FINANCIAL
ALLIANCE
FOR
WOMEN

MEASURING THE VALUE OF THE FEMALE ECONOMY

ALLIANCE ANALYTICS
2020 EDITION

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WOMEN

This is the fourth edition of the Alliance's Women's Market Analytics Survey – the only collection of global financial data measuring the performance of institutions serving the women's market.

The analysis incorporates more than 12,000 data points from 38 institutions (about 60 percent of Alliance membership). Unless otherwise noted, the analysis incorporates data from 2019.

Sample respondents differ slightly each year as our members and their reporting patterns fluctuate. As such, we are only able to make limited trend comparisons. We'll provide additional trend analysis in the future as more members report more consistently.

This survey includes data that is self-reported by Alliance members, and although it has been reviewed, it has not been fully verified. Data granularity varies between financial service providers, and in some analyses, outliers have been excluded. Therefore, some of the results may include smaller sample sizes and represent still-emerging trends that we'll continue to analyze through the annual compilation of this data. All currency referenced is in US dollars.

Highlights

The women's market is growing area for financial services providers (FSPs) across our network.

We are seeing significant increases in the share of female customers and their share of credit and deposits.

These FSPs are reaping the rewards of serving the female economy.

The 2019 data reaffirms that women are strong banking customers. For the seventh year in a row, their loan repayment rate outperformed that of men's, and their average number of products per customer were roughly equal.

Despite this, there is still a huge opportunity to serve women's segments more deeply.

Large gaps remain both in the number of women reached (percentage of women customers) as well as in the depth of service to female customers (their average loan and deposit sizes and share of total loans and deposits).

With more women at the top, our network is well positioned to continue to tap into the world's fastest-growing market.

The Alliance network outperforms financial services sector averages for gender diversity at the top.

We encourage others to follow suit.

We hope these insights encourage FSPs around the globe to emulate our members and become the financial services provider of choice and the employer of choice for women.

The Survey in Numbers

1
Alliance

38
FSPs
reporting

30
countries

7
consecutive
year of data
collection

>350
variables

12,000
data points

Impact

40 million women customers served

$**127** billion deposits held

$**129** billion credit provided

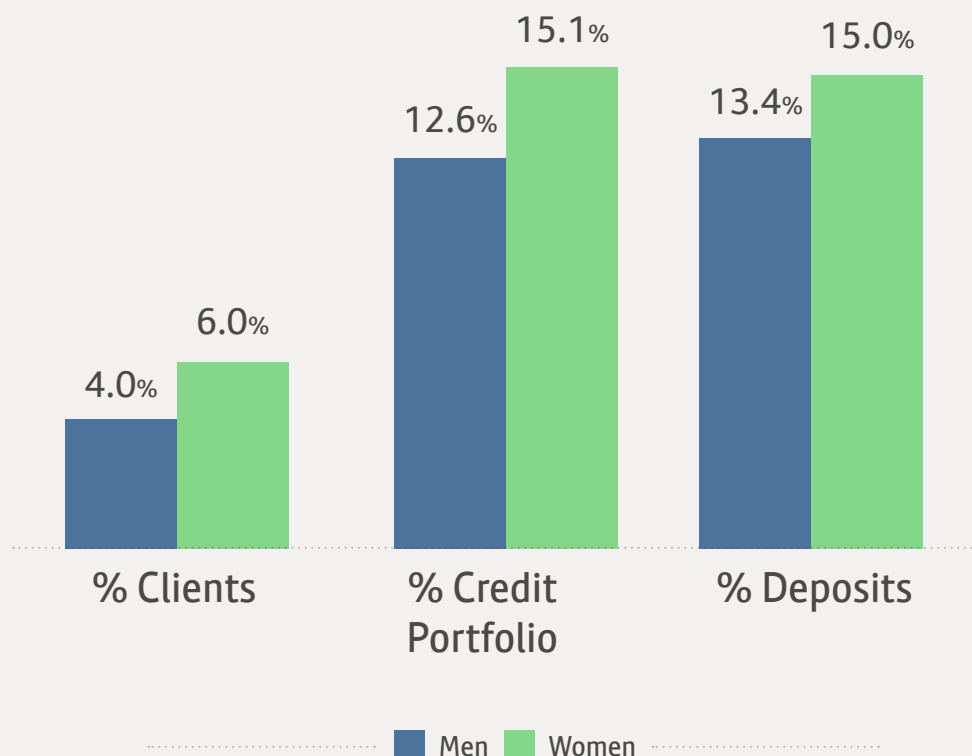>**1.9** million women accessed non-financial services

227,000 female employees

5.3 average years running women-tailored strategies

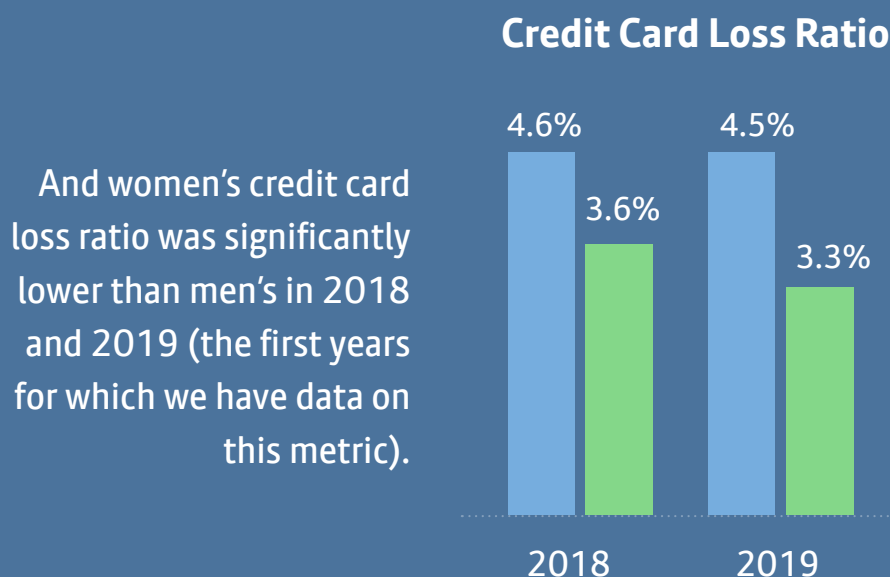# Women's Market Data Deep Dive
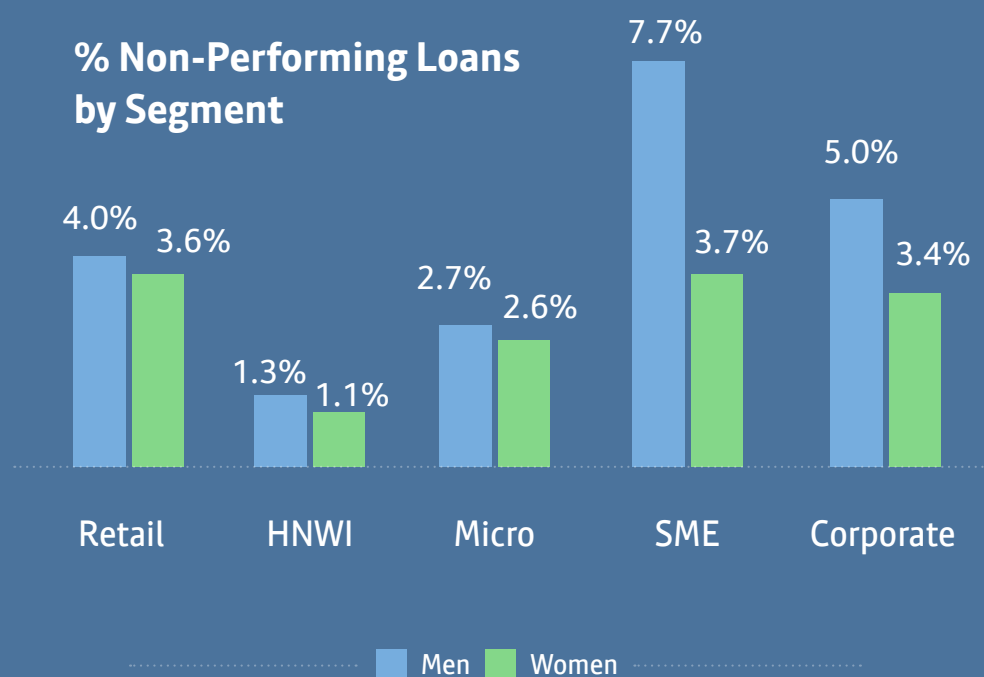
The women's market is growing quickly.

For the seventh year in a row, women are outpacing men across three key indicators: customer, credit and deposit growth.

Average Two-Year Growth Rates by Gender, 2017-2019

% Clients: Men 4.0%, Women 6.0%
% Credit Portfolio: Men 12.6%, Women 15.1%
% Deposits: Men 13.4%, Women 15.0%

■ Men ■ Women

This growth reflects women's strong banking behaviors.

Consistent with past years, women are paying back their loans at greater rates than men in all segments.

% Non-Performing Loans by Segment

Segment	Men	Women
Retail	4.0%	3.6%
HNWI	1.3%	1.1%
Micro	2.7%	2.6%
SME	7.7%	3.7%
Corporate	5.0%	3.4%

■ Men ■ Women

Credit Card Loss Ratio

And women's credit card loss ratio was significantly lower than men's in 2018 and 2019 (the first years for which we have data on this metric).

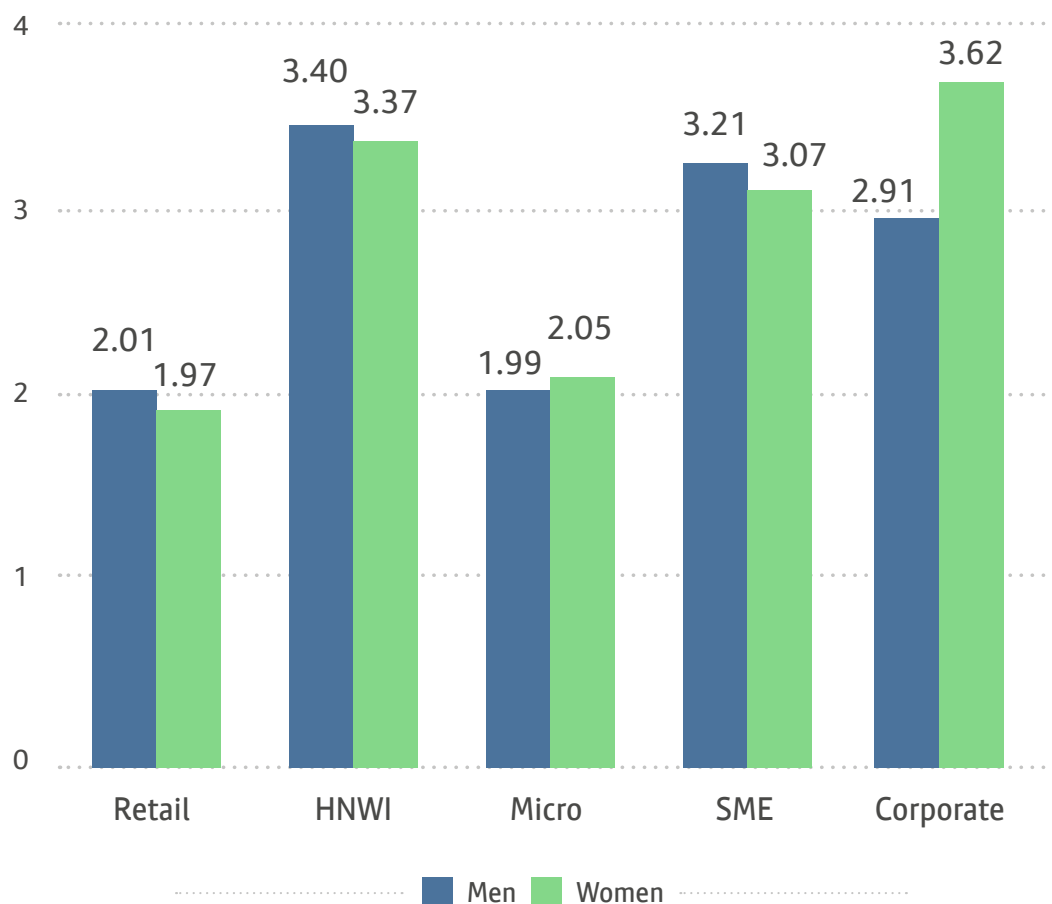| Year	Men	Women
2018	4.6%	3.6%
2019	4.5%	3.3%

And demonstrates that women-centered strategies yield strong results.

Women also hold about the same average number of products per customer as men in all segments, demonstrating their profitability for FSPs.

Products per Customer

	Retail	HNWI	Micro	SME	Corporate
Men	2.01	3.40	1.99	3.21	2.91
Women	1.97	3.37	2.05	3.07	3.62

Despite their strong banking behaviors, gaps remain.

Women in consumer banking segments are closest to parity with men,
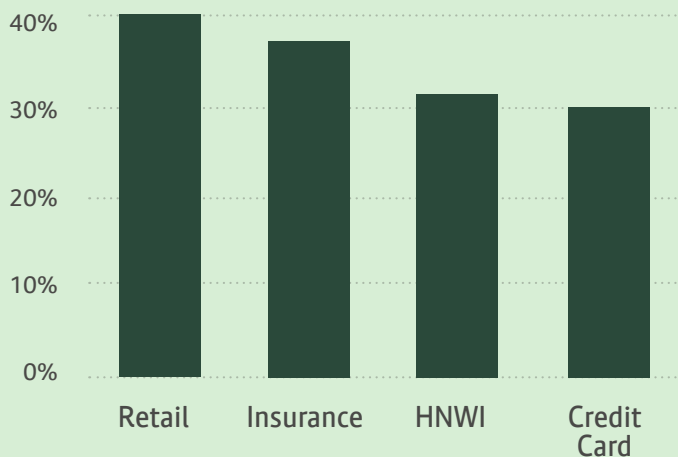at nearly 40 percent of all retail customers.

Larger gaps persist on the business side: women represent just 20 percent of SME customers despite owning 33 percent of SMEs globally.
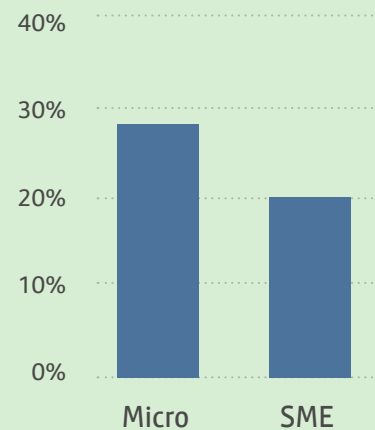
39%
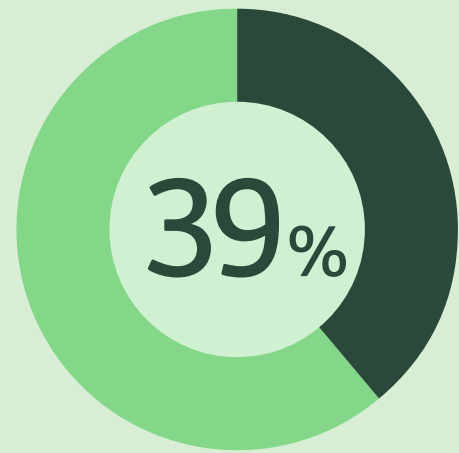
% Retail Customers

■ Men ■ Women

% Women Customers by Product

	40%	30%	20%	10%	0%
Retail					
Insurance					
HNWI					
Credit Card					

% Women Customers by Business Segment

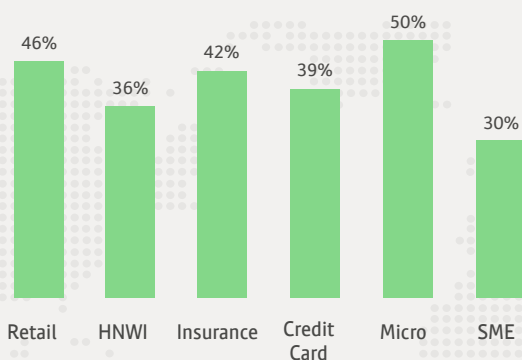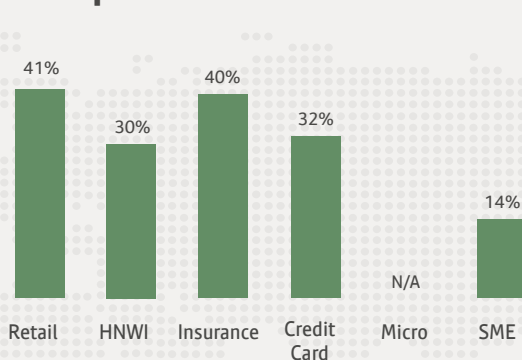|	40%	30%	20%	10%	0%
Micro					
SME					

Women's segment performance varies by region.

Across regions, there is an immense opportunity for FSPs to continue tapping into the female economy. But exactly where this opportunity lies depends on the segment and the sociocultural realities of each market and the institution's ambition within it.
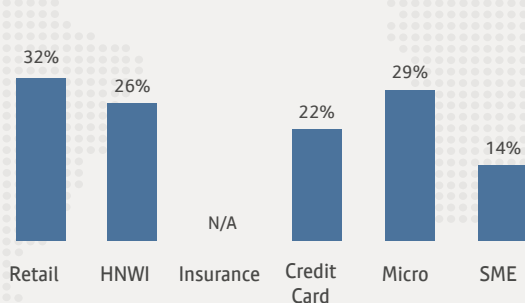
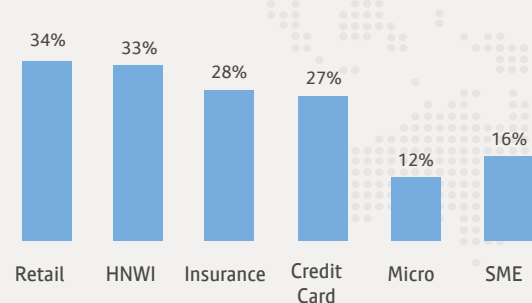## % Women in Each Segment, by Region

Americas

Segment	Value
Retail	46%
HNWI	36%
Insurance	42%
Credit Card	39%
Micro	50%
SME	30%

Europe and the Middle East

Segment	Value
Retail	41%
HNWI	30%
Insurance	40%
Credit Card	32%
Micro	N/A
SME	14%

Sub-Saharan Africa

Segment	Value
Retail	32%
HNWI	26%
Insurance	N/A
Credit Card	22%
Micro	29%
SME	14%

Asia & Oceania

| Segment	Value
Retail	34%
HNWI	33%
Insurance	28%
Credit Card	27%
Micro	12%
SME	16%

And in all regions, there is ample opportunity for FSPs to better serve women.

Women receive less credit and hold a lower share of savings than their representation in the total customer base might suggest. It is notable that women make up just 22 percent of the loan portfolio, with average loan sizes just 66 percent of men's.

Women are closer to parity as savers, making up 33 percent of deposits (closer to their 39 percent share of total customers). However, their average deposits are still just 82 percent of men's.

22%

% Credit Portfolio

33%
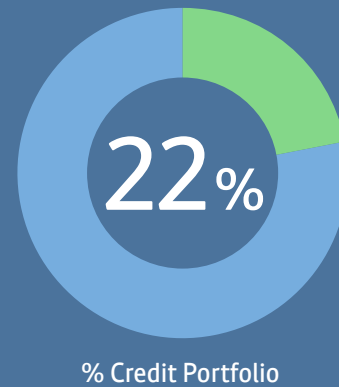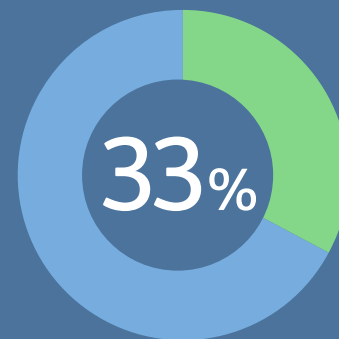
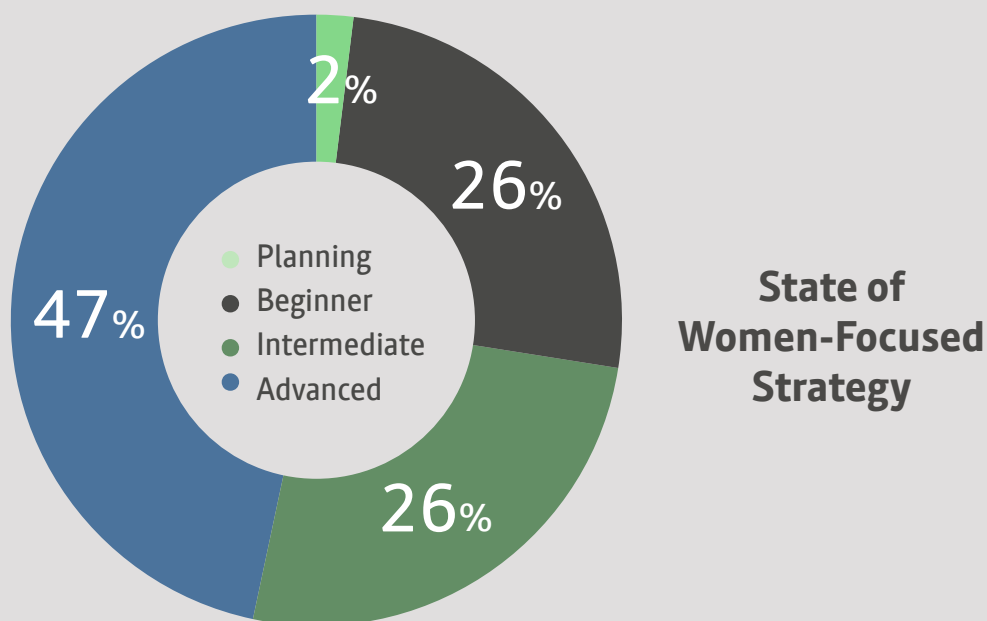% Deposit Volumes

■ Men ■ Women

Women's Avg. Loan Size as a % of Men's

66%

Women's Avg. Deposit Balance as a % of Men's

82%

Nearly half of FSPs in the Alliance have advanced strategies that are embedded throughout the organization.

2%

26%

26%

47%

Planning
Beginner
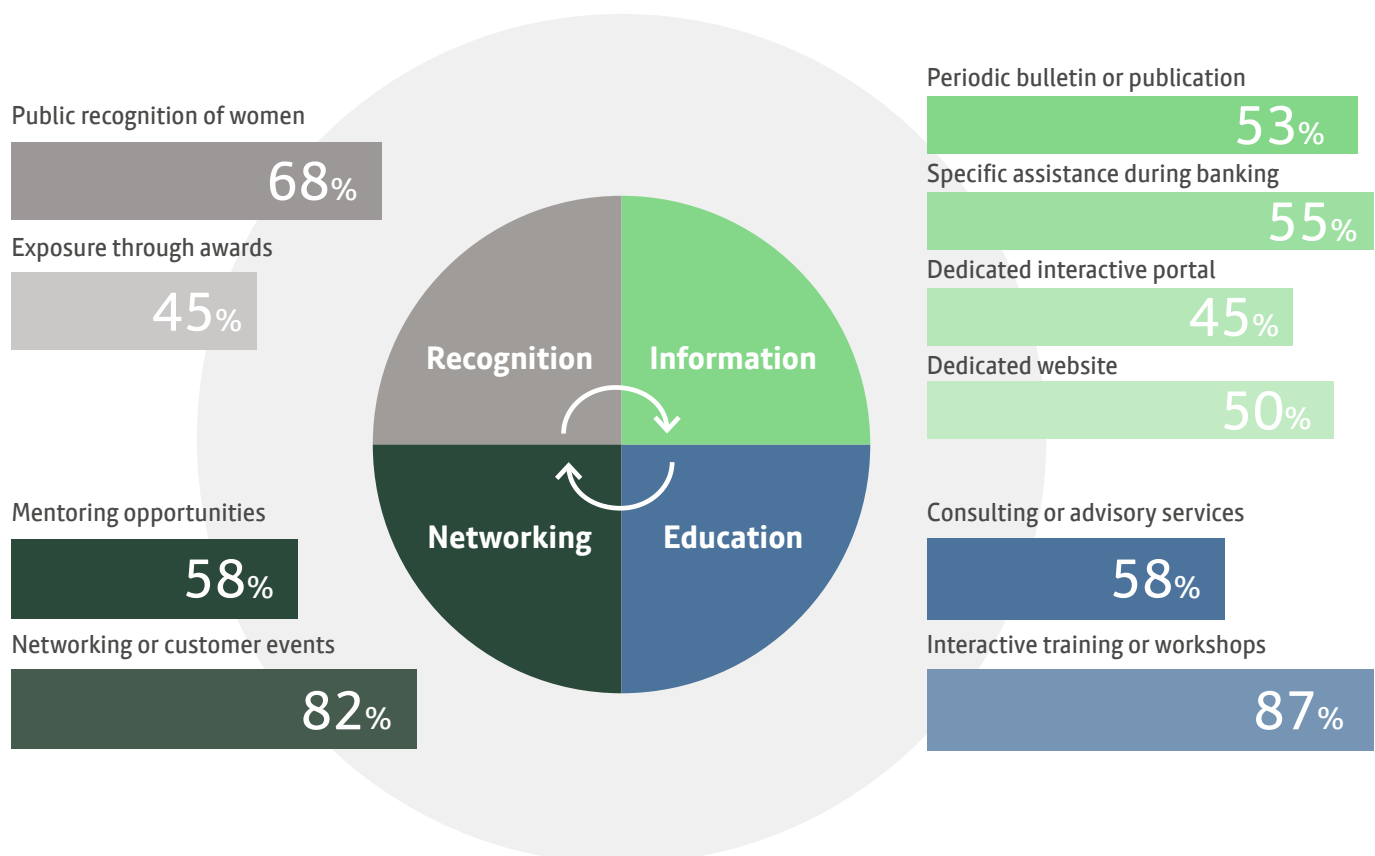Intermediate
Advanced

State of Women-Focused Strategy

5.3 Years

Average Age of Strategy/Program

And are succeeding with a holistic approach to serving women.

Alliance members offer a diverse range of non-financial services that enable them to better serve women. More than 80 percent of Alliance members offer at least two of the key components of the holistic value proposition: access to education and networking opportunities.

Public recognition of women
68%

Exposure through awards
45%

Mentoring opportunities
58%

Networking or customer events
82%

Periodic bulletin or publication
53%

Specific assistance during banking
55%

Dedicated interactive portal
45%

Dedicated website
50%

Consulting or advisory services
58%

Interactive training or workshops
87%

Recognition | Information

Networking | Education

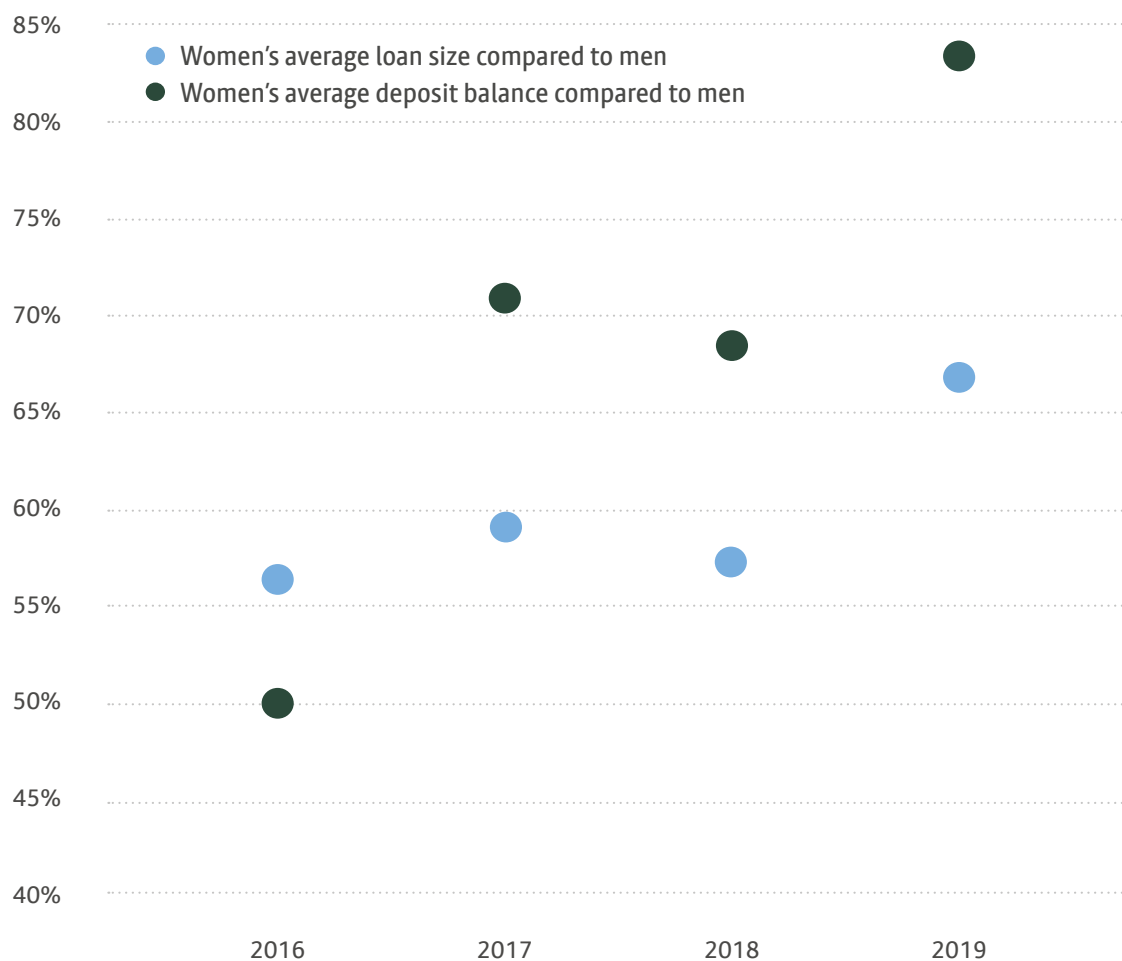# This is reflected in the growing base of female customers served by the network.

% Women Customers Over Time
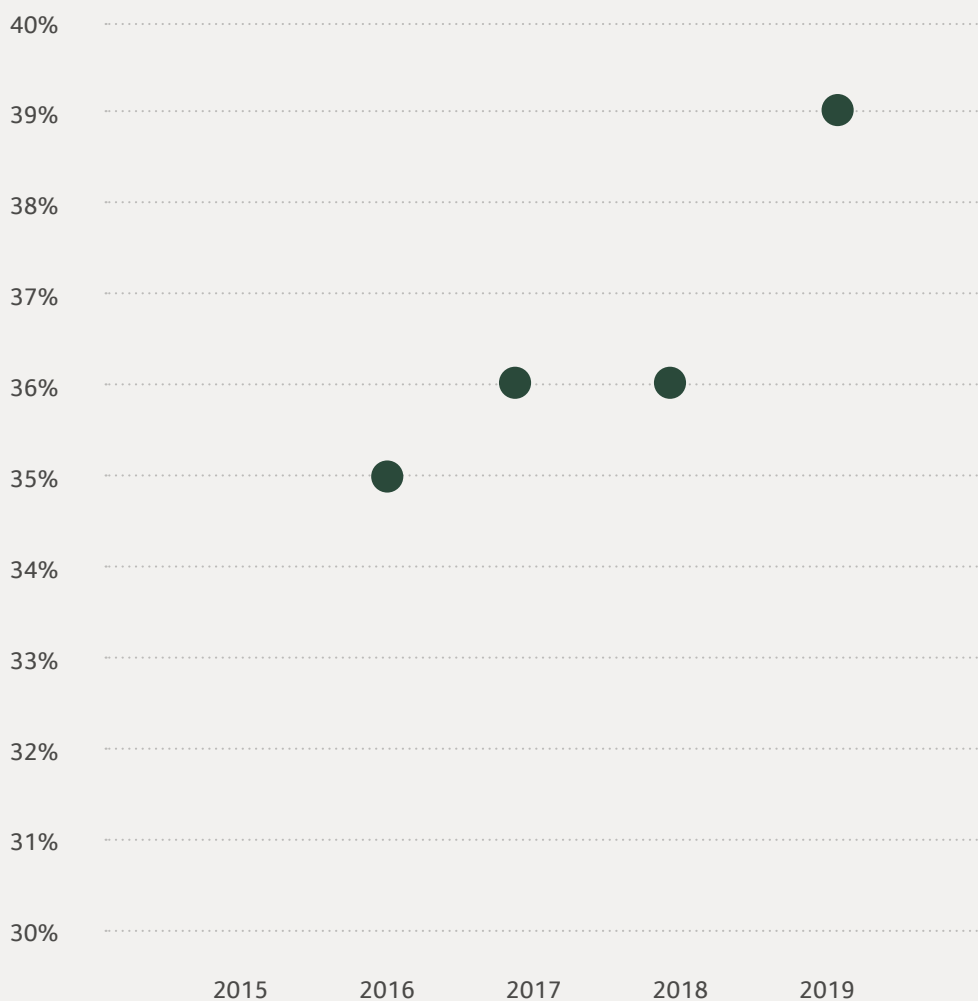
* Historical comparisons reflect the changes in performance we've seen in aggregate across the network. They do not necessarily reflect trends within individual FSPs, because the sample of reporting FSPs is not constant year-over-year.

We have also seen women's average loan and deposit sizes increase relative to men's.

Women's Loan and Deposit Sizes as a % of Men's over Time

Legend:
- Women's average loan size compared to men
- Women's average deposit balance compared to men

* Historical comparisons reflect the changes in performance we've seen in aggregate across the network. They do not necessarily reflect trends within individual FSPs, because the sample of reporting FSPs is not constant year-over-year.
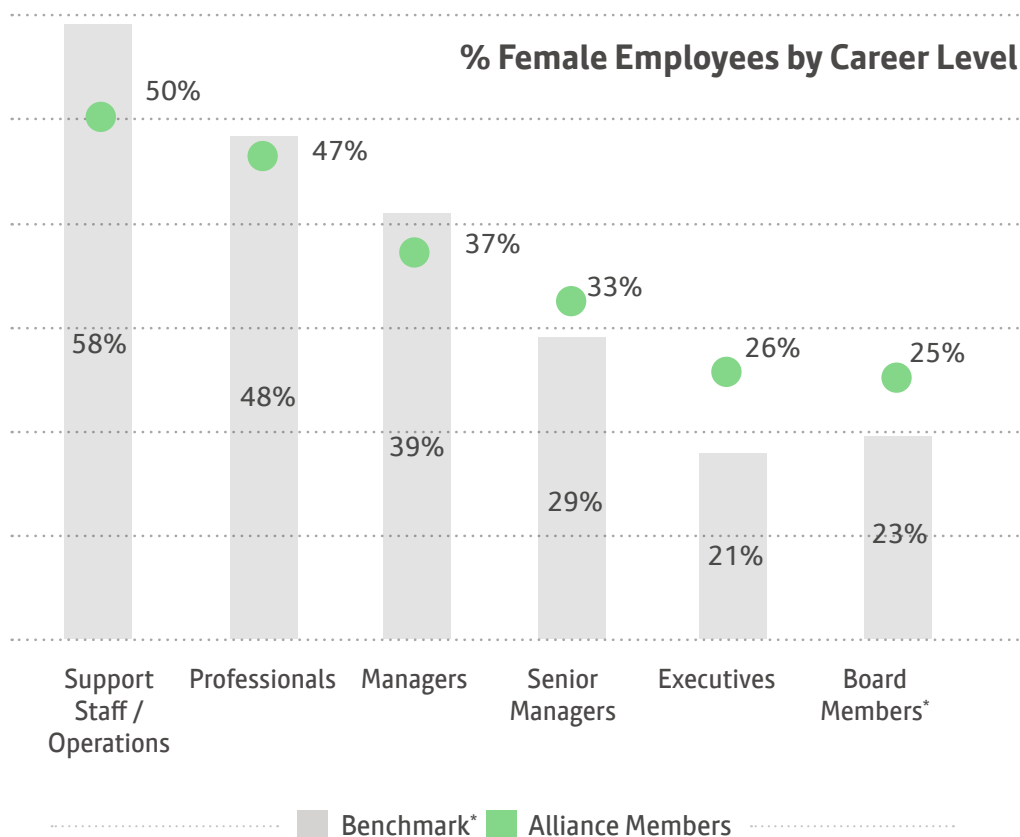
Diversity and Inclusion Data Deep Dive

Having a strong internal diversity and inclusion strategy is key to performing well in the women's market.

Alliance members outperform global averages for female representation at the top.

Our network has stronger female representation at the top than the financial services sector average, with higher percentages of women in senior management, executive and board member roles.

% Female Employees by Career Level

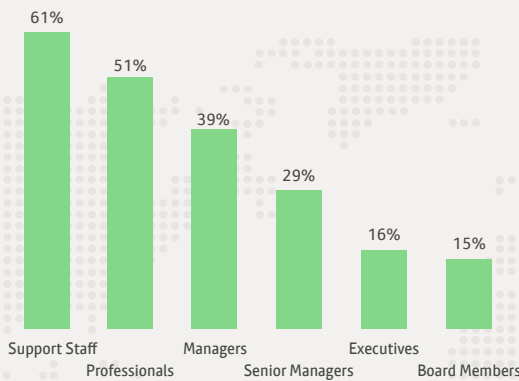| Career Level	Benchmark*	Alliance Members
Support Staff / Operations	58%	50%
Professionals	48%	47%
Managers	39%	37%
Senior Managers	29%	33%
Executives	21%	26%
Board Members*	23%	25%

Benchmark*　Alliance Members

*Global benchmark used based on Mercer's 2020 When Women Thrive report for all categories except board members, which is not included in that report. The board members benchmark is based on Oliver Wyman's 2020 Women in Financial Services report

Representation differs across regions.

All regions have room to grow their gender diversity at the top.

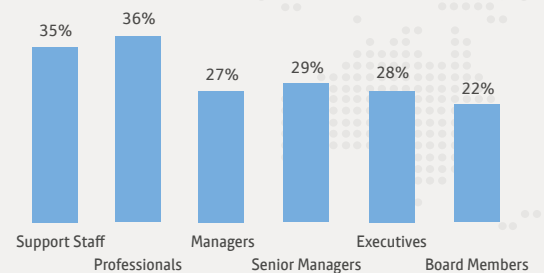## % Female Employees by Career Level

Americas

Career Level	%
Support Staff	61%
Professionals	51%
Managers	39%
Senior Managers	29%
Executives	16%
Board Members	15%

Europe and Middle East

Career Level	%
Support Staff	46%
Professionals	57%
Managers	42%
Senior Managers	37%
Executives	29%
Board Members	38%

Sub-Saharan Africa

Career Level	%
Support Staff	49%
Professionals	46%
Managers	43%
Senior Managers	46%
Executives	41%
Board Members	34%

Asia & Oceania

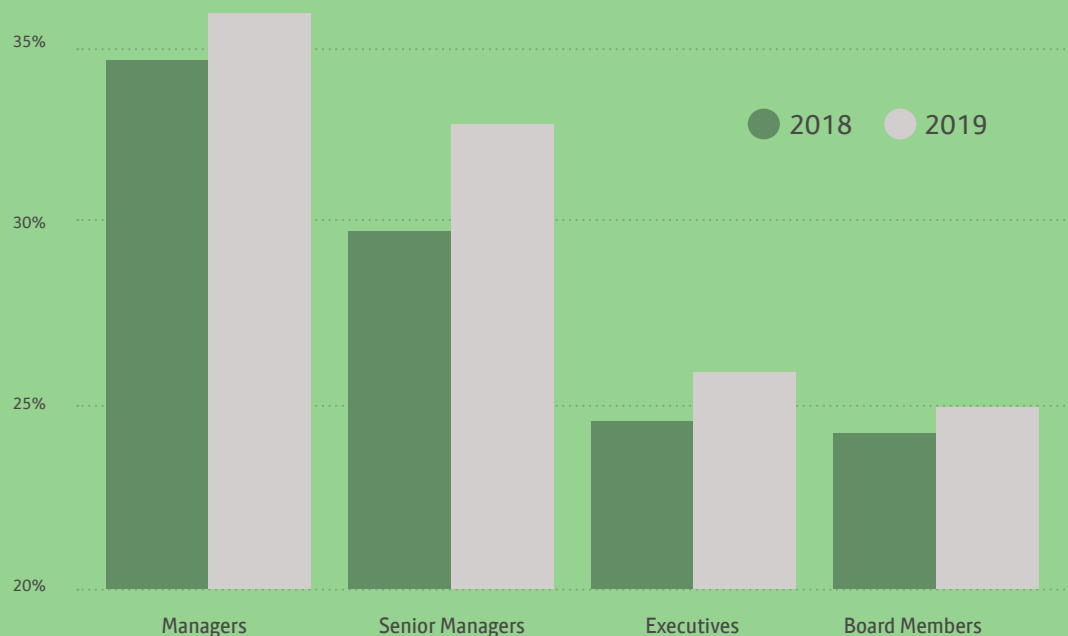| Career Level	%
Support Staff	35%
Professionals	36%
Managers	27%
Senior Managers	29%
Executives	28%
Board Members	22%

While there's still a long way to go, we're on the path to parity.

Year-over-year changes from 2018 to 2019 indicate that Alliance members are succeeding in efforts to get more women to the top of their organizations.

% Female Employees in Management Roles, 2018-2019

Legend: 2018 2019

X-axis categories: Managers, Senior Managers, Executives, Board Members

Y-axis: 20%, 25%, 30%, 35%

Let's continue to build the business case for serving the female economy.

With 38 reporting institutions this year, we have the most complete data set yet measuring the value of the female economy.

However, collecting and reporting sex-disaggregated data is still a challenge for many Alliance members. Often members have complete data in one area (e.g. diversity and inclusion) but lack specific data in another (e.g. WSMEs).

The Alliance will continue working with members to identify and minimize challenges to collecting and using their own data as part of their women-centered strategies, promoting awareness about the importance of sex-disaggregated data and building the capabilities of members to collect and analyze gender data.

We are also working with stakeholders in the wider gender data ecosystem, such as the Women's Financial Inclusion Data (WFID) partnership, to increase awareness, collection and use of sex-disaggregated financial services data. Only through coordinated and transparent efforts across ecosystems will more and better financial services data around women become a reality.

The Financial Alliance for Women would like to thank all of its members who participated in this survey for their time, commitment and willingness to share their data.

FMO
Entrepreneurial
Development
Bank

The Financial Alliance for Women and its members are grateful for the generous financial contribution of FMO for the production of this report.

FINANCIAL ALLIANCE FOR WOMEN

About the Financial Alliance for Women

We're the leading members' network of financial organizations dedicated to championing the female economy — the world's largest, fastest-growing market, and yet one that remains untapped. As a unique network with members from over 135 countries, we share the ambition of unlocking the full value of the female economy.

Everything we do is based on a win-win approach where financial organizations grow their businesses by accelerating women's financial power.

From creating real and digital platforms where members can learn from each other's on-the-ground experiences, to publishing our own proprietary data and research, to advocating for global policy change — we inspire and equip our members to design and refine women-centered products, services and strategies that will bring about a new paradigm for women's financial experiences.

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