest market share in terms of number of clients/assets.
- Inclusion of at least eight leading commercial banks in contexts where multiple banks have a large market share, based on the top eight as measured by size of market share based on number of clients/market assets.
- Inclusion of leading women- and/or WSME-focused FIs, based on largest market share as measured by number of clients/assets.
- Inclusion of fintechs with the largest market share as measured by number of clients/assets.

## ***Survey coverage and response rate***

The research team sent out 282 40-question online surveys between August and December to an average of 20–30 financial institutions per country. A network of 15 in-country experts helped with follow-up and sourcing of market performance data.

The survey covered more than 60 percent of the financial market assets in most countries and resulted in an 87 percent response rate, including responses from 13 regional bank groups. In total, the research team collected 161 market performance data sets from financial institutions.

## ***In-depth interviews and case studies***

In December 2022 and January 2023, the team held interviews with representatives of 32 leading financial institutions which yielded deep insights into their perspectives on the women's market.

For the case studies in Guatemala, Mexico and Peru, a total of 41 stakeholder interviews were conducted between December 2022 and February 2023

## ***Investigations insights and recommendations***

Upon completing the survey, the research team identified patterns, gained insights and drew conclusions that could be used to inform FIs' future strategy and operational approaches, as well as future interventions by development institutions, aimed at furthering women's financial inclusion





# Appendix B. Modeling women's market opportunity calculations

The high-level logic of the model can be described by way of the following key steps:

**1 Determine socioeconomic segments** (based on monthly income and occupation and broken down by gender).

**3 Determine percentage of underbanked.**

**2 Determine percentage of unbanked.**

**4 Assumptions on potential revenue per segment** (net interest income, and fee and commission income).

The assumptions used for the model were based on the following data sources:

Area	Assumption	Sources		
		Guatemala	Mexico	Peru
Population	Sociodemographic/-economic segments	ENEI 2020 Ministerio de Trabajo y Previsión Social, 2023	ENIF 2021 ENOE 2022	INEI 2017, INEI 2021 NSEs: APEIM 2018, Ipsos 2019
	Economic activity			
	Access to finance/banked			
	Usage/degree to which underserved	CCX assumptions based on past experience, validated by local and regional experts		
Products	Deposits/savings	Banks' and MFIs' terms and conditions sheets, banking system overview by financial regulators		
	Loans			
	Payments			

An overview of the assumptions used in the model can be found below:

Overview of assumptions – Guatemala.

		Segment D (~\$52/mo)		Segment C (~\$247/mo)		Segment B (~\$609/mo)		Segment A (~\$1,478/mo)	
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Deposits and Savings</b>									
	Short term savings (...)	15%	15%	25%	25%	35%	35%	40%	40%
	Long-term savings (...)	5%	5%	8%	8%	10%	10%	12%	12%
<b>Transactions &amp; Payments</b>									
	Money transfers per month	1.0	1.0	1.5	1.5	2.0	2.0	2.5	2.5
	Withdrawals per month	-	-	0.5	0.5	1.0	1.0	1.5	1.5
	% of income used in cashless payments	3%	3%	5%	5%	10%	10%	15%	15%
<b>Loans Retail, (very) short-term liquidity mgmt</b>									
	Credit volume (% of MONTHLY income)	100%	100%	100%	100%	150%	150%	150%	150%
	Credit penetration (% of client)	35%	35%	30%	30%	25%	25%	25%	25%
	Expected loan losses (net of recovery)	3%	3%	3%	2%	3%	2%	3%	2%
<b>Loans Retail, medium-term</b>									
	Credit volume (% of ANNUAL income)	40%	40%	60%	60%	80%	80%	80%	80%
	Credit penetration (% of clients)	10%	10%	15%	15%	20%	20%	20%	20%
	Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>Loans Small Business, e.g. inventory finance</b>									
	Credit volume (% of MONTHLY income)	40%	40%	35%	35%	30%	30%	30%	30%
	% of segment small business owners	4%	9%	21%	41%	22%	23%	23%	19%
	Credit penetration (% of clients)	90%	90%	80%	80%	70%	70%	70%	70%
	Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>Loans Agri-Finance</b>									
	Credit volume (% of ANNUAL income)	40%	40%	40%	40%	30%	30%	30%	30%
	Share of segment active in agriculture	19.3%	1.2%	23.6%	6.5%	13.3%	3.1%	14.3%	4.1%
	Credit penetration (% of clients)	60%	60%	80%	80%	60%	60%	60%	60%
	Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>RATES</b>									
	Borrowing rate	40%	40%	28%	28%	25%	25%	18%	18%
	Deposit rate	1%	1%	1%	1%	3%	3%	4%	4%
	Refinancing rate	11%	11%	11%	11%	11%	11%	11%	11%
	Money transfer fee, US\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Withdrawal fee, US\$	0.20	0.20	0.30	0.30	0.40	0.40	0.50	0.50
	Fee for cashless payments (% of value of transactions, banks' share)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

## Overview of assumptions – Mexico

	Segment D (~\$64/mo)		Segment C (~\$431/mo)		Segment B (~\$765/mo)		Segment A (~\$1,685/mo)	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Deposits and Savings</b>								
Short-term savings (...)	15%	15%	25%	25%	35%	35%	40%	40%
Long-term savings (...)	5%	5%	8%	8%	10%	10%	12%	12%
<b>Transactions &amp; Payments</b>								
Money transfers per month	0.5	0.5	1	1	2	2	2	2
Withdrawals per month	0.5	0.5	1	1	1.5	1.5	1.5	1.5
% of income used in cashless payments	1%	1%	5%	5%	10%	10%	20%	20%
<b>Loans Retail, (very) short-term liquidity mgmt</b>								
Credit volume (% of MONTHLY income)	100%	100%	100%	100%	150%	150%	150%	150%
Credit penetration (% of client)	35%	35%	30%	30%	25%	25%	25%	25%
Expected loan losses (net of recovery)	4%	3%	3%	2%	3%	2%	3%	2%
<b>Loans Retail, medium-term</b>								
Credit volume (% of ANNUAL income)	40%	40%	60%	60%	80%	80%	80%	80%
Credit penetration (% of clients)	10%	10%	15%	15%	20%	20%	20%	20%
Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>Loans Small Business, e.g. inventory finance</b>								
Credit volume (% of MONTHLY income)	40%	40%	35%	35%	30%	30%	30%	30%
% of segment small business owners	11%	9%	12%	15%	15%	13%	14%	12%
Credit penetration (% of clients)	90%	90%	80%	80%	70%	70%	70%	70%
Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>Loans Agri-Finance</b>								
Credit volume (% of ANNUAL income)	40%	40%	40%	40%	30%	30%	30%	30%
Share of segment active in agriculture	5.0%	0.3%	2.3%	0.2%	0.7%	0.1%	0.6%	0.1%
Credit penetration (% of clients)	60%	60%	80%	80%	60%	60%	60%	60%
Expected loan losses (net of recovery)	3%	2%	3%	2%	3%	2%	3%	2%
<b>RATES</b>								
Borrowing rate	40%	40%	30%	30%	23%	23%	15%	15%
Deposit rate	2%	2%	4%	4%	6%	6%	7%	7%
Refinancing rate	11%	11%	11%	11%	11%	11%	11%	11%
Money transfer fee, US\$	0.34	0.34	0.20	0.20	0.20	0.20	0.34	0.34
Withdrawal fee, US\$	0.63	0.63	0.63	0.63	0.75	0.75	0.75	0.75
Fee for cashless payments (% of value of transactions, banks' share)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

## Overview of assumptions – Peru

		Segment D (~\$129/mo)		Segment C (~\$260/mo)		Segment B (~\$502/mo)		Segment A (~\$1,035/mo)	
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Deposits and Savings</b>									
	Short-term savings (...)	15%	15%	25%	25%	35%	35%	40%	40%
	Long-term savings (...)	5%	5%	8%	8%	10%	10%	12%	12%
<b>Transactions &amp; Payments</b>									
	Money transfers per month	0.5	0.5	1.0	1.0	2.0	2.0	2.0	2.0
	Withdrawals per month	1.0	1.0	1.5	1.5	2.0	2.0	2.5	2.5
	% of income used in cashless payments	0%	0%	2%	2%	5%	5%	8%	8%
<b>Loans Retail, (very) short-term liquidity mgmt</b>									
	Credit volume (% of MONTHLY income)	100%	100%	100%	100%	150%	150%	150%	150%
	Credit penetration (% of client)	35%	35%	30%	30%	25%	25%	25%	25%
	Expected loan losses (net of recovery)	7%	5%	6%	4%	6%	3%	6%	3%
<b>Loans Retail, medium-term</b>									
	Credit volume (% of ANNUAL income)	40%	40%	60%	60%	80%	80%	80%	80%
	Credit penetration (% of clients)	10%	10%	15%	15%	20%	20%	20%	20%
	Expected loan losses (net of recovery)	6%	4%	6%	4%	5%	3%	5%	3%
<b>Loans Small Business, e.g. inventory finance</b>									
	Credit Volume (% of MONTHLY income)	40%	40%	35%	35%	30%	30%	30%	30%
	% of segment small business owners	2%	2%	3%	3%	5%	5%	7%	7%
	Credit penetration (% of clients)	90%	90%	80%	80%	70%	70%	70%	70%
	Expected loan losses (net of recovery)	6%	4%	6%	4%	5%	3%	5%	3%
<b>Loans Agri-Finance</b>									
	Credit volume (% of ANNUAL income)	40%	40%	40%	40%	30%	30%	30%	30%
	Share of segment active in agriculture	2.2%	0.8%	7.5%	2.7%	15.0%	5.4%	17.2%	6.3%
	Credit penetration (% of clients)	60%	60%	80%	80%	60%	60%	60%	60%
	Expected loan losses (net of recovery)	6%	4%	6%	4%	5%	3%	5%	3%
<b>RATES</b>									
	Borrowing rate	45%	45%	30%	30%	25%	25%	20%	20%
	Deposit rate	1%	1%	1%	1%	3%	3%	4%	4%
	Refinancing rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
	Money transfer fee, US\$	1.22	1.22	1.62	1.62	3.29	3.29	4.05	4.05
	Withdrawal fee, US\$	1.01	1.01	1.01	1.01	2.03	2.03	2.03	2.03
	Fee for cashless payments (% of value of transactions, banks' share)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02



# Appendix C. **Research tools**

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## **1** *Survey questionnaire: Introduction and Instructions*

As part of a regional initiative to advance women's financial inclusion, IDB Invest has launched the Supply-Side Sex-Disaggregated Data Survey in 13 countries in Latin America and the Caribbean (LAC). The survey's objective is to understand financial service providers' (FSPs') strategies for the female market, map the ranges of products—both financial and non-financial—for this segment, and understand how they collect and use sex-disaggregated data. The survey expects to reach over 250 FSPs across the region. The results will serve as the basis for designing and prioritizing IDB Invest's financial inclusion for women's initiatives. IDB Invest retained CCX Inclusive Business (CCX IB), a strategy consulting firm with a focus on inclusive finance, to conduct the survey, distill key insights, and develop a set of recommendations for expanding its initiative. CCX developed the survey tool, which covers four key areas: 1. Women's market strategy, 2. sex-disaggregated data management, 3. product mix, and 4. women's market portfolio. Your institution has been selected along with 25 other financial service providers in your country to participate in the survey.

The online survey will take 10 minutes to complete. All results will be kept strictly confidential and will be presented in aggregate

form, with answers never being attributed to a specific FSP. Please take into consideration that the last section of the survey will require the most time and access to financial data. Please designate a person in your institution to complete the survey. **Potential positions in which individuals would have an in-depth understanding of the issues raised in the survey and access to the required data** are CEOs, Heads of Business Banking or SME Banking, Heads of Retail, and Heads of Strategy.

Thank you for participating in this survey and contributing to a critically important initiative in the region!

# 1. Women's market strategy, product mix, and gender data management

This section asks for information about your financial institution. Some of the terms used in the survey are described below for clarity:

**Retail:** refers to the segment composed of women as individuals (Retail, Personal Banking)

**Women-owned/-led businesses** refers to the micro, small, and medium enterprises owned (or run) by women (WMSMEs, Women's Business Banking)

1. **Financial Institution Information**
2. **Name of Financial Service Provider (your company):**
  - a. **Type of Financial Service Provider**
  - b. Bank
  - c. Microfinance company
  - d. Microfinance NGO
  - e. Fintech
  - f. Cooperative
  - g. Other (please specify)
3. **Country where the FSP is registered [dropdown menu with all survey countries]**
4. **Your position in the institution [single selection]**
  - a. President/MD/CEO
  - b. Department Head
  - c. Other (please specify)
5. **Please provide a contact person for the survey, so that we can contact them for follow-up and clarification if necessary.**
  - a. Name
  - b. Gender
  - c. Email address
  - d. Work telephone number

## SECTION 1.

# Women's Market Strategy

In this section, we would like to understand more about your institution's strategy for the women's market.

- 6. What best describes your institution's approach to women customers of financial services?** *[single selection]*
- a. Women clients are a core element of our strategy.
  - b. We are actively considering/developing a dedicated strategy.
  - c. We have developed a strategy but have not been able to implement it.
  - d. We have not yet considered the opportunity of approaching women customers directly.

*If you answered c) or d), continue here:*

- 7. Why is the women's segment not part of your current strategy?** *[multiple selection]*
- a. Lack of alignment within institution on the importance of this segment
  - b. Limited budget to develop and/or implement strategy
  - c. Limited ability of system to generate sex-disaggregated data
  - d. Limited knowledge of how to properly analyze and use sex-disaggregated data
  - e. Limited knowledge of how to develop a women's market strategy
  - Other *(please specify)*

*Please go to Question 12*

*If you answered a) or b) in Question 6, continue here:*

- 8. What sub-segment(s) do you focus on?** *[single selection]*
- a. Women as retail clients
  - b. Women-owned/-led enterprises
  - c. Combination of options a) and b)
- 9. How do you address women's financial needs?** *[multiple selection]*
- a. Specific marketing communications and/or promotions
  - b. Dedicated product offering for women as retail clients
  - c. Dedicated product offering for women-owned/-led enterprises
  - d. We have a program, department, or unit dedicated to women
  - e. Dedicated non-financial services for women as private individuals (e.g. business training)
  - f. Dedicated non-financial services for women-owned/led enterprises (e.g. business training)
  - g. Other (please specify) \_\_\_\_\_

**10. Why did your institution choose to target women as part of your strategy?**

*[multiple selection]*

- a. To differentiate ourselves from the competition
- b. To grow our customer base by targeting a new or unserved segment
- c. To increase engagement among existing customers/expand cross-sell opportunities
- d. To improve profitability
- e. Corporate social responsibility initiative
- f. At the request of partners/shareholders/donors
- g. Mission-driven
- h. Other (please specify) \_\_\_\_\_

## SECTION 2.

# Management of Gender Data

In this section, we would like to learn more about how your financial institution collects and uses sex-disaggregated data.

**11. How does your institution define women-owned/-led businesses?**

*[single selection]*

- a. Company in which a woman is the owner (the company is in her name)
- b. Company in which women have majority ownership (for example, more than 50% of the capital/shares are owned by women)
- c. Company in which women hold key positions (for example, a female CEO, CFO, COO)
- d. A combination of options a + b
- e. We do not yet have a definition for women-owned or women-led businesses
- f. Other (specify) \_\_\_\_\_

**12. Does your institution track sex-disaggregated data for women customers?**

*[single selection]*

Answer	Women as retail clients	Women-owned/-led enterprises (WSMEs)
a. Yes, for all products		
b. Yes, for some products		
c. No		

If you answered b) or c) for Question 12, continue here:

**13. What is the reason for not tracking sex-disaggregated data or only tracking for some products?** *[multiple selection]*

- a. Not required by regulation
- b. Not part of internal rules
- c. Insufficient system capabilities (e.g. no entry fields in the system)
- d. Data on women's small and medium enterprises (WSMEs) is not uniformly collected/analysed internally
- e. Limited knowledge of how to properly analyse and use sex-disaggregated data
- f. Insufficient human resource capacities
- g. Not a current priority
- h. Other (please specify) \_\_\_\_\_

Please go to Question 28

If you answered a) for Question 12, continue here:

**14. How is this data obtained for women retail clients?** *[single selection]*

- a. Sex-disaggregated data is tagged in the system when staff manually record it
- b. Sex-disaggregated data is tagged in the system by deriving it from another source (for example, a national ID card)
- c. Sex-disaggregated data is not tagged in the system but has to be manually compiled (for example, based on name or title)
- d. Sex-disaggregated data is not tagged in the system but is automatically tabulated against government records (for example, corporate registry)
- e. Other (please specify) \_\_\_\_\_

**15. How is this data obtained for women-owned-/led enterprises?** *[single selection]*

- a. Sex-disaggregated data is tagged in the system when staff manually record it
- b. Sex-disaggregated data is tagged in the system by deriving it from another source (for example, a national ID card)
- c. Sex-disaggregated data is not tagged in the system but has to be manually compiled (for example, based on name or title)
- d. Sex-disaggregated data is not tagged in the system but is automatically tabulated against government records (for example, corporate registry)
- e. Other (please specify) \_\_\_\_\_

**16. Does your institution have any sex-disaggregated management report available?** *[single selection]*

- a. Yes – regular management reporting
- b. Yes – ad hoc reporting
- c. No – but we are working on it
- d. No
- e. Do not know

If you answered c), d) or e) for Question 16, continue here:

**17. What is the reason for not generating reports/analysis on women retail customers and women-owned/-led enterprises? [multiple selection]**

- a. No system capacity
- b. Data on customers not reliably being captured
- c. Data is not available due to lack of resources and/or budget
- d. Data is available, but there is a lack of resources and/or budget for analysing it
- e. Data is available, but it's not taken into account during decision-making
- f. Other (please specify)\_\_\_\_\_

Please go to Question 21

If you answered a) or b) for Question 16, continue here:

**18. How often do you generate these sex-disaggregated reports? [single selection]**

- a. Monthly
- b. Quarterly
- c. Weekly
- d. Other frequency (please specify)

**19. How is the reporting process carried out? [single selection]**

- a. Automatically (the IT system automatically generates the report)
- b. Manually (the program only allows manual export of the report)
- c. Do not know

**20. For what purpose does your institution use reports/analysis on female retail customers and women-owned/led enterprises: (multiple selection)**

- a. To track/ measure achievement performance for a specific project or set of initiatives
- b. To track achievement towards targets
- c. To estimate return on investment or profitability
- d. To estimate the business size of the market or segment
- e. To improve our understanding of customer profiles and behavior as part of our strategy
- f. To inform Risk Management (e.g. for pricing loans, selecting borrowers)
- g. To report to other stakeholders (i.e central bank, credit bureau, etc.)
- h. Other (please specify)\_\_\_\_\_

**21. Does your institution use sex-disaggregated data in its management KPIs? [single selection]**

- a. Yes, please name an example\_\_\_\_\_
- b. No

**22. Has your institution implemented data analysis training? [single selection]**

- a. Yes
- b. No

If you answered b), please go to Question 24

If you answered a) for Question 22, continue here:

**23. Did the training include a module/section on sex-disaggregated data analytics?**

*[single selection]*

- a. Yes
- b. No

## SECTION 3. Product Mix

In this section we would like to understand the current range of financial services you offer women and the challenges/barriers you face when serving women.

**24. Which of the following sub-segments of women are you targeting in particular?**

*[multiple selection]*

- a. Women's start-ups
- b. Women micro-entrepreneurs
- c. Women SME entrepreneurs
- d. Women in agriculture or another sector. Please specify \_\_\_\_\_
- e. Managers of businesses in the SME segment
- f. Independent professionals
- g. High-net-worth women or women of wealth
- h. Unbanked women
- i. Salaried or professional women
- j. Housewives and dependents
- k. Heads of households
- l. Young women
- m. Vulnerable women (ie. migrants, Indigenous women, other)
- n. Other (please specify) \_\_\_\_\_

**25. What mix of products do you offer female retail clients?** *[multiple selection]*

- a. Individual/group checking account
- b. National/international transfers
- c. Collection of remittances
- d. Loans/credit [drop-down menu: personal, housing, education, group credit, individual credit, other (please specify)]
- e. Savings [drop-down menu: basic savings, fixed deposits, recurring deposits, youth savings, lifecycle moments, other (please specify)]
- f. Credit/debit cards
- g. Insurance [drop-down menu: health, life]
- h. Others (please specify)

**26. What mix of products do you offer women-owned/-led enterprises? [multiple selection]**

- a. Business checking account
- b. Transfers
- c. Remittances
- d. Loans/credit [drop-down menu: working capital loans/credit, investment loans/credit, overdrafts, online leasing loans, microcredit, productive credit, group credit]
- e. Savings [drop-down menu: fixed deposits, basic savings, etc.]
- f. Insurance [drop-down menu: health, life, business insurance, vehicle insurance, other (please specify)]
- g. Credit/debit card
- h. Others (please specify)

**27. In your opinion, what are the key characteristics that distinguish your women-focused product offering from the competition? [multiple selection]**

- a. Flexible requirements (i.e. flexible guarantees or collaterals, repayment plans)
- b. Easy access, convenience (good network of agent banking, ATMs, online channels, etc.)
- c. Customized service (dedicated staff, agent network, etc.)
- d. Support through non-financial services (sector-specific training, networking events, etc.)
- e. Best market bundled products (legal assistance, health services, road assistance)
- f. Promotions and reward programs
- g. Other (please specify)\_\_\_\_\_

**28. What are the key challenges that your organization faces while serving the female market? [multiple selection]**

- a. Lack of alignment on the importance of female customers within the institution
- b. System does not allow data to be disaggregated by sex
- c. Lack of resources/capacity
- d. Lack of a suitable internal structure, targets goals, and KPIs
- e. Limited knowledge of how to design solutions for women
- f. Intense competition (high entry barriers)
- g. Limited budget for marketing
- i. The institution has not made the business case for serving women (i.e. not understood the value of targeting women)?
- j. Other (please specify)\_\_\_

## SECTION 4.

# Non-Financial Services (NFSs)

In this section, we would like to learn about the non-financial services that your institution/organization offers female customers.

**29. Do you offer your customers non-financial services?** *[single selection]*

- a. Yes, we have a women-specific product offering
- b. Yes, but without a women-specific offering
- c. No

*If you answered b) or c) for Question 29, go to Question 34*

*If you answered a) for Question 29, continue here:*

**30. Your institution offers non-financial services to:** *[single selection]*

- a. Women as retail clients
- b. Women-owned/-led businesses
- c. Both retail clients and women-owned/-led businesses
- d. Other (please specify)

**31. What kind of NFS activities do you run specifically aimed at your women customers?** *[multiple selection]*

- a. Networking events (i.e. conferences, trade fairs, business clubs, etc.)
- b. Business training (on business management, accounting, finance, staff management, etc.)
- c. Product knowledge sessions (on loans, deposits, insurance, pension funds, etc.)
- d. Sector-specific activities (i.e. feasibility studies for green businesses, marketplace, etc.)
- e. Other (please specify)

**32. What kind of training/educational resources does your bank currently offer your women customers?** *[multiple selection]*

- a. Business training
- b. Sector-specific training sessions, for example targeted to customers with green businesses, or in the hospitality or education sectors
- c. Online tools such as business plan templates, cash flow templates
- d. Online training videos
- e. Digitalization training
- f. Multi-session in-person programs to improve business skills
- g. Blended learning programs that combine in-person sessions and online tools within a specific offering
- h. Not applicable
- i. Other (please specify)

**33. Has your institution partnered with external providers to deliver NFS content?***[multiple selection]*

- a. Has not partnered
- b. University or other academic institution
- c. NGO
- d. Government body
- e. Fintech
- f. Training provider specializing in business skills
- g. Professional women's association
- h. Sector-specific professional association (for example, hospitality industry, manufacturing, other)
- i. Accelerator
- j. Other (please specify)\_\_\_\_\_

**34. Have you received technical assistance to advance your female market strategy?***[single selection]*

- a. Yes
- b. No

*If you answered b) for Question 34, go to Question 37**If you answered a) for Question 34, continue here:***35. Which organization/institution provided this technical assistance? *[multiple selection]***

- a. IDB Invest
- b. FMO
- c. IFC
- d. USAID/DFC
- e. FinDev
- f. Other

**36. What type of technical assistance did you receive?**

- a. Help with designing value proposition for the female market
- b. Help with designing products aimed at female retail customers or women-owned/-led businesses
- c. Help with sex-disaggregated data collection and implementation
- d. Gender-lens investing readiness
- e. Other (please specify)

**37. If you would like to add any other information relevant to the research topic, please do so here:**

.....Column Break.....

## 2. Footprint in the women's market

Women as retail clients	Share of women RETAIL clients - DEPOSITS, # of accounts		
	Share of women RETAIL clients - DEPOSITS, volume		
	Share of women RETAIL clients - PERSONAL LOANS, # of accounts		
	Share of women RETAIL clients - PERSONAL LOANS, volume		
	Non Performing Loans over 90 days - Personal Loans Women (%)		
	Non Performing Loans over 90 days - Personal Loans Men (%)		
	Share of women BUSINESS clients - Deposits, # of accounts		
	Share of women BUSINESS clients - Deposits, volume		
	Share of women BUSINESS clients - Biz Loans, # of accounts		
	Share of women BUSINESS clients - Biz Loans, volume		
	Non Performing Loans over 90 days - Business Clientes - Women (%)		
	Non Performing Loans over 90 days - Business Clientes - Men (%)		
	% of number women clients/number of clients		



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