



*Empowering women through
financial inclusion*

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Understanding the Women's Market Through Gender Data and Analysis

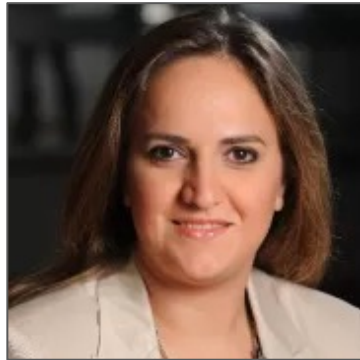
December 8, 2022



Speakers



Pablo Freund
Bare Maximum



Karyl Akilian
**Financial Alliance
for Women**



Carine Fersan
**Financial Alliance
for Women**



Jose Etchegoyen
IFC



Billy Rodriguez
**Banco Lafise
Honduras**

Across products and segments, women are consistently being unserved and underserved

Credit

Women are 23% less likely to have borrowed from a financial institution. *(Findex)*

Savings

Women are 18% less likely to have saved at a financial institution. *(Findex)*

Digital

165 million fewer women than men own a mobile phone in low- and middle-income countries. *(GSMA)*

Business-owners

\$1.7 trillion unmet demand for credit among female owned formal micro SMEs in developing markets. *(IFC)*

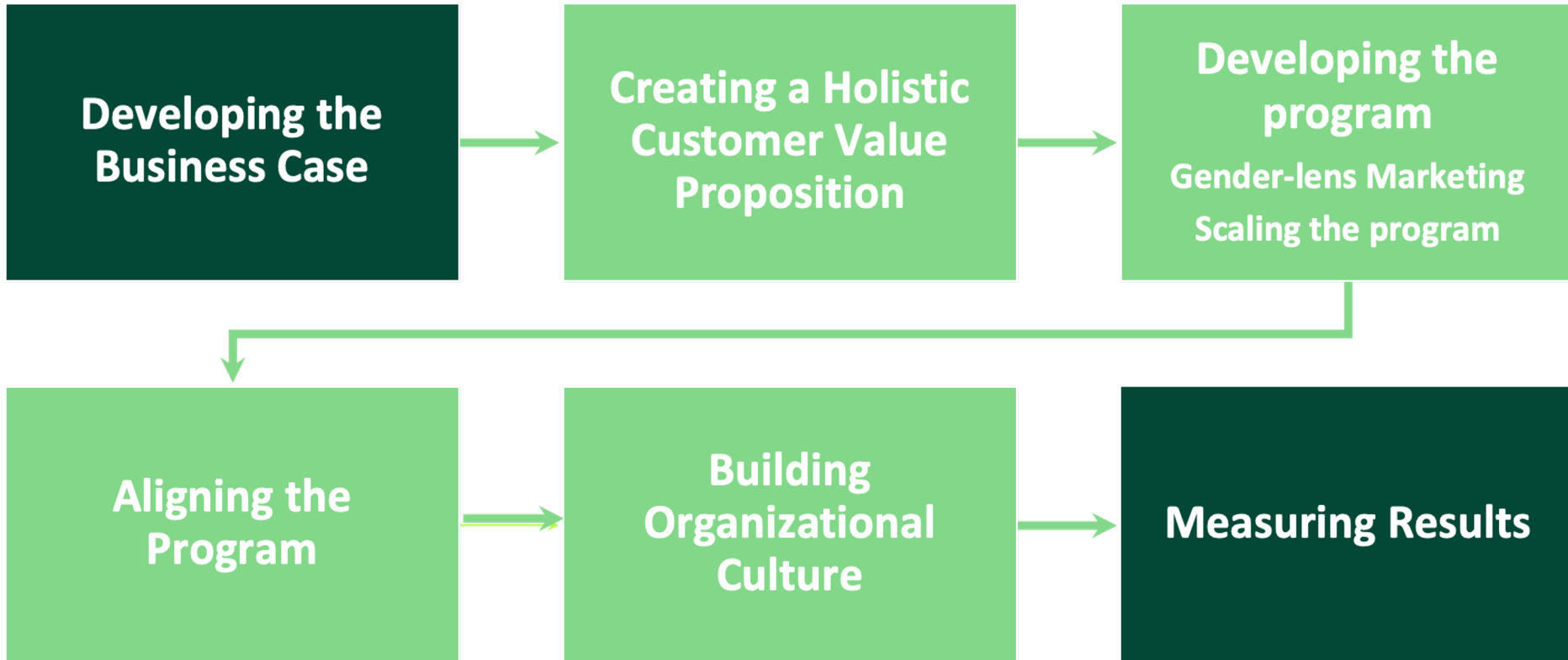
Mass Market

Women are 10% less likely to have an account at a financial institution. *(Findex)*

Unbanked

1 billion women do not have access to a bank account worldwide. *(Findex)*

Developing a women-centered strategy



FINANCIAL
ALLIANCE
FOR
WOMEN



Global Business Case Tool for Financial Services Providers

Quantify the
Opportunity of the
Female Economy



This manual is a publication of the Financial Alliance for Women and accompanies the Alliance Business Case Excel Tool, which can be downloaded [here](#).

For feedback or comments on the tool please email: info@financialallianceforwomen.org.

Input Data about the Business

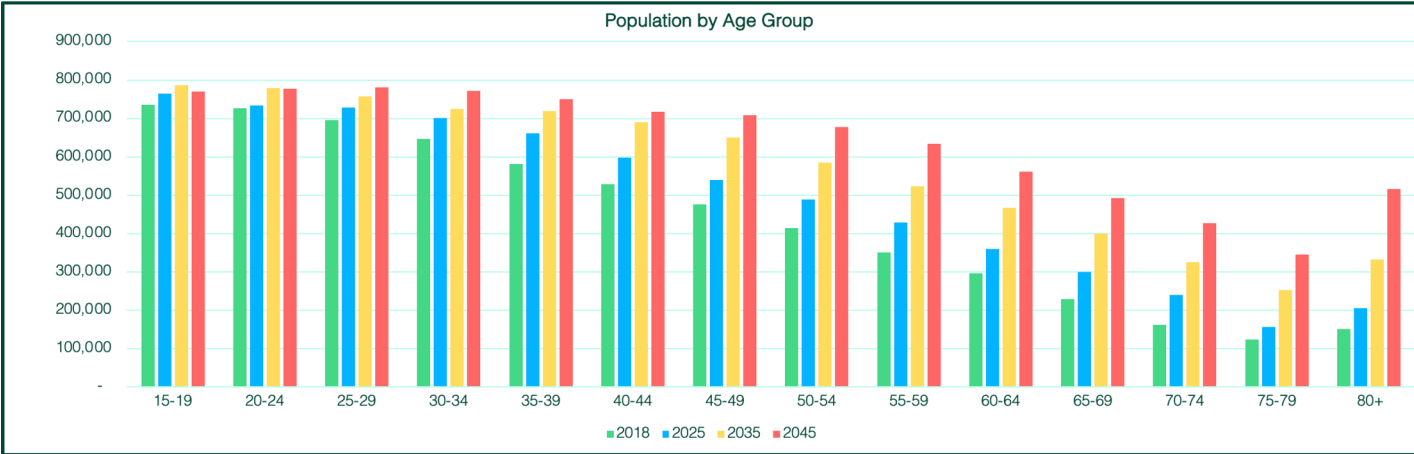
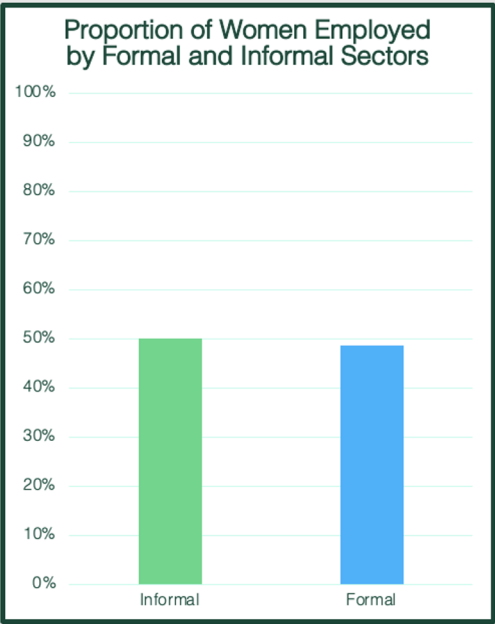
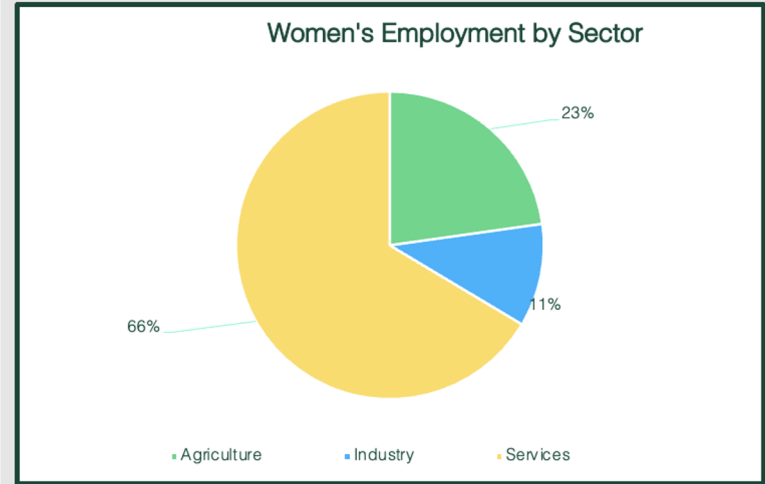


RETAIL CUSTOMERS at in	Units
Total # of customers	#
Total credit portfolio (in MM)	-
Total # of loans	#
Revenue from loans (in MM)	-
Total # of savings accounts / deposits	#
Total deposits volume (in MM)	-
Total Revenues (in MM)	-
Loan to Deposit Ratio	%
% non performing loans (NPL)	%
Avg. # of products per customer	#
Avg. # of years with Institution	#
Customer satisfaction score or net promoter score	#
Revenue per Customer	-
Customer Growth Rate from Previous Year	%

SME CUSTOMERS at in	Units
Total # of customers	#
Total credit portfolio (in MM)	-
Total # of loans	#
Revenue from loans (in MM)	-
Total # of savings accounts / deposits	#
Total deposits volume (in MM)	-
Total Revenues (in MM)	-
Loan to Deposit Ratio	%
% non performing loans (NPL)	%
Avg. # of products per customer	#
Avg. # of years with Institution	#
Customer satisfaction score or net promoter score	#
Revenue per Customer	-
Customer Growth Rate from Previous Year	%

Country Level-Demographics

Women's Employment by Sector	# of Individuals
Agriculture	724,027
Industry	344,111
Services	2,111,601

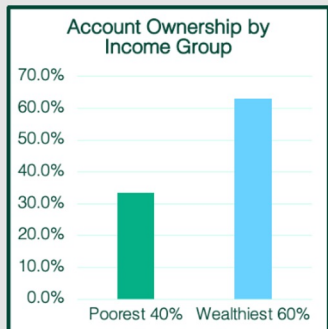
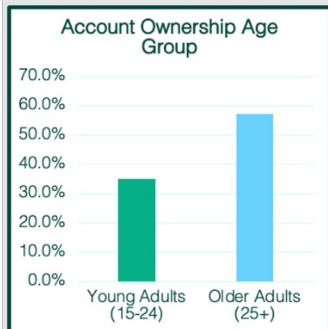
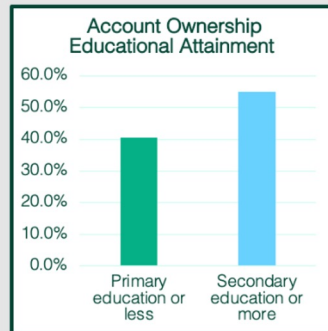
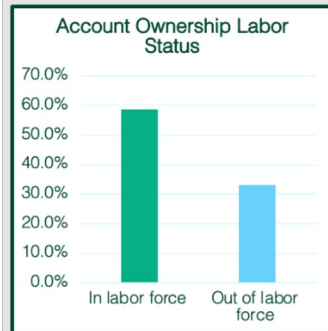


Country Level-Banking Profile

Data is provided on the level of FSP coverage for Individual customers and MSMEs on a sex-disaggregated basis

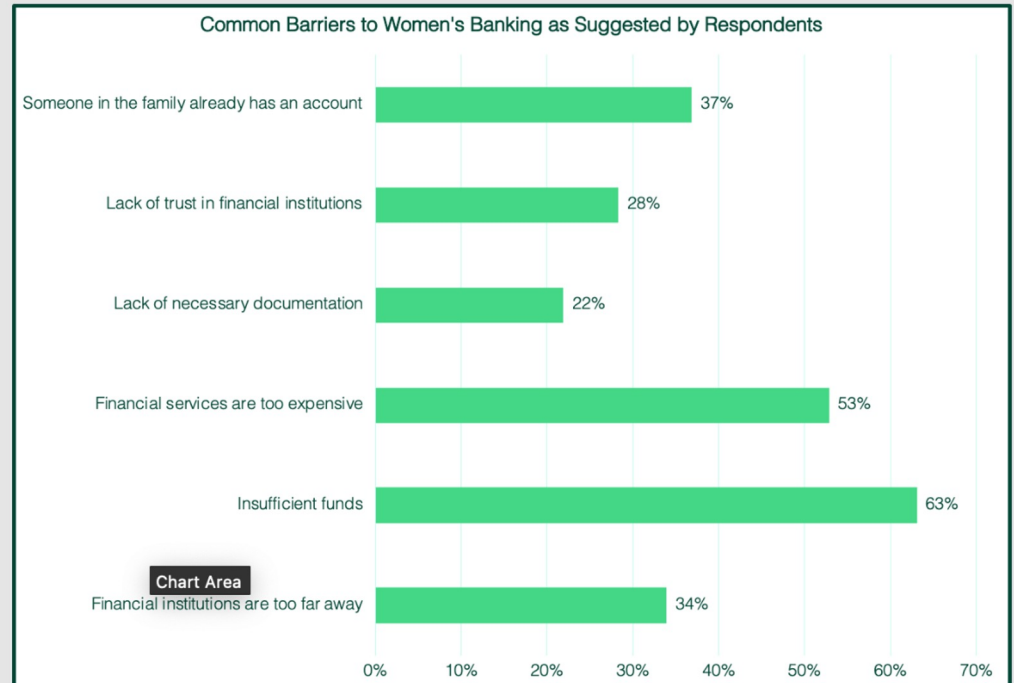
Understanding the Banked Women in Ecuador

Data Source: 2017 Global Findex



Why Women are Unbanked in Ecuador

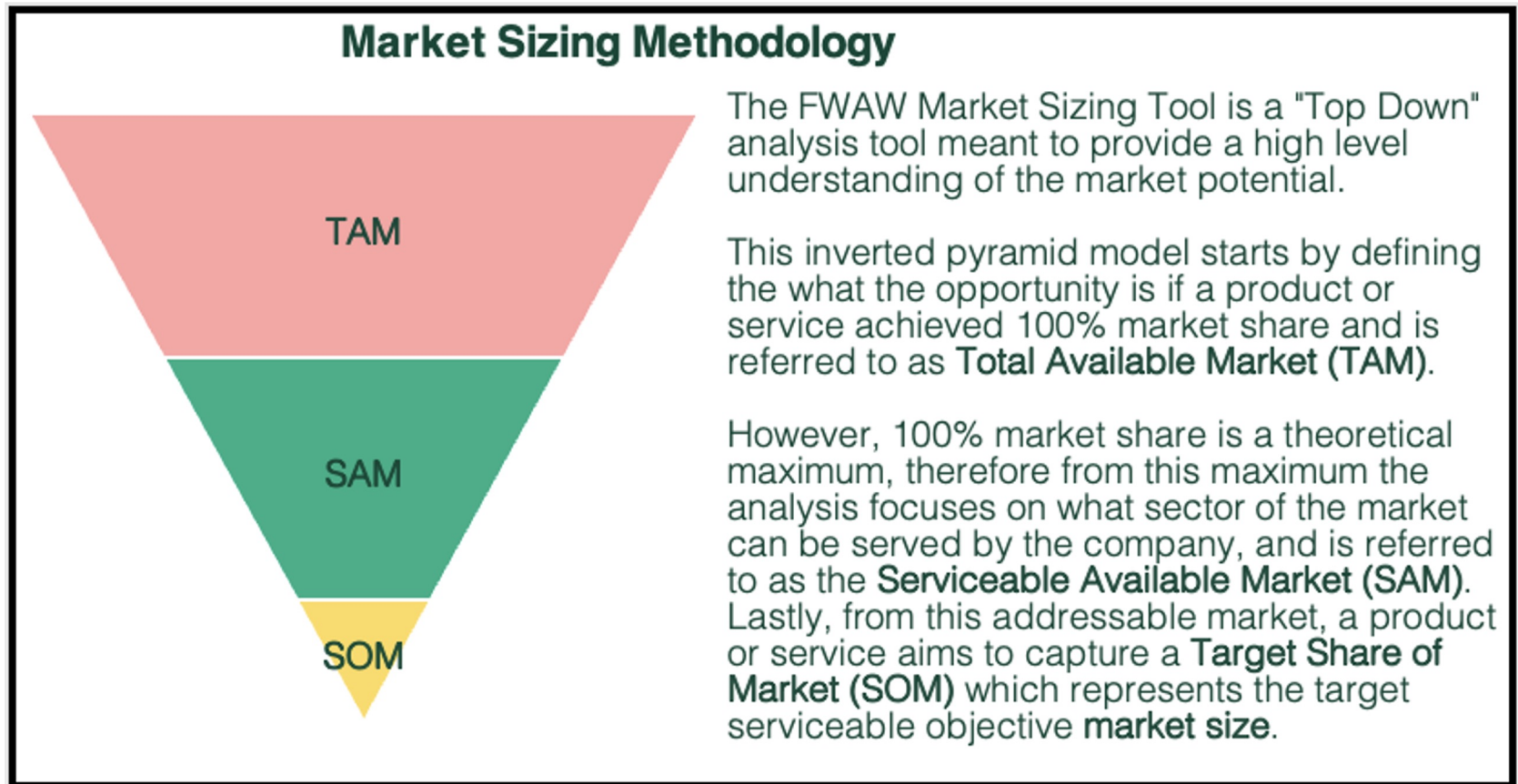
Surveyed Women that did not have accounts responded as follows (Note: Respondents could provide multiple reasons)



Legal and Business Climate

Constitutional Equality in Ecuador			
Does the constitution contain a clause on equality?	Yes		
If there is a nondiscrimination clause in the constitution, does it explicitly mention sex or gender?	Yes		
Women's access to Banking in Ecuador			
Can an unmarried woman open a bank account in the same way as an unmarried man?	Yes		
Can a married woman open a bank account in the same way as a married man?	Yes		
Barriers to starting a business for women in Ecuador			
Can an unmarried woman register a business in the same way as an unmarried man?	Yes		
Can a married woman register a business in the same way as a married man?	Yes		
Status of Women's Property in Ecuador			
Who legally administers marital property?	Both must agree		
Do unmarried men and unmarried women have equal ownership rights to property?	Yes		
Do married men and married women have equal ownership rights to property?	Yes		
Do sons and daughters have equal rights to inherit assets from their parents?	Yes		
Do female and male surviving spouses have equal rights to inherit assets?	Yes		
Credit Reporting in Ecuador			
Do retailers provide information to private credit bureaus or public credit registries?	Yes		
Do utility companies provide information to private credit bureaus or public credit registries?	Yes		
Do microfinance institutions provide information to private credit bureaus or public credit registries?	Yes		
Do retailers provide positive information to private credit bureaus or public credit registries?	Yes		
Do retailers provide negative information to private credit bureaus or public credit registries?	Yes		
Do utility companies provide positive information to private credit bureaus or public credit registries?	Yes		
Do utility companies provide negative information to private credit bureaus or public credit registries?	Yes		
		Business Climate in Ecuador	(1-185)
		Ease of doing business index	118
		Taxes in Ecuador	
		Profit tax (%)	16%
		Other taxes (%)	3%
		Labor tax and contributions (%)	14%
		Total tax rate (% of profit)	33%
		Starting a Business in Ecuador	
		Cost to start a business (% of per capita GDP)	22%
		Minimum Capital required to start a business (% of per capita GDP)	0%
		Procedures required to start a business (#)	11
		Time required to start a business (days)	49
		Procedures required to register property (#)	8
		Time required to start a business for Women (days)	49
		Procedures required to start a business for Women (#)	11
		Access to Credit in Ecuador	
		Credit: Strength of legal rights index (0=weak to 10=strong)	1
		Creditor participation index (0-4)	..
		Public credit registry coverage (% of adults)	0%
		Private credit bureau coverage (% of adults)	71%

Generally accepted best practice in market sizing- TAM/SAM/SOM



The tool's outputs allow a user to understand the market size, return on-investment and other key business metrics from addressing the women's markets depending on the initial inputs and the target market share that the FSP is seeking.

The tool allows FSPs to create scenarios and explore the business implications of servicing the women's market, which are ultimately used to create the business case.

***IFC Banking on Women:
Data Driven Methodology
&
Banco Lafise Honduras***

The importance of reporting on sex-disaggregated data



The Global Gender gap in financial institution account ownership

4% Worldwide
13% Middle Income
24% Low Income
(Global Findex, 2021)



The Finance gap for women-owned MSMEs in emerging economies

USD\$ 1,7 Trillion
(IFC, 2018)

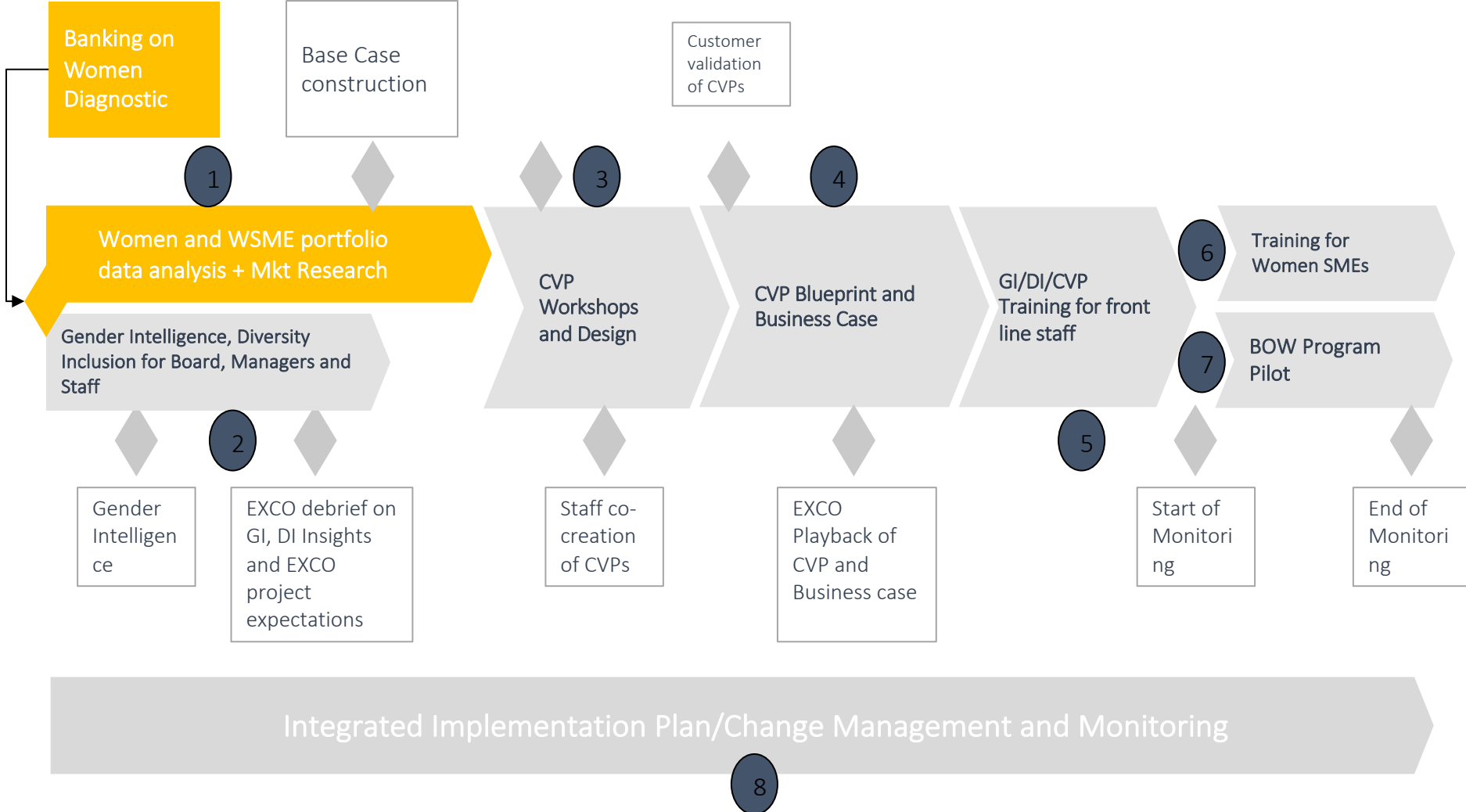
Financial inclusion gender data collection and analysis*

Can narrow these **gaps** and enable key stakeholders to achieve their **full potential** in serving women

Is essential for uncovering:

- ✓ Who is excluded.
- ✓ Which financial products are used, and by whom.
- ✓ The impacts of financial inclusion interventions on development.
- ✓ How women's financial needs differ from men.
- ✓ Why products need to be accordingly adapted

IFC Banking on Women: Data Driven Methodology



Information and Market Potential



MARKET POTENTIAL WOMEN SME HONDURAS

Actual**

Indicators	SME	
	Total	Women
Number of formal businesses (market)	31,155	7,210
Current clients (Market participation)	766 (2.45%)	205 (2.84%)
Average Line (Market)	\$65,254	\$24,965
Average Line (Bank X)	\$82,509	\$60,789

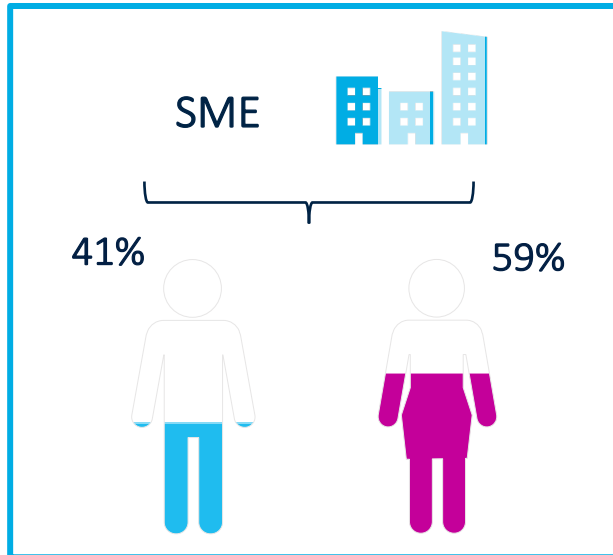
Program Projections

	2022	2023	2024	2025	2026
% SME Market	3.3%	3.5%	4.2%	4.8%	5.5%
% Women SME Market	3.5%	3.8%	4.5%	5.2%	6.0%
Number of Clients	891	1141	1460	1869	2393
Number of Women Clients	242	329	438	561	762
% Women	27%	29%	30%	31%	32%

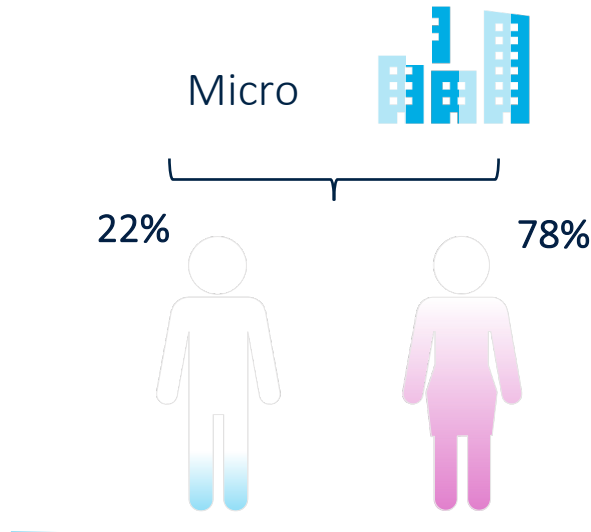
** Source: SME Finance Gap, 2018

Market Definition and Research

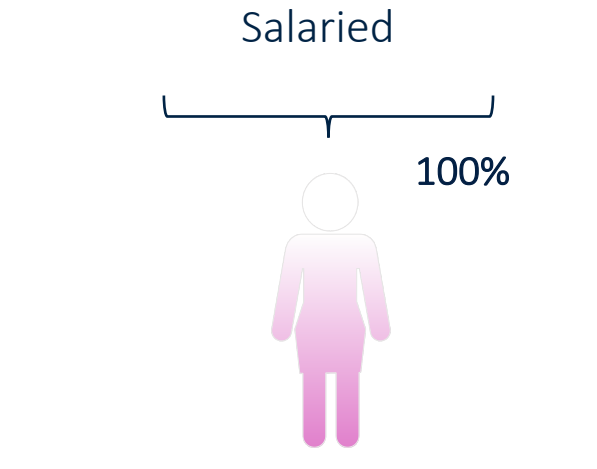
Almost 300 interviews conducted across 3 segments, of which 90% were quantitative and 10% qualitative



Total sample of SMEs: 125 companies
74 Women and 51 Men



Total Micro sample: 101 companies
79 Women and 22 Men



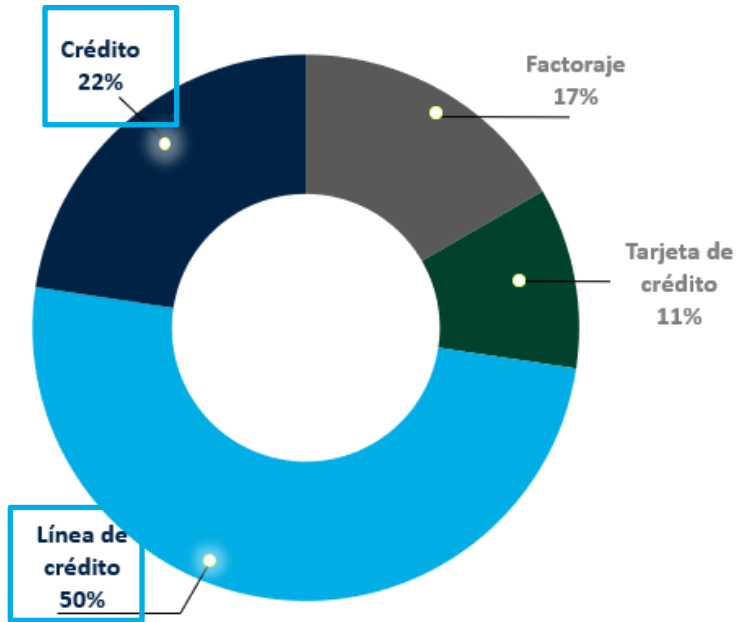
Total sample of wage earners: 60 women

Standard Definitions based on Employees, Total Assets, and Annual Sales			
Indicator	Employees	Total Assets	Annual Sales
Micro	<10	<\$100,000	<\$100,000
Small Enterprises	10 a 49	\$100,000 a <\$ 3 millions	\$100,000 a <\$ 3 millions
Medium Enterprises	50 a 300	\$3 millions to \$15 millions	\$3 millions to \$15 millions

Definition Salaried:
Mixed profile of women who are salaried but have a small business (not necessarily formalized) to complement their sources of income.

Market Needs and Characteristics

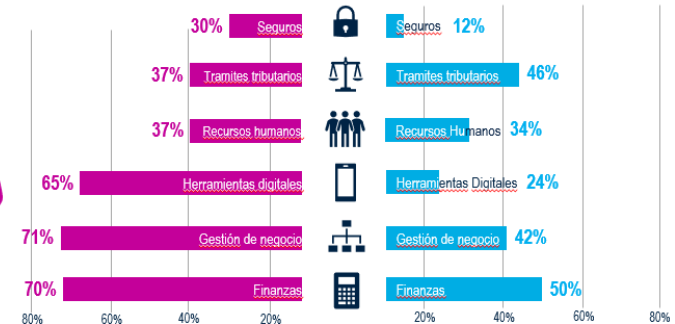
Financial Product Aspirations



NON-financial product aspirations

Information, Education, Mentoring / Consulting, Marketing and networking, Technology for business

¿Le interesaría que su banco le brinde asesoría en los siguientes rubros?



A marked aspiration for credit products can be met through:



- More agile and simple credit processes



- Better access to credit through non-financial services



Non-financial services have a quick return on investment and allow:



- Strengthen SME businesses

- Graduate micro companies to SMEs

- Make them more resilient, loyal and profitable customers

Business case

				SME		Retail		Regional Average				
Loyalty	Women are more loyal customer when served correctly	Active Clients (>10 years LAFISE Trx products usage (%))	73.1	✓	62.1	66.7	✓	61.1	86	87	81	75
			32.4	✓	31.8	11.0		13.2	26	25	18	18
			58.2	✓	56.3	62.4	✓	59.2	47	48	51	50
Cross-sell	Women tend to consume more products and cross sell more	Cross-sell (% >=2)	33.4		33.7	40.1	✓	34.4	32	30	33	30
Prone to save	Women tend to save more and consume more investment products	Savings Avg, (US\$ median) (%)	2,620		2,880	144	✓	136	3,105	3,031	120	127
			64.5	✓	53.1	68.0	✓	66.1	43	41	84	80
Risk tolerance	Women tend to have lower risk tolerance than men	% Past due portfolio Risk Level AML (High)	2.5		1.1	4.6	✓	5.1	1.8	2.5	2.8	2.8
			18.5	✓	19.5	4.0	✓	5.8	34	37	45	45
Profitable	Women makes more transactions (by volume)	Profitability (US\$ median)	376		458	50	✓	46	618	383	56	31
Credit Balances	Women tend to have lower credit balances (due to smaller company size)	Credit lines (US\$ median) With credit (%)	44,490	✓	61,799	10,654	✓	12,900	51,976	41,595	5,522	5,920
			10.9	✓	16.6	18.9		17.6	22	22	26	25
			Women Portfolio	Men Portfolio	Women Portfolio	Men Portfolio			SME	Retail		

Sub-segmentation SME



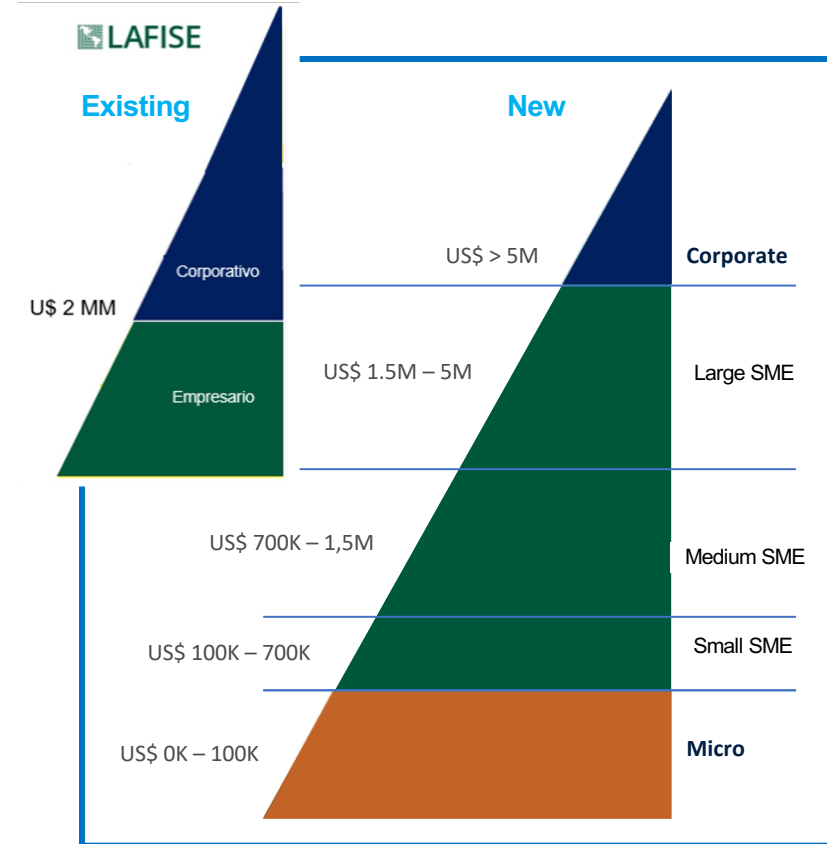
Group customers into more homogeneous sub-segments to better understand them and offer a more effective value offer.



Determine a service model and portfolio allocation criteria by sub-segments.



Structure systematized actions, appropriate to the phase of the customer relationship cycle, being much more assertive in offering adequate solutions to their needs



Alliances



Value Proposition

Loan Portfolio Guaranty DFC \$7 MM USD



For SMEs 2x and Covid

Lafise Bank Honduras only bank to offer in Honduras

Time for more in-depth discussion with the panelists and to talk about your own gender data & analysis needs and challenges

- When the breakout groups pop-up, select the group you want to join
- If possible, turn on your video and unmute yourself to ask questions or comment



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