

R E P O R T

GENDER

IN THE BANKING SECTOR

FIRST EDITION



Remarks by the Superintendent

Alejandro Fernández W.

The Superintendency of Banks presents its first report on gender in the banking sector. This effort aims to contribute to the development of evidence-based public policies that promote gender equity throughout the Dominican financial sector. The information on loans and deposits received by this Superintendency of Banks from Financial Intermediation Entities (FIEs), disaggregated by gender, was used for its preparation.

Other jurisdictions have promoted similar initiatives, such as Chile, Peru, Costa Rica and Mexico, just to mention a few examples. In the case of the Financial Market Commission (CMF) of Chile, this institution has already prepared a similar product nineteen times.

This report is in line with the Sustainable Development Goals of the United Nations (UN), the Government Plan of President Luis Abinader, the National Development Strategy (END 2030) and the Institutional Strategic Planning (PEI 2021-2024) of the Superintendency of Banking.

Unquestionably, the report can be improved. However, a motto I often mention indicates that “perfect is the enemy of good.” We have made a great effort to make this first document as useful as possible for our sector, both, for the users of the system as well as for the Financial Intermediation Entities (FIEs). We hope that it will be useful to continue promoting the insertion and participation of men and women within the Dominican banking sector.

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Executive summary

The financial sector is key to the economic development of a country, because it is through this financial sector that citizens have access to financing instruments that facilitate their productive participation in society, as well as their financial autonomy. This report responds to the need for studies that support the generation of evidence-based public policies for the strengthening of the Dominican financial sector from a gender-based differentiated perspective.

This document uses information on loans and demand deposits (or savings) disaggregated by gender, received through Financial Intermediation Entities (FIEs) during the period 2013-2020. In general, the following is highlighted:

LOANS

By the year 2020, the percentage of the population that received loans, considering only the adult population, was approximately 27%, displaying a similar behavior between men and women during the period under study. This is consistent with data from the World Bank's Global Findex 2017, which specifies that, in developing countries, the population that receives loans typically averages around 20%.

Overall, the average amount owed by women relative to men's average amount owed has been increasing over time, as has the percentage of female debtors. The female loan portfolio has grown in the last eight years by 37.5%. While female participation has increased compared to 2013, it remains lower than male participation in all regions and provinces of the country. In general terms, **as of December 2020, in the formal banking system for every RD\$100 owed by male account holders, there were RD\$65 owed by female account holders.**

With regard to **credit cards**, during the 2013-2020 period, the gap between the number of male and female debtors decreased by 3 percentage points. Although

the gender gap has been decreasing in terms of the number of credits approved, it has been increasing in terms of the ratio of the average amount approved. In 2013, the average amount approved to a female debtor represented 71.6% of the amount approved to a male debtor. However, as of 2020, the indicator stood at 64.9%.

The mortgage loan portfolio, overall, is the one that, as of 2020, presents the closest approximation to gender parity in the distribution of outstanding loans, and it is the one that presents the smallest gap in terms of the amount owed.

A greater proportion of women opt for low-cost housing loans (54.4%) and have a significant share of loans for first homes (48%). However, there is a greater male participation in the portfolio for the acquisition of a second or vacation home (59.5%), as well as for remodeling purposes (55.3%).

In addition, a higher percentage of women have a mortgage loan without a co-signer: 76.2% of them acquire the loan without a co-signer, while in the male portfolio this percentage is 63.1%.

The largest gender gap is observed in **commercial loans** both in terms of the number of debtors and the amount of debts. **As of 2020, for every RD\$100 pesos owed by a man for commercial purposes, the woman merchant had a credit of almost RD\$25 pesos.**

Finally, when looking at the **microcredit portfolio**, it can be seen that this type of instrument has a higher female participation than male participation. **As of 2020, for every 100 microcredit debtors, 135 debtors were reported; and for every RD\$100 owed by male micro-entrepreneurs, female micro-entrepreneurs owed RD\$112.**

DEPOSITS

As of December 2020, deposits disaggregated by gender indicate that there were a greater number of female than male savings accounts in the Dominican formal banking system. Overall, **as of December 2020, for every 100 accounts with male account holders, there were 106 with female account holders.**

It is important to note that this report only reflects the amount of deposits by gender that are registered in the banking system. According to the provisions of the Monetary and Financial Law No. 183-02 in its article

56, literal b, the Financial and Exchange Intermediation Entities (FI&EI) are obliged to keep the secrecy of deposits in a disaggregated manner that allows revealing the identity of the user. This is why, among the users of the system, it is not possible to display the number of savers disaggregated by gender.

When disaggregating the data by type of account (savings, time deposits and demand deposits) during the 2013-2020 period, it is noted that, in general, there is a greater female participation in terms of the number of savings and time deposit accounts. **As of December 2020, for every 100 male savings accounts and time deposit accounts, there were 109 and 139 female accounts, respectively.** However, when analyzing the participation of men and women in the demand deposit portfolio, a different reality is evident. **As of December 2020, for every 100 demand deposit accounts whose holders are male, there were 68 accounts whose holders are female.** Disaggregated deposits by type of currency indicate heterogeneous realities. Marginal growth is observed in the number of savings accounts in pesos held by women in comparison to those held by men during the 2013-2020 period. However, an inverse relationship is noted with respect to the holding

of savings accounts in foreign currency. When analyzing the average balance in savings accounts in domestic and foreign currency, men's deposits, overall, are 42.9% higher than those of women, regardless of currency. In general, the data indicate that the participation of men and women in formal banking has been increasing. There are differentiated lags based on gender, such as the lag in the loan amounts granted to female borrowers in comparison to those granted to males, as well as the lagging on the average savings balances of female savers in comparison to male savers. It is recommended to continue strengthening the collection of financial information disaggregated by gender and potentially considering variables not addressed in this report that contemplate factors that may be affecting the participation of men and women within the Dominican banking system.

Introduction

The Superintendency of Banks (SB) has prepared this report to take on an institutional commitment in order to generate knowledge products that can contribute to the development of public policies that promote gender equity in the country. In view of the institution's mission competencies, determined through the Monetary and Financial Law No. 183-02, this report uses the information submitted by the Financial Intermediation Entities (EIF). It reflects data on the debtors registered, as well as the existing deposits in the country's formal banking system.¹

This report uses descriptive information disaggregated by gender since 2013. This is because since the issuance of Circular SB No. 002/2012 during the administration of Superintendent Haivanjoe NG Cortiñas, that the collection of credit information disaggregated by gender begins. Given that, upon issuing the circular, a transition period was granted for the adequacy of data collection; this report uses data from 2013 to December 2020.

¹ The information collected in the Central Credit Risk Register (Central de Riesgos) has been specified in the Information Requirements Manual of the Superintendency of Banks.

As at December 2020, a total of 1,902,968 debtors was reported in the Dominican formal banking system. From these 51.5% was male, while 48.5% was female. It is observed that total female borrower base is 3 percentage points (pp) lower than the total male borrower base. Although the difference between the number of debtors is greater than that observed in some other jurisdictions in Latin America and the Caribbean (LAC), it has narrowed over time. As of December 2013, the number of debtors in the Dominican banking system was 1,427,745, of which 52.95% were male and 47.05% female. During the study period, the female loan portfolio increased by 37.5%, representing an increase of 252,089 female borrowers in 2020 compared to 2013.

It is important to note that, although this report provides important information on the country's banked population, it does not reflect the total population. According to the provisions of the Monetary and Financial Law No. Article 56, para b of Article 183-02 requires Financial Intermediation Entities (EIF) to keep the secrecy of disaggregated deposits that reveal the identity of the user. That is why, in this report, it

is not possible to visualize how many savers exist in the banking system. Only the total number of deposit accounts disaggregated by gender – information that will be used in this report – is allowed to be displayed.

Background

The first reports on the financial sector from a gender perspective have been published in Latin America and the Caribbean (LAC) for more than a decade now. Being able to observe and analyse the portfolio of financial instruments offered in the sector in a differentiated manner makes it possible to generate relevant information for the formulation and execution of public policies that guarantee rule of law with a gender perspective.

International and local instruments have generated the necessary foundations for the development of public policies that ensure adherence to the Rule of Law through the inclusion of men and women as productive entities in the society thanks to the use of financial services. One of the guiding instruments at global level are the Sustainable Development Goals (SDG) of the United Nations (UN). The SDG outline 17 aspirations to be achieved by 2030 with a view to ensuring inclusive development that takes into account the environment and natural resources. For the purposes of this report, two specific goals are cited: number five and eight. Number 5 goal aims to promote gender equality and empower women and girls, while goal 8 aims to promote decent work and economic growth, which is relevant for this report to “Strengthen the capacity of national financial institutions to promote and expand access to banking, financial and insurance services for all”.²

² The National Development Strategy (NDS 2030) is the guiding instrument used in the public administration to guarantee actions consistent with the development aspirations outlined by the Dominican State 2012-2030, through the issuance of Law 1-12.

At the local level, Article 12 of the National Development Strategy (END 2030)³ of the Dominican Republic establishes that: “All plans, programs, projects and public policies must incorporate a gender perspective in their respective areas of action, in order to identify situations of discrimination between men and women and adopt actions to guarantee gender equality and equity”.⁴ Likewise, the National Plan for Gender Equality and Equity (PLANEG III) considers the economic autonomy of women as a national priority issue, one of its components is their economic empowerment and access to productive assets and resources.⁵

Regarding the institutional framework, one of the strategic axes of work of the Superintendency of Banks for the period 2021–2024, is financial inclusion and banking access, seeking to promote the reduction of barriers in the access to the formal financial system of the country.⁶

GENDER IN THE BANKING SECTOR

For the preparation of this report, other jurisdictions in Latin America and the Caribbean (LAC), such as Chile and Costa Rica, analysed gender reports in the financial sector, as well as working documents by the Superintendency of Banking, Insurance and AFP of Peru. The main reference used was the Report on Gender in the Financial System, carried out annually by the Financial Market Commission (CMF) of Chile. The CMF has been producing the annual edition of Gender in the Financial System Report for more than 19 years, through which, the CMF endeavours to evaluate the access to banking and non-banking financial services of men and women.

The General Superintendency of Financial Entities (SUGEF) of Costa Rica published in 2019 a Gap between men and women in access to and usage of the financial system report. It provides gender-disaggregated indicators of the financial supply in Costa Rica, as well as other elements concerning the inclusion of women

in the banking sector. The Peru working paper uses a Probit econometric model, controlling inequality variables that affect men’s and women’s access to loans and savings accounts. It concludes showing that by controlling inequality variables that directly affect the feminisation of poverty, such as income, property ownership, housing characteristics, among others, inequality in access to financial products is reduced and can even be zero.⁷

HOW IS THE DOMINICAN REPUBLIC DOING IN TERMS OF GENDER EQUITY?

The Global Gender Gap Report of the World Economic Forum, in its 2021 edition, positions the Dominican Republic at number 89 out of 156 countries, dropping the country three positions compared to 2020, and 15 positions respectively compared to 2018 (see Table 1).⁸

Table 1: Dominican Republic in the Global Gender Gap Report

	Calificación 2018		Calificación 2020		Calificación 2021	
Global Gender Gap Index	74	0.701	86	0.700	89	0.699
Engagement and economic opportunities	89	0.650	85	0.660	101	0.646
Political Engagement	69	0.179	88	0.163	88	0.172
Education	54	0.997	42	0.998	32	1.000
Health	1	0.980	1	0.980	1	0.980

In recent years, there has been a **reduction in women’s economic participation and opportunities that stands out.** A deterioration of the wage equity indicators for similar jobs between men and women is observed; in a similar manner, a decrease in the estimated income of women in relation to men is noted. This partially reflects the economic consequences generated by the pandemic since the beginning of 2020 in a differentiated way on the economic participation and labor opportunities for women.

The January – March 2021 quarter report of the Continuous National Labour Force Survey (ENCFT) of the Central Bank of the Dominican Republic revealed that, during the first quarter of the year, female open unemployment was 2.8 times higher than male

unemployment, being 4.6% for men and 12.8% for women, respectively. In general, women were the most affected in terms of job losses as a result of the lock-down measures prompted by COVID-19. As for the average year-on-year reduction in the number of employed persons, while there was a drop of 178,723 jobs for women, the drop for men was 131,322.⁹

In technical note entitled What role can financial supervisors play in promoting Gender Equality and Women’s Economic Empowerment? from the Toronto Centre¹⁰, it is noted that banks do not have a clear understanding of the female market due to the absence of gender-disaggregated data, which hinders the development of products and services that meet the needs and financial behavior of women.

According to the World Bank’s Global Findex, women in developing countries are on average 9 percentage points less likely than men to have a financial account. It also highlights that, in developing countries, compared to developed countries, many people prefer to save semi-formally. That is, by using a savings club or entrusting your savings to someone outside the nuclear family.¹¹

3 The National Development Strategy (NDS 2030) is the guiding instrument used in the public administration to guarantee actions consistent with the development aspirations outlined by the Dominican State 2012-2030, through the issuance of Law 1-12.
4 United Nations, Sustainable Development Goals, 2021. Available at <https://www.un.org/sustainabledevelopment/es/economic-growth/>
5 Ministry of Women of the Dominican Republic. National Plan for Gender Equity and Equality 2020 -2030 (PLANEG III). Santo Domingo, Dominican Republic.
6 Superintendencia de Bancos de la República Dominicana. Institutional Strategic Planning (PEI) 2021-2024.
7 Fiorella Arbulú and Sissi Heras. SBS Working Papers. Gender and Financial Inclusion. 2019 (Lima, Peru).
8 World Economic Forum. (2021). Global Gender Gap Report 2021. Retrieved, Available at: http://www3.weforum.org/docs/WEF_GGGR_2021.pdf. The report uses a scale of 1 to 0, with 1 being gender parity and 0 being gender impunity.

9 Banco Central, “Boletín Trimestral del Mercado Laboral enero-marzo 2021”, 2021, <https://www.bancentral.gov.do/a/d/2541-encuesta-continua-encft>
10 Toronto Centre, Technical Note “What role can financial supervisors play in promoting Gender Equality and Women’s Economic Empowerment?”, September 2019 <https://res.torontocentre.org/guidedocs/What%20Role%20Can%20Financial%20Supervisors%20and%20Regulators%20Play%20in%20Promoting%20Gender.pdf>
11 Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, D.C.: World Bank.

Methodology

For the preparation of this report, we have used available credit and deposits information received through the regulatory reports available in the Information Requirements Manual of the Superintendency of Banks Oriented to Risk-Based Supervision (MRI). As reference, a literature review of similar reports published by international organizations and other supervisory bodies in LAC was undertaken. The information used for this report is divided into: **loans and deposits**.

With regards to loans, this report uses information of **consumer loans, credit cards, mortgage loans, commercial loans and microcredits**. By definition, the commercial portfolio includes the microloan portfolio. However, for the purposes of this report, microloans have been split from commercial loans to monitor the behavioral trend of the portfolio in a differentiated manner, disaggregated by gender. Deposits are distributed among **savings accounts, current accounts and time deposits** – that is, financial certificates held by depositors.

To estimate the percentage of the population that has received loans, we have used estimates of the total population aged at least 15 years, generated by the National Statistics Office (ONE)¹² and those estimates were used during the observation period of the study.

¹² Oficina Nacional de Estadísticas (ONE), Estimaciones y Proyecciones Demográficas, Santo Domingo, D.N., 2015.
Demographic Estimates and Projections - National Statistics Office (ONE)

The **gender variable** used for this report takes into account male and female binary gender, as stated in the Information Requirements Manual (MRI) of the Superintendency of Banks. This report uses the words female and/or woman to refer to data reported with a female headline, and the words male and/or man to refer to data reported with a male headline. Although it is plausible an scenario in which the holder of a credit instrument and/or the holder of a deposit account may allow that a person of the opposite gender uses his/her account or loan instrument, for purposes of analysis of this study the gender of the holder has been considered. Meaning that, when analysing the data from a joint savings account between man and woman, or woman and woman or man and man, for example, this report uses the reported sex of the person who holds the instrument.

By using the terminology **gender gap** in this report, reference is made to inequalities that represent opportunities for the full banking inclusion of men and women.

Regarding the **geographic distribution**, the Superintendency uses four (4) regions: metropolitan,

east, south and northern areas (see annex I).

This report is limited to a descriptive analysis, based on **a sample of approximately 1.9 million of people designated as debtors in formal banking**, as at December 2020.

LIMITATIONS

When creating a knowledge product such as this one, it is important to recognise the limitations faced, so that the reader can benefit from the study. Hence, the following relevant limitations are set forth:

I) Natural Person. The total number of debtors and depositors considered in this report refers exclusively to individuals reported in the system.

II) Consumer credits. In the consumer loan section, there is data related to educational credit portfolio starting from 2015, rather than from 2013. This is because through Circular 02/2015 from that date forward Financial Intermediation Entities (FIEs) were requested to report them. Through this amendment, Table 78 is modified to include personal loans for educational purposes

III) Microcredits. The microcredit data used for this study is from 2015. This is because the microcredit regulation was issued in 2014.

IV) Deposits. It is important to note that, although this report provides important information on the country's banked population, it does not reflect the total population. According to the provisions of the Monetary and Financial Law No. Article 56, paragraph of Article 183-02 requires Financial Intermediation Entities (EIF) to keep the secrecy of disaggregated deposits that reveal the identity of the user. **Demographic characteristics.** The age of the debtors is neither considered, nor relevant information about their socioeconomic profile and their income is known.

It is important to note that the data presented about deposits and loans only consider data reported by the EIF.

Results

For the preparation of this report, two types of services that are included in the national banking sector were taken into account: the loan portfolio and the deposit portfolio.

With regards to the loan portfolio, it is worth mentioning again that it is divided in **consumer loans, credit card loans, mortgage loans, commercial loans and microloans**. The deposits are divided into **current accounts (also known as checking accounts or demand deposit accounts), savings accounts and time deposits**-- the two latter include financial certificates that users acquire in the system.

As of December 2020, the total number of **physical debtors** registered in the system was **1,902,968**. Disaggregated data at the national level shows that the credit portfolio is concentrated in the metropolitan region. In other words, a large part of the credit portfolio reported by formal banking, specifically 52%, is located in the National District and Santo Domingo, followed by the province of Santiago (see figures 1 and 2).

Loan portfolio

Figure 1

Distribution of debtors in the Dominican Republic

During 2013- 2020, the total distribution of debtors was concentrated in Santo Domingo, National District and Santiago. A low distribution of debtors is observed in the border provinces

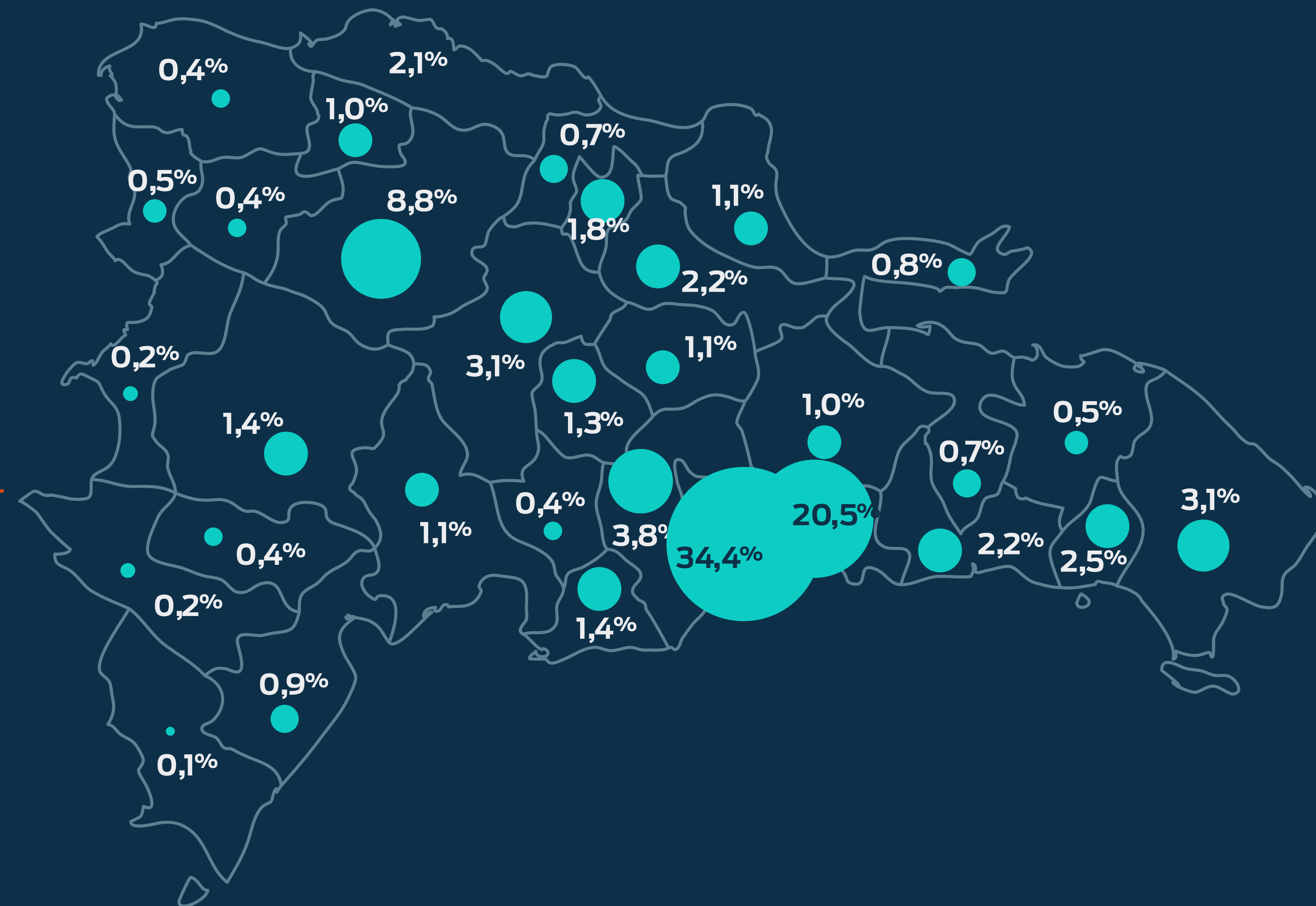


Figure 2
Number of debtors by region

During 2013-2020, 79% of the credit portfolio was concentrated in the metropolitan and northern region. This includes the National District, Santo Domingo, Santiago and 13 additional provinces.¹³



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

13 Duarte, Dajabón, Monte Cristi, María Trinidad Sánchez, Santiago Rodríguez, Monseñor Nouel, Hermanas Mirabal, Samaná, Sánchez Ramírez, Valverde, Espaillat, La Vega, Puerto Plata.

PERCENTAGE OF THE POPULATION THAT HAS RECEIVED LOANS

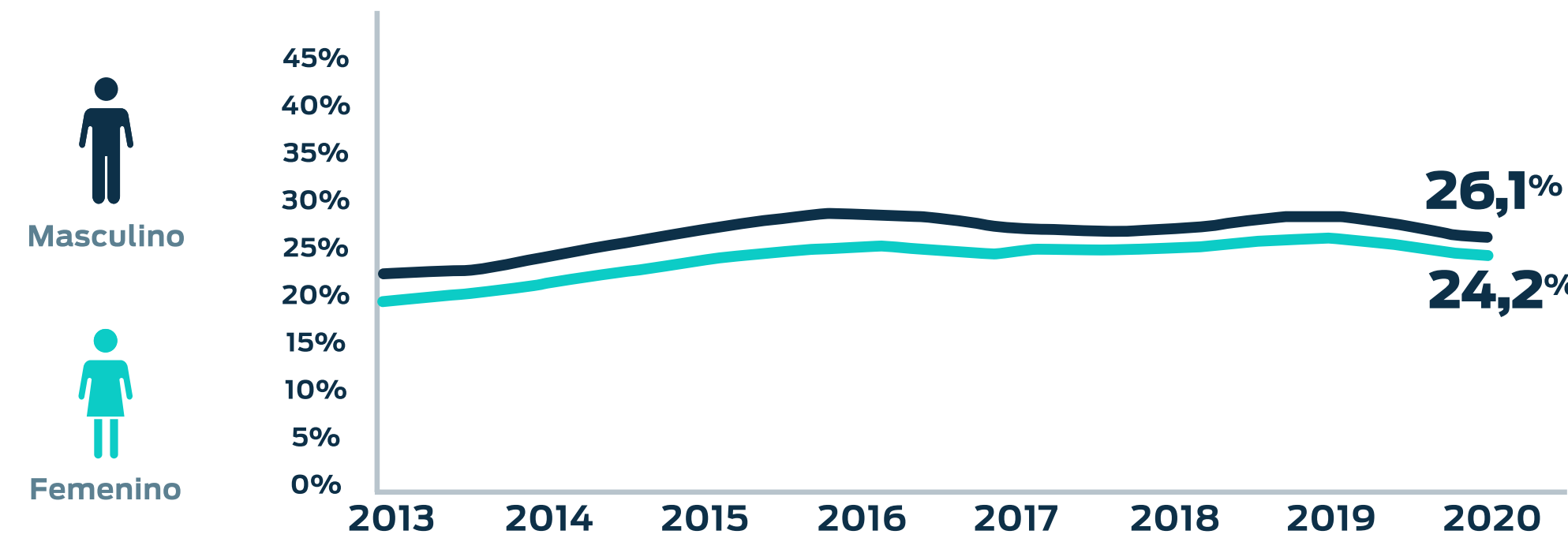
When looking at the credit penetration in the adult population, we note that, as of December 2020, less than 27% of the population had a credit in formal banking, with a gender gap of approximately two (2) percentage points (pp). In the period studied, the portfolio of female debtors remained consistently below the portfolio of male debtors (see figure 3). This is consistent with the literature review. The World Bank’s Global Findex 2017 specifies that, in developing countries, the credit penetration in the population that can receive a loan is usually, on average, close to 20%.¹⁴

However, when observing the credit buy in of the Economically Active Population (EAP) – that is, people who were working or actively looking for a job during the observation period, an inverse relationship is noted in the access to credit of men and women (see figure 4). As of December 2020, 43.2% of economically active women had some credit in formal banking, compared to 33.6% of men in the same condition. This represents a difference of approximately 10 percentage points in the credit insertion of men and women. In actual fact,

of the economically active population, there is a higher proportion of women insertion in banking than men (see figure 4) and there are fewer economically active women than men (see figures 3 and 4), this would suggest a lower female participation in formal banking when analysing the penetration of credit taking into consideration the total adult population.

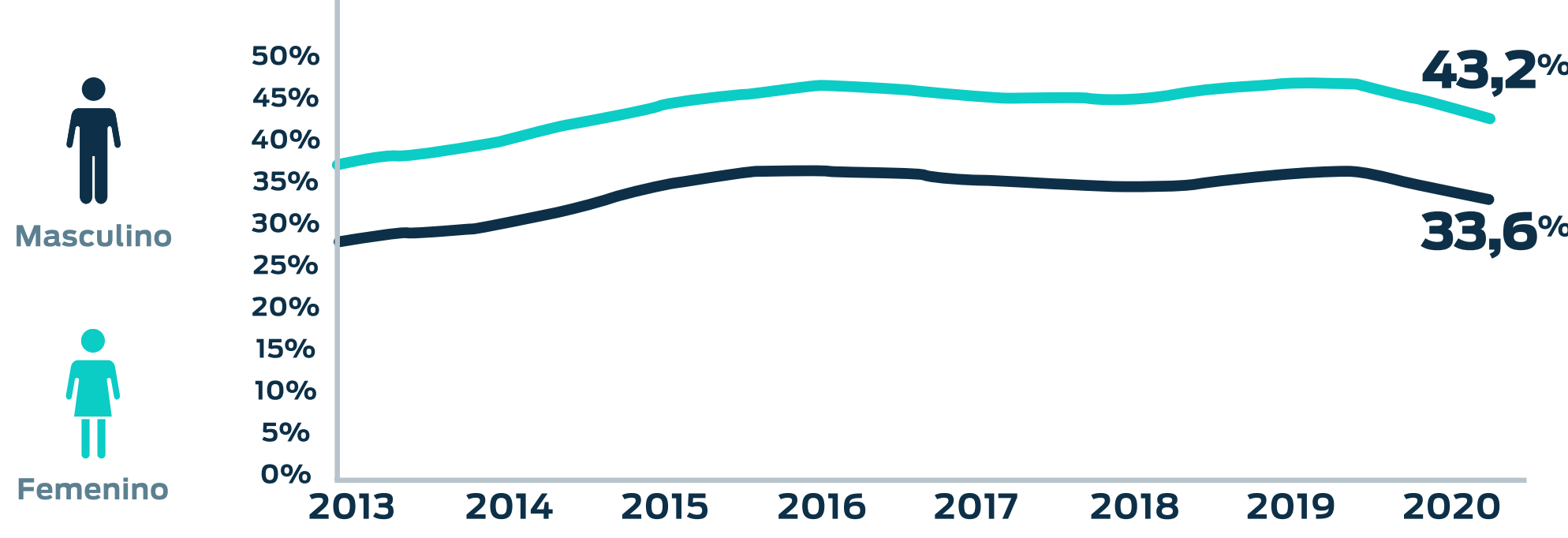
Although there are fewer women debtors within the formal banking sector in comparison to the number of debtors as a percentage of the total population in the country, the evidence indicates that, in general, female debtors present a credit behavior with lower regulatory risk than the one men do. When analysing the credit classification established by the Asset Evaluation Regulation (REA) disaggregated by gender, 92.7% of debtors have a very good credit profile (or low risk profile) compared to 89.9% of debtors. This means that, as reported by the Central Credit Risk Register (Central de Riesgos), women, in general, have a better payment behavior in comparison to that of men. However, a higher proportion of male debtors than female debtors fall into credit ratings that reflect a behavior of greater exposure to risk (see Figure 5). Figure 5. Credit scoring. More women than men usually have a good payment.

Gráfico 3
Cobertura poblacional del crédito
(Población total) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos y Oficina Nacional de Estadísticas, 2021.

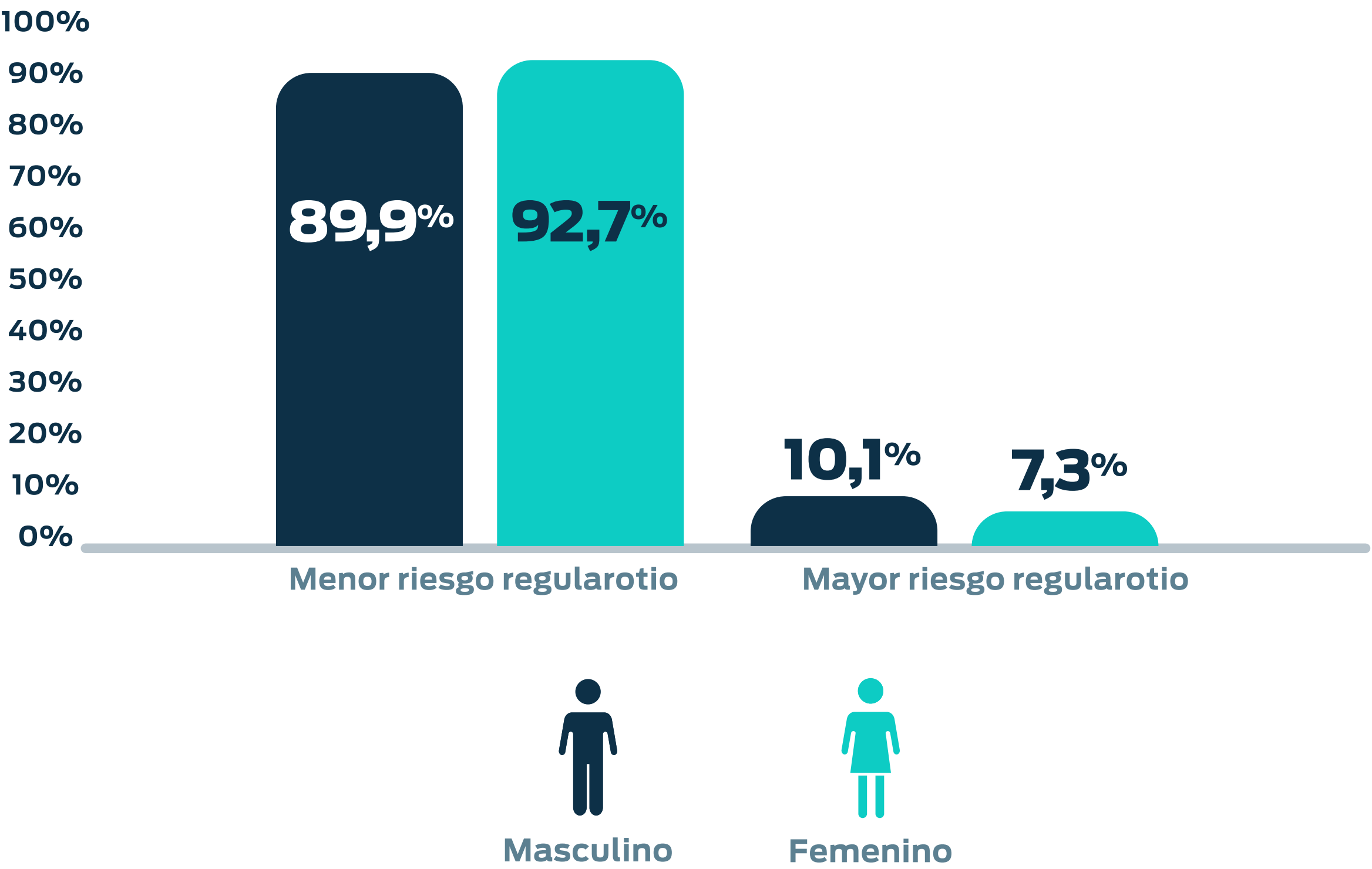
Gráfico 4
Cobertura poblacional del crédito
(Población Económicamente Activa) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos y Oficina Nacional de Estadísticas, 2021.

Gráfico 5.
Calificación crediticia.

Más mujeres que hombres suelen tener una buena capacidad y comportamiento de pago.¹⁵



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

¹⁴ Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, D.C.: World Bank

¹⁵ Lower regulatory risk includes clients in portfolio A and B. Higher regulatory risk includes clients in portfolio C, D1, D2, E.

PARTICIPATION OF WOMEN COMPARED TO MEN IN FORMAL BANKING

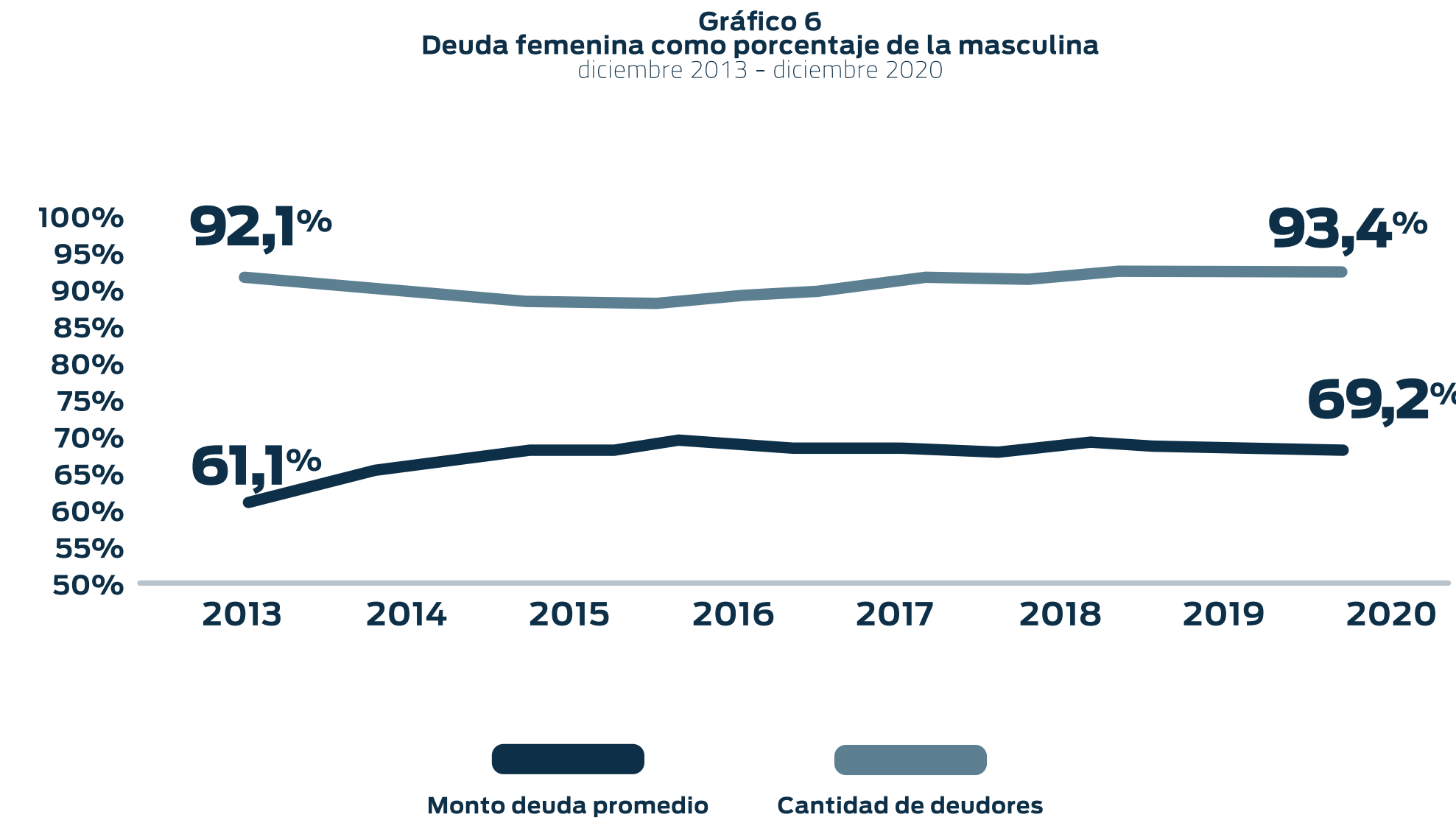
In general, it seems that women’s average debt has increased over time compared to that of men, and the percentage of female debtors in compared to male debtors (see Figure 6). Although female participation has increased compared to 2013, women’s credit participation in formal banking continues to be lower than men’s in all regions of the country (see figure 7). When disaggregated by province, it is noted that the

total amount owed, on average, tends to be lower for women than for men (see Figure 8). In general terms, **as of December 2020, for every RD\$100 owed by male account holders, there were RD\$65 owed by female account holders in formal banking** (see Figure 6).

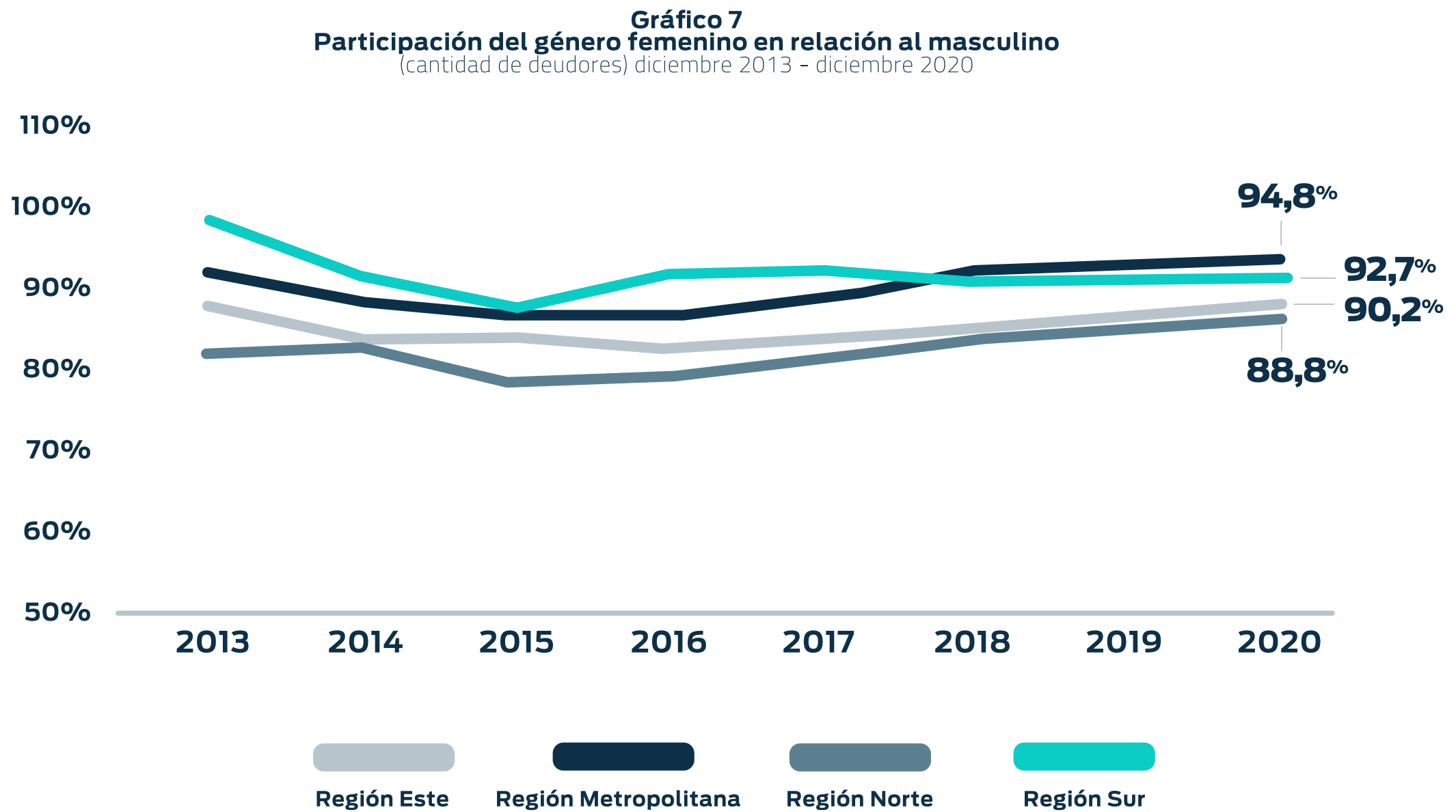
As at December 2020, for every credit equivalent to RD\$100 pesos a man had, a woman had a credit of RD\$69 pesos (see Figure 6).

Figure 6. Credit to women in banking. Women’s aggregates expressed as a percentage of men’s aggregates, 2013 - 2020.

Figure 7. Female participation in relation to male participation by region. In the 2013-2020 period, female credit participation is lower than male participation in all regions. The gender gap increases to just over 11 percentage points in the northern region.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



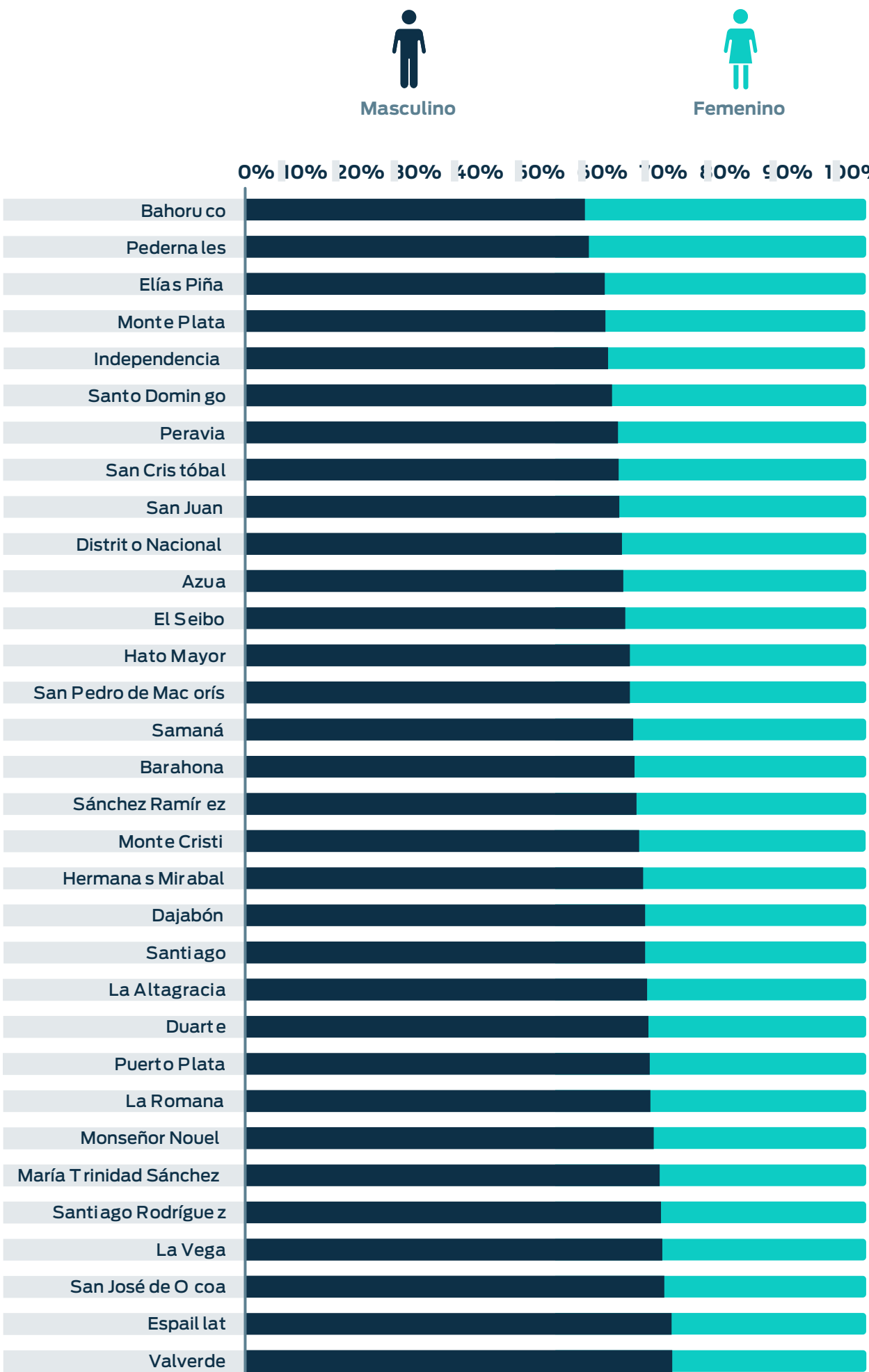
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 8. Amount owed by gender and province. Overall, the average amount owed to women is lower than the one owed to men.

When disaggregating the loan portfolio by type of FIE, according to the classification used by the Superintendency of Banks, **it is noted that there is greater female participation in all types of FIEs, except in multiple banks, where for every 100 debtors**, there are 87 female debtors (see figure 9). This information is relevant, as multiple banks are the type of FIEs that offers the greatest variety of financial products. While noting that the total amount of female debt compared

to that of men by type of Financial Intermediary Entity (FIE), **it is evident that in general, the total amount owed by women tends to be lower than that of men, regardless of the type of FIE (see Figure 10). The gender gap increases in multiple banks, which means that in general, female loan debt can be as much as 40 percentage points (pp) lower than male loan debt when analyzing the data reported by such type of FIE**, while in the other types of FIE the amount owed by women is usually between 29 to 10 percentage points lower than that of men.

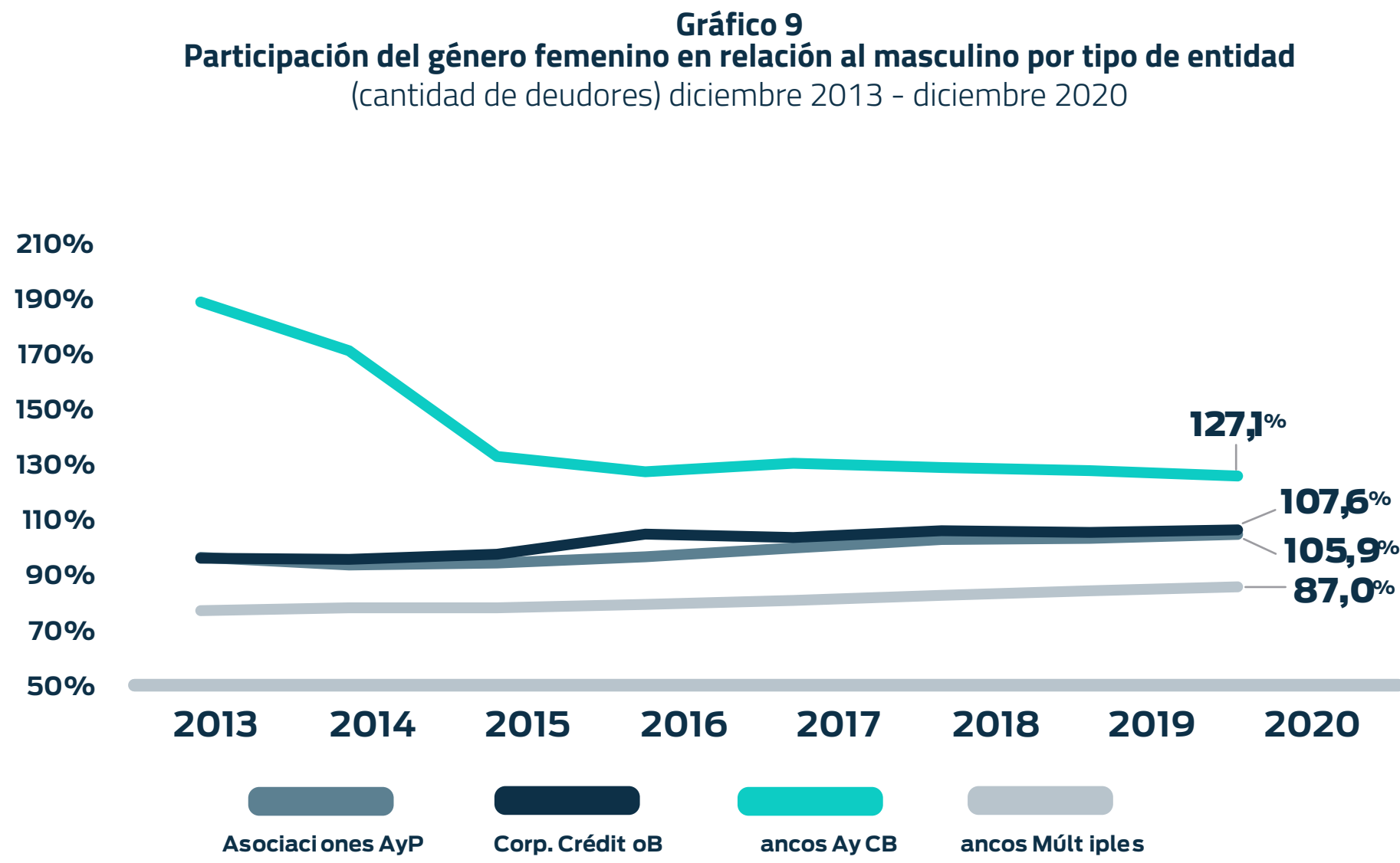
Gráfico 8
Deuda por provincia
(monto deuda total) promedio diciembre 2013 - diciembre 2020



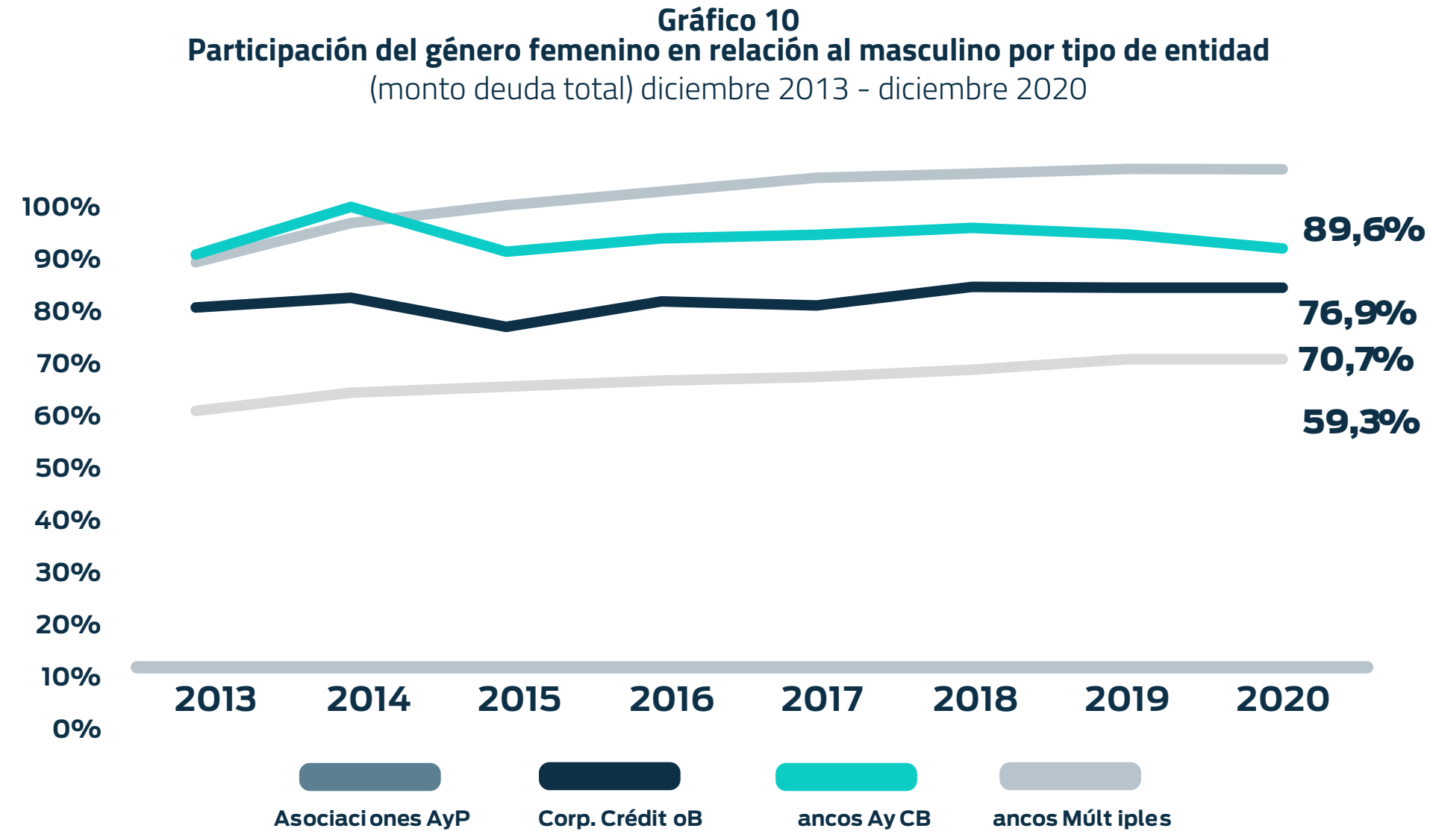
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021

Figure 9. Participation of women in the banking sector by type of entity. During the period observed, on average, there are fewer female borrowers than male borrowers in multiple banks. An inverse relationship is observed in AAyP, CC and BAC.

Figure 10. Female participation relative to male by type of Financial Intermediation Entities (FIEs) (total debt). During 2013 – 2020, when disaggregating by type of EIF, the amount owed by women was lower than that of men.



Fuente: Superintendencia de Bancos de la República Dominicana, 2021.



Fuente: Central de Riesgos de la Superintendencia de Bancos y Oficina Nacional de Estadísticas, 2021.

TYPE OF CREDIT

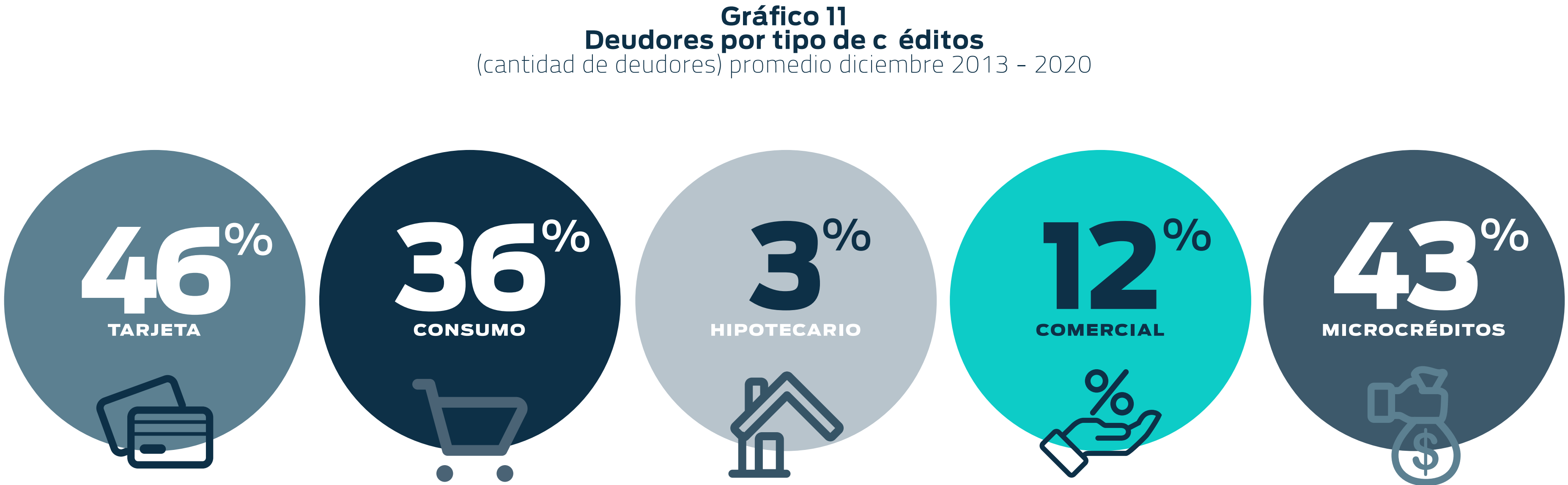
For the purposes of this report, the loan portfolio is classified into the following types of loans: consumer, credit card, mortgage, commercial and microloans. The amount of debtors corresponding to consumer loans and credit cards represent more than two thirds of the portfolio, specifically 78%, during the periods 2013 to 2020 (see Figure 11). Although mortgage loans

represent 3% of the total number of borrowers, they are of great relevance, since the average amount of a mortgage loan is usually higher than the amounts owed under other types of instruments. As of 2020, the average amount owed on a mortgage loan was RD\$2,205,243.1 compared to RD\$515,334.3 (commercial), RD\$246,771.5 (consumer), RD\$41,237

(microcredit) and RD\$40,213 (credit card) (see Figure 12).

Figure 11. Percentage of debtors by type of credit.

Average number of debtors 2013–2020 of each type of credit from the total average debtors.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 12. Average debt. As of December 2020, the average debt of men was higher than that of women in all types of credit.

When disaggregating the five (5) types of credit by gender in the period studied, it is noted that the distribution of the **mortgage** portfolio does not show any gender gap in terms of debtor participation. The distribution of microcredits shows a higher participation of women than men, approximately 36 percentage points (pp).

However, the opposite behavior was observed in the indicative consumer portfolio.

The distribution of the number of credit cards shows a gender gap impacting women of six (6) pp, and in consumer credit cards of almost 14 pp (see Figure 13). This reality becomes more acute when looking at the average loan amounts of men and women. On average, the amount owed to women in the commercial loan portfolio tends to be about 64 pp below the amount

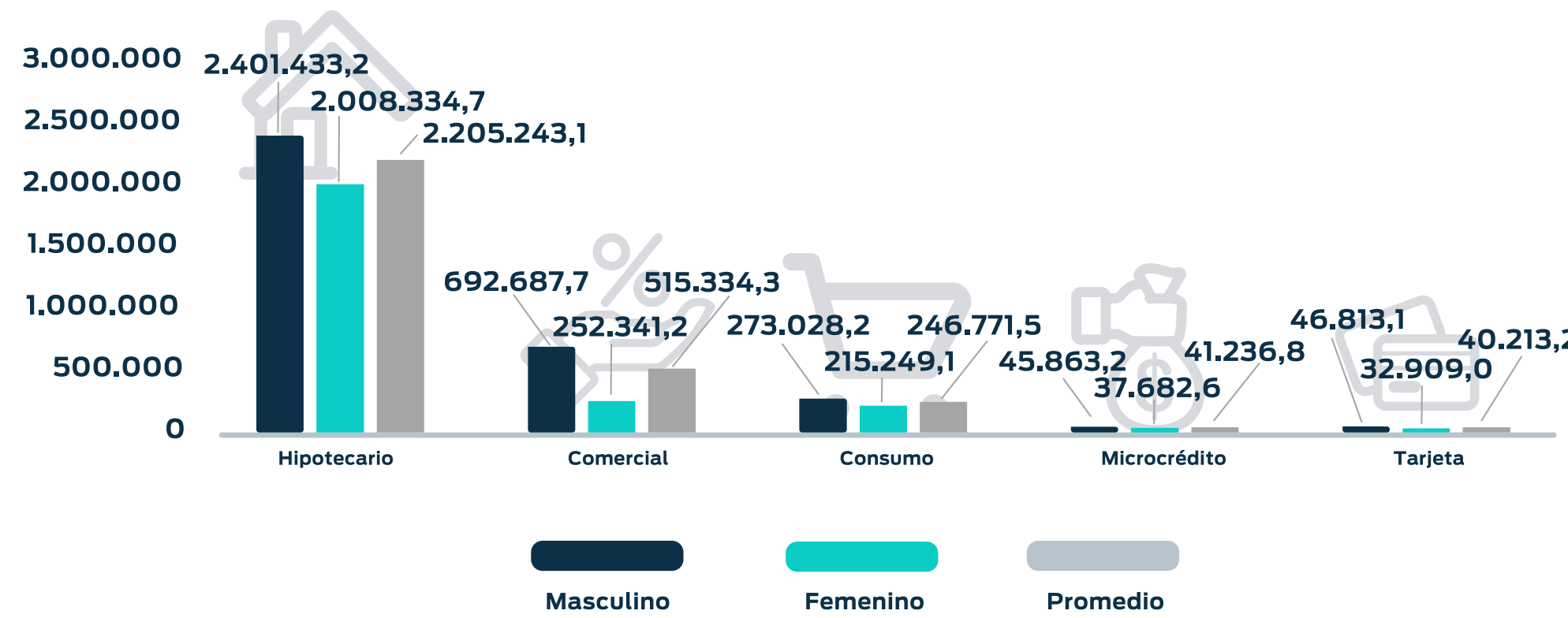
owed to men. In other words, as of December 2020, **for every RD\$100 owed to a man for commercial purposes, approximately RD\$36 was owed to a woman for the same purpose** (see Figure 13).

Figure 13. Credit to women by type of portfolio. Number of loans granted to women relative to men by type of portfolio, 2013–2020.

As for the female credit card portfolio, the gender gap in terms of the amount credited to women has been gradually narrowing in relation to men (see Figure 21). As of 2020, the female gender gap in the credit card portfolio remains at 70.3% (see Figure 14). That is to say that, overall by 2020, for every 100 pesos owed on a male credit card, the woman owed 70 pesos. The data observed are limited to the gender of the person holding the card, so it is not apparent whether there are people of the same or opposite gender using the instrument, or any duplicates of the instrument (see Figure 14).

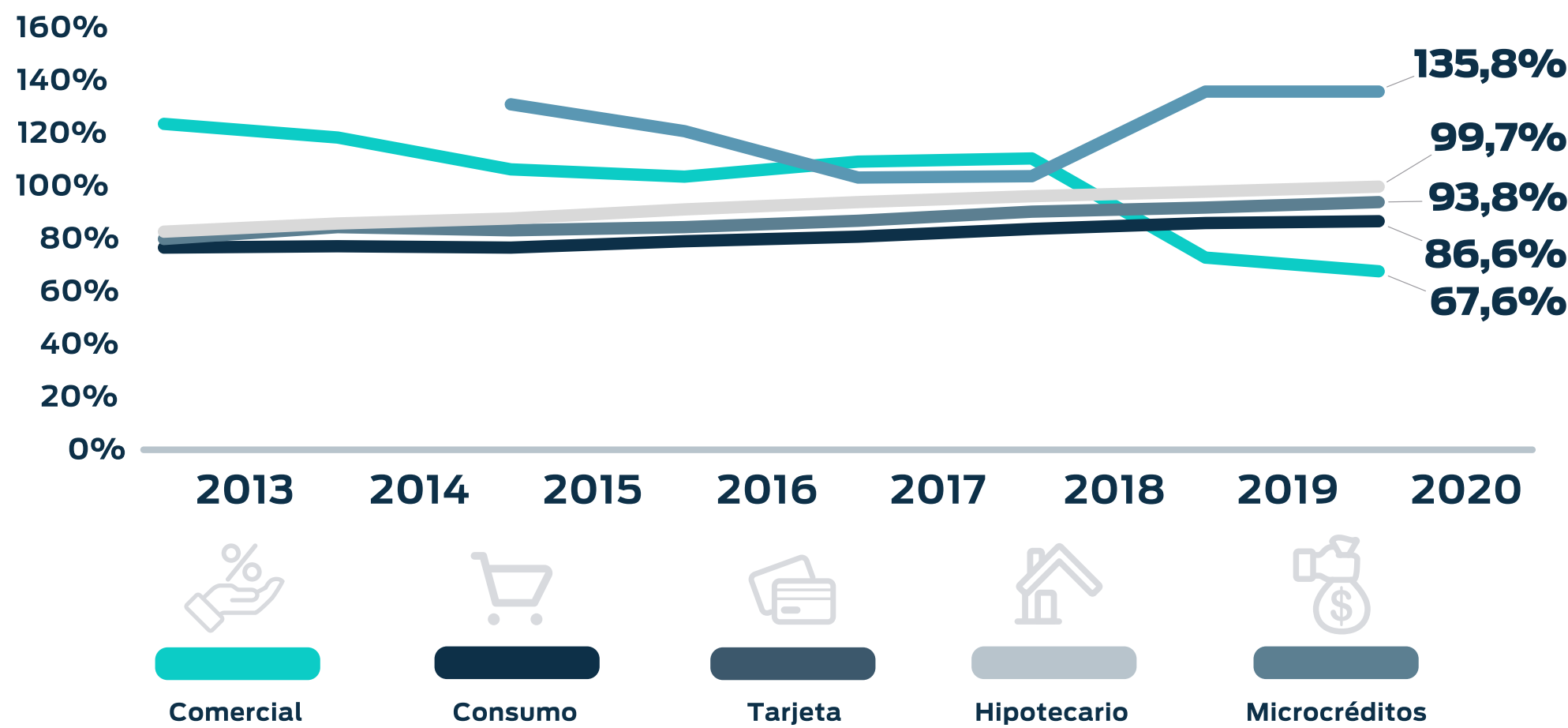
Figure 14. Credit to women in relation to men by type of portfolio. Credit granted to women has been increasing since 2013. However, the average amount of credit granted continues to be lower than the male average.

Gráfico 12
Monto de deuda promedio en DOP
(diciembre 2020)



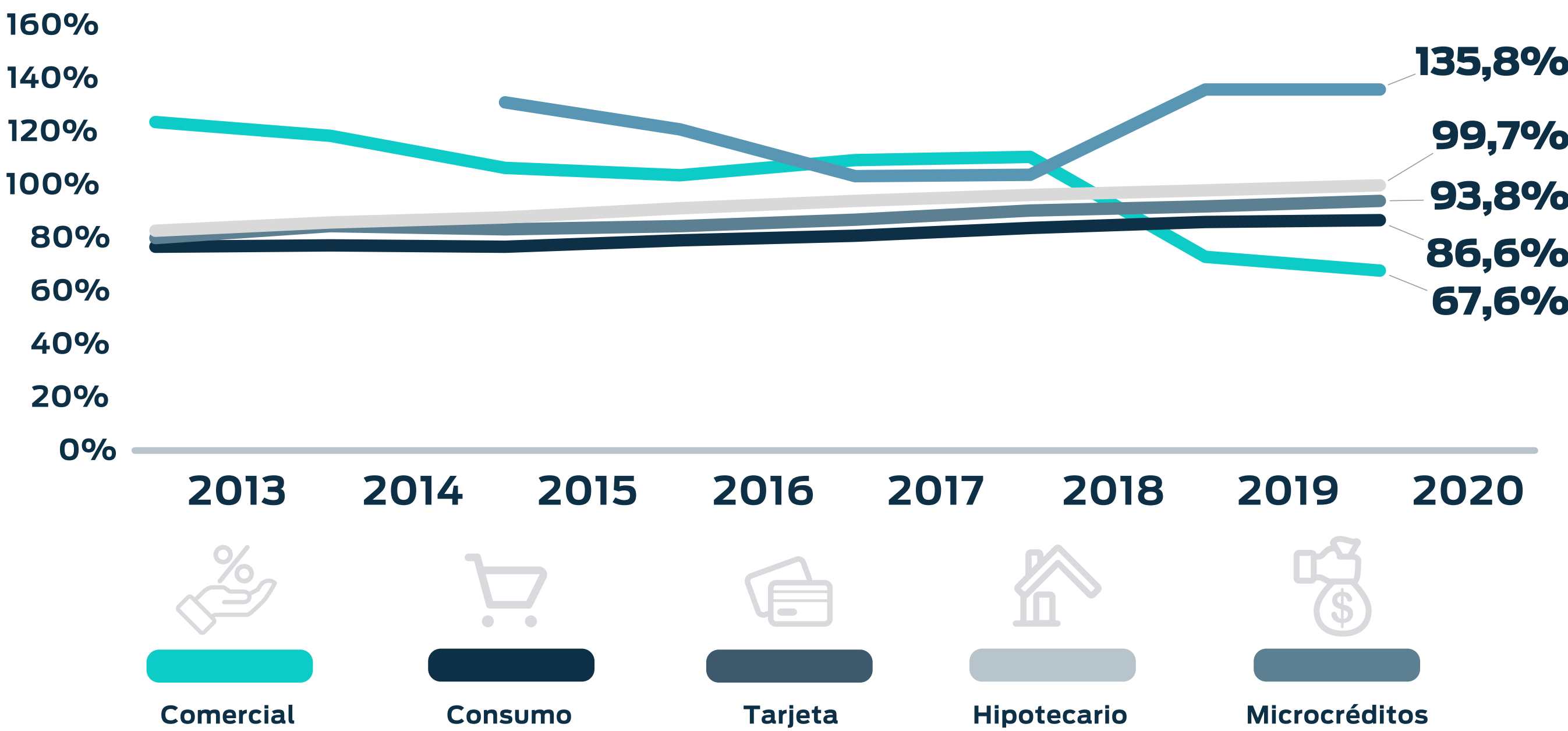
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Gráfico 13
Crédito a las mujeres en relación a los hombres por tipo de cartera
(cantidad de deudores) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Gráfico 14
Crédito a las mujeres en relación a los hombres por tipo de cartera
(monto promedio deuda) diciembre 2013 - diciembre 2020



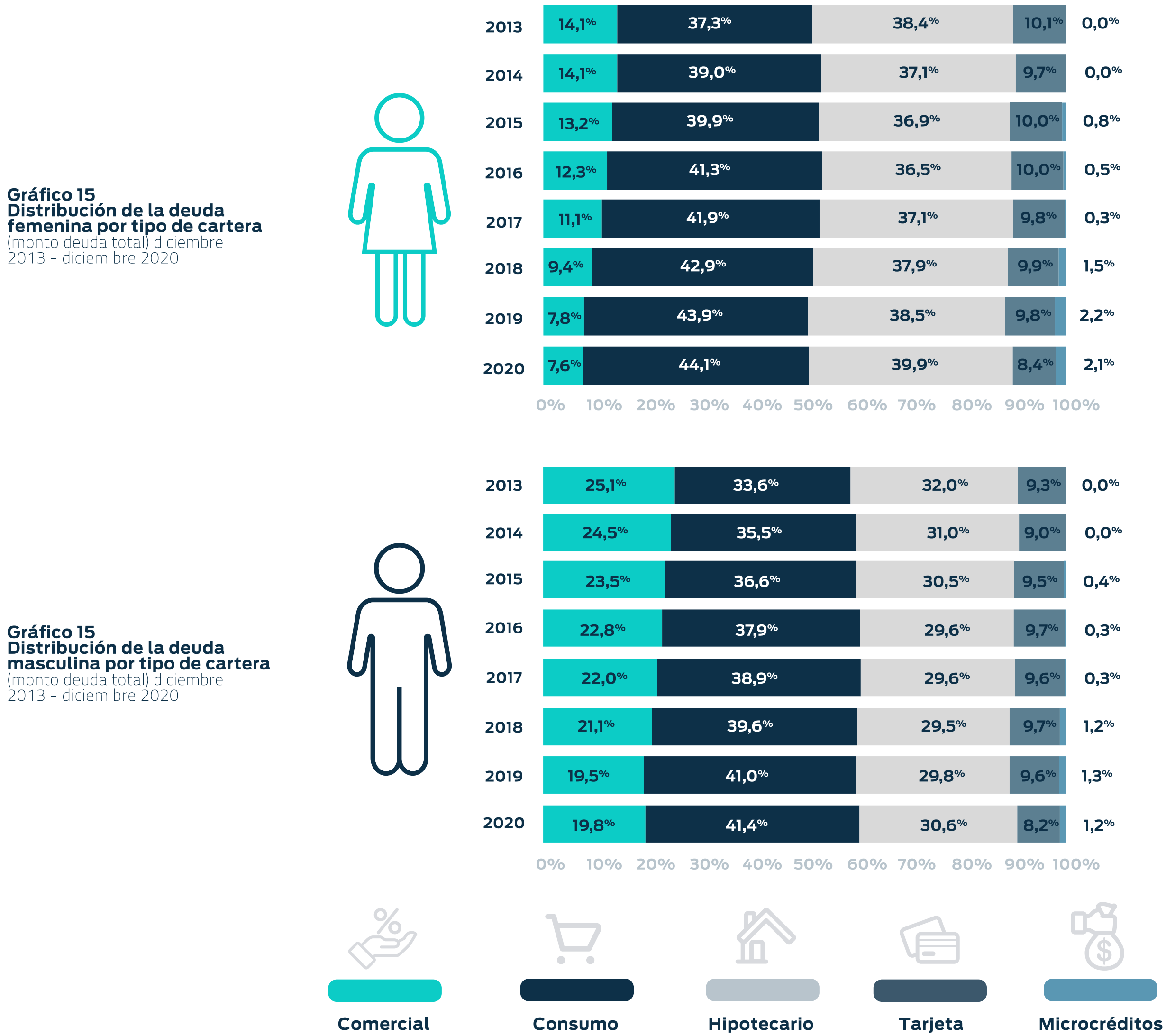
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

DISTRIBUTION OF DEBT BY TYPE OF CREDIT AND GENDER.

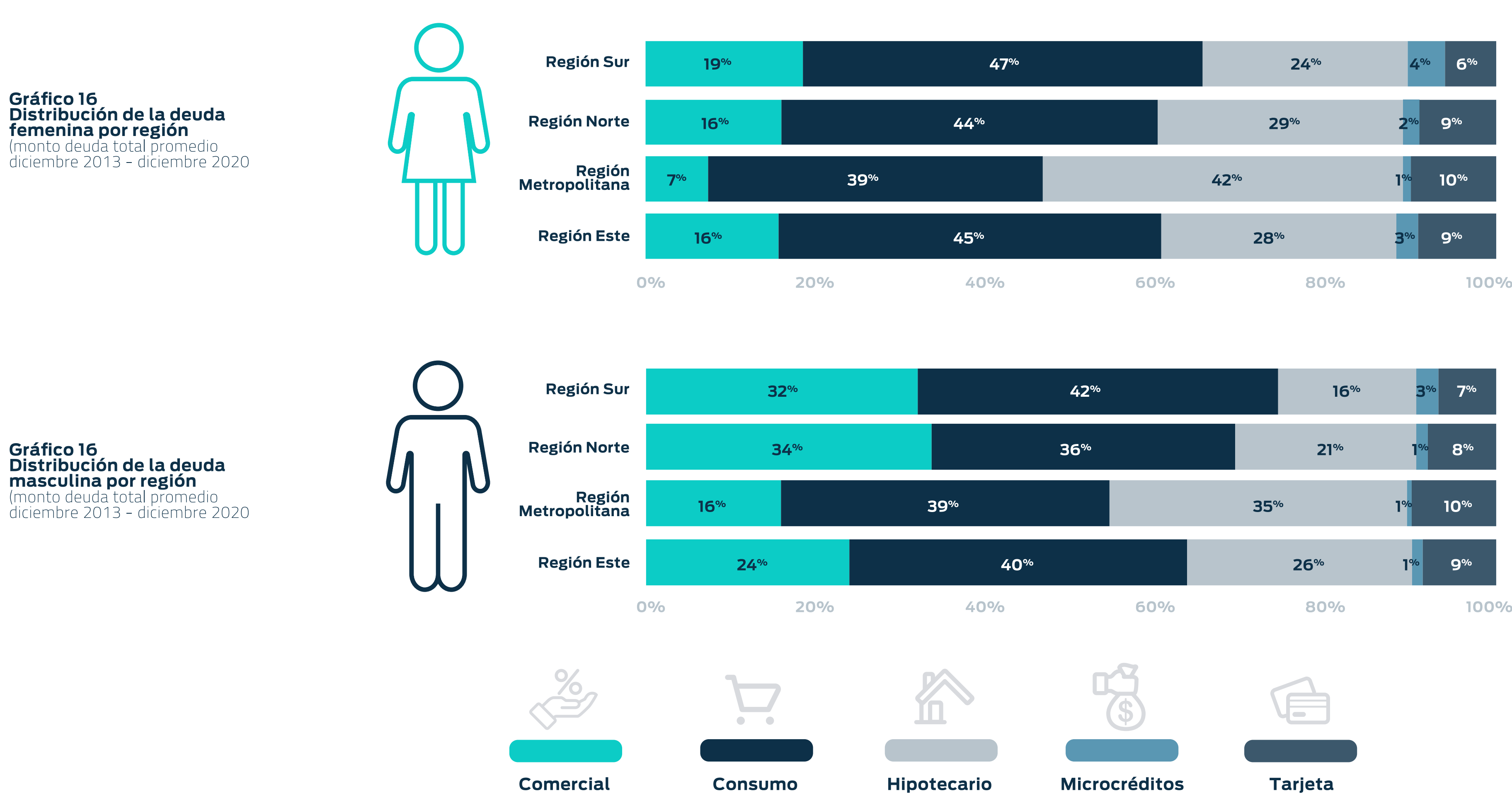
Distribution of debt by type and gender shows that the male commercial portfolio is twice as large as the female portfolio. In other words, men show a much higher component of commercial bank debt than women. However, women show a higher component of housing, credit card, microcredit and consumer bank debt than men during the observation period (see Figure 15).

Figure 15. Male and female debt composition. Percentage of the total debt of each gender adjusted to the amount of credits per average person and people who do not take a type of loan.

Figure 16. Male and female debt composition by region. Percentage of the total debt of each gender adjusted to the amount of credits per average person and people who do not take a type of loan, segmented by region.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

CONSUMER CREDIT BY GENDER.

Consumer loans include loans granted for educational purposes, new and used vehicles, loans granted through deferred credit and personal loans. As of 2020, the portfolio difference between men and women represented a difference of 8.6 pp with a gender gap to the detriment of women. Since 2013, the female portfolio grew by nearly 3 pp to December 2020. As of December 2013, the same was 43%, while the male rate was 57% (see Figure 16).

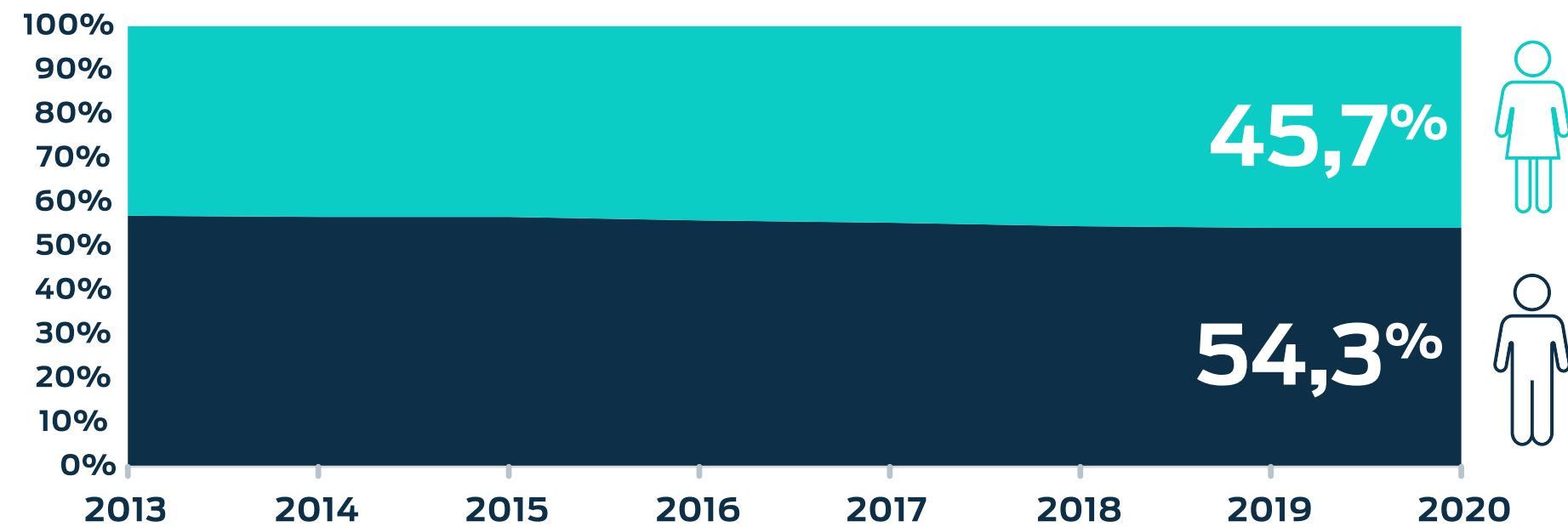
Figure 16. Consumer credit by gender. During 2013-2020, women’s consumer loans increased 2.7 pp, reducing gender gap.

Disaggregating the data by type of FIE it is reported that, in terms of consumer loans, there is a higher female participation in Savings and Loan Associations (S&LA), as well as in Credit Corporations (CC) with a gender gap in favor of men of 12.6 pp and 9.2 pp respectively. An inverse relationship is observed in the Savings and Credit Banks (BAC), as well as in the Multipurpose Banks

(BM) of 14.1 pp and 19 pp, respectively (see figure 17).

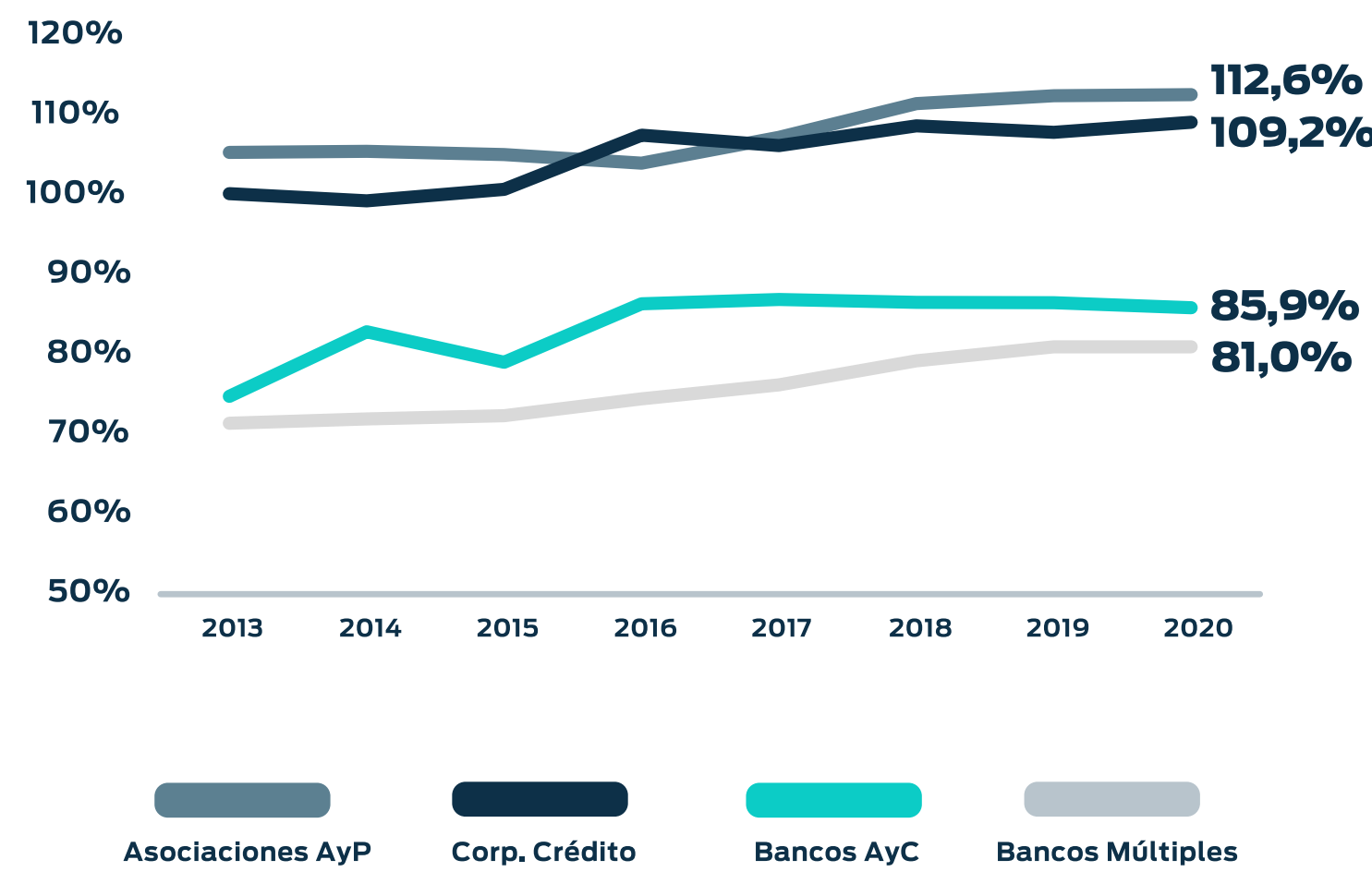
Figure 17. Participation of female gender in consumption portfolio relative to male by type of Financial Intermediation Entities (FIE). During the 2013 -2020 period, the female consumer portfolio has been increasing. There is a greater component of female participation in AAYP and CCs.

Gráfico 16
Créditos de consumo por género
(cantidad de deudores) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

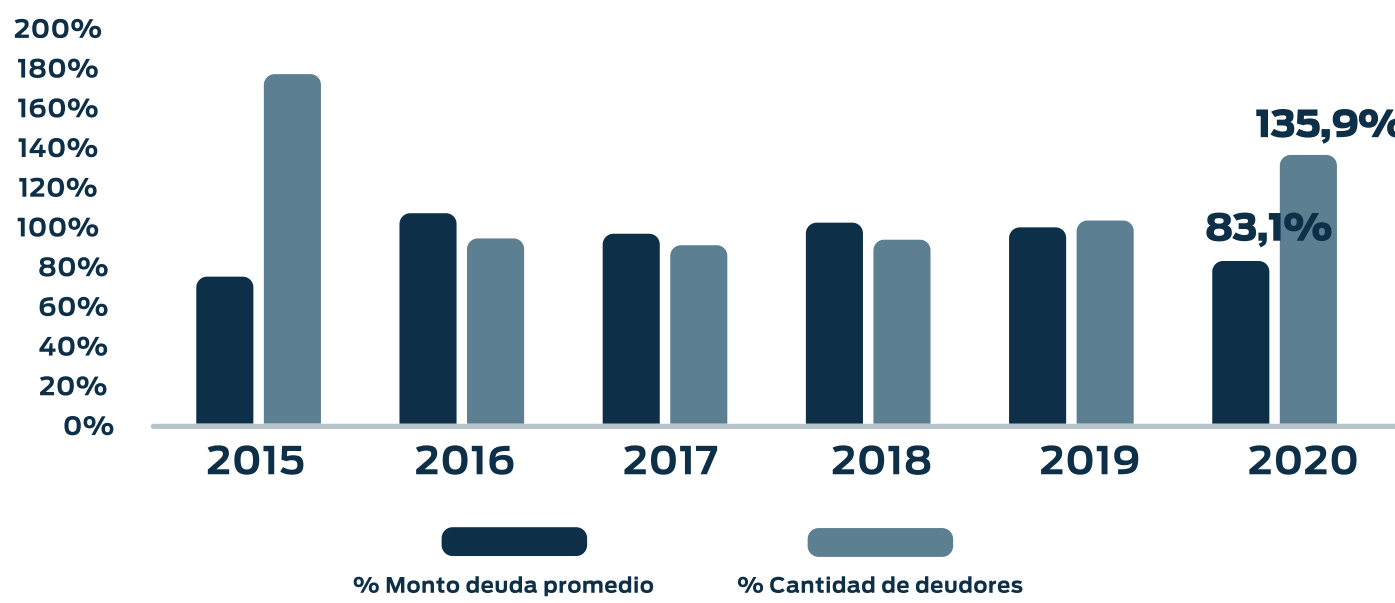
Gráfico 17
Participación del género femenino en cartera de consumo en relación con el masculino
(cantidad deudores) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

In terms of educational loans, the female component in the market is high, in some years they are even higher than the male participation in the market. The average debt percentage of the female portfolio was lower than that of the male portfolio during 2015-2020 period (see Figure 18). For the purpose of this report, personal lines of credit, as well as personal loans intended for educational expenses, were considered as educational loans. Although female participation is higher than male participation in this type of credit, this type of instrument represents between 0.01% and 0.50% of the total consumer portfolio during the observation period.

Gráfico 18
Créditos de consumo educativos del género femenino en relación al masculino
diciembre 2015 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

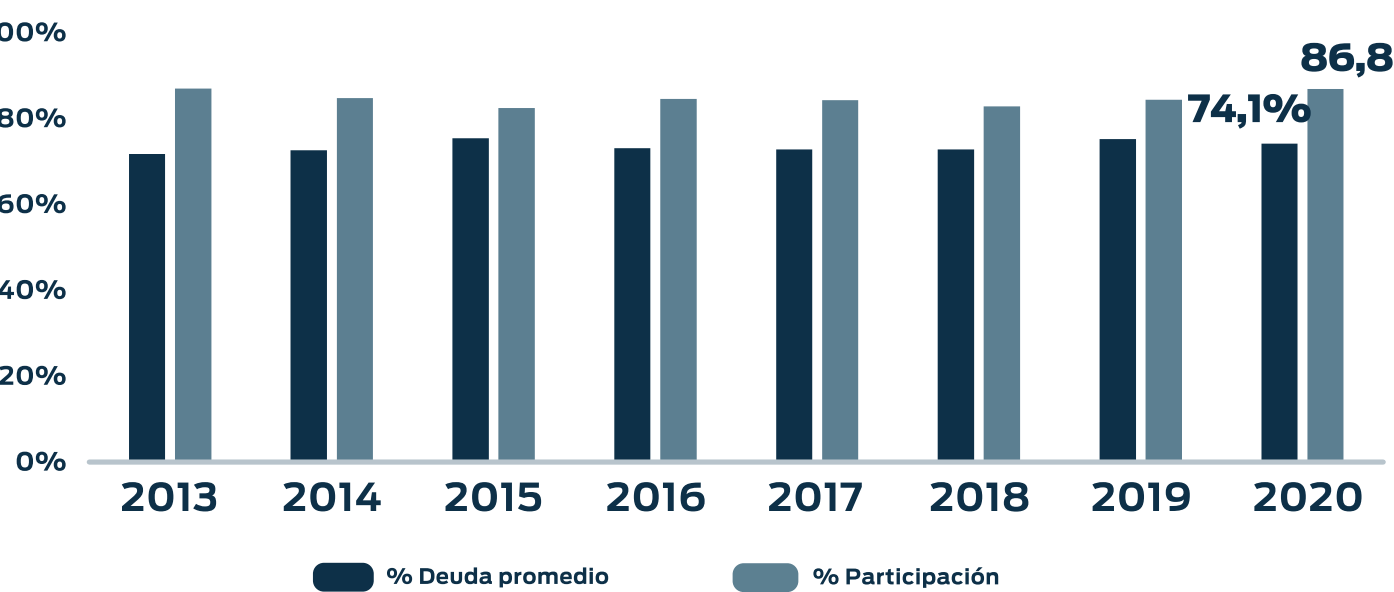
Figure 18. Educational loans granted to women compared to the amount granted to men. AAs of 2020, there was a higher percentage of women with educational credits than men. However, the average amount of debt was reported to be 17 pp lower than that of men.

When analysing the consumer loan portfolio, specifically loans granted for the acquisition of vehicles, there is a higher female participation component in the portfolio of new versus used vehicles. However, the gender gap in terms of loan approval amount is smaller in the used vehicle portfolio. In other words, when acquiring a new vehicle, in general, women have loans, on average,

with lower amounts than men (see Figure 19). Such information indicates that women tend to behave more conservatively than men when applying for a car loan.

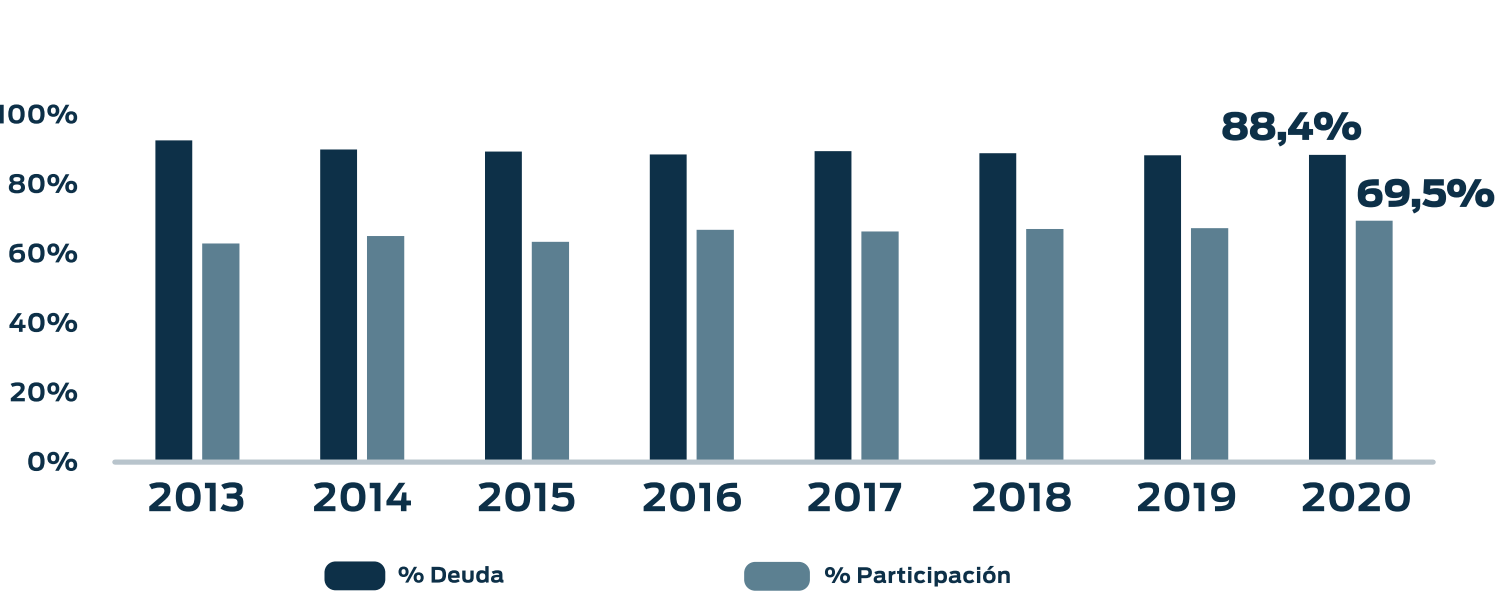
Figure 19. New and used vehicle loans granted to women in relation to the amount granted to men. During the observation period, women reported having a higher share of the new versus used vehicle portfolio.

Gráfico 19
Créditos de consumo de vehículos nuevos de la mujer en relación al hombre
diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Gráfico 19
Créditos de consumo de vehículos usados de la mujer en relación al hombre
diciembre 2013 - diciembre 2020



CREDIT CARDS

During the 2013-2020 period, the gender gap in the distribution of credit card debtors (CT) decreased by three (3) pp. In other words, **638,296** new main credit card debtors were generated (see figure 20). Although the gender gap has been decreasing in terms of the number of credits approved, it has been increasing in terms of the ratio of the average amount approved for women compared to men. In 2013, the average amount approved for a woman represented 71.6% of that of a man. However, by 2020, this percentage had risen to 64.9%. That is, as of December 2020, overall,

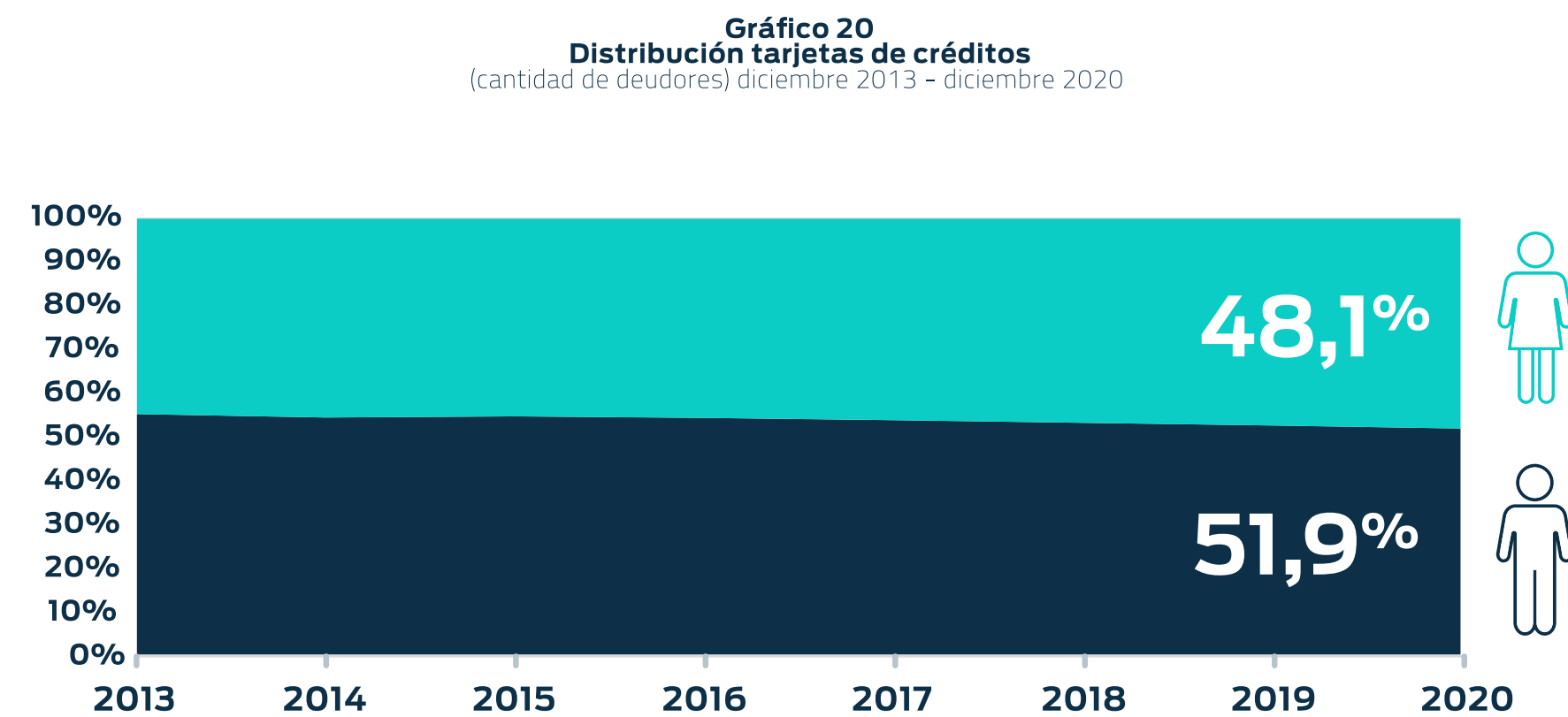
for every 100 pesos approved on a credit card for a male cardholder, an average amount of 35.1 pesos less was approved for a credit card whose holder is a female (see Figure 21).

In general, it is noted that the average debt in relation to the amount owed by women is usually two (2) percentage points higher than that of men (see figure 22) and that the debt behavior of men and that of women present similar trends. It is also observed that, in 2020, debt by both genders decreased. This was due to the following: 1) the effects generated by the measures adopted to control the spread of COVID-19

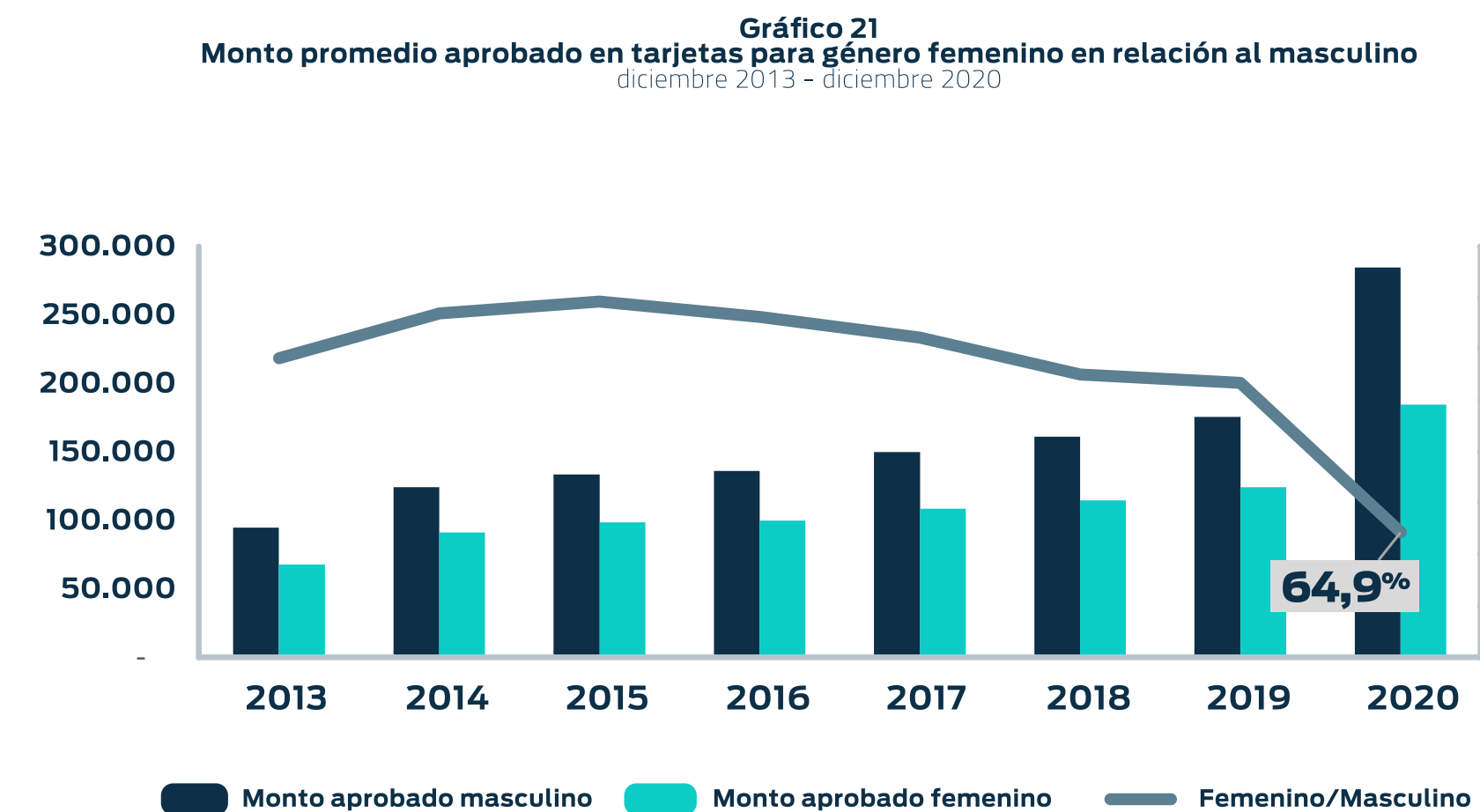
and 2) low-cost credit cards that were discontinued were penalised.

Figure 20. Credit de cards distribution. During the 2013-2020 period, the gender distribution of credit cards has been rising to near parity. A two (2) pp gender gap continues to impact women.

Figure 21. Amount approved for women in relation to men. During the 2013-2020 period, the gender gap with regard to the amount approved in CC increased.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



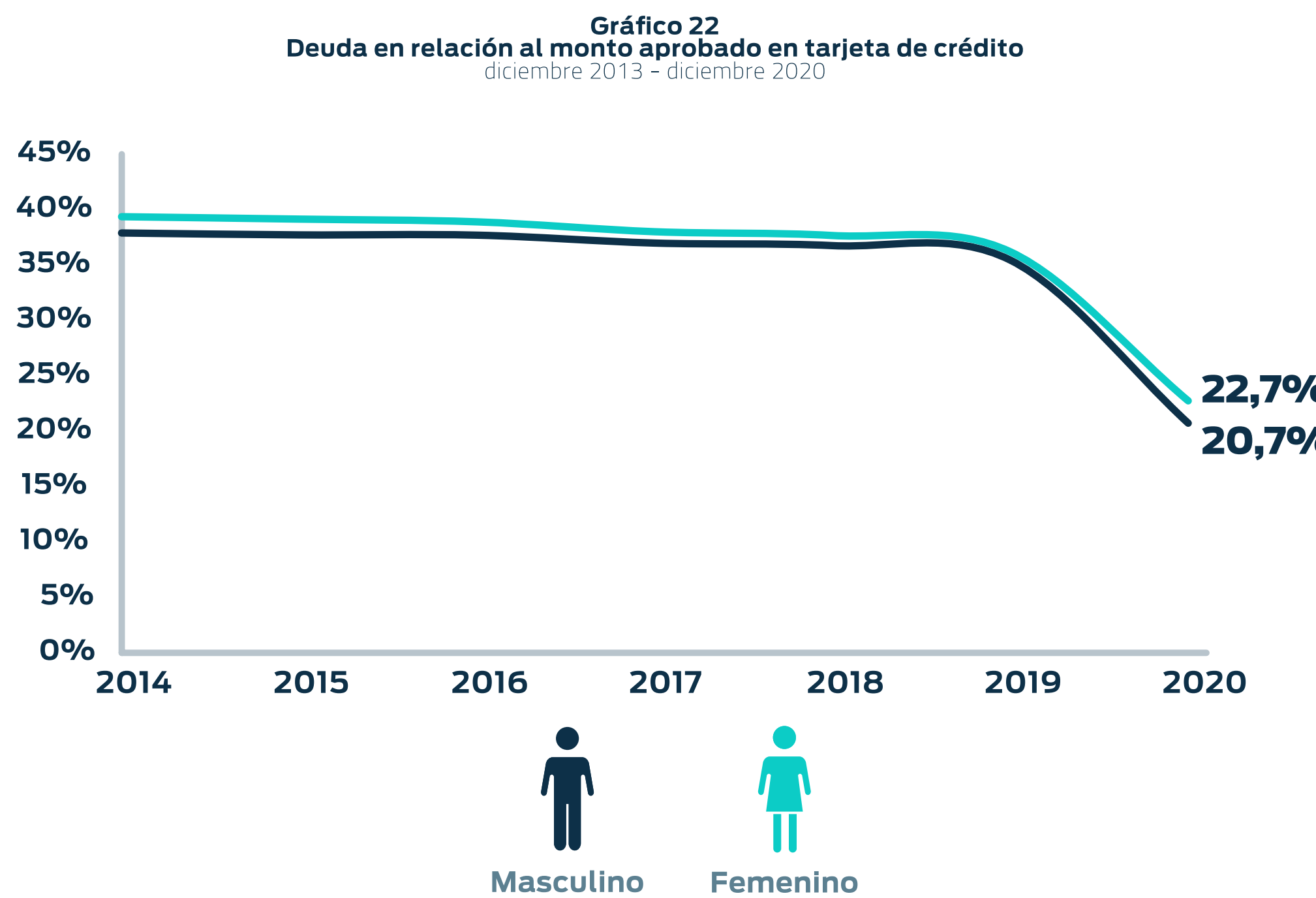
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 22. Debt in relation to the approved amount on Credit Card. During the 2014-2020 period, a linear relationship in CC debt for men and women is observed.¹⁶

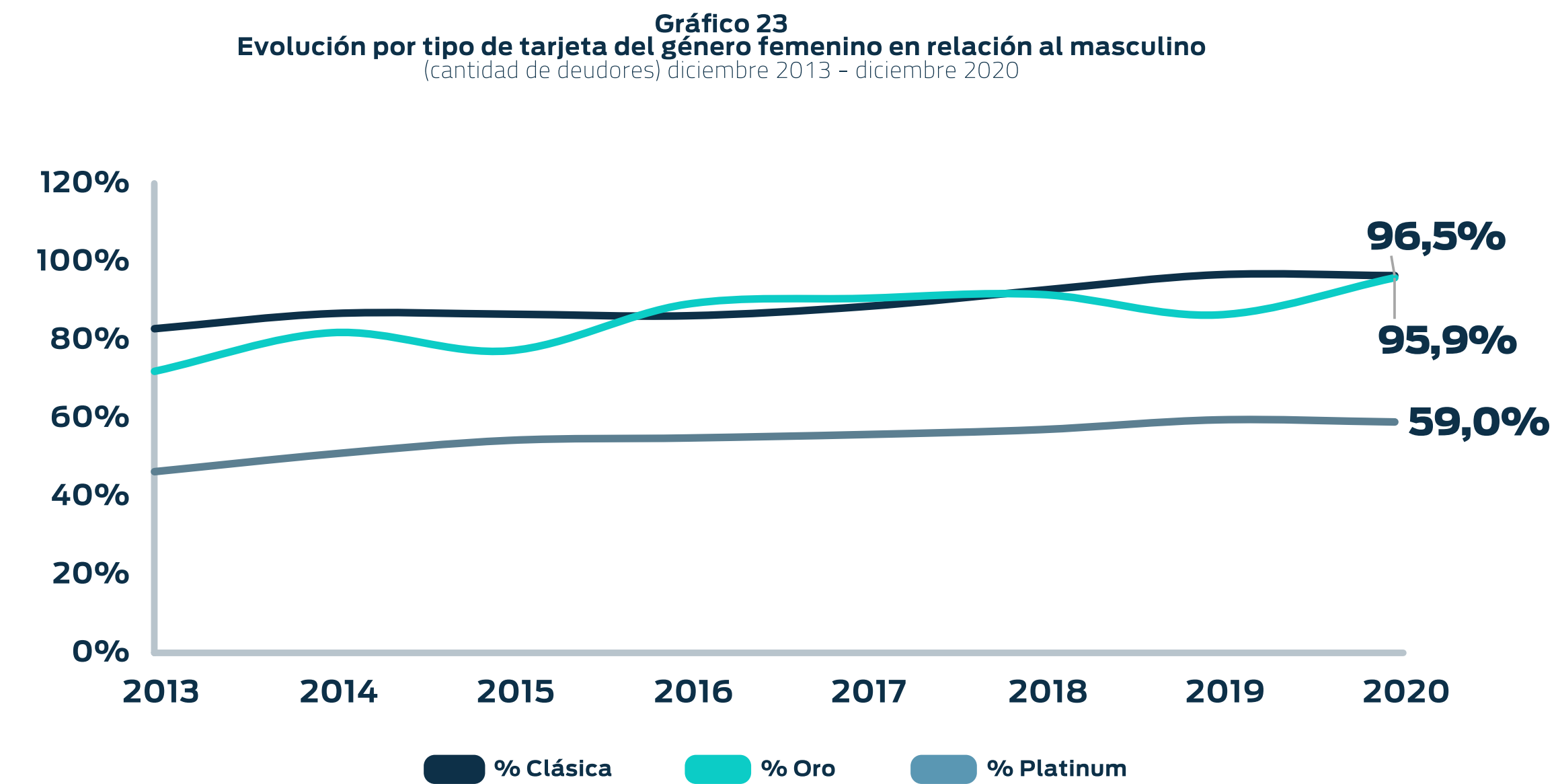
TYPE OF CARD

When disaggregating the data by type of credit card (CC), there seems to be a greater female component in the classic and gold CC portfolio. The more elite the type of CC, the less female participation is observed in relation to male participation (see Figure 23).

Figure 23. Evolution of women's credit card type in relation to men. During the analysis period, there was a higher female participation in classic and gold CCs.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

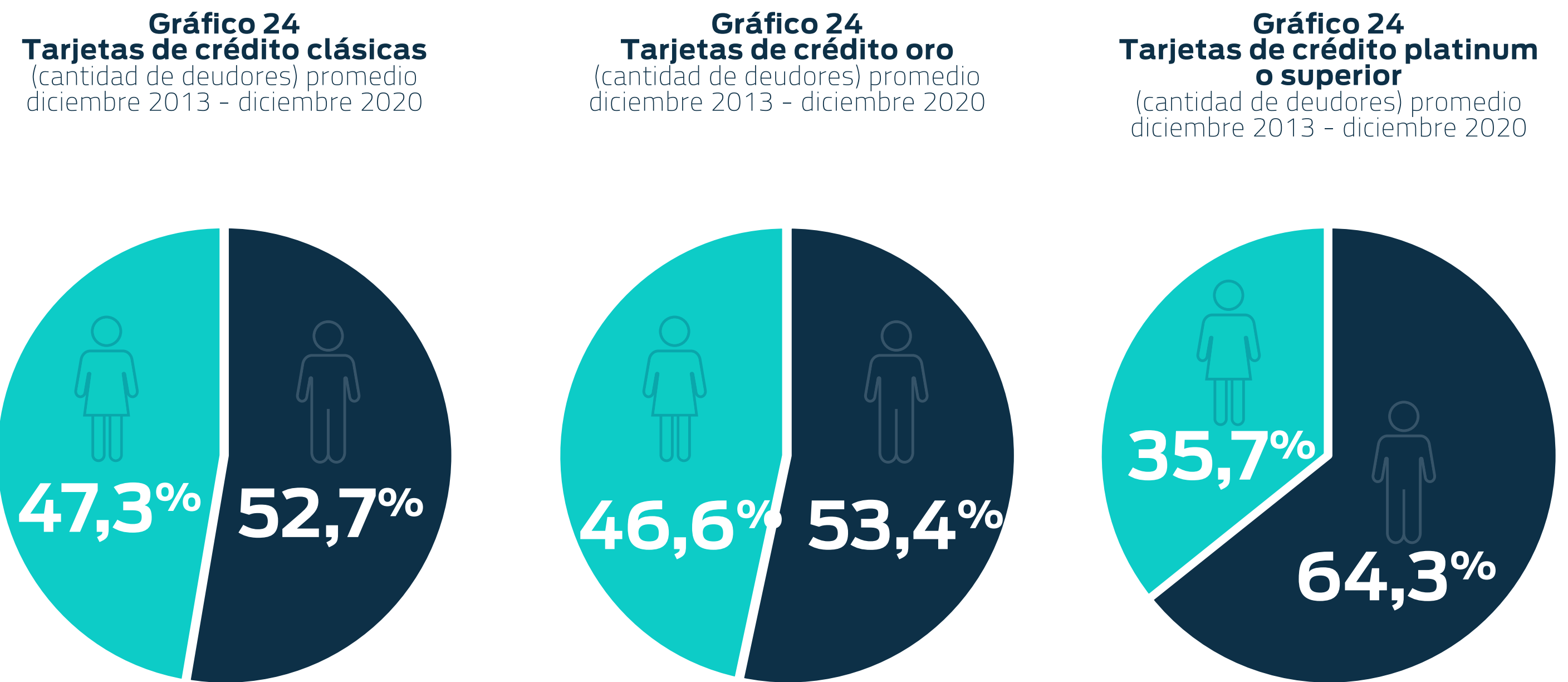


Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

¹⁶ Data are presented from 2014 because 2013 data were not obtained

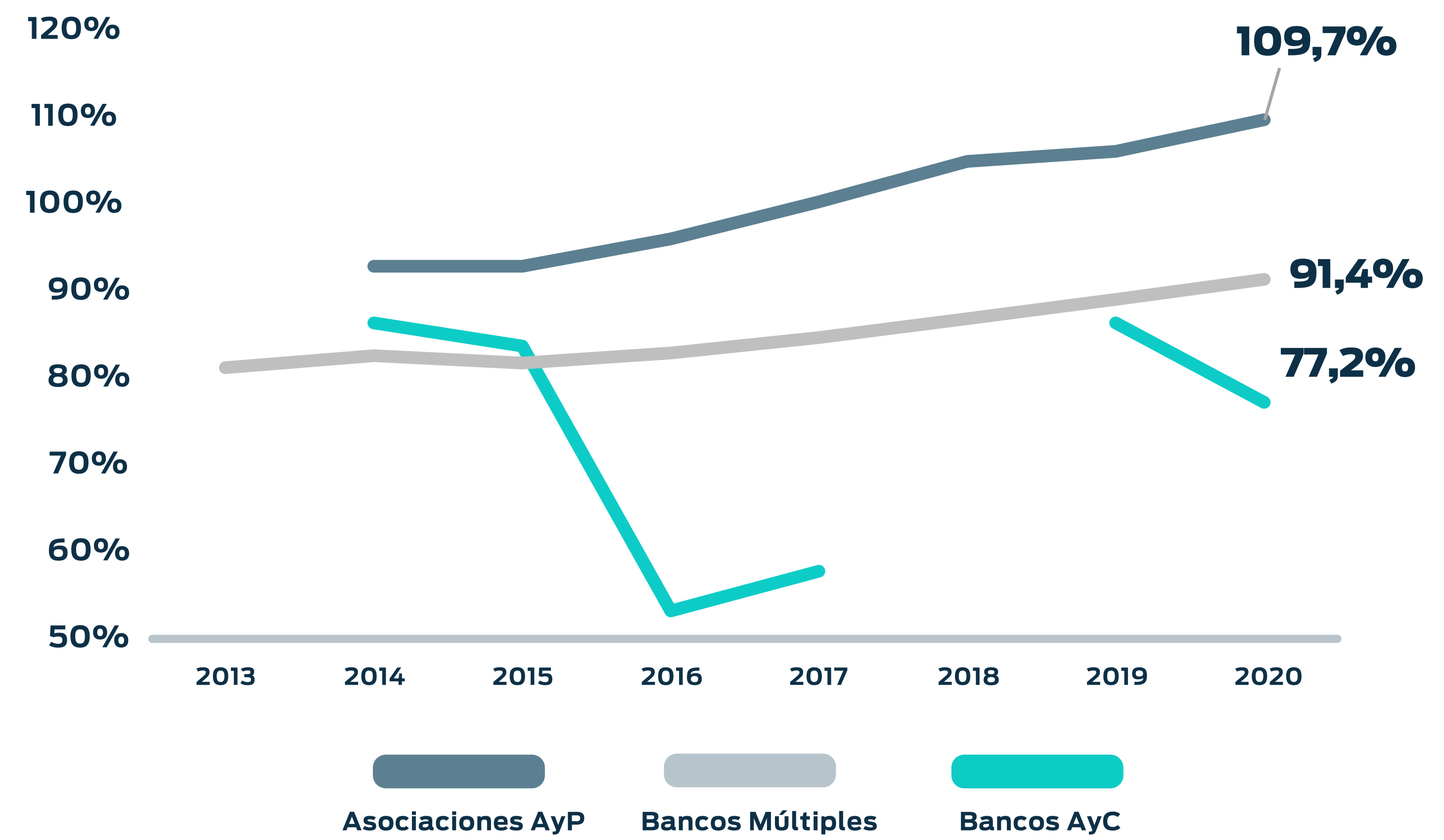
Figure 24. Credit cards disaggregated by gender.
During the 2013-2020 period, the gender-based difference in CC tenure rose to 28.6 pp in elite cards.

Disaggregating the data by type of FIE, we observed that more women than men own credit cards issued by Savings and Loan Associations (S&Ls), with a gender gap in favor of men of 9,7 percentage points. However, this relationship is reversed in the Multiple Banks (BM) and Savings and Credit Banks (BAC) (see Figure 25).



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Gráfico 25
Participación del género femenino en relación al masculino: tarjetas de crédito*
(monto deuda total) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.
|*No se reporta datos de 2018 de BAC en cuanto a TC.

MORTGAGE LOANS

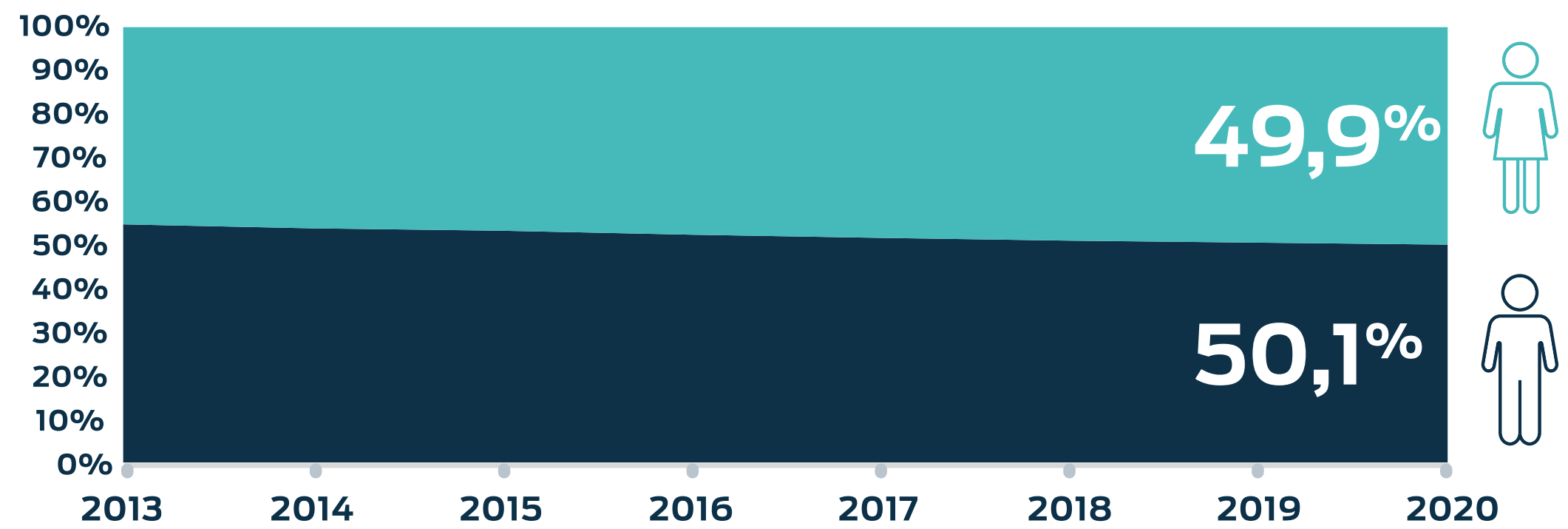
The mortgage loan portfolio represents 3% of the system’s total loan portfolio. Although it represents a small percentage of the total number of loans, it is important to note that the loan amounts approved tend to be higher than those for credit cards and consumer loans. It is the portfolio that, as of 2020, presents the closest approximation to gender parity in the distribution of outstanding loans (see Figure 26), and the one that presents the smallest gender gap in terms of the amount owed.

Disaggregating the data by type of credit, there is a greater proportion of women that opt for low-cost housing (54.4%) and have a significant share in loans for first homes (48%), and. However, there is a greater male participation in the portfolio for the acquisition of a second or vacation home (59.5%), as well as for remodeling purposes (55.3%).

Figure 26. Mortgage loans by gender. During the 2013-2020 period, the gender gap narrowed by 4.6 pp in favour of women.

Figure 27. Distribution of loans by type of housing. A higher percentage of women opt for low-cost housing (54.4%) and have a significant participation in first homes (48%).

Gráfico 26
Créditos hipotecarios por género
(cantidad de deudores) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Gráfico 27
Distribución de créditos
primera vivienda
(cantidad de deudores)
promedio
diciembre 2013 - diciembre 2020

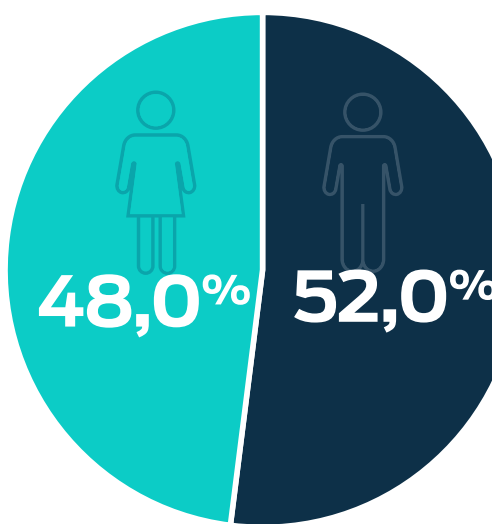


Gráfico 27
Distribución de créditos
segunda vivienda
(cantidad de deudores)
promedio
diciembre 2013 - diciembre 2020

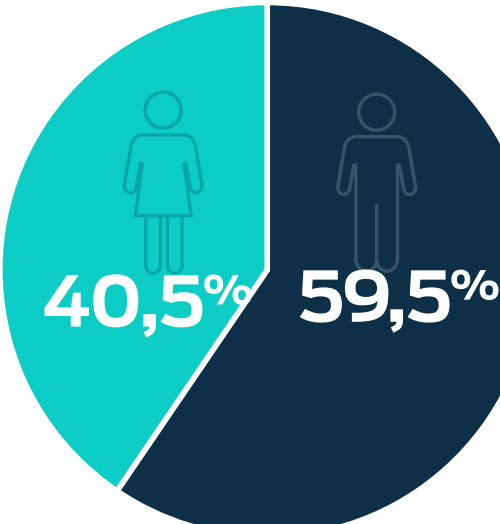


Gráfico 27
Distribución de créditos
emodelación
(cantidad de deudores)
promedio
diciembre 2013 - diciembre 2020

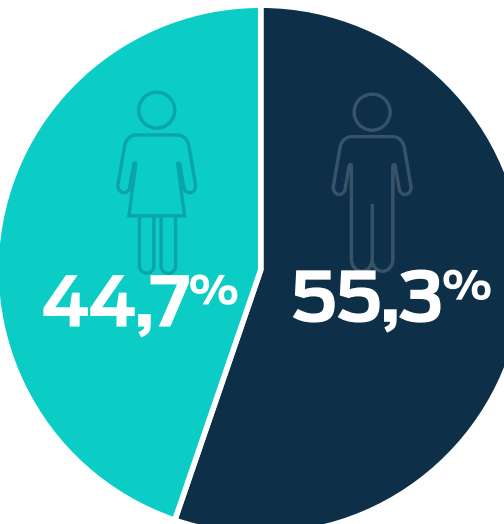
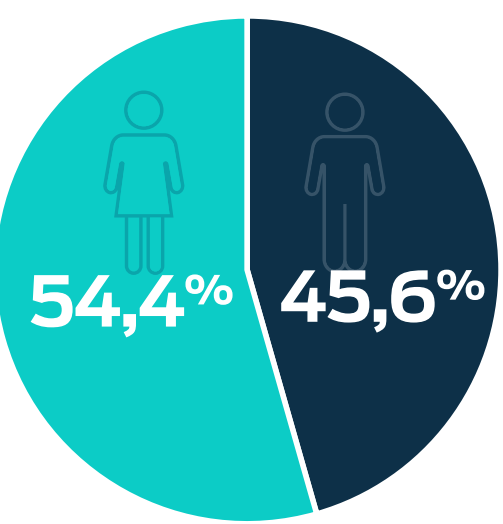


Gráfico 27
Distribución de créditos
vivienda bajo costo
(cantidad de deudores)
promedio
diciembre 2013 - diciembre 2020

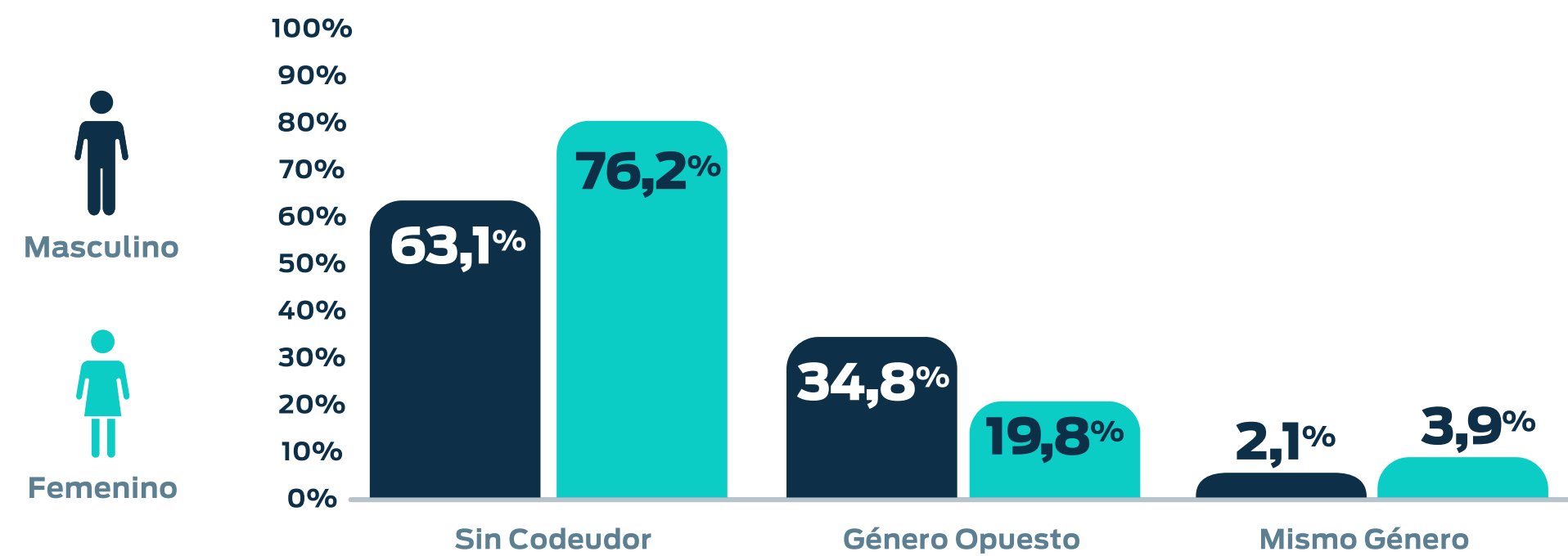


Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

The data disaggregated by type of co-signer shows a higher proportion of women having loans without a co-signer (76.2%) (see figure 28). This may be due to multiple factors that are not being examined in this report.

Figure 28. Distribution of mortgage loans by gender of co-signer. A higher percentage of women than men have a loan without a co-signer.

Gráfico 28
Distribución de créditos por tipo de codeudor
(cantidad de deudores) promedio diciembre 2017-diciembre 2020



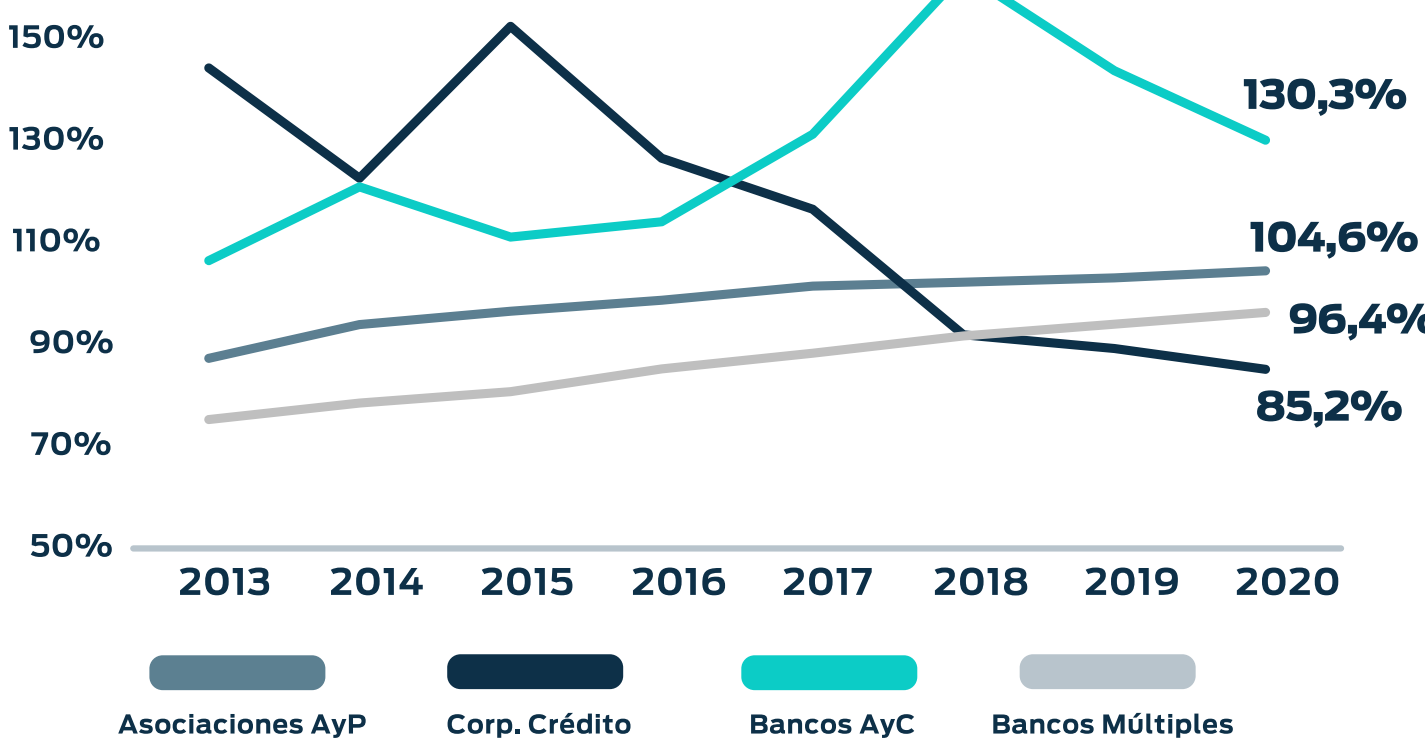
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Looking at the distribution of the mortgage portfolio, there is a greater participation of one gender over another by type of FIE (see Figure 29). It is observed that since 2013, female participation has surpassed male participation in savings and credit banks (BAC). This type of EIF is followed by Savings and Loan Associations (S&Ls), where as of 2019 the female portfolio surpassed the male portfolio in terms of share of the mortgage loan portfolio. Although there is a relatively lower female participation in multiple

banks, we also see an increasing linear trend in female participation (see Figure 29).

Figure 29. Female-to-male participation ratio: mortgage credits. The participation of men and women varies depending on the type of EIF.

Gráfico 29
Participación del género femenino en relación al masculino en
créditos hipotecarios
(deuda total) diciembre 2013 - diciembre 2020



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

COMMERCIAL CREDITS

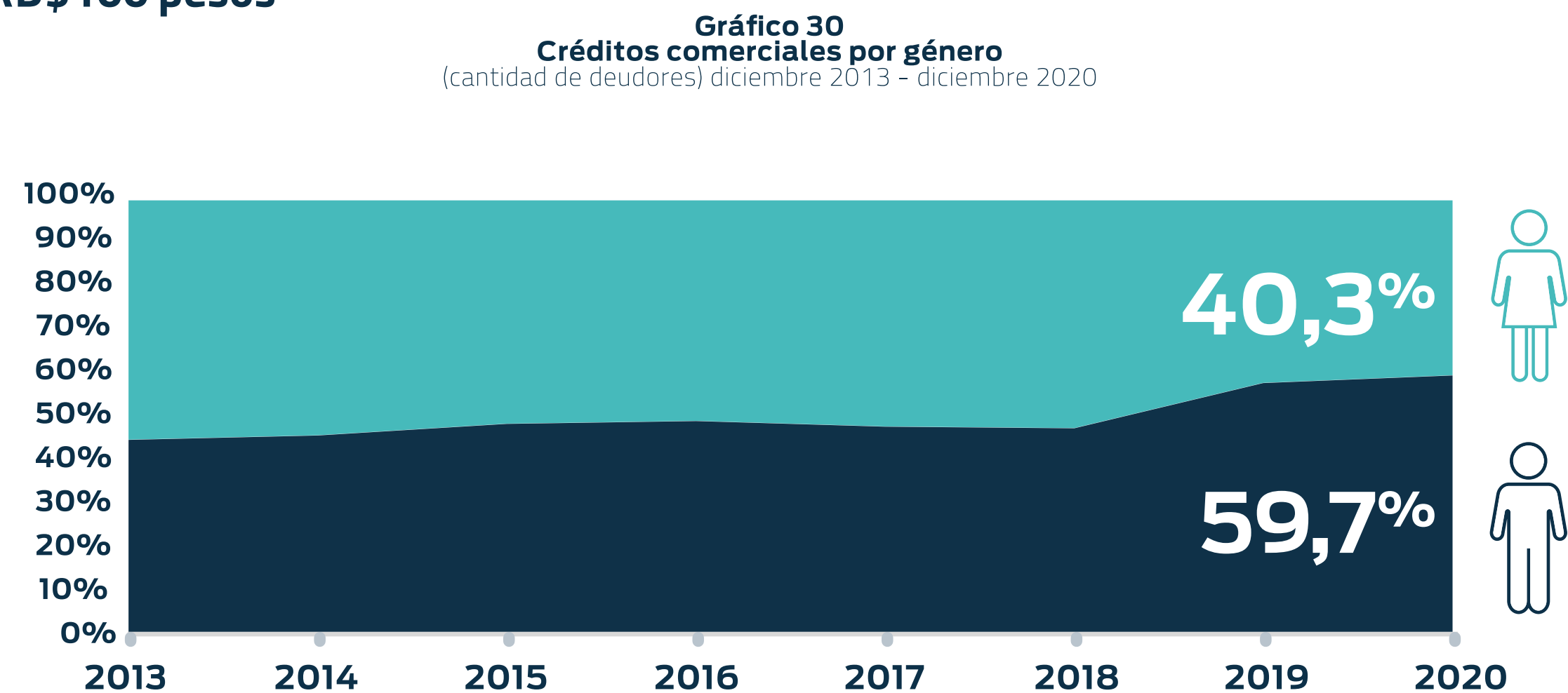
The commercial loan portfolio shows the largest gap in both portfolio distribution and amount of debt (see Figure 30 and 31). During the 2013-2020 period, female participation in the commercial portfolio has fluctuated, presenting a downward behavior since 2018. In 2020, female participation dropped to 40.3% (see Figure 30). When comparing the amount of commercial loans owed by women with those owed by men, it can be seen that they represented 24% of the total amount owed by men. 6% of male (see Figure 31). In other words, by 2020, **for every RD\$100 pesos**

owed to a man for commercial purposes, the female merchant would owe almost RD\$25 pesos.

Such behaviors, in part, may be due to the adverse effects generated by the COVID-19 pandemic, as the literature review indicates that, in the Dominican Republic, female employability has been twice impacted compared to that of men.¹⁷ It is also important to note that within the commercial portfolio, female participation is concentrated in education, as well as in tourism (accommodation and beverages) and social

services (see Figure 32); all of these sectors were highly impacted by the quarantine measures due to COVID-19.

Figure 30. Commercial loans by gender. During the 2013-2020 period, female participation within the commercial portfolio has decreased.

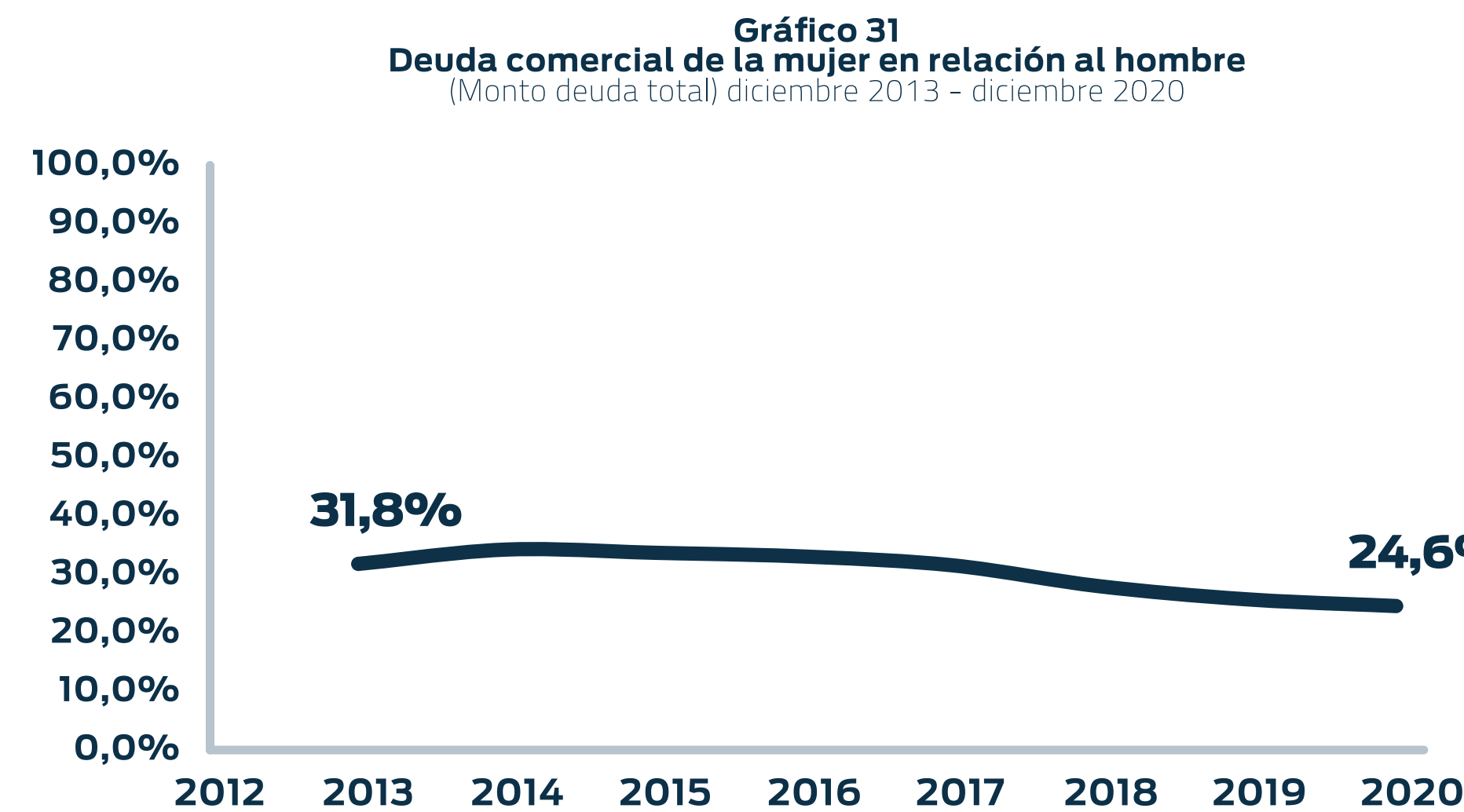


Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

¹⁷ Banco Central, “Boletín Trimestral del Mercado Laboral enero-marzo 2021”, see: <https://www.bancentral.gov.do/a/d/2541-encuesta-continua-encft>

Figure 31. Total commercial amount of the female gender in relation to the male gender. During the study period, the gender gap widened in terms of the amount of commercial loans.

As of 2016, the female distribution in Latin America was concentrated in education, social services, health, and tourism - this is also the case in the Dominican Republic (see Figure 32).¹⁸

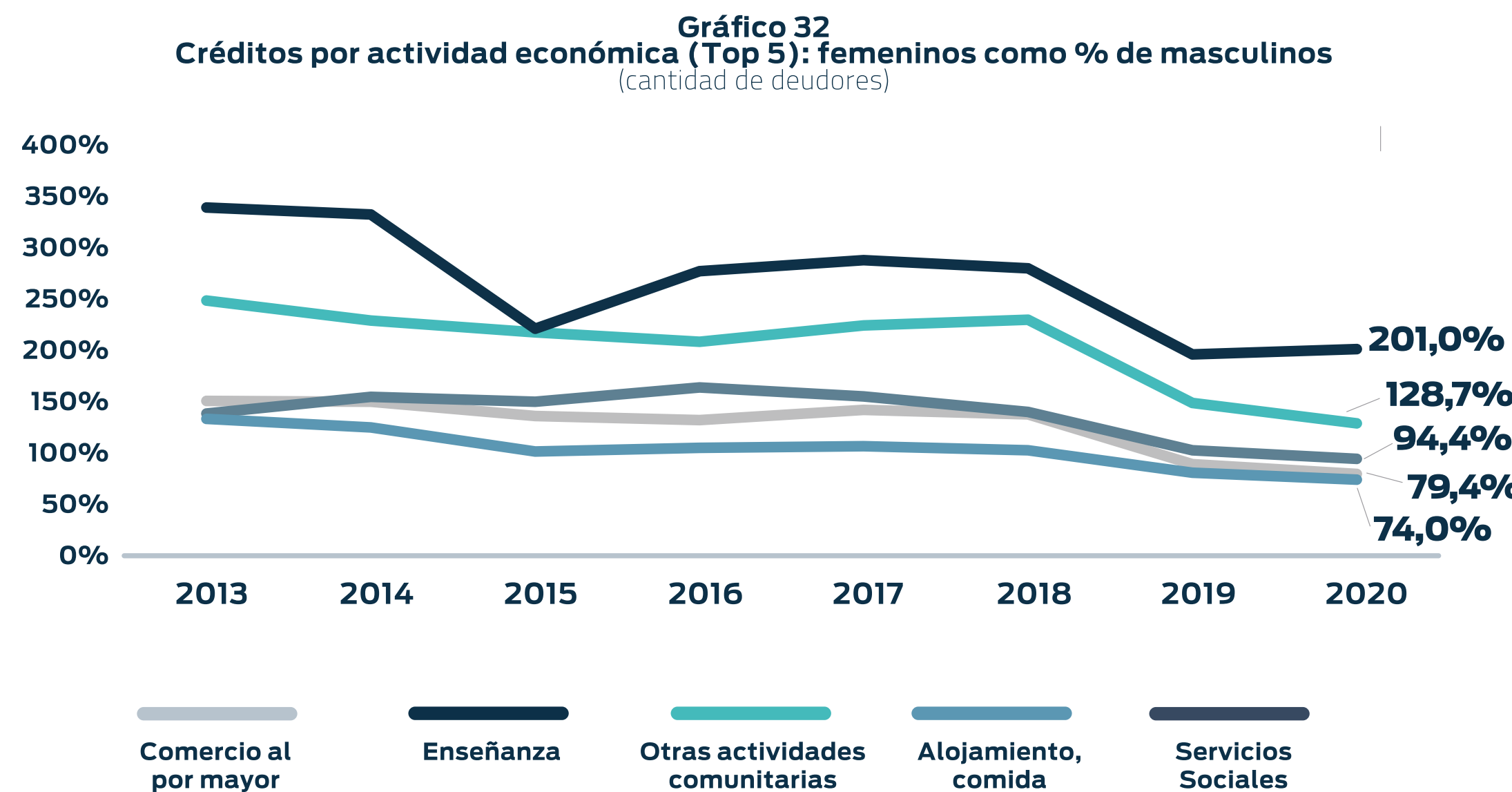


Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

¹⁸ Enred Panamá. Gender Parity Initiative: Dominican Republic. Profiling of the Dominican labour market, barriers faced by women in the labor market and main policies and programs implemented to reduce them. 2019. <https://iniciativaparidadgenerord.gob.do/wp-content/uploads/2019/07/IPG-RD.-Caracterizaci%C3%B3n-del-mercado-laboral.pdf>

The data reported for the female commercial portfolio reveal that the majority of loans are for educational purposes, followed by accommodation and beverages (tourism) and social services (see Figure 32 and 33). It is also observed that savings and credit banks are the type of EIF that attract and concentrate a higher percentage of female traders than male traders (see Figure 34).

Figure 32. Loans per economic activity. Throughout the years, teaching has remained the main economic activity of female commercial loans.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 33. Loans by economic activity (Top 5): debt.

During the study period, it was observed that female retail education loans exceeded male retail education loans.

Figure 34. Participation of the female gender in relation to the male gender: commercial loans.

Commercial loans granted to women are concentrated in savings and loan banks.

MICROCREDITS

In recent years, there has been a boost in the use of microcredit as a development tool in the Dominican Republic. Since 2012, the Dominican government encourages the development of small enterprises, businesses, agricultural businesses, among others, in order to boost the economy and promote the eradication of poverty by granting loans through banks. Such public policy led to the issuance of The Second Resolution

of the Monetary Board dated 14 August 2014, which establishes Microcredit Regulations - an instrument to draw the guidelines for the financing and administration of microcredit through formal banking. It establishes the parameters to consider a microloan, as well as the risk profiles to be taken into account according to the debtor's behavior and payment capacity.

The said regulation was updated in 2018 and is the one in force when this report was written. It establishes that microcredits must comply with the following characteristics: i) they must not exceed 50 minimum wages, ii) the debtor must have an activity or business or project to carry out with the financing, iii) the credit resources must be used to finance production activities, marketing of services, iv) they must not have a duration of more than 36 to 72 months (except in exceptional cases).

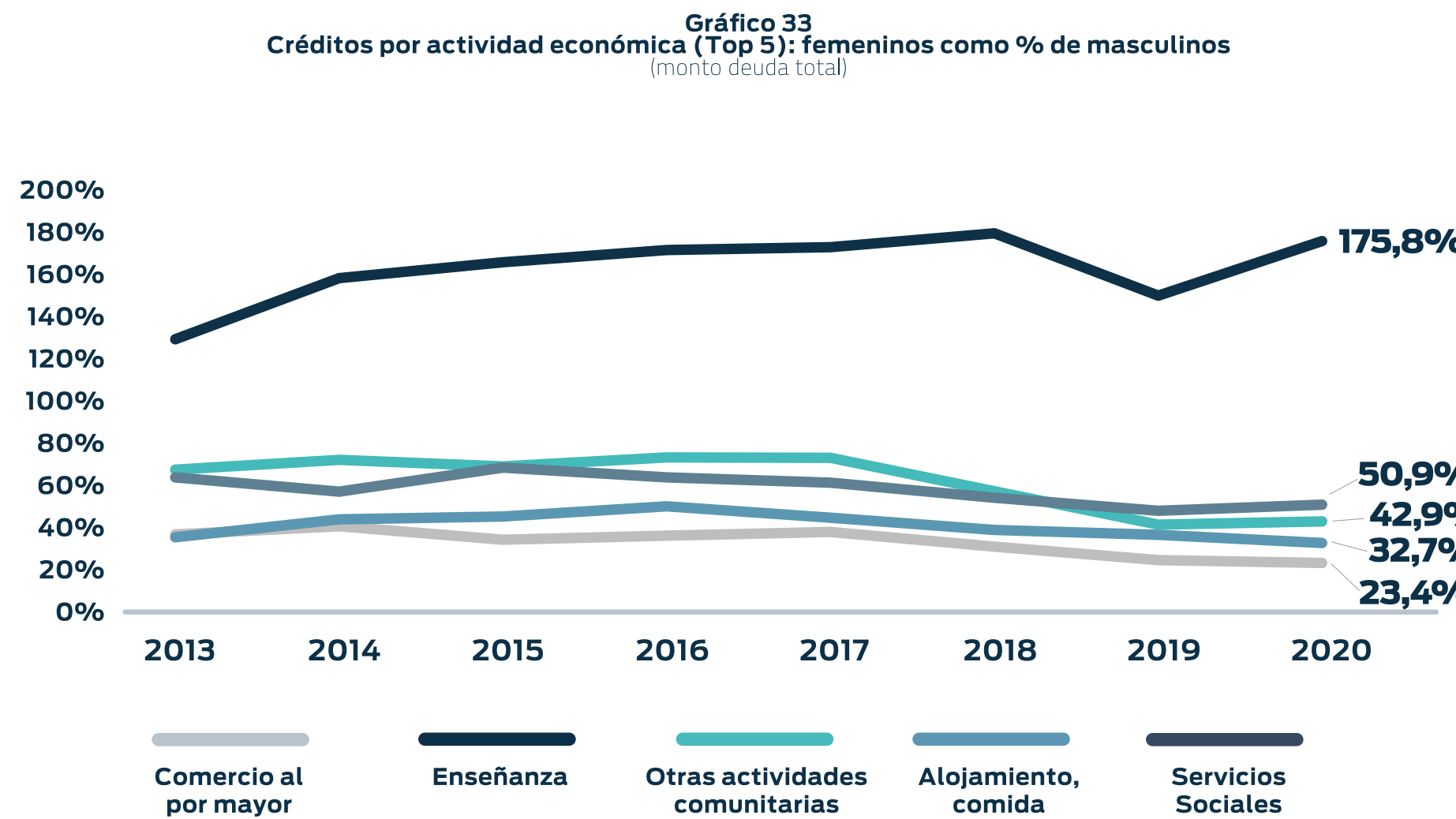
Looking at the microcredit portfolio, it is noted that this is a type of instrument that had a higher female participation than a male participation during the 2015-2020 period, with a gender gap in favor of men (see Figure 35). In 2020, for every 100 microcredit borrowers, 135 women borrowers were reported and for every RD\$100 owed by a man, a woman micro-entrepreneur owed RD\$112. However, in 2020, for every RD\$100 owed by male micro-entrepreneurs, female micro-entrepreneurs owed RD\$82 on average (see Figure 36).

Figure 35. Distribution of microcredits by gender.

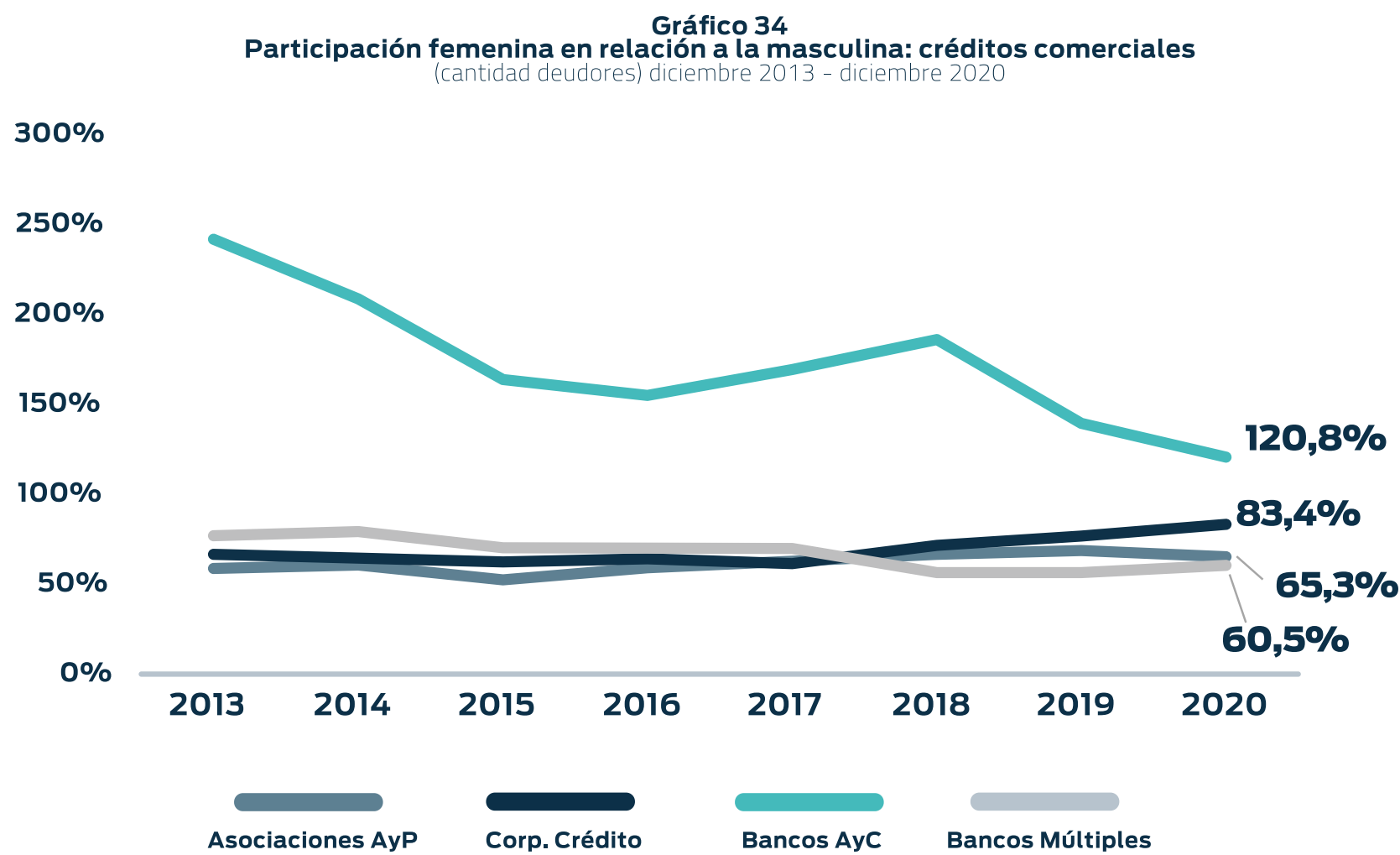
Female participation exceeds male participation during the 2015-2020 period.

Figure 36. Microcredits: number of borrowers, total and average debt.

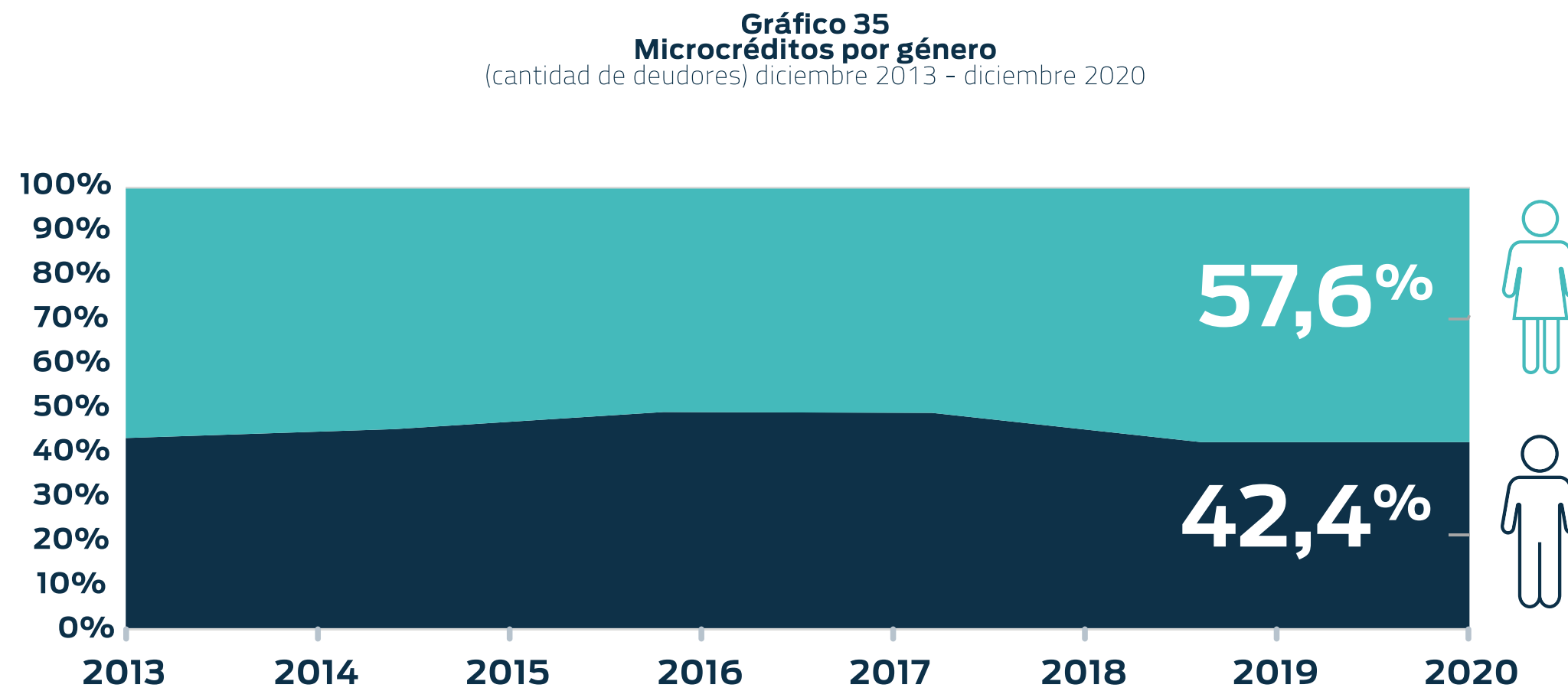
During 2015-2020, more female than male participation are noted. However, the average male debt is higher than the average female debt.



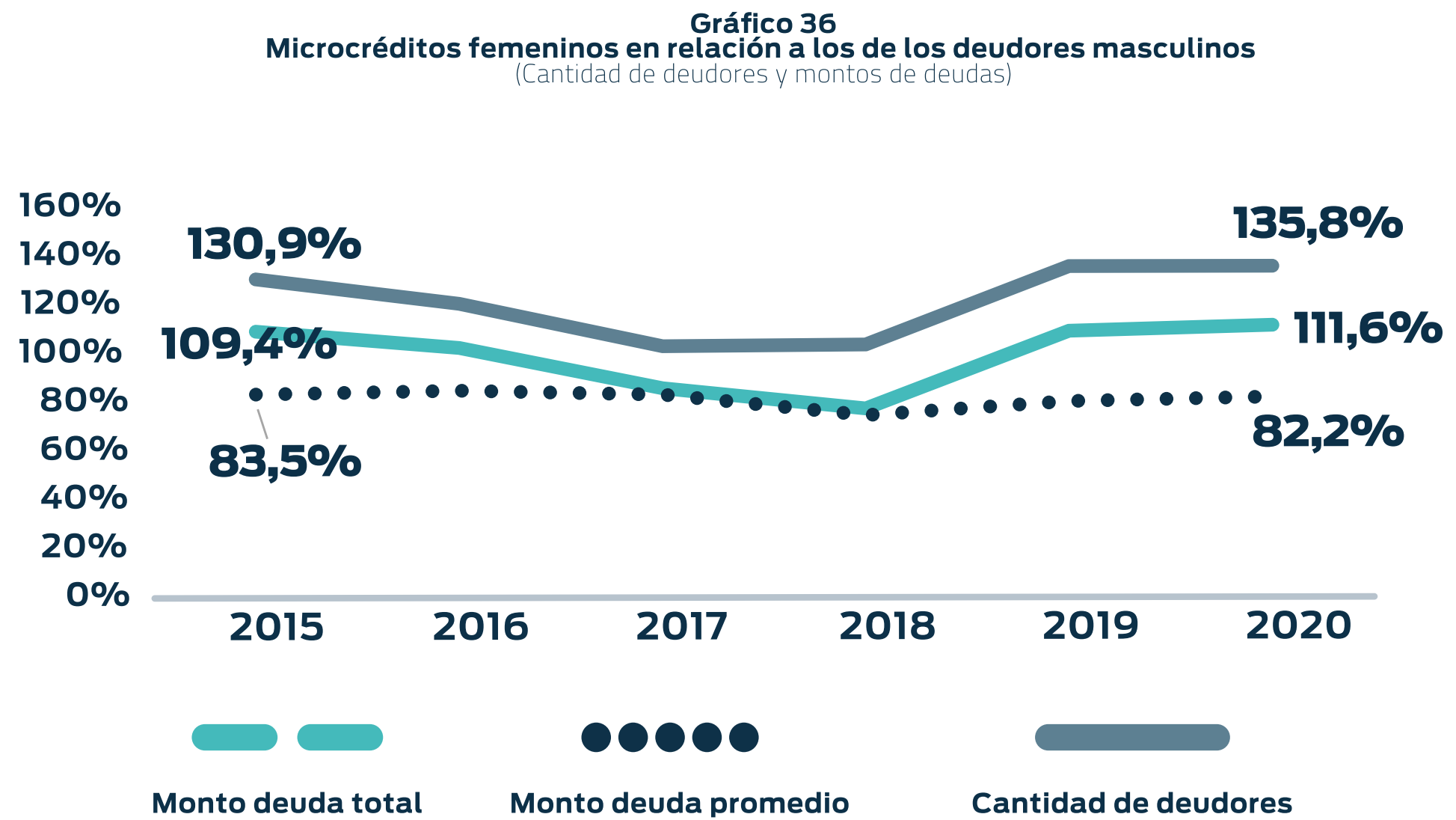
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



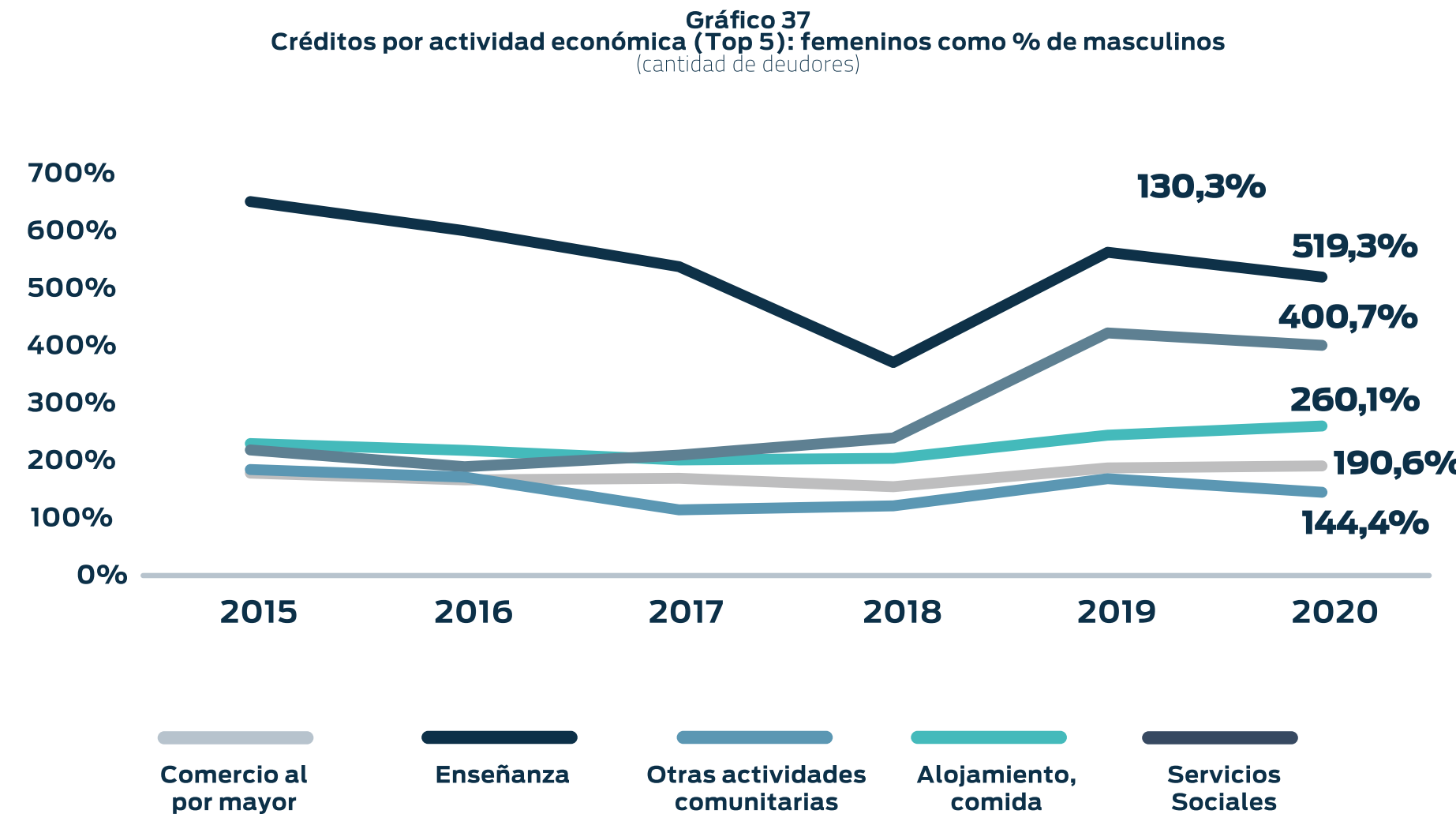
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

WHERE IS THE FEMALE MICROCREDIT PORTFOLIO CONCENTRATED?

In Latin America and the Caribbean (LAC), women predominantly have both the education sector and the accommodation and food sector. According to CEPAL, in 2019, these figures rose to 70.4% and 61.5% respectively. Of those engaged in accommodation and food, 69.5% are microenterprises.¹⁹ The microcredit portfolio in the Dominican Republic shows a similar behavior. As of 2020, the most feminised sectors

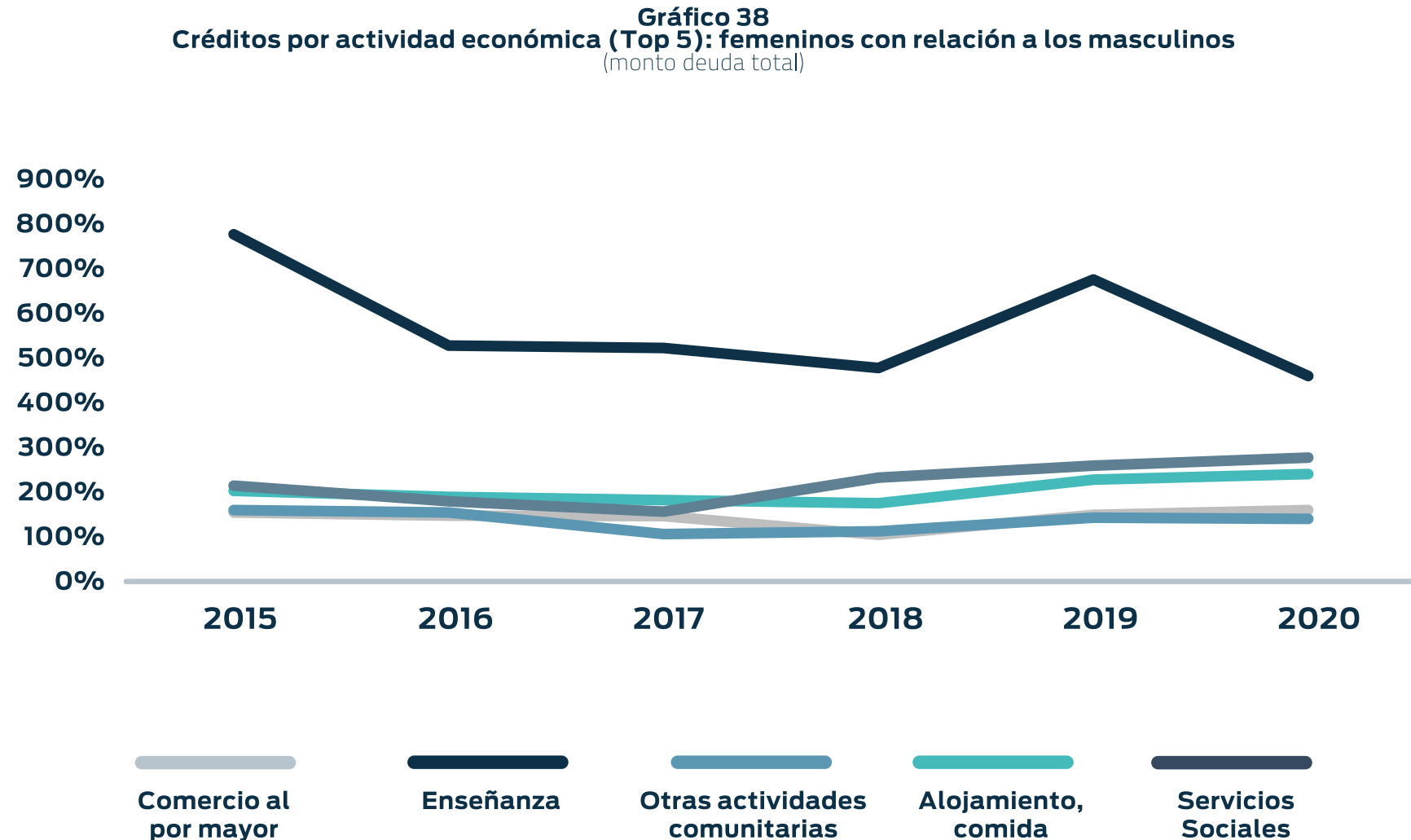
reported within the portfolio are: teaching, accommodation and food (tourism), social services, wholesale trade, social services, and other community activities (see Figures 37 and 38).

Figure 37. Microcredits: by economic activity (Top 5). Number of debtors. By 2020, loans to women micro-entrepreneurs in education exceeded those to men by 500 pp. Women’s microcredits are predominantly in service sectors (education, tourism, social).



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 38. Microcredits: by economic activity (Top 5). Total debt amount. Female microcredits that presented higher amounts of total debt relative to male microcredits were: teaching, social services, tourism, as well as wholesale trade during 2015-2020.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 39. Microloans: distribution by type of entity. Number of debtors. The largest share of debtors is concentrated in BAC.

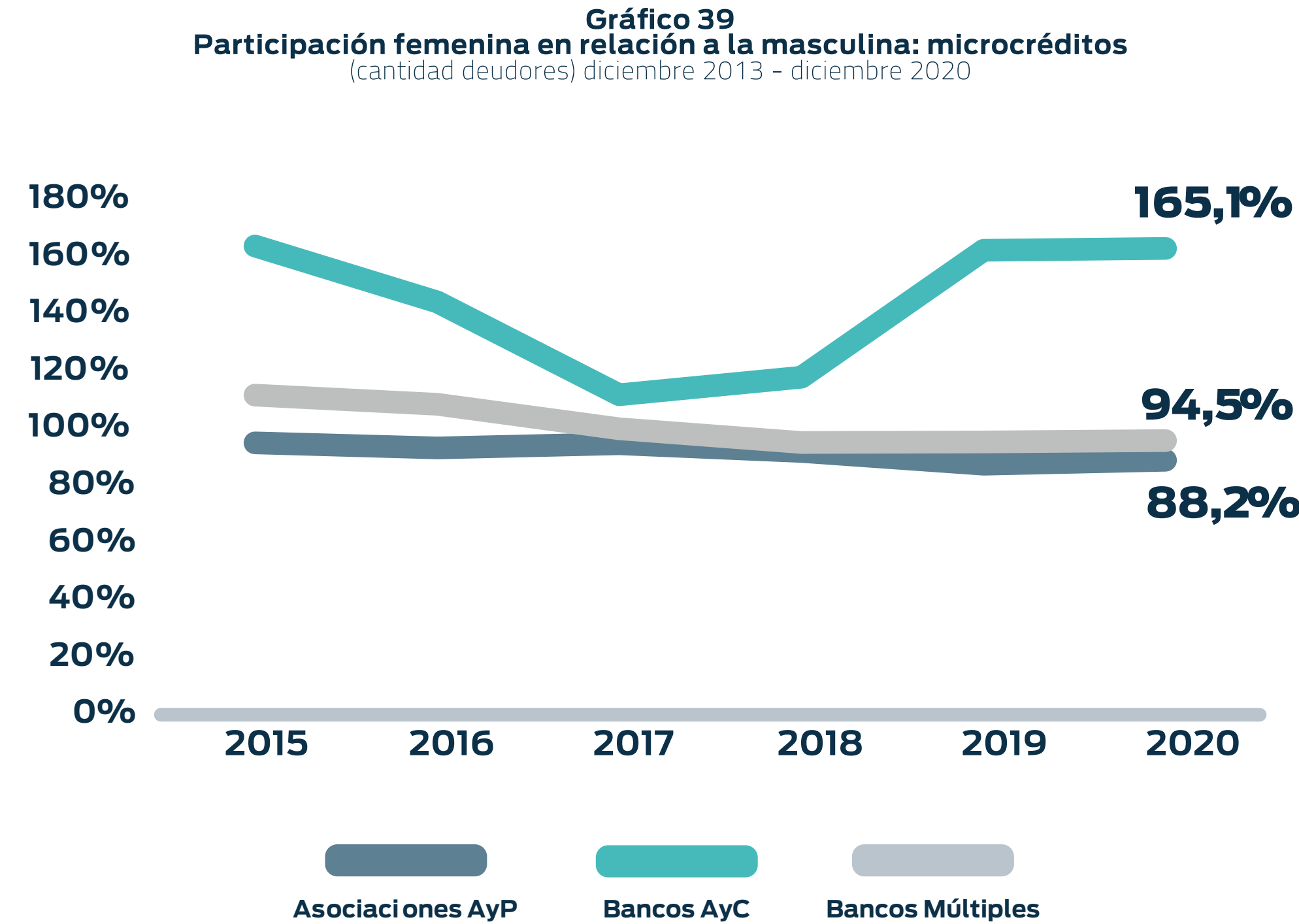
DEPOSITS

The Monetary and Financial Law No.183-02 defines the deposit instruments that the Financial Intermediation Entities (EIF) may receive by EIF classification. These are divided into demand, **savings and time deposits.**

Demand deposits are those that are transacted through current accounts, and savings are those that are deposited, as their name suggest, in savings accounts. With respect to time deposits, according to Circular No. 011/05 of the Superintendency of Banks, time deposits are as follows: time deposits in domestic and foreign currency, financial certificates, participation contracts in insured mortgages, mortgage bonds, bonds, investment certificates and any other similar instrument approved by the Monetary Board.

COMPOSICIÓN DEL AHORRO EN LA BANCA FORMAL

The observed data indicate that overall, as of December 2020, there were more savings accounts with female account holders than those with male account holders. At that date, **in general, for every 100 male accounts, there was an average of almost 106 female accounts.**



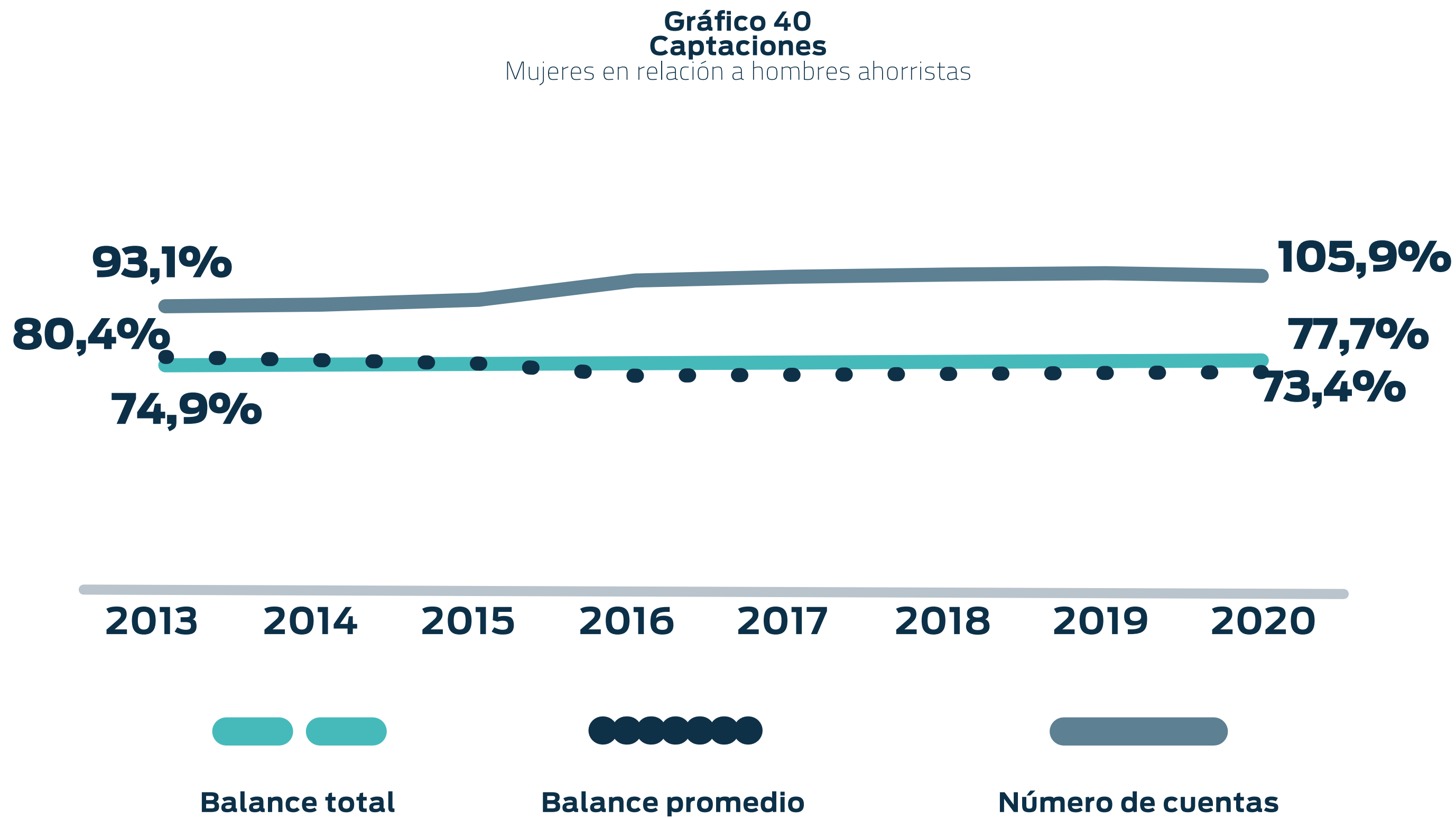
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

19 Economic Commission for Latin America (CEPAL). Special Report COVID-19 No. 9 Women’s economic autonomy in sustainable and equitable recovery. 10 February 2021. https://repositorio.cepal.org/bitstream/handle/11362/46633/5/S2000740_es.pdf

deposit accounts. **As of December 2020, for every 100 male savings and installment accounts, there were 109 and 139 female accounts, respectively** (see Figure 41). However, when analyzing the participation of men and women in the demand deposit portfolio, a different reality is evident. **As of December 2020, in formal banking, for every 100 current accounts with male account holders, there were 68 current accounts with female holders** (see Figure 41.) While such reality reflects a gender gap of 32 percentage points impacting women, it is also important to highlight that this was the capital raising instrument that most reduced the gender gap between men and women during the 2013-2020 period (see Figure 41).

Additionally, it is observed that the total balance of female deposits has remained constant during the study period, even in a year as volatile as 2020, which was impacted by the COVID-19 pandemic (see Figure 40).

Figure 40. Female deposits in relation to male deposits. As of December 2020, it is observed that, on average, for every 100 male accounts, there were almost 106 female accounts in formal banking.



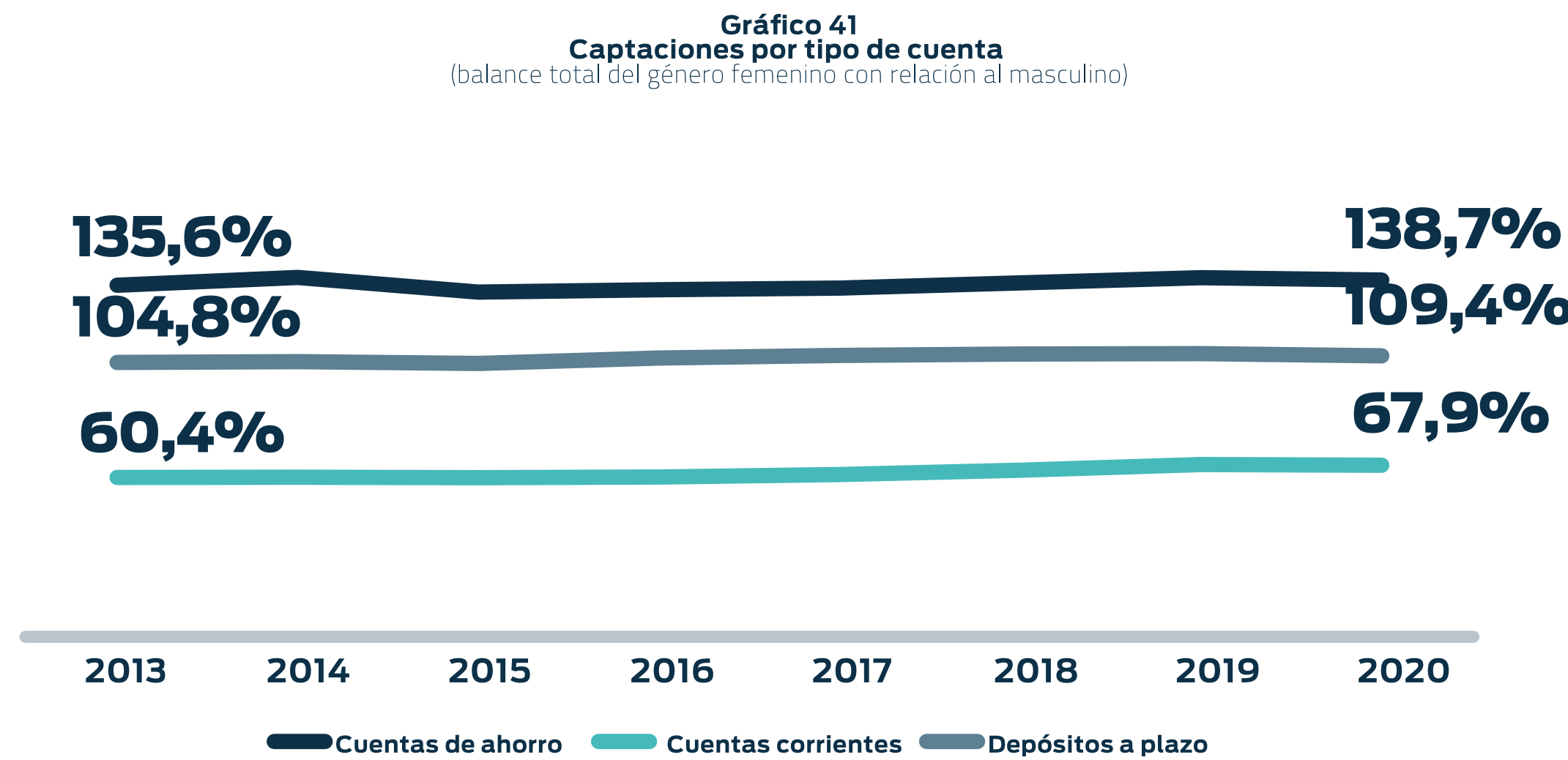
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 41. Deposits by type of account. It is noted that during the 2013-2020 period, there was higher female participation that male participation in total number of savings accounts and time deposits, while there was a higher male participation in terms of total number of current accounts.

When observing the composition of men's savings and women's savings by type of instrument, a similar behavior is evident in terms of the use of savings instruments. However, there is a higher component of

savings accounts in the female portfolio compared to the male portfolio. With regards to current accounts, men are twice as likely as women to hold this type of account (see Figure 42.).

Figure 42. Composition of women's and men's savings. During the 2013-2020 period, it is observed that a larger number of females have savings accounts and a larger number of males have current accounts.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

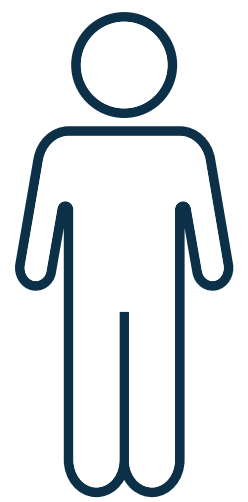
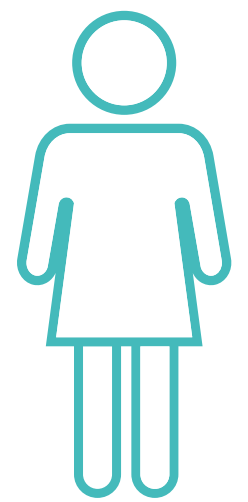
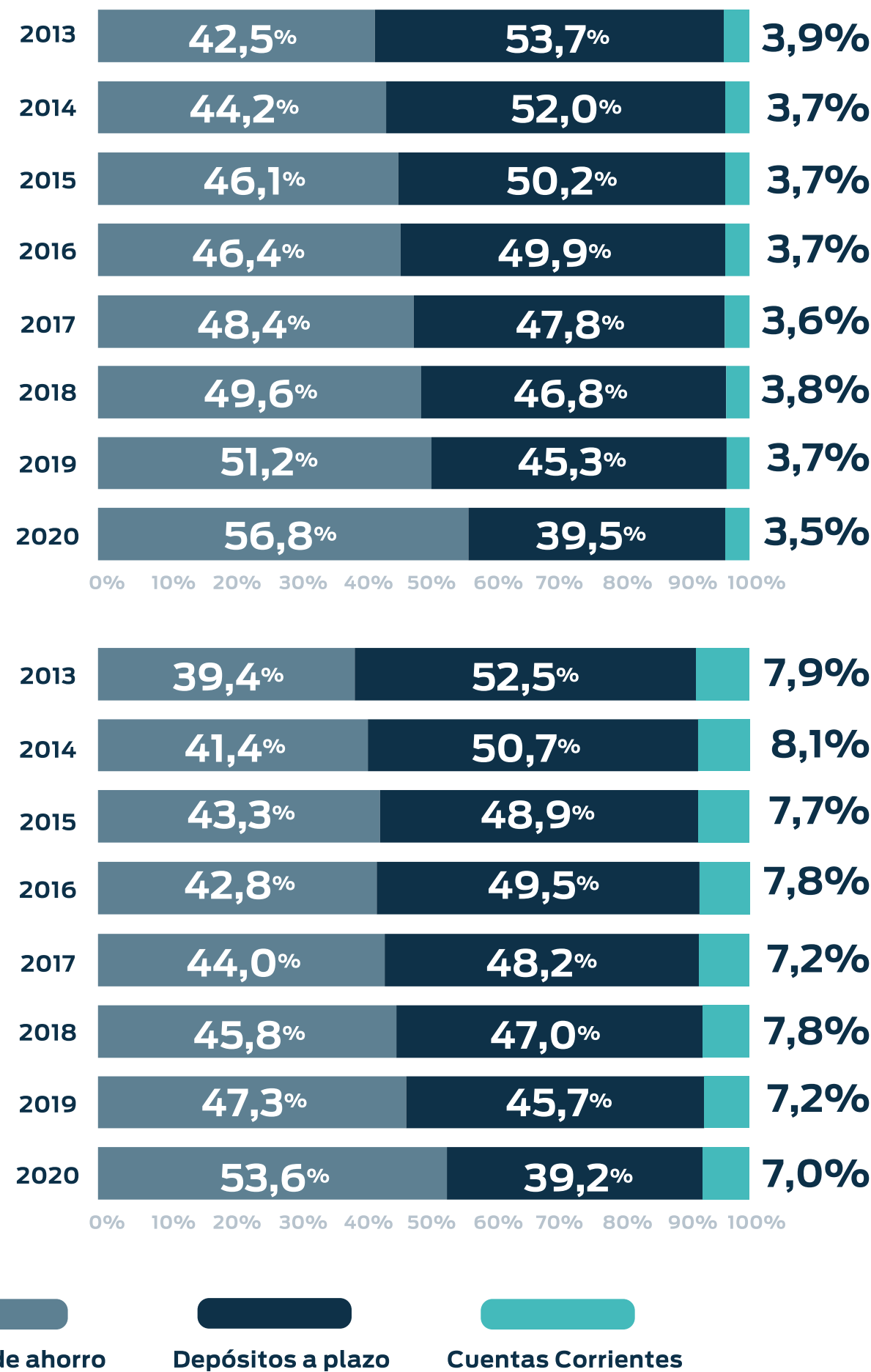


Gráfico 42
Composición del ahorro: mujeres y hombres
(balance total)



Cuentas de ahorro Depósitos a plazo Cuentas Corrientes

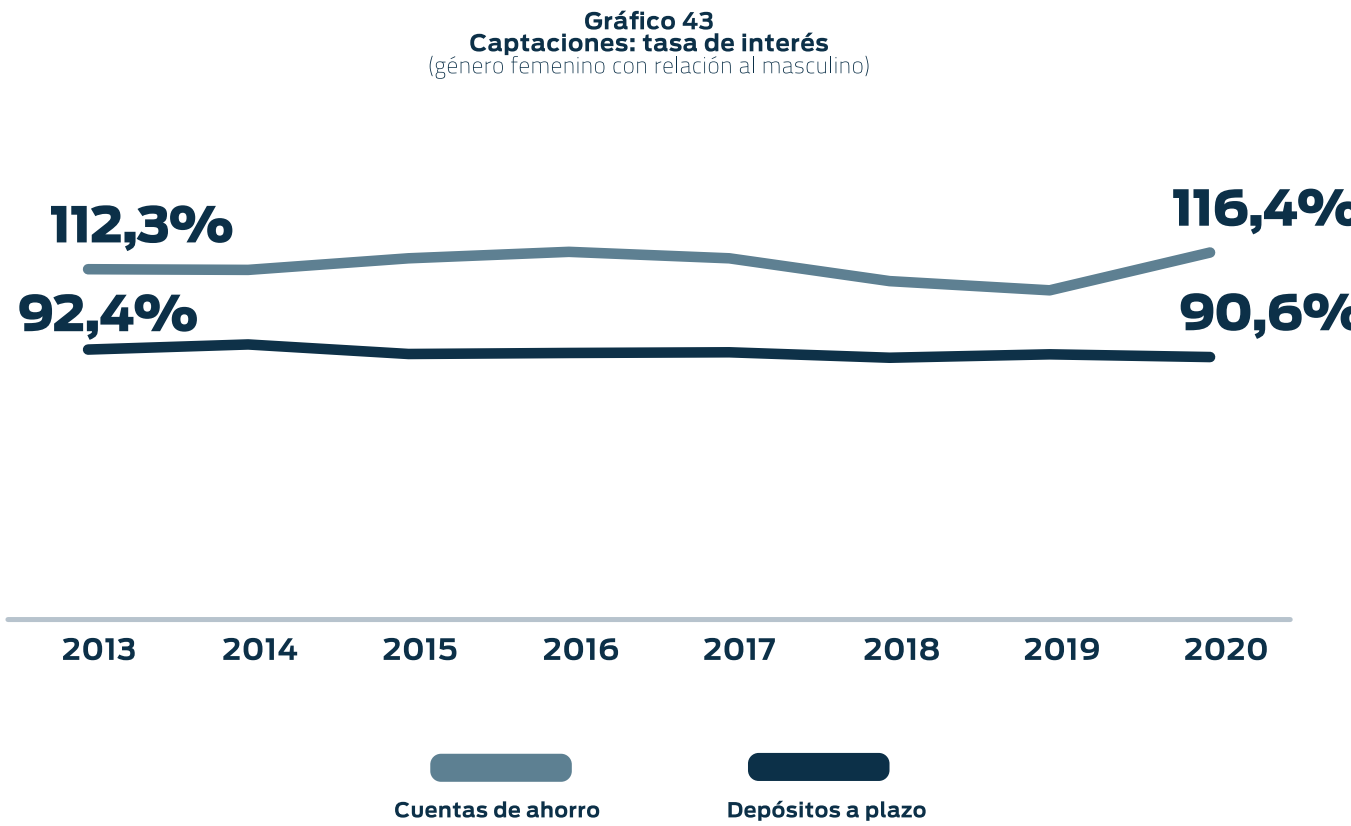
Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

INTEREST RATES

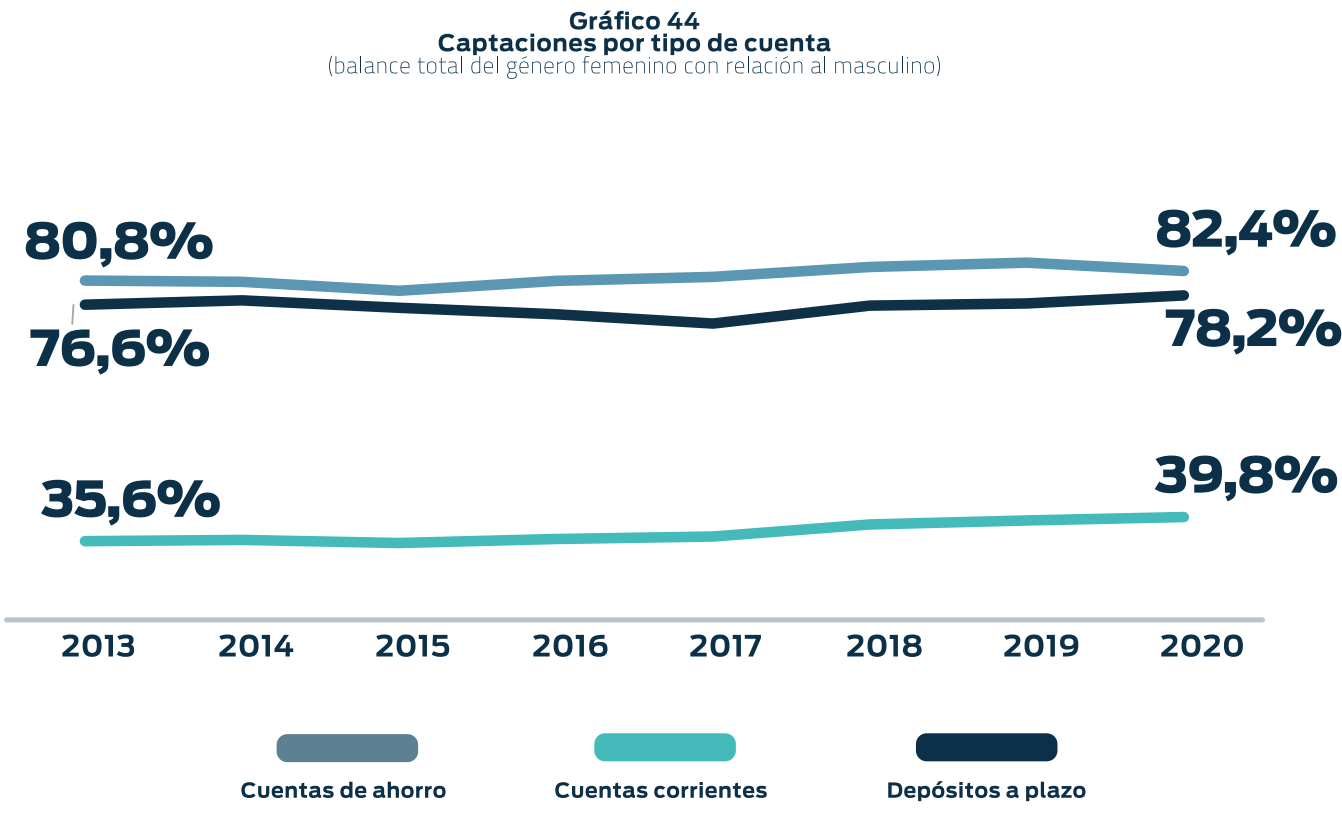
When analyzing the average interest rates granted for savings accounts and time deposits, it is observed that, as of December 2020, in general, women received an interest rate 16 percentage points higher than men in savings accounts and 10 percentage points lower in time deposits (see Figure 43). This is partly explained by the fact that there are more savings accounts in the to female than to male account holders, and that

women maintain a lower total and average balance than men during the observation period, particularly in time deposits (see Figure 44).

Figure 43. Deposits: Interest Rates. During 2013-2020, in general, female savings accounts obtained a higher interest rate than those of men, while in time deposits they obtained an interest rate up to 10 percentage points lower than the rates obtained by male holders.

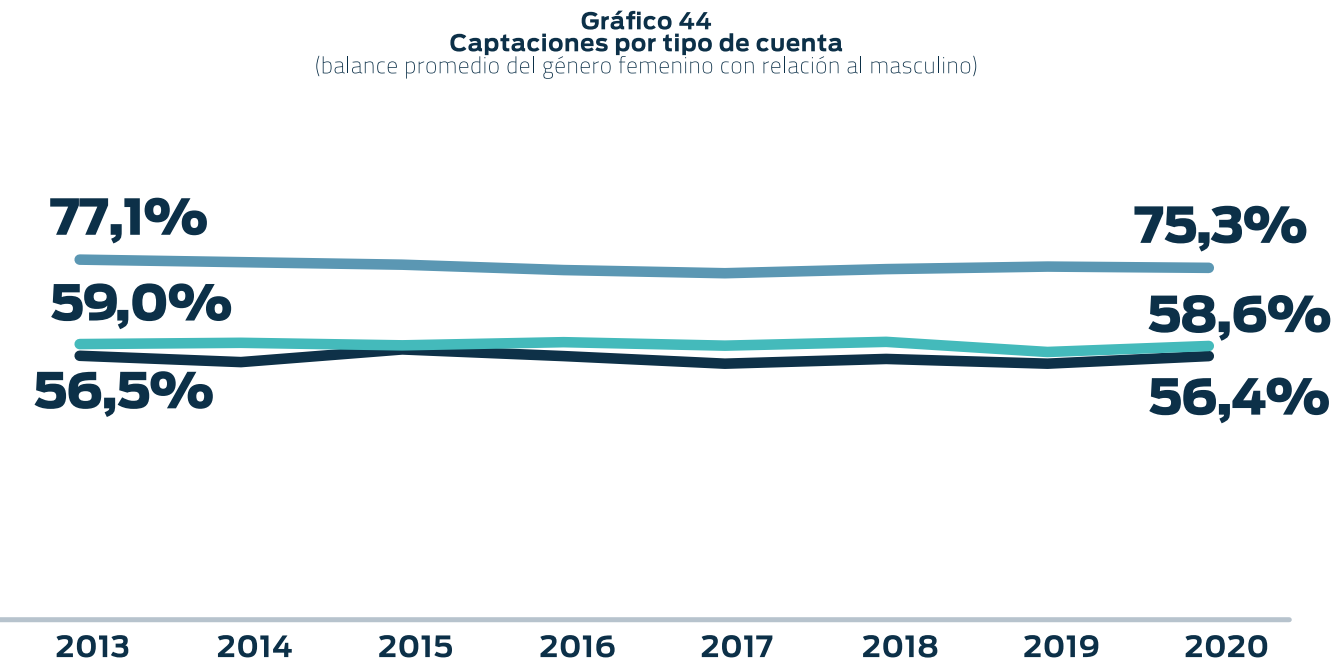


Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

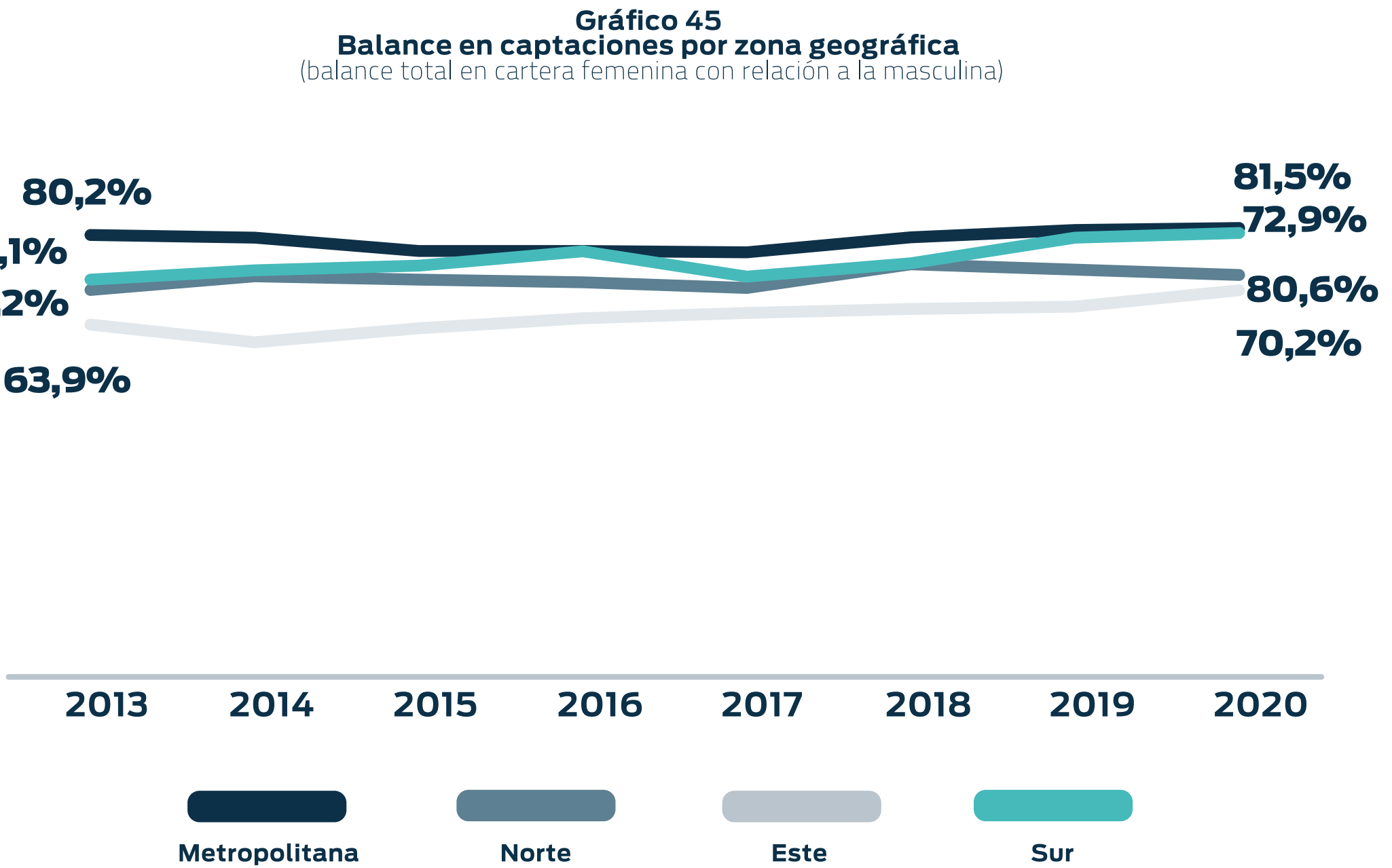
Figure 44. Deposits by type of account: total and average balance. During the 2013-2020 period, both, the total as well as the average balance of female deposits were generally lower than those of male deposits, regardless of the type of instrument.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

DEPOSITS BY GEOGRAPHIC AREA

A breakdown of deposits by geographic area shows that, during the study period, regardless of the region of the country, in general, accounts whose holders are female had lower total balances than those accounts whose holders are male, with a gender gap in favor of women. As of December 2020, the regions with the highest gender-based inequality were the Eastern and the Northern regions (see Figure 45).



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 45. Deposits by geographic area. During the 2013-2020 period, it is noted that deposits made by women were lower than the deposits made by men in all regions of the country.

It can be seen that the largest increase in account numbers were time deposits in 2013 and 2020. In general, it is observed that the amount of monies deposited in savings accounts and time deposits by

men and by women are quite similar, the most notorious difference is linked to current accounts. These represent a total balance of 39.8% in 2020.

DEPOSITS BY TYPE OF CURRENCY

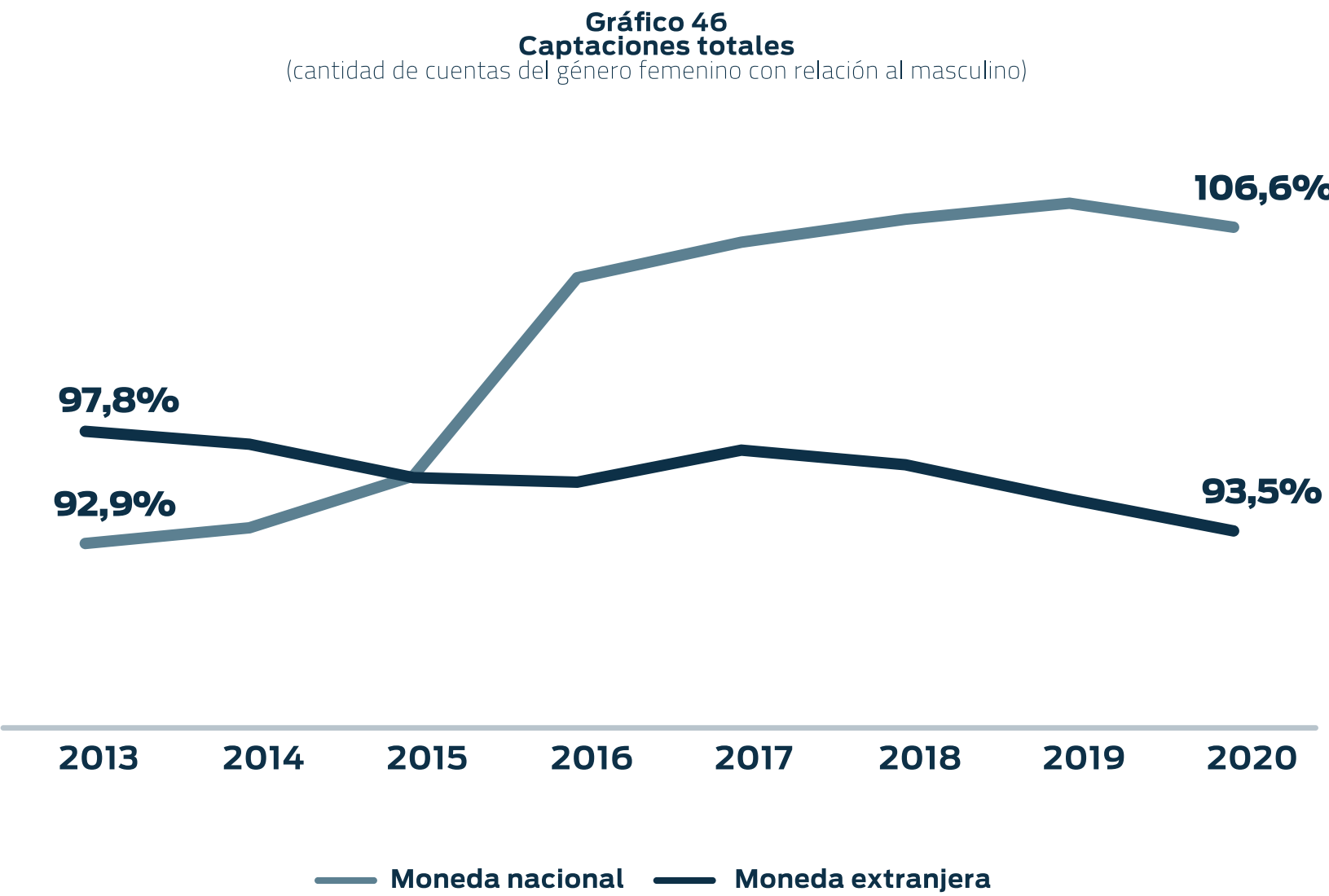
For the purposes of this report, deposits have been broken down by two types of currency: domestic and foreign. Domestic currency deposits refer to savings deposited in Dominican pesos (DOP), while those deposits made in foreign currency refer to those deposits made in United States dollars (USD) and/or Euros (€). The two latter ones are comparable because they are reported in pesos.

When disaggregating deposits by type of currency, different realities become evident. On the one hand, in terms of savings account holdings, women have gradually opened more peso savings accounts compared to men during 2013-2020. While an inverse relationship is noted with respect to the holding of savings accounts in foreign currency. It appears that, during the study period, a higher percentage of men than women have opened savings accounts in foreign

currency (see Figure 46.) However, when analyzing the average balance in savings accounts in domestic and foreign currency, men generally have larger amounts of money deposited in their accounts in comparison to the amounts deposited by women, regardless of the currency.

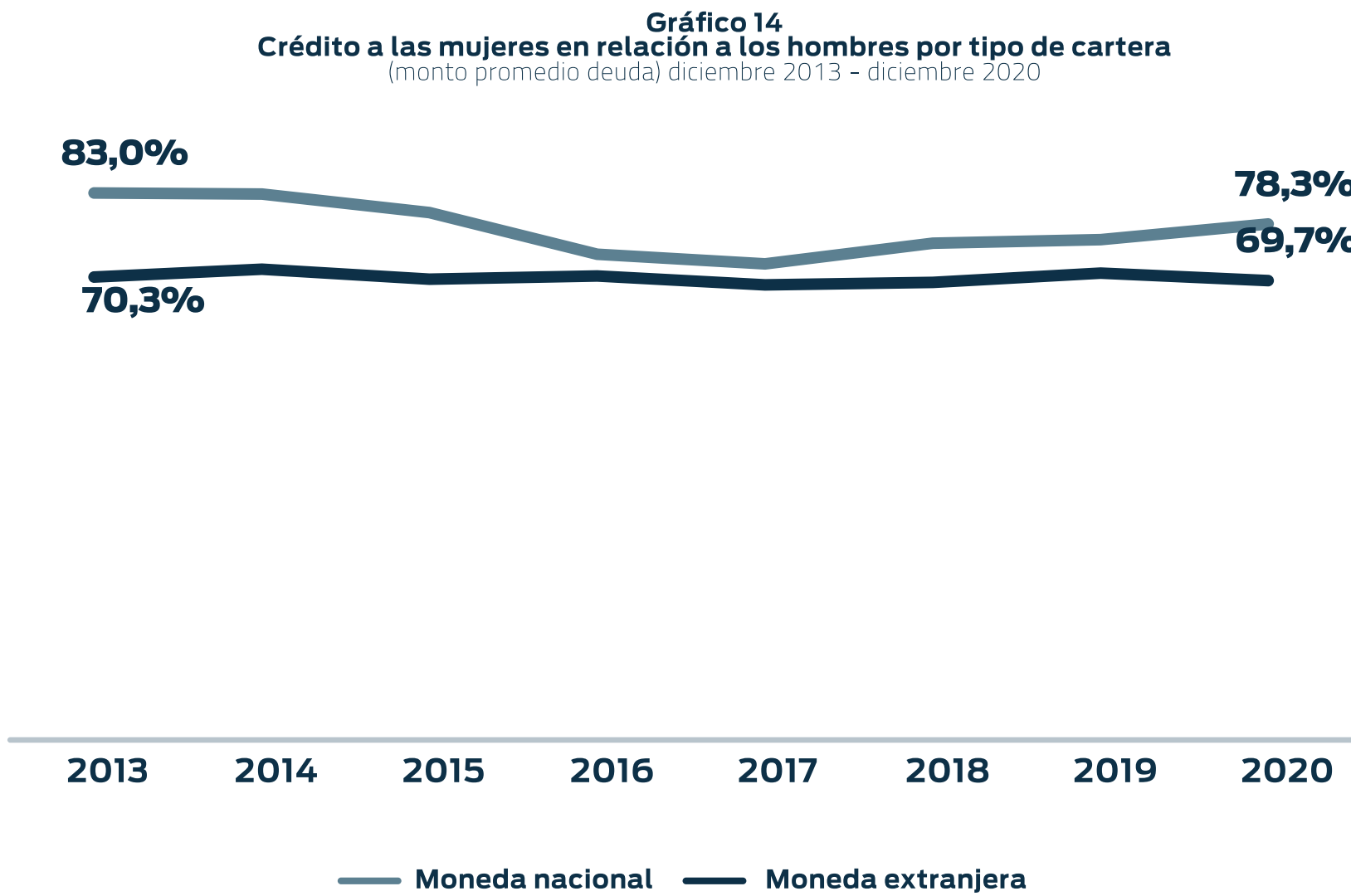
During the study period, for every 100 (in average balance) saved in foreign currency by a man, a woman saved only 70 (in average balance) (see Figure 46). It is also important to note that the gender gap between men and women in local currency deposits widened

during the observation period. **While, as of December 2013, for every RD\$100 of average balance saved by a man, a woman had RD\$83, by December 2020, women had approximately RD\$78 pesos as their average balance in their savings account, widening the gap by 5 percentage points. In other words, as of December 2020, there was, overall, a RD\$5 pesos less average balance in a woman’s savings account compared to the balance of a man’s savings account, as of December 2013** (see Figure 46).



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

Figure 46. Deposits by type of currency (number of accounts and average balance). It is observed that, during 2013–2020, in terms of holdings savings accounts in national currency, female participation gradually surpassed male participation. However, women had lower average balances in savings accounts in both, domestic currency and foreign currency, in comparison to men.



Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.

CONCLUSION

Female participation in Dominican formal banking has been increasing, showing, in general, a linear relationship similar to that of male participation. More women than men participate in the total number of savings accounts and microcredit accounts. In the consumer portfolio, there is a higher participation of women than men, specifically in the education loan portfolio. However, this instrument represents 0.01% to 0.50% of the total consumer portfolio during the observation period.

The mortgage loan portfolio shows that more women than men opt for low-cost housing and that, a higher percentage of women without a co-signer compared to men without a co-signer, tend to borrow through formal banks for mortgage purposes.

Although the participation of men and women has been increasing in formal banking, there are still lags in terms of loan amounts and average savings amounts compared to men. This may be due to externalities not examined in this report, associated with structural inequalities, such as the income level of women

borrowers compared to men borrowers, the average amount requested by women borrowers compared to the amount approved, compared to the average amount requested by men borrowers and the amount approved, attitude towards risk, percentage of income they can save due to care responsibilities, among others.

Going forward, the finance and gender research agenda should continue to expand, considering variables that may not have been covered in this report and potentially developing econometric models to help corroborate hypotheses associated with the financial inclusion of men and women on an equal conditions. Some suggested variables to consider based on existing or future information are: credit requested versus credit granted by gender, gender of the borrower who actually uses the credit, or the saver who uses the savings instruments, unemployment, age range, profession, income, marital status of the financial user.

Finally, it is important to note that the credit penetration of formal banks is concentrated in the provinces of Santo Domingo and Santiago. The other provinces

are lagging behind. The poorer the province, the lower the credit penetration. It is important to develop policies focused on financial inclusion with a gender perspective in formal banking in areas with a low level of credit penetration. This would imply analysing the costs associated with credit, both for the EIF and for the potential users located in those areas, due to their difference in purchasing power.

This report sought to help gain a better understanding of the banking sector through the use of gender-disaggregated information. Studies such as this one represent an opportunity to continue enabling a banking sector that facilitates the productivity and economic autonomy of the system’s users in a differentiated way.

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GLOSSARY

Asociación de Ahorros y Préstamos: Mutual EIF type. These entities may receive savings and time deposits (in local currency), receive loans from financial institutions, grant loans in local currency with mortgage guarantee intended for construction, acquisition and renovation of family homes and refinancing of mortgage debts, issue securities, issue credit, debit and charge cards in accordance with the legal provisions governing the matter, among other functions described in Law No. 183-02 that approves the Monetary and Financial Law.

Leverage: debt over income, this reflects how indebted the user is.

Multi Banks (BM): entities that may take demand deposits from the public, on demand or in current account, and carry out all types of operations included in the general catalogue of activities set forth in Article 40 of Law No. 183-02.

Savings and Credit Banks: may perform the following operations: receive savings and time deposits,

receive loans from financial institutions, grant loans in local currency, with or without collateral, and grant lines of credit, issue securities, discount bills of exchange, drafts, promissory notes and other commercial documents representing means of payment, acquire, assign or transfer bills of exchange, securities and other instruments representing obligations, as well as enter into contracts of repurchase and other details that Law No. 183-02 that approves the Monetary and Financial Law.

Deposits: According to Law No. 183-02, deposits are monies deposited by the public that are payable immediately, on demand, or in a checking account.

Central Credit Risk Register (Central de Riesgos): This office is responsible for consolidating the activities related to loans as well as credit cards of all bank users in a single site. Allows to visualize the category of credit risk that a debtor (a) has in the financial system.

Corporaciones de Crédito: they are responsible for receiving term deposits in national currency, deducting promissory notes, deliveries, bills of exchange and

other documents representing payment obligations in national currency, receiving loans from financial institutions, in national currency, granting loans in national currency without guarantees, with mortgage guarantee, pledge or solidarity personnel and other functions detailed in Law No. 183-02.

Credit Institutions: They are institutions whose deposits are received through savings accounts and time deposits, and that are subject to the provisions of the Monetary Board and the conditions agreed between the parties. In no case may these entities receive deposits on demand or in a current account.

Financial and Exchange Intermediation Entities (EIFyC): are the entities practicing the normal collection of funds from the public in order to transfer them to third parties, whatever the type or denomination of the instrument of collection or assignment used. They may be of a private or public nature. In turn, private entities may be of a shareholding or non-shareholding nature.

Information Requirement Manual (MRI): this manual contains the Information Requirements that

have been the result of a process of review, analysis and investigation of the information needs for the implementation of the new supervision methodology, resulting in a schematization and reorganisation of the information by risks, as well as in a homogenisation of tables and formats consistent with national and international standards, according to quantitative and qualitative characteristics of customers, products and services.

Microcredit: credit that is requested by individuals with their own small-scale activity or business; intended to finance productive, marketing or service activities; and whose main source of payment is generated from the sales and income generated by such activities. The amount thereof may be up to 50 minimum wages.

Adult population: the adult population of the Dominican Republic is between 15 and 65 years of age. This report uses estimates from the Office for National Statistics (ONE).

Loans for the Acquisition of a Second or Vacation Home: These are loans granted to individuals, who already have a mortgage loan for their home in the financial system, and acquire a second loan for the acquisition of another home or holiday home, usually payable in equal and successive installments and are fully secured by the same real estate property. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

Loans for the Construction or Remodeling of the Debtor's Home: They are loans granted to individuals for repair, remodeling, extension or construction of housing, generally payable in equal and successive installments and are fully secured by the property itself. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

Loans for the Construction or Remodeling of a Second or Vacation Home: These are loans granted to individuals for the repair, renovation, expansion or construction of a second or vacation home, generally payable in equal and successive installments, and are fully secured by the same real estate. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

Personal Loans for New Vehicles: Consumer credits granted exclusively for the acquisition of new vehicles (also known as zero kilometers). This type of loan is secured by the vehicle itself, and is classified as a pledged collateral with dispossession.

Personal Loans for Used Vehicles: Consumer loans granted exclusively for the purchase of used vehicles.

Credit Cards: payment instrument issued by the authorised financial intermediation entities, which allows the cardholder to cover the amounts of the transactions made through the means available in the payment system, and which will be financed by the card issuing entity, subject to a contractual agreement between the cardholder and the issuer.

Personal Credit Cards with High Credit Limit (Platinum, Infinite): High credit limit cards, targeted towards segments of the population with higher purchasing power that promote the consumption of luxury and high prestige goods. In this group are the Platinum, Infinite, Black among other denominations with similar characteristics.

Medium Limit Personal Credit Cards (Gold):
Medium credit limit cards. Average amount is usually equivalent to and/or greater than RD\$50,000.

Lower Limit Personal Credit Cards (Classic / Standard): Cards with low credit limits. In this category are the credit cards known as classic credit cards.

APPENDIX

Annex I: Distribution of regions according to the Superintendencia de Bancos de la República Dominicana.

NORTHERN REGION	Dajabón	SOUTHERN REGION	Azua
	Duarte		Bahoruco
	Españillat		Barahona
	La Vega		Elías Piña
	María Trinidad Sánchez		Independencia
	Monte Cristi		Pedernales
	Puerto Plata		Peravia
	Hermanas Mirabal		San Cristóbal
	Samaná		San Juan
	Sánchez Ramírez		San José de Ocoa
	Santiago	EASTERN REGION	El Seibo
	Santiago Rodríguez		La Altagracia
	Valverde		La Romana
METROPOLITAN REGION	Monseñor Nouel		San Pedro de Macorís
	Distrito Nacional		Monte Plata
	Santo Domingo		Hato Mayor



November 2021