

# Empowering women: uncovering financial inclusion barriers

Steering trends to serve the goal



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# Foreword

Microfinance plays a significant role in providing sustainable livelihoods to disadvantaged groups all over the world. The provision of loans, savings and payment products for the underserved and unbanked populations is critical to promoting inclusive finance.

Research shows that over 70% of beneficiaries of the financial inclusion agenda are women. The gender impact of microfinance is therefore a highly debated subject and industry experts are calling for greater insights in this field.

EY is committed to supporting entrepreneurship and women's empowerment. Beyond our commercial offerings, we are bringing together microfinance practitioners to share knowledge on the challenges and opportunities relevant to improving financial inclusion.

This report details practical tips and insights gained from interviews with leading experts in microfinance (shown in Section 5). Without their commitment and valuable insights, it would not have been possible to write this report.

We invite readers of this report to share their feedback with us and help to further the dialogue on this critical topic.

Yours sincerely,

**Zaina Ahmed-Karim**

Partner, Ernst & Young Accountants LLP,  
the Netherlands

**Justina Alders-Sheya**

Senior Manager, Ernst & Young Accountants LLP,  
the Netherlands

# Introduction



Microcredit, the provision of affordable credit to people at the bottom of the pyramid, has for decades been seen as a powerful strategy for alleviating poverty and propelling people toward earning livelihoods that secure their subsistence and open pathways to greater prosperity. Because it was largely targeted at women, and they proved to be the most attractive customers, microcredit has also been seen as a key strategy for empowering women. Currently, they form 75% of the 200 million microfinance clients worldwide – and 80% of the population living in an income below US\$1.25 a day.

Microfinance has undoubtedly helped many people start new businesses and expand businesses from subsistence levels, and given countless women voices in their homes and communities. But stakeholders have learned not only what refinements are needed to realize microfinance's potential but also its limitations, and the ways in which it can inflict harm as well as good.

It has become clear that to free people from poverty and empower women, far more than access to affordable credit is required. It has become apparent that innumerable

factors conspire to trap people in poverty and, therefore, complex, multifaceted approaches are necessary to help people escape. In addition to access to credit, people need access to savings accounts, cashless payment systems and insurance.

Services alone are not enough. Quality services are also indispensable for improving the well-being and empowerment of the poor. Indeed, services should be affordable and appropriate for the people they are designed to serve. They should be delivered with customer needs and safety as paramount considerations and with the transfer of skills (financial capabilities) for their use.

The provision of a range of such services are the essential elements of what has come to be called financial inclusion. Thanks to the pioneers in microfinance who have shown the way through their experience, it has now become clear that the way forward requires the pursuit of the broader agenda of financial inclusion.

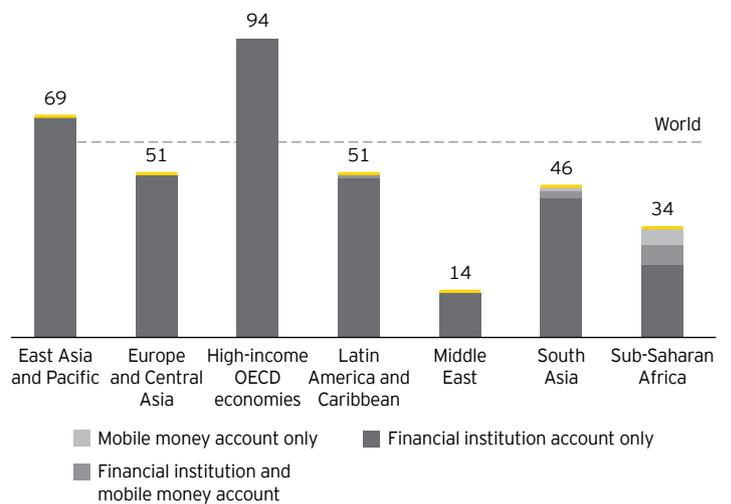
# 01

## Current landscape

Significant progress has already been made toward inclusion. As the World Bank notes in *The Global Findex Database 2014* (Findex), being banked – having some kind of account with a bank, another type of financial institution or a mobile money provider – is the first step toward financial inclusion. Since 2011 alone, the number of unbanked people worldwide has dropped 20% from 2.5 billion to 2 billion, according to Findex. Accounting for population growth, this means that some 700 million people opened an account during that period. In every region of the world, the number of unbanked adults has declined, although the proportions vary considerably from area to area. While 62% of adults worldwide were banked as of 2014, up from 51% in 2011, the difference between the proportions in the developed world versus the developing world is stark: in the developed world, 94% are banked, compared to 54% in the developing world.

### Account penetration

Adults with an account (%), 2014



Source: *The Global Findex Database 2014*.

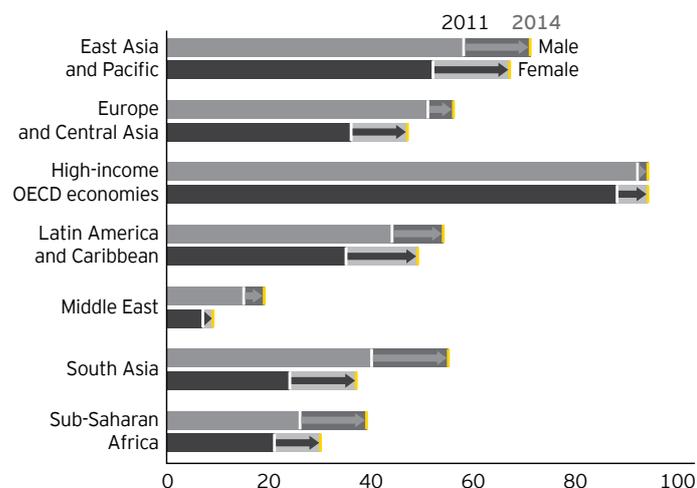


The disparities also remain stark for the traditionally disempowered, women, youth, rural residents and the poor.

The gender gap has remained unchanged at 9% in the developing world. Of the unbanked worldwide, 55%, or 1.1 billion, are women, according to Index.

#### Account penetration by gender, 2011 and 2014

Adults with an account (%)



Source: *The Global Findex Database 2014*.

Several factors account for much of the progress that has been made. Regulators in many countries are changing rules to facilitate banking for the poor; policymakers are making financial inclusion a higher priority; financial service providers have a growing interest in serving bottom-of-the-pyramid customers; and the spread of mobile technology is broadening the reach and increasing the affordability of financial services.

There are now some 300 million people with mobile money accounts as their sole formal financial service, with well over 100 million of them in Sub-Saharan Africa alone, according to the 2014 *State of the Industry* report by The GSMA, an international mobile operators association.<sup>1</sup>

While measuring empowerment is challenging, there is anecdotal evidence to suggest that microfinance has a positive impact on women's empowerment. For example, in a survey of 100 women who received group loans from an Indian microfinance institution (MFI) included in a BNP Paribas microfinance portfolio, 92% said their standard of living improved; 91% said their self-confidence had increased; 65% said they were more involved in household decision-making than before they received a microfinance loan; and 74% said they had been consulted for advice by other women interested in loans, disclosed Alain Lévy, Head of Microfinance for Americas and Asia at BNP Paribas.

1. 2014 *State of the Industry: Mobile Financial Services for the Unbanked*, GSMA, 2014.



ASA, an MFI in Bangladesh, has also seen positive results. Its *Impact Assessment report 2013* looked at indicators of economics, health, behavior and education and found marked improvements in all categories, said Md. Shafiqul Haque Choudhury, Founder and President of ASA.

“Therefore, it can be said that the overall impact of ASA microfinance program seems to have brought positive impact to the lives of its borrowers,” said Choudhury.



“We know that financial inclusion is one of the best on-ramps for a broader introduction to the formal economy and on-boarding to labor force participation and wide economic participation that we are all so eager to see women take part in. We now have really good data linking all these things together and are able to paint a very good macro picture.”

Mary Ellen Iskenderian, President and CEO,  
Women’s World Banking



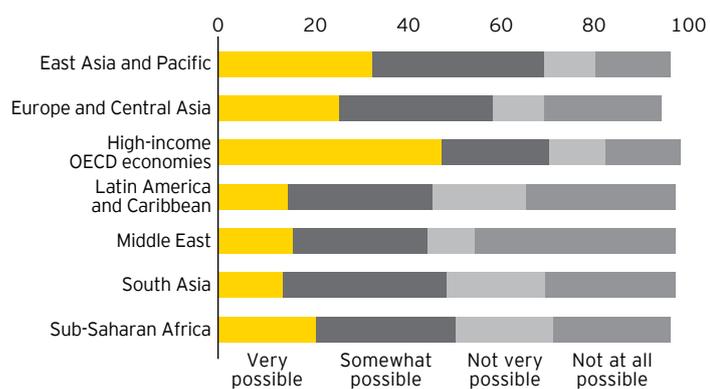
Despite these positive forces and the measurable inroads that have been made, there is still much to be done.

Even the appreciable gains indicated by the decline in the unbanked are not as much cause for optimism as might appear. Among the 3.2 billion people who are banked, there are many who cannot be said to be financially included. Among them, one quarter have dormant accounts, indicating that even though their owners have access, they don’t use them. In many instances, this points to other impediments that are preventing the account owner’s actual participation in economic life.

While whether or not a person has access to a bank account is a first-level measure of financial inclusion, a person’s resilience in the face of some kind of shock – the loss of a job, an illness, a natural disaster – is another important measure of their financial condition and control over their lives. Findex, defining resilience as the ability to come up with 1/20 of the average gross national income per capita in an emergency, found particularly low levels of resilience in South Asia, Latin America and the Caribbean, the Middle East and Sub-Saharan Africa.

## Possibility of coming up with emergency funds

Adults by reported likelihood of being able to raise emergency funds (%), 2014\*



Source: *The Global Findex Database 2014*.

\*Note: Data refers to the ability to come up with an amount equivalent to 1/20 of GNI per capita in local currency within the next month. The categories do not sum to 100% because of "don't know" and "refuse" answers.

# 02

## Key findings

Experience provides considerable evidence for what mechanisms are instrumental in broadening financial inclusion. Besides the development of mobile financial services and regulation, and wider interest in the financial community, growing efforts to measure and evaluate the impact of initiatives to promote inclusion, and insights gained about behavior and motivation, have been important and are likely to play a key role in future progress. As well as showing the promise of these factors, experience has clarified the challenges in harnessing them and the potential negative unintended impacts that need to be guarded against.

“The introduction of new technology, more all-encompassing engagements with women borrowers as regards education, health care, eradication of social norms, which adversely affect women, etc., will go a long way in improving microfinance’s effectiveness and women empowerment.”

Bhaswar Sarkar, Partner,  
Indian member firm of  
Ernst & Young Global Limited

### Mobile technology

Mobile technology and the proliferation of mobile financial services in particular have generated considerable attention as a means of expanding financial inclusion. Some of the attendant excitement is warranted, but caution is also needed.

As an indicator of the potential power of mobile technology, of the two billion unbanked people worldwide, more than one billion have mobile phones. And, mobile accounts are now available in 61% of developing markets, according to GSMA. In Sub-Saharan Africa, where 12% of the population have mobile money accounts (versus 1% worldwide), technological advancement has been particularly instrumental in the increase of the banked. But the penetration of mobile phones and mobile accounts varies significantly, even within the region. So, for example, in Kenya and Cote d’Ivoire, the availability of mobile money accounts appears to have been an important contributor to banking those in the lowest economic rungs, including women. But, this is much less so in other Sub-Saharan countries.

Key among the attributes of mobile banking is its potential to expand access to financial services affordably, including to remote areas. In addition, it can increase the security of people, and their assets, whom otherwise might have to carry cash over long distances. And it can provide transparency in payments so there is less opportunity for leakage in the transfer of payments between payor and payee.



“Electronic money transfers are key to lowering the cost of remittances for poor economies that heavily depend on such transfers, and technology currently is evolving so fast that costs will be significantly lower in the near future, favoring local development and financial inclusion.”

Joël Pain, Executive Director,  
EMEIA Financial Services, EY Climate  
Change and Sustainability Services

For instance, Citi has developed products such as Saldazo, a debit card attached to a simplified account, allowing more than one million Mexican customers to access, with limited paperwork, a mobile bank account service that supports payments, money transfers and ATM cash withdrawals using mobile credit.

Mobile technology may also be helpful in obtaining access to credit for those who have no credit history. The technology can provide a method of alternative credit scoring, such that information about bill payments and deposits is collected and used, possibly in the context of big data, to determine the likelihood of a person being a good credit risk.

Mobile technology can provide a mechanism for easily collecting data about access to and patterns of usage of financial services that can inform the further refinement of financial products and services for the poor.

“New disruptive technologies, like mobile platforms, coupled with progressive public policies offer exciting cost-effective opportunities to expand access at a scale not deemed imaginable even a few years ago.”

Robert Annibale, Global Director,  
Citi Inclusive Finance and Citi Community  
Development

Meanwhile, other forms of digital technology, like biometrics, including eye scanning and fingerprinting, could yield a solution to the problem of producing identification for people who are illiterate and cannot provide a signature.

While mobile and other digital technology hold considerable promise, stakeholders in the inclusion agenda generally agree on the critical need for a balance between embracing its advantages and maintaining the personal contact that is often vital to gaining customer trust, the exchange of information about unique customer needs, and the absorption of financial capability.



“If your tool is only a digital relationship, you will put a big threat on microfinance. Online banking is a big innovation, internet would be a big innovation and so with microfinance ... but they have to keep the human relationship and so you have to find a good mix, at least to keep meeting the client, once a month, or similar.”

Alain Lévy, Head of Microfinance for the Americas and Asia, BNP Paribas

As Michael Hamp, Lead Technical Specialist, Inclusive Rural Financial Services for the UN's International Fund for Agricultural Development (IFAD), said: “The potential downside is that the contribution of financial services to women's social and political empowerment depends very much on other factors (besides digital, mobile, internet), such as staff attitudes in interacting with women and men, the types and effectiveness of core training (for savings, credit and group formation) and capacity-building, i.e., the types of nonfinancial support services or collaboration with other organizations.”

Women's World Banking believes that Diamond Bank, one of the largest retail banks in Nigeria that it works with, may have found a good balance of blending technology with the personal touch. Diamond Bank begins by offering savings accounts through agents sent out to establish relationships with customers at their places of work. These agents help customers become comfortable with technology and provide financial education.

## The role of mainstream financial institutions

Many traditional banks and other financial institutions are showing interest in and are providing microfinance and other products and services supporting financial inclusion. Some are doing so through their corporate social responsibility divisions; others have integrated the new focus into their commercial operations.

At its best, the participation of established financial services organizations can be a major asset in achieving the financial inclusion agenda. These institutions can provide resources to exponentially extend the reach of financial services; they possess extensive infrastructures that can provide services at reduced costs around the world and they have vast experience with mainstream financial products that can inform the design of products suitable to those who have not traditionally had access to them. Their added competition can help bring down interest rates and fees.

Md. Shafiqul Haque Choudhury welcomes the additional participants in the field.

“Benefits are sustained funding, good governance, transparent and compliant operation, operating under regulatory environment, and market linkage, etc., for the women in microfinance.”

Md. Shafiqul Haque Choudhury,  
Founder and President, ASA



Mary Ellen Iskenderian of Women's World Banking believes that it is a positive development that large retail banks in Sub-Saharan Africa, encouraged by regulators, are looking into serving low-income populations and that mobile network operators, insurance companies and payment companies are increasingly addressing this market. The fact that financial institutions are increasingly seeing this market as part of their core, profit-making business rather than part of their corporate social responsibility (CSR) is also a welcome development, Iskenderian says.

"At Citi, we globally embed investments, products and services that make impact into our core businesses and policies, rather than in a separate corporate social responsibility portfolio."

Robert Annibale, Global Director,  
Citi Inclusive Finance and Citi Community  
Development

Robert Annibale adds: "We also partner with other investors to broaden participation and scale, as well as to diversify risk." For example, Citi, leveraging its global banking franchise, structured a risk-sharing program with the Overseas Private Investment Corporation (OPIC), the US government's development finance institution, to provide more than US\$400 million in local currency financing to microfinance institutions in 24 countries. According to Annibale, more than one million women borrowers have benefited.

Another example of a global player who has integrated microfinance at the business and CSR levels is Credit Suisse, which has developed impact investment products enabling ultra high net worth individuals to invest in microfinance through debt and equity instruments, channeling their own clients' interests in generating both a financial and a social return. Laura Hemrika, Head of the Microfinance Capacity Building Initiative at Credit Suisse, explains that here, too, the fact that women are important client segments of microfinance institutions is an important factor, and one that is reported on. Their CSR initiative complements investment activity with capacity building of microfinance institutions on the ground, including a focus on products and services for women and financial education for girls. Hemrika acknowledges that "businesses can be involved from their CSR, but even more effective is if they engage out of business interest; this will increase scale, efficiency and effectiveness, provided that consumer rights and protection stay front and center."

Several practitioners warn that the increasing commercialization of the industry and of MFIs on the ground can have an adverse impact, particularly on women's participation, if not managed carefully.

"We've seen situations where, as microfinance institutions become more commercial or focused on higher loan sizes, the percentage of women in the portfolio decreases; this can be an issue both for the quality of the portfolio and for increasing the percentage of financially included women."

Laura Hemrika, Head of the Microfinance  
Capacity Building Initiative, Credit Suisse



Marilou van Golstein Brouwers, Managing Director of Triodos Investment Management, an impact investing firm, has seen a related phenomenon: “With the professionalization of microfinance and also the commercialization, somehow the focus on women became less obvious and disappeared a bit.”

“If you go 25 years back, it was quite obvious that microfinance is very beneficial for women. Then it became more commercial. The focus sort of disappeared. And now, in the last five to six years, there is again a renewed focus on if we really want this to be beneficial for women, we have to do it in a different way. We have to create special products and special teams.”

Marilou van Golstein Brouwers, Managing Director, Triodos Investment Management

With the growing role of traditional financial institutions, strong and carefully designed customer protection measures are necessary. While regulators must ensure that adequate protection is in place, the responsibility of ensuring the safety and appropriateness of products and services for bottom-of-the-pyramid clients also resides with financial service providers. Consumer associations and other mechanisms can play an important role too.

The risks introduced by commercial interests may also be mitigated through the inclusion of social returns in institutions’ calculations of their financial returns. Or, as some players are already doing, institutions can offer financial products as part of their profit-making businesses and offer financial capability, business management and other services through their philanthropic arms to support the success of their loans and other commercial transactions.

Another important measure to protect the interests of women customers is to include women on MFI staff, particularly field staff, said Bhaswar Sarkar, Partner, Indian member firm of Ernst & Young Global Limited. Similarly, Laura Hemrika from Credit Suisse is convinced that “developing and retaining a female workforce within MFIs is a key component of serving women clients.” As an example of such efforts, she mentions the Women’s World Banking Leadership and Diversity for Innovation Program that helps business leaders develop skills to successfully serve low-income women.

## Regulation

Regulations that authorize innovations in the delivery of financial services, modify impediments to the delivery of services, and protect customers from predatory business practices are all necessary to further financial inclusion. Regulatory authorities in many parts of the world have already taken significant steps. In a number of countries, like India, MFIs are being granted banking licenses that mean they can offer savings accounts, as Alain Lévy of BNP Paribas highlighted. In Latin America, after Brazilian authorities allowed agent banking, countries throughout the region followed suit, while in Sub-Saharan Africa, mobile banking has grown following regulatory approval.<sup>2</sup>

“This will be a revolution in the Indian microfinance market,” said Alain Lévy. “Now with the MFIs having a banking license, clients will be able to save money.” This may be especially helpful for women because there are indications that women are particularly committed savers. According to Findex, the gap in savings between women and men in developing countries is smaller than the gender gap for having an account.

Other crucial steps regulators can take include modifying know-your-customer/anti-money laundering (KYC/AML) regulations so that they do not impede inclusion; regulating the use of mobile accounts, mobile money and agent banking; monitoring interest rates; and requiring that banks offer basic or low-fee accounts.

2. *Seizing the Moment: On the Road to Financial Inclusion*, Center for Financial Inclusion, p. 19.



## Measuring impact

Measuring the impact of strategies to achieve inclusion is crucial to the refinement of such efforts. Data is needed to determine who is and who is not being reached. Without some indicators of what works and what does not, and what demographics have been neglected, stakeholders are effectively flying blind.

Measuring financial inclusion, however, is complex, and many measurement methods fall short because they do not measure the complex interplay of factors that lead to empowerment.

“The identification and weighting of standardized SMART indicators (specific, measurable, attainable, realistic, timely) can be controversial because of the complexity of empowerment itself and the frequent trade-offs between its various dimensions, for example, between levels of income earned and time available for other activities, and between women’s autonomy and the effort they have to put into changing abusive relationships. Women’s own goals and preferences vary significantly with context and between women even within the same context.”

Michael Hamp, Lead Technical Specialist,  
Inclusive Rural Financial Services, IFAD

In addition, it is very difficult to get accurate information in an informal economy. Usually, there is no baseline information that can form a basis of comparison. Further, the impact of access to the financial system may not be seen for years, beyond the scope of any study.

Md. Shafiqul Haque Choudhury says: “But we use methodologies, such as the recall method, interviews, observation, FGD [focus group discussions], etc., to collect information from our borrowers to see the impact of microfinance program on their livelihood.”

“Some believe that the most telling data can be gleaned from doing this kind of qualitative research. Asking questions like ‘how many meals a day are you getting?’ is the best way to determine whether efforts are having an impact on people’s lives.”

Joël Pain, Executive Director, EMEIA Financial  
Services Climate Change and Sustainability  
Services Leader, EY

Also, while the complexity of the factors affecting standards of living may necessitate complex measurement mechanisms, that in itself can be problematic. Often, when applied to real situations, indexes that assess multiple components of women empowerment would be more effective if they were simplified and focused on the specific dimensions that are important to the clients, according to Michael Hamp.



Recently, randomized evaluations, based on randomized control trial (RCT) methodology, have been considered attractive because they are rigorous and scientific.

Randomized evaluations assess the impact of providing a financial service/applying a specific feature, for example, to one group compared with a control group that does not have access to the service/feature. The groups studied are randomly selected so that the only consistent difference is the access to the financial service/feature. Many believe that such evaluations allow for a nuanced, reliable analysis compared to anecdotal evidence. For instance, Women's World Banking is in the process of conducting an RCT to assess the impact of confidential savings accounts on intimate partner violence on women. However, as rigorous as this approach can be, there can be disagreement as to exactly what should be measured. In addition, such evaluations are expensive and the time frame for manifestation of impacts may exceed the time frame of the evaluation. For instance, according to a senior officer with an intergovernmental organization, randomized evaluations are "methodologically difficult and expensive. Projects are relatively short-term in nature, and results after only four to five years are difficult to measure with standard instruments. Only longitudinal surveys would capture impacts adequately."

Educating investors and funders can go some way toward addressing the challenges of measurement and evaluation, according to Sevi Simavi, Chief Executive Officer of the Cherie Blair Foundation for Women. These stakeholders should be informed of the complexities of evaluation, and that conducting rigorous impact evaluations takes time, money, resources, capacity and skills that require commitment.

## Behavioral insights

Behavioral economics and research on human behavior generally provide important insights for the design of products and delivery systems that are most useful for those who have been excluded from financial services.

It has long been known that people don't always act in their best interest, or in ways that appear on the surface to be logical. The understanding that social influences and other factors lead to what appears to be illogical choices has been amply applied in the developed world, for example, to treat mental illness and to market products more effectively. More recently, the understanding of the interplay of factors that explain behavior is being applied to development efforts.

As Jim Yong Kim, President of the World Bank, noted in this year's *World Development Report on Mind, Society and Behavior*: "Recent research has advanced our understanding of the psychological, social and cultural influences on decision-making and human behavior and has demonstrated that they have a significant impact on development outcomes."

"Research shows that small differences in context, convenience and salience have large effects on crucial choices, such as whether to send a child to school, prevent illness or save to start a business. That means development practitioners need to focus not only on *what* interventions are needed but also on *how* they are implemented. That, in turn, requires implementing agencies to spend more time and resources experimenting, learning and adapting during the intervention cycle."



A simple example of a behavioral understanding that has been useful to effective financial services is an appreciation of the fact that people can be forgetful, and, therefore, providing reminders via SMS of commitments to make deposits or loan payments can keep people on track. Another observed behavior, as highlighted by Marilou van Golstein Brouwers is that women also tend to be more risk-averse and to ask for less than they need in loans. Poor women have further been found to be averse to financial language, so, for example, calling a PIN a “secret code” is likely to reduce a barrier, says Mary Ellen Iskenderian.

Behavioral understanding is also being drawn on to design techniques for teaching financial capability. In particular, the insights are being used to pinpoint moments in an individual's engagement with financial mechanisms when they are most likely able to absorb important concepts. RevolutionCredit in the US, for example, considers applicants' participation in financial education activities a sign of creditworthiness that will increase their chances of getting a loan.<sup>3</sup> Such targeting of “teachable moments” is potentially far more effective than more traditional classroom approaches to teaching concepts.

“Understanding economic behaviors – how people make decisions, what drives change, etc. – will provide key elements to understand what products and services to develop under [a new] Microfinance 2.0, and also how to deliver them.”

Sevi Simavi, CEO,  
Cherie Blair Foundation for Women

3. *Financial Inclusion 2020: Round-Up 2014*, Center for Financial Inclusion, November 2014, p. 6.

# 03

## Conclusions

Since microfinance institutions began providing loans four decades ago, millions of poor people have gained access to a variety of financial products, from loans and savings accounts to insurance. The advent of mobile technology, the growing awareness of policymakers of the central importance of access to financial services for economic development, a new interest on the part of traditional financial institutions to serve bottom-of-the-pyramid customers, and other factors have coalesced to produce this success in financial inclusion.

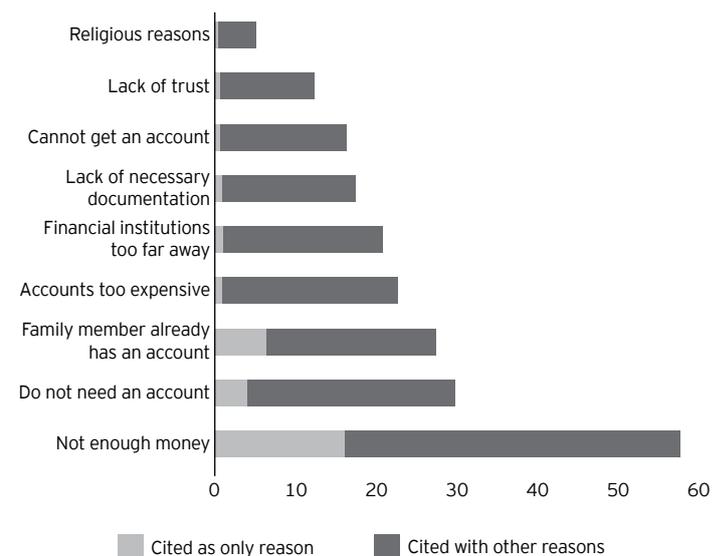
But much remains to be done.

While in just three years the numbers of the unbanked have declined by 500 million, there are still two billion people without access to formal financial services. And this number is substantially larger if those who have financial accounts but don't use them are taken into account. The broad numbers also mask wide disparities in access between regions, countries, income groups, and for subsets of populations that are often excluded, including the young, those living in rural areas and women. Even as the overall numbers of the unbanked have declined, the gender gap between women and men who are banked has remained fixed.

There are numerous causes for this persistent exclusion. They range from behavior that makes potential customers averse to financial products, cultural norms that prevent people from gaining access to products; regulations that prohibit products, services and practices that would enhance inclusion; and more. Considerable progress has been made in defining these barriers and developing and refining approaches to overcome them. Developments in digital technology, evolving regulation, behavioral understanding, new measurement techniques and the growing participation of the business community will continue to play essential roles in achieving wider financial inclusion. But each has its limitations and presents its own challenges.

### Self-reported barriers to use of an account at a financial institution

Adults without an account reporting barrier as a reason for not having one (%), 2014



Source: *The Global Findex Database 2014*.



While mobile and digital technology generally provide financial services to hundreds of millions of people, and could do so for many more, those committed to the inclusion agenda must ensure that human relationships remain a part of services. This is imperative to attract people to use the services and to maintain accountability between the provider and the customer.

The growing interest of traditional financial institutions, mobile network operators and other businesses afford the opportunity to reach those who have been financially excluded on a broad scale, efficiently and cost-effectively, potentially reducing costs for end customers. However, stakeholders must be vigilant to ensure that the drive for returns does not supersede the objective of financial inclusion.

Thoughtfully designed regulation can help to maximize the impact of these potentially positive forces and contain harmful impacts. It can also play a vital role in eliminating barriers to and unleashing innovation. Meanwhile, new and refined evaluation techniques can help motivate stakeholders to maintain momentum towards the objective and focus on the strategies that work best, and behavioral understanding can guide the design of evolving strategies.

# 04

## Recommendations

As stakeholders pursue the inclusion agenda and recognize the vital role of women empowerment, the following practices will be crucial for success:

1. Products and services must be designed to address gender-related challenges.
  - ▶ Provide products, such as savings accounts, safeguarded for educational use only, affordable health insurance and empower girls to open savings accounts and foster financial capability at early age.
  - ▶ Include agents that meet with rural women in their own homes, where many of them have businesses, technical assistance for the operation of small businesses, and instruction in a full range of skills and behaviors that foster genuine financial capability.
2. In enlisting advances in technology, providers will have to carefully weigh the technological progress and cost-saving advantages against the danger of losing the human relationships that are imperative for the imparting of trust and the establishment of true inclusion.
  - ▶ This is likely to require the maintenance of field staff in close enough proximity to maintain periodic face-to-face contact. Another key step for financial institutions is to hire more women at all levels of their institutions, from agents in the field to top executives.



3. Regulators will need to create the infrastructure that eliminates barriers and creates incentives, authorizes products and ensures the safety of products and services that empower women.
  - ▶ This ranges from authorizing and regulating the use of mobile banking and graduating KYC/AML regulations so that they do not impede access to financial services for those without conventional forms of identification, to monitoring interest rates and fees for loans and other products.
4. Evaluations and assessments that reflect the complexity of the factors determining empowerment will be necessary to keep the financial inclusion agenda on track.
5. Analytics must be applied to the vast amount of data that has already been accumulated so that best use is made of our decades of experience with microfinance to pave the way forward.



**Md. Shafiqul Haque Choudhury,  
Founder and President, ASA**

ASA was incepted at Tepra, a remote village of Bangladesh in 1978, to assist the poor and the underprivileged. Currently, ASA serves 5.3 million clients in Bangladesh through 2,929 branches without any grant/donation money. In addition, ASA has been providing technical assistance (TA) services to 14 countries of Asia and Africa. ASA was adjudicated the top MFI of the world in 2007 by the *Forbes Magazine*, USA and *Financial Times*, London and International Finance Corporation jointly awarded ASA with the "Banking at the Bottom of the Pyramid" prize in 2008.



**BNP PARIBAS**



**Alain Lévy, Head of Microfinance for  
Americas and Asia, BNP Paribas**

BNP Paribas has a presence in 75 countries with more than 185,000 employees, including 145,000 in Europe. It ranks highly in its two core activities: Retail Banking & Services and Corporate & Institutional Banking, and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail banking model internationally. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia-Pacific.



**Sevi Simavi, CEO, the Cherie Blair Foundation for Women**

The Cherie Blair Foundation for Women was set up in 2008 in response to the realization that, with the right support, women can overcome the many challenges they face and play an important role in the economies and societies in which they work and live. The foundation's vision is a world where women have equal opportunities and the capability, confidence and capital necessary to establish and grow businesses, resulting in a brighter future for the women themselves and their communities as a whole.



**Bob Annibale, Global Director, Citi Inclusive Finance and Citi Community Development**

Established in 2005, Citi Inclusive Finance is a specialist team working across Citi businesses globally to develop solutions that enable the bank, its clients and partners to expand access to financial services and advance economic progress in underserved market segments. Citi works with leading microfinance institutions, banks, corporations, governments, development agencies, nonprofits, investors and service providers to develop and deliver diverse financing solutions to support financial inclusion.



**Laura Hemrika, Head of the Microfinance Capacity Building Initiative, Credit Suisse**

As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. The Microfinance Capacity Building Initiative (MCBI) at Credit Suisse is one pillar of the comprehensive and holistic approach to microfinance and impact investing developed by the bank. The MCBI works directly with key players in the industry to strengthen institutional and management capacity, innovation and research across regions to enable them to better meet the diverse financial needs at the base of the pyramid.



**Michael Hamp, Lead Technical Specialist, Inclusive Rural Financial Services, IFAD**

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided nearly US\$16.6 billion in grants and low-interest loans to projects that have reached about 445 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.





**Triodos**  **Investment Management**

**Marilou van Golstein Brouwers,  
Managing Director, Triodos  
Investment Management**

Triodos Investment Management is a specialist in developing and managing sustainable investment funds. Triodos Investment Management manages 17 investment funds that each invest in different sustainability themes and/or have different risk-return profiles. The funds focus on impact investments, including microfinance in developing countries and investments in listed companies that meet strict sustainability criteria (SRI funds). At the end of December 2014, the combined assets under management of the Triodos investment funds amounted to EUR2.7 billion. Triodos Investment Management BV is a wholly owned subsidiary of Triodos Bank NV.



 **Women's World Banking**

**Mary Ellen Iskenderian, President  
and CEO, Women's World Banking**

Women's World Banking is the global nonprofit devoted to giving more low-income women access to the financial tools and resources essential to their security and prosperity. For more than 35 years, we have worked with financial institutions to show them the benefit of investing in women as clients and as leaders. Headquartered in New York, Women's World Banking works with 38 institutions in 27 countries with a reach of 20 million women to create access to finance on a greater scale than ever before.



**Joël Pain, Executive Director, EMEIA Financial Services Climate Change and Sustainability Services Leader, Ernst & Young et Associés, member firm of Ernst & Young Global Limited**

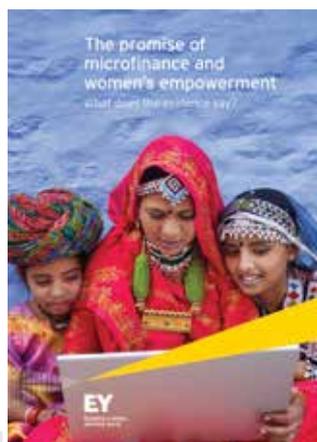


**Bhaswar Sarkar, Partner, Indian member firm of Ernst & Young Global Limited**

As a global leader in assurance, tax, transaction and advisory services, we support our clients in a wide range of industries, playing a critical role in building a better working world for our people, clients and communities. We follow an integrated approach that helps our clients drive growth and introduce innovation in a globalized world. Along with traditional offerings, we provide tailored services in innovative fields such as microfinance, entrepreneurship, environmental, social and governance. EY is involved in microfinance from different perspectives. We support main microfinance institutions with comprehensive client offerings ranging from assurance to advisory services. Moreover, EY is a service provider to financial services organizations active in the microfinance industry. We work with many organizations on fund-raising and pro bono initiatives in the field of microfinance and social entrepreneurship. In addition, since 1986, we have been celebrating successful entrepreneurs all over the world through the EY Entrepreneur Of The Year™ Program. We are aware of the role of entrepreneurship as a driver for innovation and change, and we acknowledge the role of women in promoting economic and social growth. We endorse women's empowerment through various initiatives, such as the EY annual International Women's Day campaign and the EY Entrepreneurial Winning Women™ Program.



## Other EY publications



## EY contacts



**Justina Alders-Sheya**

T: +31 88 40 71623  
E: justina.sheya@nl.ey.com



**Zaina Ahmed-Karim**

T: +31 88 40 71051  
E: zaina.karim@nl.ey.com



**Bochra Fourti**

T: +44 20 795 10718  
E: bfourti@uk.ey.com



**Giacomo Folino**

T: +44 20 795 18783  
E: gfolino@uk.ey.com

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EYG no. CQ0231

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