Gender-intelligent banking: Branch counters to boardrooms

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Foreword by the NIBM

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India's financial inclusion journey has been one of scale, ambition, and success. Over the past decade, millions of women have entered the formal banking system, which is an achievement that serves as a global benchmark. Yet, access alone has not translated to meaningful engagement. Women continue to save less, borrow less, insure less, and invest less compared to men. Their lack of participation is not due to aspiration or ability, but because financial systems were never fully designed with their realities in mind.

"Gender-intelligent banking: Branch counters to boardrooms" is an effort to change this harsh reality. This white paper, developed jointly by the National Institute of Bank Management (NIBM) and MSC (MicroSave Consulting), brings together evidence, insights, and practical tools to help financial institutions move beyond gender-neutral approaches toward systems that are gender-intelligent by design.

The white paper highlights the vast opportunity worth USD 688 billion embedded in women's financial engagement. It shows how financial institutions can integrate gender intelligence to enhance profitability, customer trust, and institutional resilience. It introduces the RISE framework (recognize, integrate, serve, evolve), a practical framework that guides banks, insurers, and investment managers to embed gender sensitivity across strategy, governance, products, and operations. The framework turns gender intent into measurable business outcomes.

For the financial sector, gender inclusivity promotes innovation and long-term competitiveness. As more women join India's workforce and exercise greater financial agency, institutions that work toward inclusivity now will unlock lasting value, build deeper customer loyalty, and future-proof their business models.

The NIBM and MSC share a common vision. We want to enable a financial system that recognizes women not as a peripheral customer group, but as a core driver of growth and stability. We hope this white paper inspires financial leaders to transform gender intelligence from a social imperative into a strategic advantage. This white paper envisions meaningful decision-making not just at the branch counter, but in boardroom decisions that shape the future of banking.

Foreword by MSC

Akhand Tiwari, Senior Partner

Despite India's remarkable progress in expanding access to financial services, the gap between access and active usage remains significant-particularly for women. This white paper, "Gender-Intelligent Banking: Branch Counters to Boardrooms," quantifies the untapped USD 688 billion opportunity that arises from women's underrepresentation across the financial ecosystem. It focuses on five key financial products-deposits, credit, insurance, pensions, and investments-that urgently need to become more gender inclusive. Yet, even as these structural gaps persist, the landscape of risk is shifting rapidly, intensifying the vulnerabilities women already face. Financial exclusion is no longer just an economic issue; it is increasingly a climate resilience issue. Without gender-intentional financial systems, women will continue to face compounded barriers in moments of crisis.

The millions of women around the globe bearing the brunt of climate impacts cannot wait. Research shows that women are 14 times more likely than men to die in climate-related disasters, and climate change is projected to push 158 million more women and girls into poverty by 2050. Today, 753 million women in the most climate-vulnerable countries still lack even the most basic financial services, such as access to formal savings accounts and insurance products that protect their assets and livelihoods. In this context, designing gender-responsive financial products and services has become even more imperative-to safeguard the interests of these women, ensure they can quickly receive emergency relief funding, protect their hard-earned assets, and support their long-term resilience in an increasingly volatile climate.

It makes a strong case for financial institutions to view women as more than a mere social inclusion imperative. Women need recognition as a strategic market segment that drives profitability, stability, and growth.

In the past five years, women's participation in the labor force has nearly doubled, their incomes and financial awareness have increased, and their digital adoption has deepened. Yet, structural barriers, such as product design biases, collateral requirements, and rigid operational processes, continue to constrain their financial potential. This paper shows that when institutions embed gender-intelligent banking principles into strategy, products, governance, and operations, they can simultaneously close gaps in access and enhance business performance.

Anchored in MSC's global experience and the NIBM's capacity-building expertise, the paper introduces the RISE framework (recognize, integrate, serve, evolve). The framework provides a stepwise approach for financial institutions to internalize gender intelligence. These inclusive practices can transform disaggregated data into actionable insights, align leadership incentives with inclusion goals, and deliver products that resonate with women's life stages and financial behaviors.

The paper argues that when institutions serve women customers, they can reap the dual dividends of improved financial inclusion outcomes and stronger institutional resilience. Early adopters, such as banks, insurers, and asset management companies (AMCs), stand to gain a competitive advantage through diversified portfolios, enhanced trust, and sustainable profitability. Gender-intelligent banking is a business transformation imperative that redefines the future of inclusive finance beyond a compliance exercise.

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Chapter 1:
Introduction

Throughout history, access to banking for women has been systematically limited by patriarchal, legal, social, and economic structures. Even today, despite an increase in account ownership, women remain underserved as most financial products and services are designed without consideration of their unique needs, behaviors, and life goals. Evidence shows that women account holders are 20% less likely than men to have active accounts. They often cite dissatisfaction and face barriers, such as collateral requirements, rigid product terms, and misaligned delivery channels. This signals a systemic design gap where banks continue to miss out on the immense opportunity that women represent.

With growing competition among financial service providers, inadequate banking access is no longer merely an issue of women's financial inclusion or socioeconomic development. These persistent gaps have now impaired a significant market segment.

This white paper quantifies the market opportunity across five key financial products-deposits, credit, insurance, pensions, and investments-and outlines a clear pathway to address it. The paper draws on MSC's extensive experience, global case studies, and the NIBM's expertise in building mainstream banking capacity to explore the concept of gender-intelligent banking. Through the integration of gender-intelligent practices, financial institutions can reach new customer segments, enhance portfolio quality, and drive inclusive and sustainable economic growth for themselves and their customers.

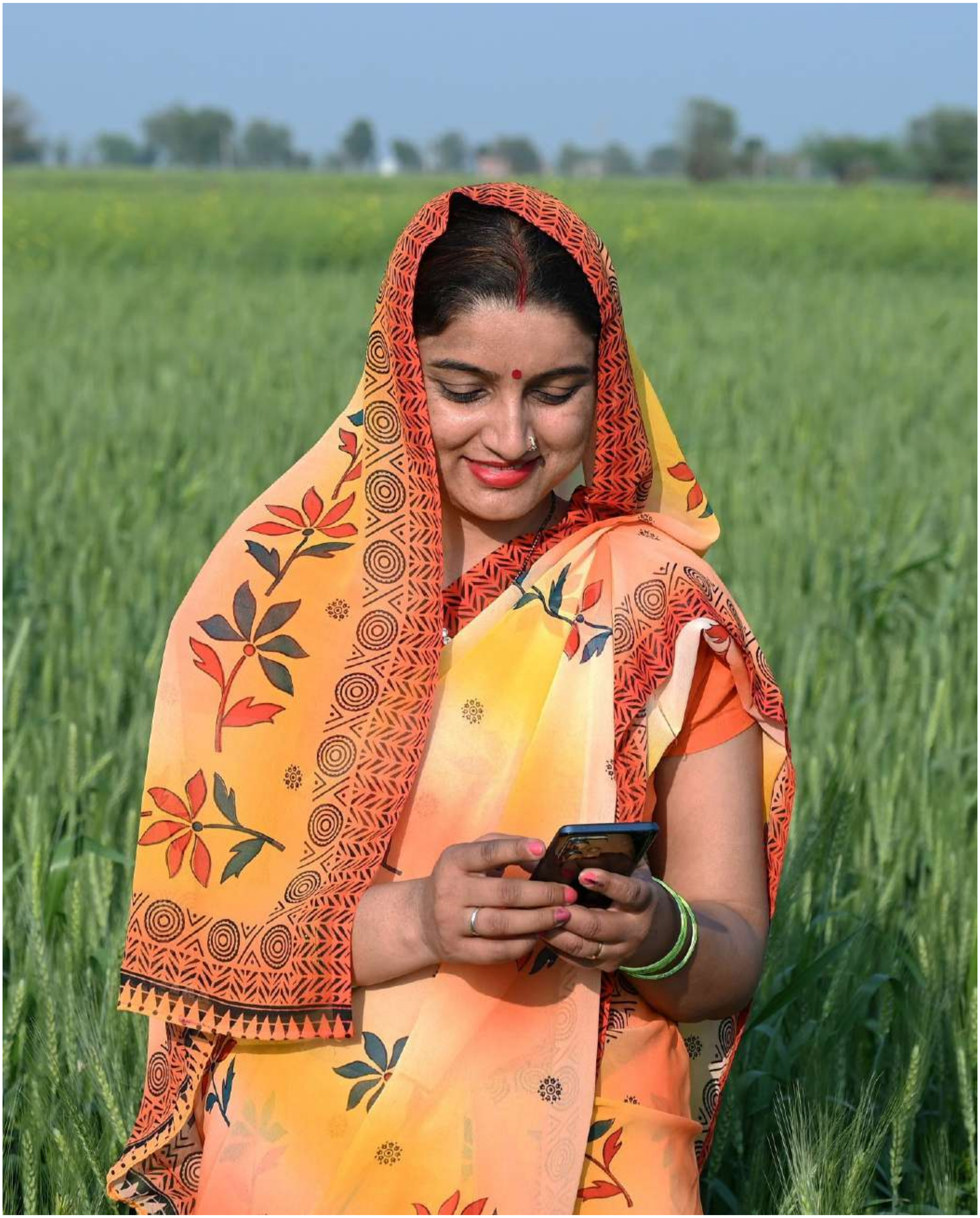
This white paper is designed for senior executives of major banks, payment banks, regulators, policymakers, and bridge institutions across the financial services ecosystem. For these stakeholders, the gender-intelligent banking offers strategic and operational value. It enables them to align with global financial inclusion goals, respond to evolving regulatory and social expectations around gender equity, and capture an underused market segment. The framework's actionable approach enables financial service providers to translate inclusion intent into measurable business outcomes and seamlessly integrate gender-intelligent practices into their routine operations. This approach maximizes potential and does not significantly disrupt existing models or processes.

The origins of gender-intelligent banking were first seen in early initiatives, such as the World Bank's program in Mexico in 2003. Under this program, certified institutions were expected to integrate gender equity into their operations to address occupational segregation and discrimination. The initiative sought to demonstrate that equitable systems could also be profitable. Although the initiative improved institutional image and culture, it did not clearly establish the business case for banks. The World Bank's 2017 study built on this early foundation and began to link gender equity to profitability, but stopped short of assessing realized monetary benefits.

Over time, organizations, such as the Global Banking Alliance for Women, the Financial Alliance for Women, and the International Finance Corporation (IFC), have tried to deepen the sector's understanding of women's financial needs. MSC's 2019 research further advanced the conversation when it introduced the financial services space framework to understand women's financial behavior and moved beyond account ownership to motivations, decision-making, and usage patterns.

Despite these efforts, adoption among banks has remained slow. Two core challenges hinder adoption. First, many bankers are still trying to grasp the vast financial potential women customers represent, and second, institutions often struggle to embed gender-intelligent practices within existing systems and processes. Key stakeholders can now better quantify and realize the business gains for financial service providers due to a greater availability of gender-disaggregated data and deeper engagement across the sector.

This white paper presents a clear business case for gender-intelligent banking across key financial services. It links demand-side insights with concrete supply-side opportunities, which enables financial service providers to convert untapped potential into measurable business growth. The paper offers a pragmatic and adaptable framework that helps institutions embed gender-intelligent practices into their core operations, enhance customer acquisition, improve portfolio quality, and drive profitability. The subsequent chapters outline the market opportunity, showcase successful implementation models, and present a structured framework to operationalize gender-intelligent banking within existing business systems and processes.



Chapter 2:
Business opportunity in India

India's female workforce is expanding rapidly, which has created a substantial and underused market for financial services. Key trends highlight the scale and significance of this opportunity:

- Rising workforce participation: The worker population ratio (WPR) for women increased from 22% in 2017–18 to 40.3% in 2023–24, while the female labor force participation rate (FLFPR) rose from 23.3% to 41.7% over the same period.
- Growing earnings and wealth: As per the Periodic Labour Force Survey conducted during April-June 2024, women's average monthly income stands at USD 225.90 in urban areas and USD 140.86 in rural areas. This signals rising disposable income and an increased capacity to engage with financial products.
- Emerging demand for customized products: As women participate increasingly in the formal economy, they will seek financial products and services designed for their unique needs and life cycles. This includes women-centric health covers, flexible contributions to pension, and gender-sensitive onboarding across branches and BCs.
- Strategic urgency: MSC's extensive work has highlighted that the combination of workforce growth, rising incomes, and unmet financial needs represents a strong opportunity for financial institutions, one that cannot be ignored.

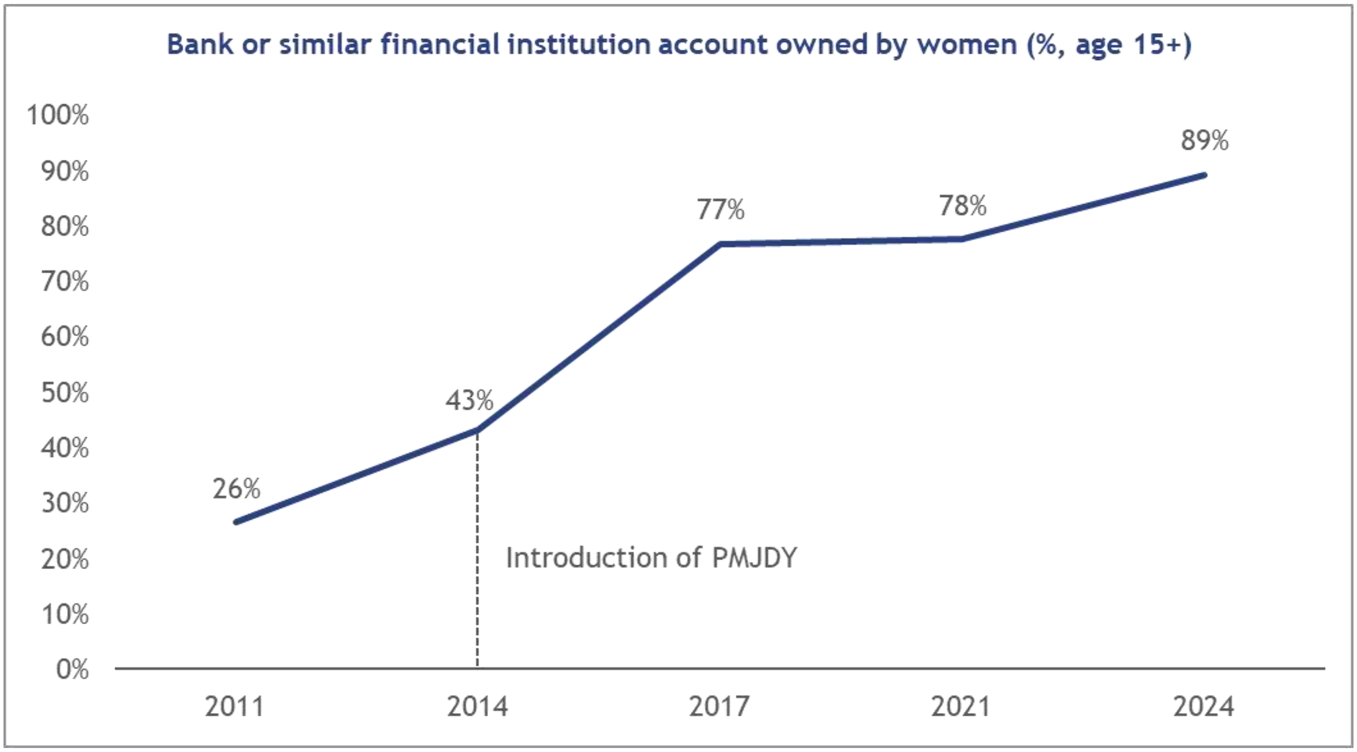
The sections that follow quantify this opportunity across the five key financial products of deposits, credit, insurance, pensions, and investments. The sections highlight the gaps, potential impact, and actionable steps for financial service providers to capture and operationalize women's financial engagement.

Deposits

The *Pradhan Mantri Jan Dhan Yojana* (PMJDY) has been instrumental in the expansion of women's access to formal banking in India. Since 2011, women's account ownership has surged from 26% to 89% by 2024, which demonstrates the success of targeted financial inclusion initiatives.

Despite this progress, women lag behind men in deposit corpus and account activity. As of March 2024:

- Women manage approximately 1 billion accounts, with an average balance of USD 510 per account.
- Men hold approximately 1.5 billion accounts, with an average balance of USD 498 per account.

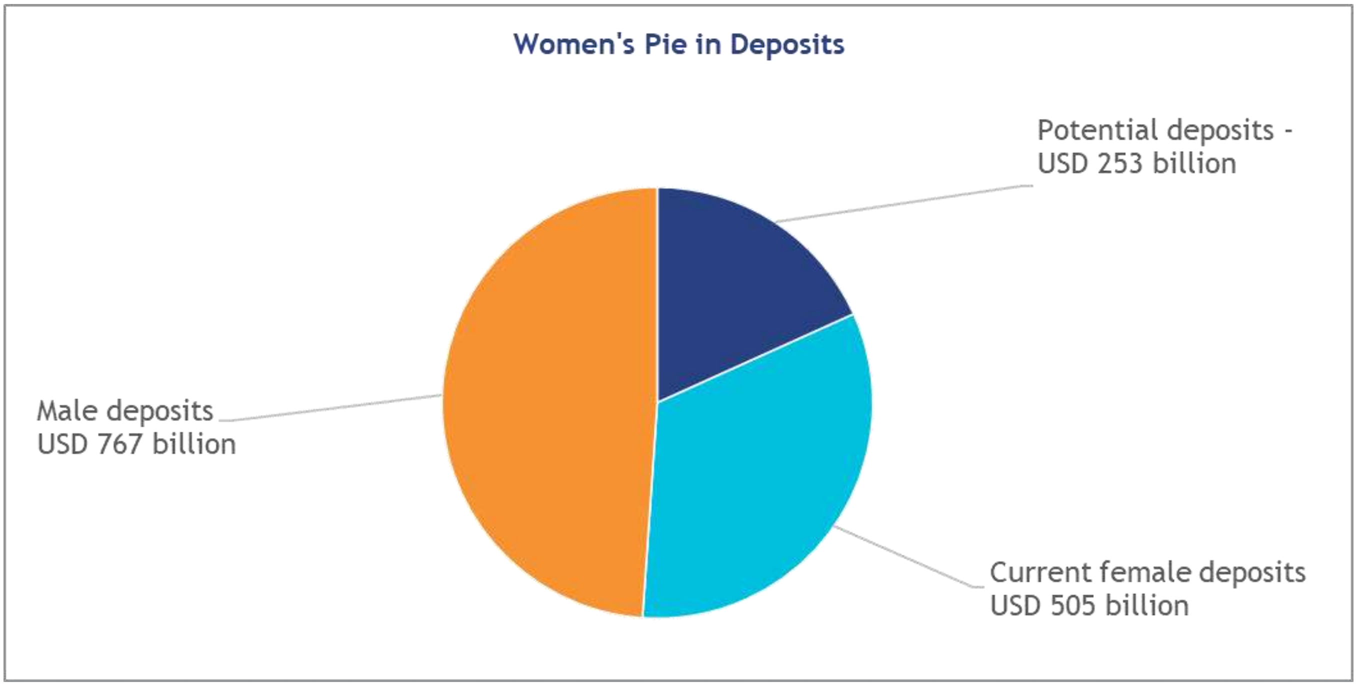


Source: World Bank, the global findex database 2025

This data reveals two critical gaps:

1. **Corpus gap:** Women's total deposits are disproportionately lower than men's despite similar average balances per account.
2. **Activation gap:** A substantial share of women's accounts remains dormant, which represents untapped potential for financial engagement.

MSC's extensive study on financial inclusion finds that gaps in women's deposits and account activity arise from gender norms, mobility constraints, and limited financial awareness. Additionally, despite the rise in account ownership, a significant share of women continue to rely on informal mechanisms, such as cash savings, self-help groups, and chit funds, to manage their money. Banks can bridge these mechanisms when they emphasize convenience, use trusted influencers, and design gender-sensitive interfaces or G2P initiatives that promote women's economic empowerment.



Source: MSC analysis using the data of Basic Statistics Return-2(BSR), Reserve Bank of India (RBI), as on March 2024

Through gender-intelligent banking, banks could see:

- An incremental USD 253 billion in deposits[1] [2];
- 497 million additional active accounts, which provide a pipeline for cross-selling loans, insurance, and investment products.

Banks now face tougher competition for household savings as people move funds to higher-yield options, such as stocks and mutual funds, which slows deposit growth. Liquidity and funding pressures are on the rise as credit expands faster than deposits. Banks can mobilize women's deposits to access a stable, low-cost solution that strengthens balance sheets and reduces reliance on expensive funds. Banks that design women-centric deposit accounts, customize features to their needs, provide incentives for activation, and link to other financial products can capture a significant growth opportunity.

Credit

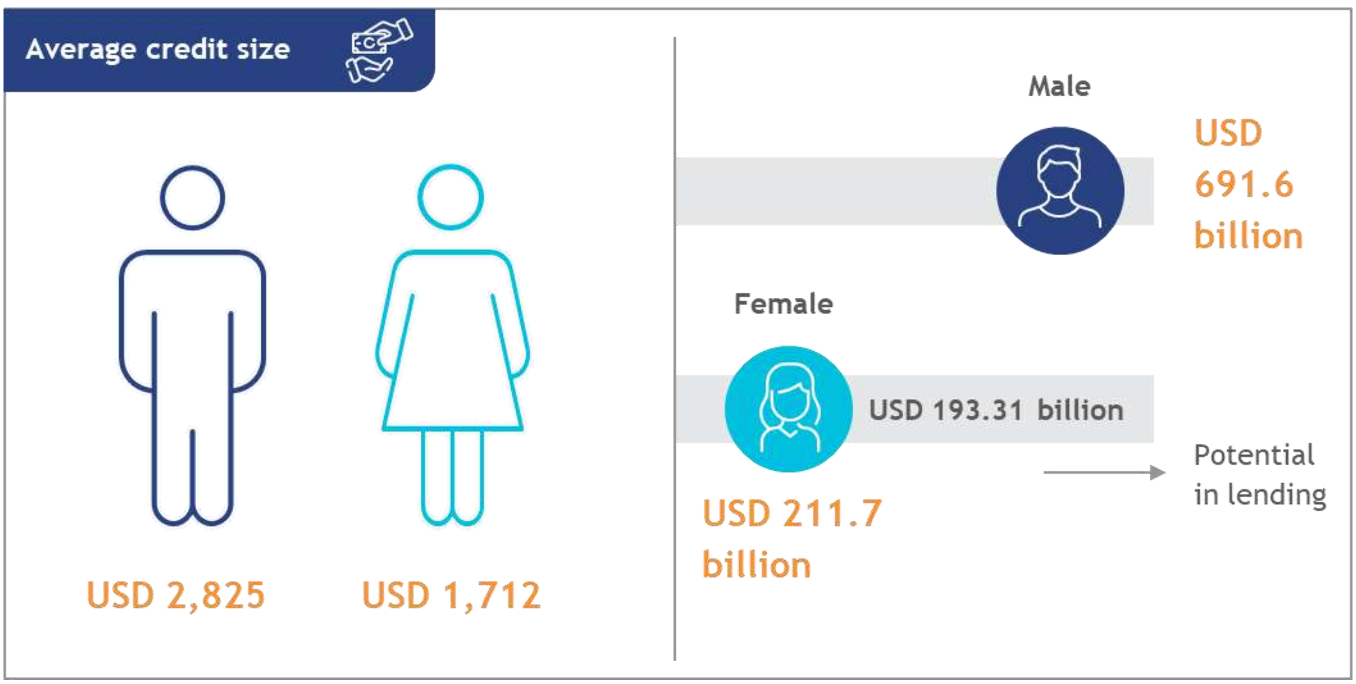
Women's access to credit in India continues to lag significantly behind that of men in terms of account ownership and loan values. This gap stems from multiple factors, including sociocultural barriers, such as low financial literacy and fear of formal institutions. Economic and structural constraints, such as a lack of collateral and limited credit history, also play a significant role. Systemic biases within the financial sector, which include gendered perceptions in lending and unsuitable product designs and processes, further widen this gap.

[1] Deposits refer to the outstanding balances in savings, current, and term deposit accounts reported under RBI's BSR-2 return, which captures branch-level deposit liabilities of scheduled commercial banks as of the reporting date.
[2] Based on authors' calculations

This disparity persists despite the dominance of women in India's microfinance landscape. More than 95% of microfinance borrowers are women, yet the overall value of outstanding loans remains significantly lower than that of men. This MFI conundrum highlights that while outreach to women has expanded, the depth and diversification of credit have not kept pace. Most loans continue to be small-ticket, short-term, and oriented toward subsistence or microenterprise activities.

As per the current data:

- Women account for only 23% of outstanding loans[3], which comes to USD 212 billion, as against USD 692 billion for men.
- The average loan size for women is USD 1,712, nearly USD 1,100 lower than men's average of USD 2,825, which reflects historical biases in lending and collateral requirements.
- Only 12 crore or 124 million women hold active loan accounts, against a projected demand of 23 crore, which leaves a gap of 11 crore or 110 million accounts.



Source: MSC analysis using the data of the International Monetary Fund (IMF) Financial Access Survey, 2024

Through a gender-intelligent approach, the women's credit market could expand by USD 193.31 billion,[4] which will create a substantial growth opportunity for banks.

The case of PM *Mudra*

Under the *Pradhan Mantri Mudra Yojana* (PMMY), 71.05% of women borrowers are concentrated in the *Shishu* category of loans up to INR 50,000 (USD 563) as per Annual *Mudra* report 2023-24. While the

[3] refers to the total stock of household loans held by commercial banks that remain unpaid as of the reporting date. These figures represent male-owned or male-operated household accounts and capture only loans denominated in domestic currency, classified under the asset side of banks' balance sheets.
[4] Based on authors calculations

Mudra scheme has been successful in lending to women, it's women borrower remain concentrated in the small ticket size segment.

Research indicates that nearly 70% of women-led MSMEs require credit in the range of USD 2,410 to 6,024, well above the typical *Shishu* loan limit. While many women access small-value credit, the amounts are too modest to enable meaningful business expansion. Consequently, women entrepreneurs continue to struggle to climb the growth ladder. Several factors drive banks and financial institutions to concentrate on *Shishu* loans for women, which include:

1. Perceived lower risk due to smaller ticket size;
2. Simpler processing and lower paperwork for small loans;
3. Credit readiness of women entrepreneurs is lower, with thin credit history, lower collateral, and limited business formalization, which makes larger loans harder to sanction.

For banks, the challenges are real. The dominance of small-ticket loans means women-led businesses do not receive sufficient financial support to graduate into higher-value borrowing, which could deepen banking relationships and improve asset quality. The Women and Credit study conducted by MSC in partnership with SEWA highlighted that many women entrepreneurs do not even aspire to take larger or formal loans. This is because they have internalized discouragement from repeated experiences with complex processes, biased attitudes, and rigid collateral requirements. As a result, the pipeline for women's enterprise finance remains thin, while banks' portfolios stay concentrated in low-value, low-growth segments. This concentration limits opportunities for institutional profitability and women's economic advancement.

Banks and credit institutions need to focus on more than just redesigning credit products. They need to rethink how financial institutions engage with women customers. All the involved actors must build on core product features to address the entire value chain of delivery. They need to position products in ways that resonate with women's aspirations and realities through trusted channels and relatable communication. They need to simplify processes to reduce friction and bias and train people, such as relationship managers and field officers, to engage women clients with sensitivity and trust.

This comprehensive design module is what drives behavioral change for women and institutions. Women gain confidence, and their willingness to borrow increases. For institutions, this module unlocks a loyal, reliable, and growing customer base. This inclusive design module accounts for women's lived realities in formal financial systems to advance financial inclusion. It also expands banks' credit portfolios and revenue potential, as women have consistently higher repayment, retention, and referral rates.

Insurance

While India has made significant progress in insurance coverage, a significant gender gap persists. Women's roles as income earners, entrepreneurs, and household financial managers make them central to risk management, yet they remain among the most underinsured segments. The insurance ecosystem in India presents a dual opportunity. It can apply lessons from government-backed programs that have successfully built awareness and access to strengthen private sector engagement and innovate for women. Together, these efforts can elevate insurance from a product of necessity into a pillar of women's financial resilience and empowerment.

Women represent a pivotal growth segment for the insurance industry. As income earners, entrepreneurs, and household financial managers, they play a central role in financial decision-making, especially related to health, life, and asset protection. Yet, women remain significantly underinsured, which reflects gaps in product and outreach.

Recent studies show that women account for approximately 30% of health insurance coverage in India, and only 26% of women purchase health insurance independently. Most women still rely on male family members for decisions related to health insurance. Despite being primary risk managers at the household level, women remain largely invisible as a target group in insurance product design and marketing.

Private insurance

The private insurance markets in India represent a substantial growth opportunity for financial service providers that target women:

- The women's segment in this private insurance market is projected to reach USD 35 billion by 2030.

Segmented projections for different insurance products: Life insurance USD 17.7 billion, non-life USD 4.4 billion, and health insurance USD 0.1 billion

Source: IFC SheforShield report

Women's coverage remains constrained by product design, affordability, and trust, rather than their willingness to participate. Evidence from national social protection and insurance programs indicates a clear intent among women to engage with formal risk-protection instruments. Under *the Pradhan Mantri Jeevan Jyoti Bima Yojana* (PMJJBY) and the *Pradhan Mantri Suraksha Bima Yojana* (PMSBY), women's enrolment rates have been consistently high and have kept pace with rising men's participation since their inception. These trends signal a largely untapped market with demonstrated demand readiness.

As women transition from publicly subsidized to private insurance ecosystems, providers that design accessible, trust-based, and lifecycle-aligned products stand to capture significant market share. Insurers must move beyond generic female-focused products toward comprehensive financial protection portfolios that integrate health, life, and wellness. This protection can unlock commercial value and social impact. It will deepen financial resilience among women as it expands the insurance penetration base.

Government-backed insurance

- Government schemes, such as the PMSBY and the PMJJBY, show that women are willing to adopt low-cost, simple insurance products when bundled with banking services.
- Women's enrollment in the PMSBY at 222.6 million and the PMJJBY at 96 million marginally exceeds that of men, which reflects strong latent demand.
- Under the *Ayushman Bharat Pradhan Mantri Jan Arogya Yojana* (AB PM-JAY), women now account for 49% of issued cards and nearly 48% of hospitalizations, which further reflects how better insurance design can improve strong latent demand and value proposition.

Women represent a highly profitable insurance segment, characterized by lower claims, higher persistency, and minimal lapse and fraud risk. Their consistent premium payments create a stable, recurring revenue stream with low servicing costs. As women's participation in MSMEs and entrepreneurship expands, gender-focused distribution channels offer strong opportunities to cross-sell insurance products and deepen engagement.

Looking ahead, insurance against climate risks will be critical, as women are disproportionately affected by climate-induced livelihood disruptions, health risks, and asset losses. Yet, this segment remains largely excluded from climate or disaster risk insurance, with few products designed to protect women's incomes, enterprises, or households from environmental shocks.

Capturing the women's insurance market requires designing affordable, relevant, and trust-based products. The combination of private sector innovation with lessons from government schemes can unlock USD 22 -35 billion in growth and establish long-term engagement with women across multiple financial services.

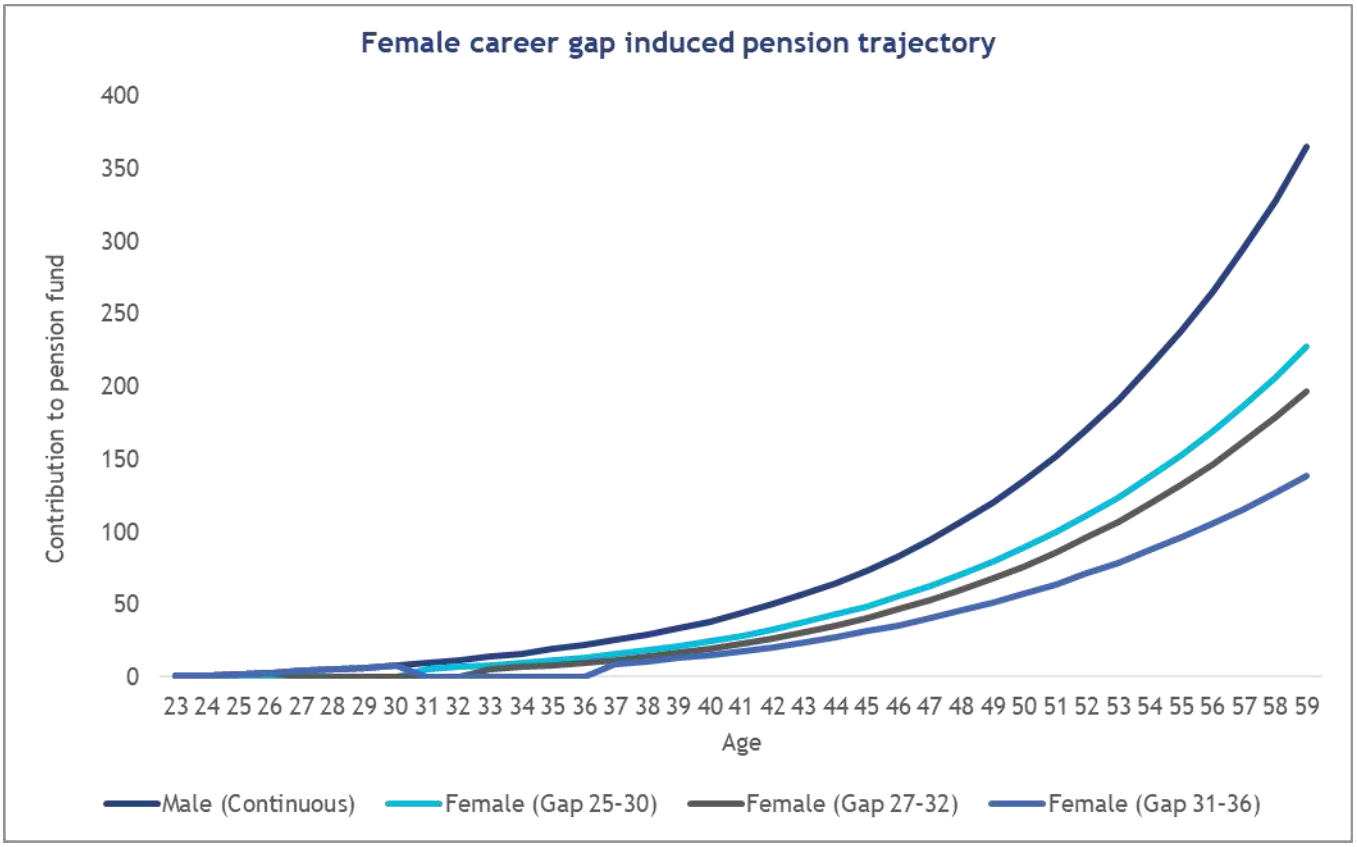
Pensions

Pension coverage is critical for women, given their longer life expectancy, career interruptions, and lower lifetime earnings. Despite formal inclusion efforts, women remain systematically under-covered, which creates a looming retirement-income gap.

Women often face delayed or interrupted retirement contributions due to career breaks, maternity leave, and caregiving responsibilities. For instance, if we assume a monthly contribution of INR 5,000 (USD 56.43), an annual step-up of 10%, and an interest rate of 8%, a man who makes continuous contributions until age 60 would accumulate around USD 410,000. In comparison, women with typical career gaps would accumulate only USD 364,000 to USD 325,000.

This extrapolation underscores two structural issues:

1. Career-cycle discontinuity reduces cumulative contributions;
2. Lower average contributions, which reflect wage gaps and financial constraints.



Source: MSC calculations

Pension programs must implement these strategies to serve women effectively:

1. **Accommodate career breaks:** Introduce flexible contribution schedules and top-up mechanisms to offset interrupted work periods.
2. **Offer targeted incentives:** Provide higher matched contributions or subsidies for women to encourage consistent participation.
3. **Simplify access and education:** Use digital channels and workplace programs to enhance awareness and reduce complexity.
4. **Integrate lifecycle planning:** Design products that adjust contributions and benefits based on women's earning patterns, caregiving responsibilities, and longevity risk.

Government-backed programs, such as the *Atal Pension Yojana (APY),* have shown women's willingness to participate in structured long-term savings when products are simple, trusted, and supported by clear incentives. Women currently account for 45% of total APY subscribers, which reflects the potential for gender-intentional pension design to drive adoption at scale. Yet, despite this success, women's contributions under the APY remain lower on average, which underscores the need for greater flexibility, higher contribution matching, and gender-responsive outreach to sustain participation and adequacy.

Banks and FIs should design gender-intelligent pension programs that offer significant value for both banks and the economy.

For banks and FIs, women-focused pension products create an opportunity to deepen customer relationships and build long-term financial engagement. Women typically show higher savings discipline and a lower risk of default, traits that strengthen portfolio stability. Banks that address women's unique lifecycle needs through flexible and inclusive pension solutions expand their customer base, increase cross-selling potential for complementary products, such as insurance and investment plans, and enhance brand trust as a socially responsible institution.

- At the macro level, women's pension participation must be improved to address old-age vulnerability and economic dependency. In India, only about 20% of the elderly are covered under the public pension program, and only 2% have access to employer-funded or contributory pensions, which leaves a vast majority without formal old-age income security.
- Studies show that 86% of elderly women in rural areas and 83% in urban areas remain economically dependent on others, compared to much lower rates among men. This dependency gap reflects structural inequities in labor force participation, wage parity, and access to contributory systems. Enhanced women's pension inclusion can strengthen household financial resilience and modestly expand the pool of long-term domestic savings over time.

Investments

Women's participation in retail capital markets remains far below its potential, despite rising financial literacy and overall market expansion. It is constrained by financial and structural barriers, which include lower disposable incomes, a preference for traditional low-risk assets, such as gold and fixed deposits, and limited access to digital infrastructure, including phones and internet connectivity.

- Women hold approximately one in four retail investment accounts, which represents 33% of total retail AUM.
- Only 1.8% of the female population actively invests, which highlights a significant untapped opportunity.
- Financial literacy initiatives have helped drive early adoption. Yet, engagement levels remain modest.

USD 712.5B

The retail mutual fund industry in 2030

USD 242.3B

The business AMCs could rake in with gender intelligent practices

Source: MSC analysis using the data of the Association of Mutual Funds in India (AMFI)

The total retail AUM is projected to reach USD 712.5 billion by 2030. Under current trends, women's share is expected to be USD 235 billion. With gender-intelligent banking product design, women's AUM could increase to USD 477.4 billion[5] and unlock an incremental USD 242.3 billion. Achieving this potential would equalize gender participation in retail investments and create a significant growth opportunity for AMCs.

Implications for AMCs

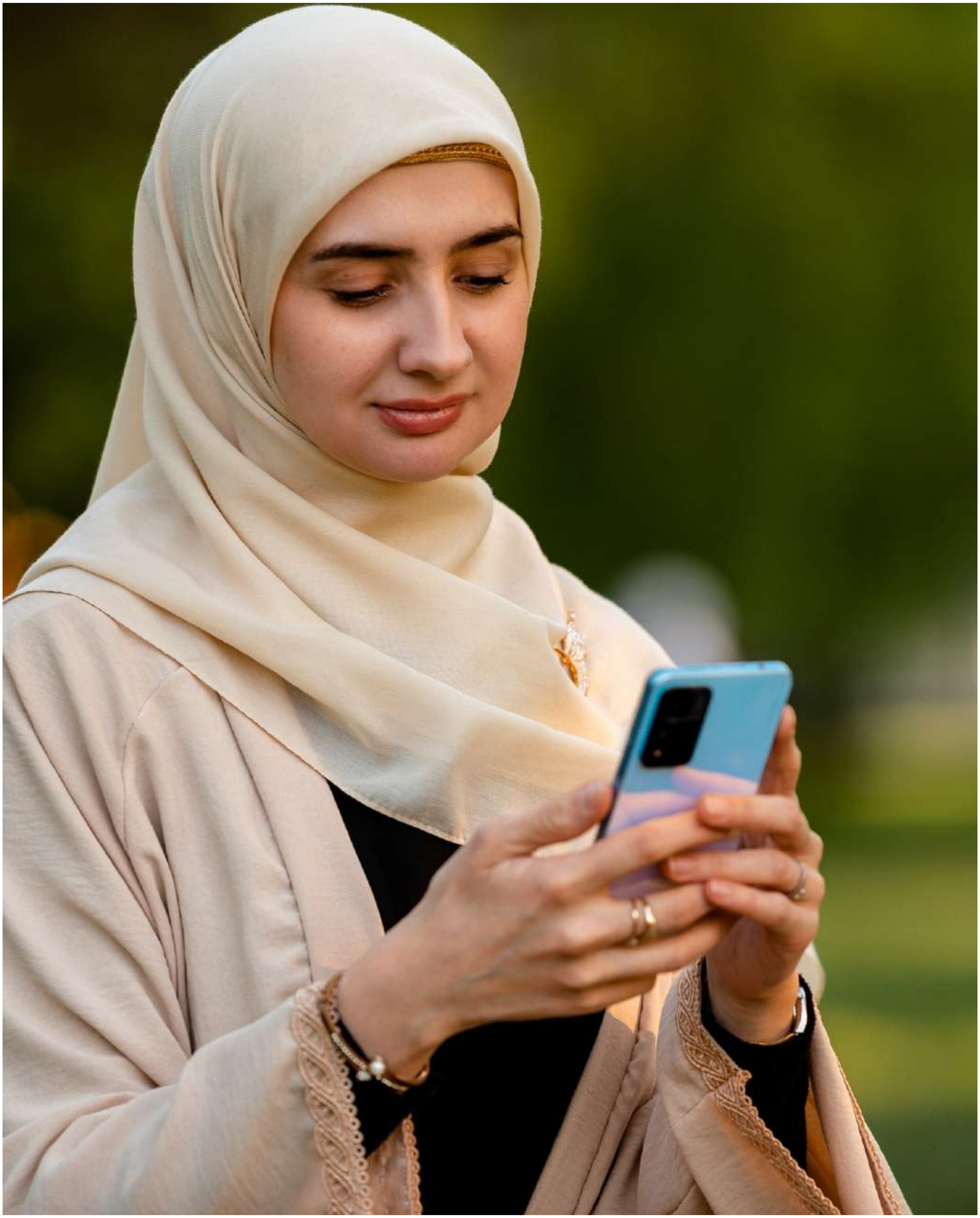
- Tailored investment products: Investment offerings should align with women's risk preferences, income patterns, and lifecycle goals. Initiatives like SEBI's INR 250 SIP can encourage greater participation by lowering entry barriers for women investors. For example, SBI Mutual Fund's *JanNivesh SIP,* launched in partnership with digital platforms, such as Paytm, Zerodha, and Groww, offers a small-ticket SIP starting at INR 250, which makes it easier for new and underserved investors to begin their investment journey.
- Targeted education and advisory support: AMCs should simplify investing and provide confidence-building tools.
- Integration with banking relationships: AMCs should bundle investment products with deposits, pensions, or insurance to increase accessibility and retention.

Expanding women's participation in retail investments is critical to advance financial inclusion and drive sustainable growth in the investment ecosystem. Women represent a large, underserved customer base with rising financial independence and longer investment horizons. By engaging women investors, AMCs and financial institutions can diversify and stabilize their investor base, enhance long-term asset growth, and strengthen alignment with ESG and gender inclusion goals, turning inclusion into both a social and business opportunity.

Despite the clear case for business and inclusion, women remain largely absent from the strategic focus of most investment institutions. Few AMCs or wealth managers explicitly target women as a distinct investor segment, which results in generic products and outreach that fail to reflect women's financial goals, risk appetites, or life-stage needs.

The government's efforts to promote women's financial inclusion have not yet translated into proactive private-sector adoption, with most initiatives remaining compliance-oriented rather than opportunity-driven. Moreover, MSC's field evidence suggests that gender-disaggregated data (GDD) may not give the actual picture of women's actual participation, as many investment or savings accounts opened in women's names are, in practice, operated by male family members. The true levels of women's independent engagement are therefore lower than reported, which underscores the need for intentional, data-driven, and gender-intelligent investment strategies that move beyond access to authentic participation and agency.

[5] Based on authors' calculations



Chapter 3:
The gender dividend: Why must financial institutions act now?

India's financial inclusion journey in the past decade has been transformative. However, as Chapter 2 highlighted, access alone does not equate to usage or value creation. They are visible in the financial system. Yet, their participation in savings, credit, and insurance remains limited. Thus, their financial journeys remain underleveraged.

India has achieved breadth of inclusion; the next frontier is depth, which activates engagement and unlocks financial value. The following points outline why financial institutions must act now and present a clear business case to engage women as a strategic customer segment.

The largest underserved customer segment

Women are the single largest underserved customer segment in financial services, which represents a substantial and reliable market opportunity. The size of this segment presents a strong business case for financial institutions, which offers the potential to drive portfolio growth and profitability. As estimated in Chapter 2, the activation of women's financial participation in India, potentially represents a USD 688 billion market opportunity[6].

Studies show portfolio companies with more than 50% female clients grow 1.5 times faster than those with fewer female clients. Similarly, wealth-management firms that acquire and retain younger women could see up to four times faster revenue growth.

Therefore, FIs must deepen relationships and increase service quality among women customers to attain and sustain growth.

Women are ready to engage with a diversified suite of financial products

The economic and digital landscape in India has shifted decisively in favor of women as a financial segment. As of 2023–24, the female labor force participation rate (FLFPR) has increased to 42%, up from 23% in 2017–18, which marks one of the most substantial rises among BRICS nations. This surge is accompanied by a significant rise in women's entrepreneurship, as women-led MSMEs increased by 75% in FY22.

MSC's PEFI study identifies a growing segment of women in India who access financial services, actively use multiple banking channels, and use advanced financial products. These "advanced users" regularly save, transact, and borrow. They are educated, engaged in economic activities that provide relatively stable incomes, are familiar with digital interfaces, and face few mobility constraints. Collectively, these characteristics show financial capability and decision-making autonomy, which signals high readiness for deeper financial engagement.

This behavioral readiness also reflects in broader trends. Globally, 66% of married millennial women are actively involved in financial decisions, compared to earlier generations. Women control 80% of household spending and 40% of global wealth. McKinsey reports that between 2018 and 2023, financial wealth grew by 43%, while wealth controlled by women grew by 51%, which highlights a significant and expanding market segment.

[6] Figure is an extrapolated estimate derived from the analysis in Chapter 2. This estimate accounts business opportunity in deposits, credit, and investments

A report by NITI Aayog, MSC, and TransUnion CIBIL highlights that the number of women in India who seek retail credit has tripled between 2019 and 2024. 60% of women borrowers who avail credit are from semi-urban and rural areas, which highlights a deepened financial footprint beyond metro cities. Additionally, 27 million women monitored their credit in 2024, a 42% increase from the previous year, which signals greater financial awareness and engagement with financial services. This report further identifies that there is a segment of women who are both credit-ready (capable to take formal credit) and credit-willing (motivated to borrow), which highlights a profitable segment poised to engage with a wide suite of financial products.

This combination of increased economic participation, higher incomes, and financial empowerment indicates that women are ready to engage with a diversified suite of financial products. Financial institutions can take advantage of this latent readiness.

Risk-return advantage: Women as a stable, high-value segment

Women customers consistently show lower risk profiles and higher financial discipline, which makes them attractive to financial institutions. Globally, non-performing loan rates for women-led small businesses average 2.7% to 33% lower than for men. Women also save more, borrow prudently, and generate healthier loan-to-deposit ratios, which provide banks with liquidity and lower risk exposure.

Beyond risk management, banking on women drives client retention and profitability. Institutions that have developed comprehensive value propositions for women report both higher portfolio growth and increased profits. Banks with mature women's market programs report stronger client loyalty and engagement compared to institutions just beginning to serve women. Data from Bain & Company indicates that increased customer retention by just 5% can raise profits by 25-95%. Thus, FIs that adapt early will own the lifetime value of a customer segment that expands.

FIs that engage this segment can capture economic value while they enhance risk management and sustainability.

First-mover leads the market and innovation in the financial ecosystem

FIs that integrate gender-intelligent practices proactively position themselves as leaders in a rapidly evolving market. The Government of India's push through initiatives, such as inclusion of gender priorities in national financial inclusion and MSME policies, which reflects increased policy emphasis on women's economic participation. As awareness increases, customers, particularly women, tend to engage with institutions that show gender sensitivity in their products, outreach, and service delivery.

As FIs respond to this shift, they capture a larger share of the women's market, expand the overall customer base, strengthen offerings for all customers, and effectively increase the size of the financial inclusion "pie." When institutions align product design, distribution channels, and customer support with women's needs, they build greater customer trust and strengthen brand goodwill. Women customers tend to stay with and recommend institutions that demonstrate empathy and responsiveness to their life circumstances.

Gender-intelligent design also diversifies customer profiles, as it attracts new segments, such as micro-entrepreneurs, part-time earners, and digitally active women, which spreads credit and liquidity risk across a broader base and improves portfolio resilience. It also allows FIs to differentiate their brand, anticipate customer needs, and drive product innovation that serves all customers, which expands market share before competitors catch up. Thus, early movers can build organizational capabilities that are difficult for competitors to replicate, gain stronger partnerships with regulators, development agencies, and ESG-focused investors, and secure access to funds aligned with gender and sustainability goals.

For example, FinTechs that removed gender bias from credit algorithms saw their gross margins increase by nearly 20% due to improved risk assessment and inclusion outcomes. An IFC study (2023) found that women-focused lending portfolios show lower non-performing loan ratios and higher repayment discipline, which contributes to portfolio stability. Evidence from research by MicroSave Consulting (MSC) across Asia and Africa shows that banks that adopt gender-intelligent design report higher customer retention, greater product uptake, and increased customer lifetime value.

Case study: 1st for Women Insurance in South Africa

Launched in 2004, 1st for Women Insurance was South Africa’s first insurer to design products specifically for women, based on deep qualitative and quantitative research. Rather than repackage standard products, the firm personalized offerings to meet women’s real needs, which emphasized trust, clarity, and respectful engagement. Marketing evolved from gender rivalry themes to messages of independence and empowerment, which reflected what it calls the “revised female code.”

The company also created the 1st for Women Foundation to tackle issues, such as gender-based violence and cervical cancer, through partnerships and its “For Women” platform.

This gender-intelligent strategy delivered both social and commercial impact, with gross written premiums that reached USD 63.1 million and a 7.1% year-over-year growth rate in one reporting year.

Case study: Mutual Trust Bank (MTB)

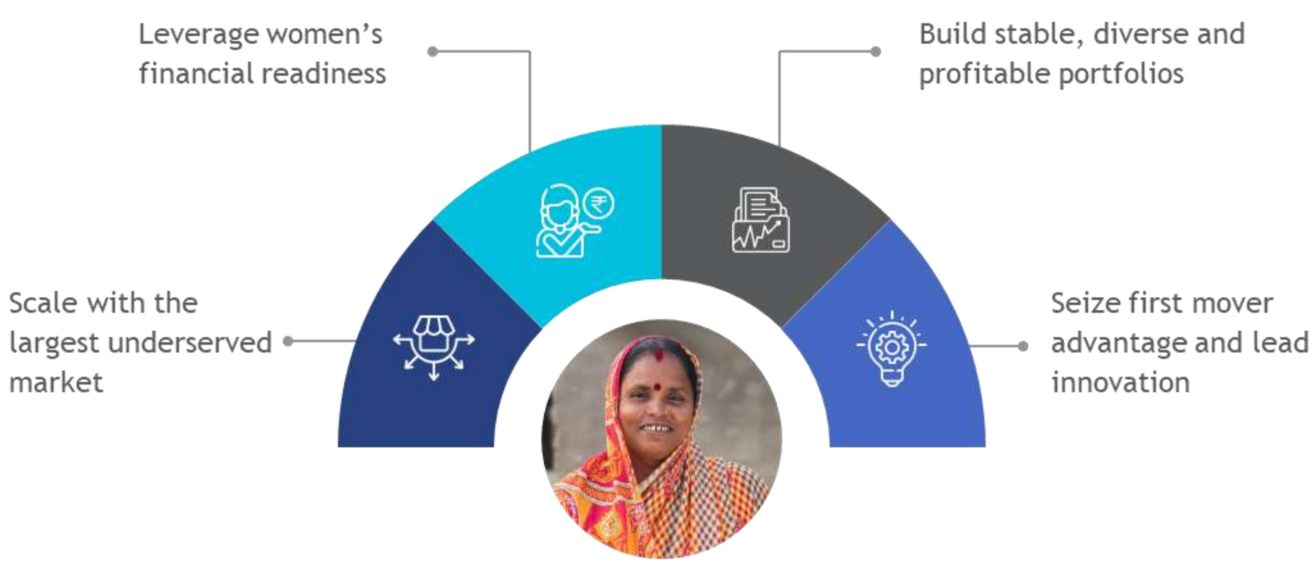
Women entrepreneurs in Bangladesh often trusted banks but avoided them for everyday savings or small loans. High minimum deposits and paper-heavy loan processes meant they had to spend up to BDT 6,000 and several days to apply for credit, which pushed many toward informal sources.

Mutual Trust Bank (MTB), in partnership with Bank Asia and MicroSave Consulting (MSC), turned this challenge into an opportunity. Through financial diaries and journey mapping, MSC helped design a small-ticket savings product with flexible deposits and a built-in secured overdraft (SOD). Women who saved regularly became automatically eligible for small loans, which built a formal credit history over time. Meanwhile, Bank Asia digitized loan applications with mobile-based lead generation and automated checks, which reduces travel, time, and error costs.

In the first year, MTB onboarded 500 new women clients, who mobilized USD[7] 20,500 in new savings, while Bank Asia disbursed around USD 1.64 million in loans to 1,000 women.

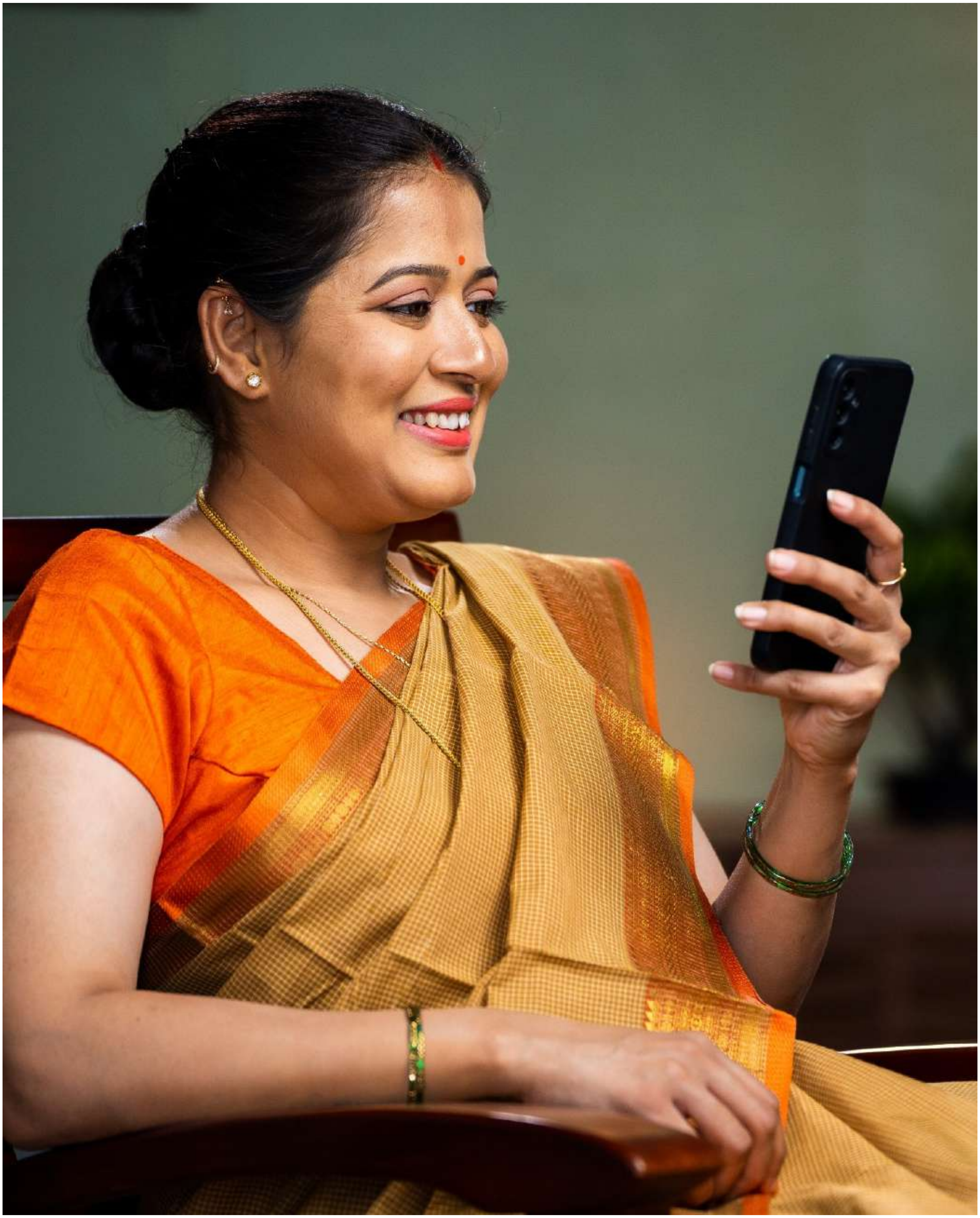
The results lowered acquisition and processing costs, better-quality applications, and higher savings-to-credit conversions.

The time is now: Unlocking the gender dividend

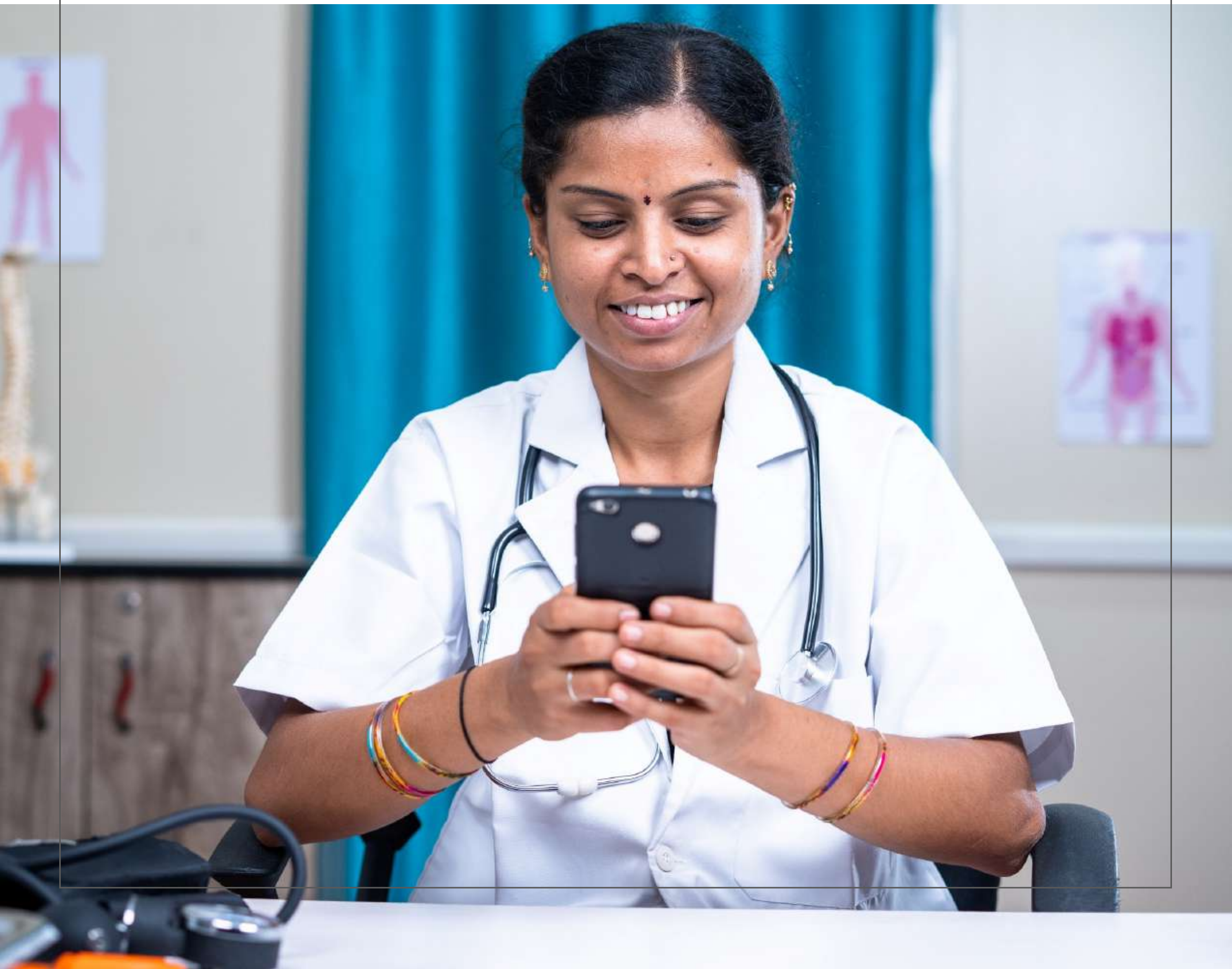


Thus, the evidence is unambiguous. Women represent the largest untapped market. They are ready to engage, and they bring both stability and long-term value to the financial system. The institutions that view this moment as an opportunity, rather than an obligation, will shape the next phase of financial growth through innovation, resilience, and foresight. Leadership will belong to those who move first.

[7] Conversion based on mid-market exchange rate of **1 BDT = 0.0082 USD** as of November 2025.



Chapter 4:
Moving toward gender-intelligent banking

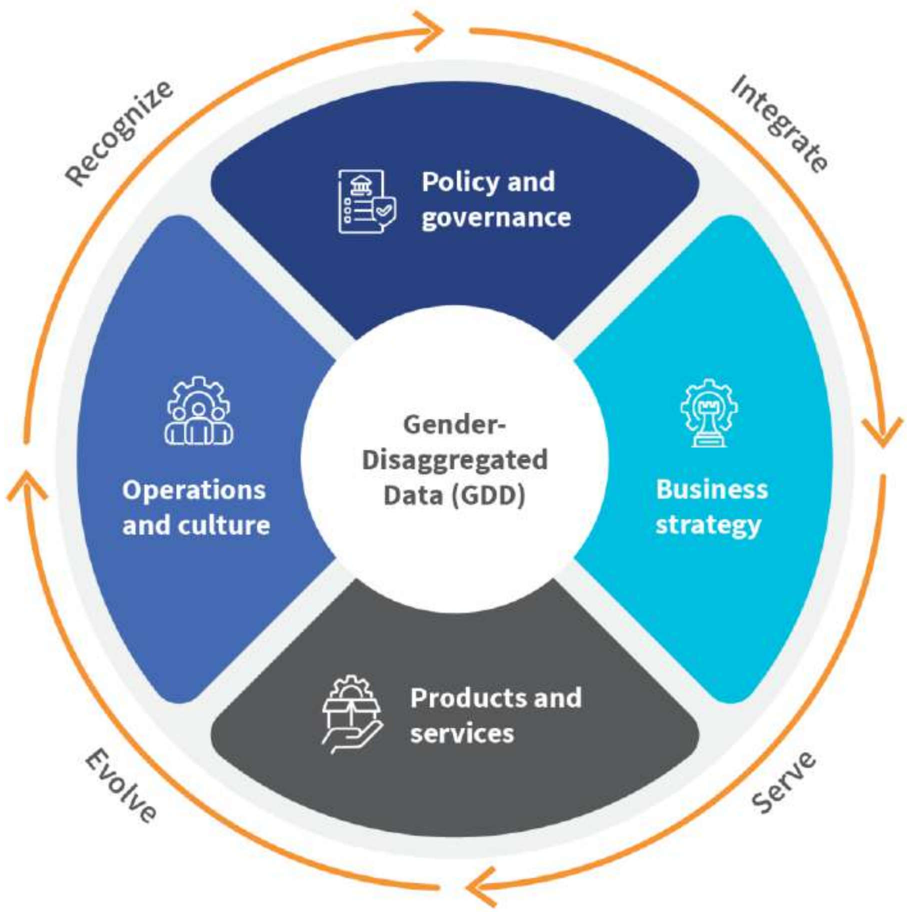


The market opportunity is clear, women are ready, and the business case is proven. Traditional gender-neutral approaches, however, risk producing products and services that fail to resonate with women and, by extension, with other segments, such as the old, youth, and tribals, outside the dominant design default.

Gender-intelligent banking offers a new paradigm. It positions gender as a key issue that helps reveal the value, risk, and opportunities that nearly 1 billion underserved women worldwide represent. MSC's RISE framework provides a systematic and operational approach to embed gender-intelligent banking within financial institutions. The framework enables providers to integrate gender considerations across business strategies, products and services, operations, and policy and governance. It also helps them translate intent into actionable practices that drive both inclusion and business performance.

Overview of the RISE framework

The RISE framework helps financial institutions embed gender intelligence into every aspect of their operations. It shows how institutions can evolve progressively from the recognition of women as a valuable market segment to the integration of gender responsiveness into their strategies, governance, and operations. This evolution ultimately serves women and sustains gender responsiveness through continuous learning and adaptation.



At the core of the RISE Framework lies gender-disaggregated data (GDD), which is the engine that drives gender intelligence. Institutions gain insights into how gender shapes interactions with financial products, services, and delivery channels through the collection and analysis of GDD.

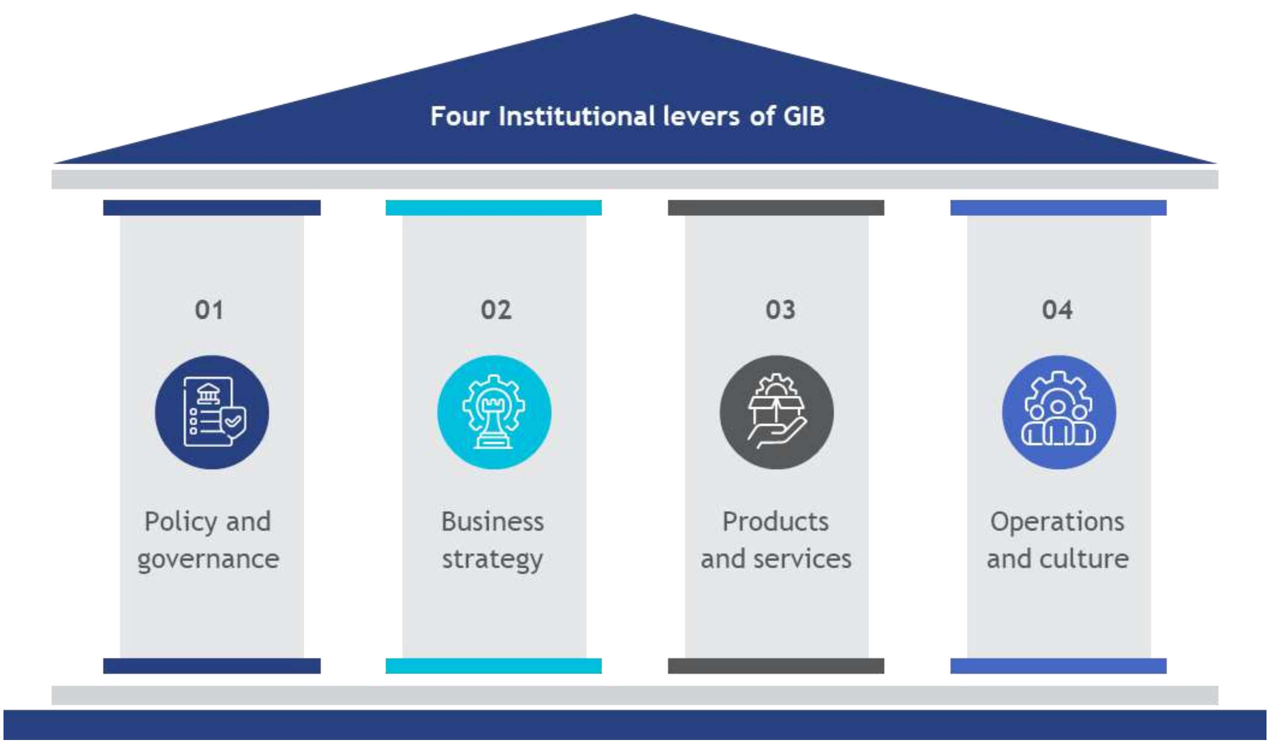
Evidence from GDD forms the foundation for gender-intelligent decision-making and guides action across the framework's four institutional levers. It includes policy and governance, business strategy, products and services, and operations and culture. The RISE journey of recognize, integrate, serve, and evolve is realized within each lever, as they become focal points where gender intelligence is applied, tested, and embedded. The process supports the institution's progression from gender-neutral to gender-intelligent. Sustained transformation is recorded only when all levers move in alignment, and the learning generated feed back to the core, which produces new data and reinforces a continuous cycle of improvement and adaptation.

The RISE framework functions as a dynamic and cyclical system, where data from the core fuels institutional levers and drives progress along the RISE continuum. As institutions take action, learn, and adapt, the process strengthens itself and embeds gender intelligence as a sustainable way to conduct business.

The next section unpacks the framework's four institutional levers, which highlight how financial institutions can operationalize gender-intelligent banking.

Institutional levers: Enabling gender-intelligent transformation

Surrounding the core are the four institutional levers: Policy and governance, business strategy, products and services, and operations and culture. These are the systems and structures where gender intelligence must be integrated.



1. Policy and governance

The RISE framework anchors gender responsiveness in institutional structures. Through clear policies, gender key performance indicators (KPIs), and gender-disaggregated reporting systems, the framework ensures leadership and governance accountability and maintains focus on reducing gender gaps across all business areas.

Case Study: Westpac - Institutionalizing gender intelligence through policy and governance

Westpac is widely regarded as a pioneer in gender-intelligent banking, having established the world's first dedicated Women's Markets unit more than 30 years ago to position itself as the "Bank of Choice for Women." The unit, housed within the Retail and Business Banking division, was created after internal research revealed that women felt underserved by traditional financial institutions. Westpac invested early in sex-disaggregated data systems (from 2006 onward), enabling the bank to quantify the value of women customers and monitor performance. By 2014, the Women's Markets segment included 2.1 million female primary account holders who contributed AUD 1.55 billion in annualized revenue to the bank.

The bank embedded gender responsiveness into its governance through strong leadership commitment. Westpac's CEO chairs the bank's Diversity Council, and the institution publicly set and achieved its target of increasing women's representation in leadership from 33% to 40% by 2014, one year ahead of schedule. Women comprise more than 60% of Westpac's workforce, with high retention following parental leave. These internal governance structures were supported by organization wide alignment, ambassador networks, and training on delivering the Women's Markets value proposition.

Westpac strengthened its customer strategy by creating the Ruby sub-brand and the award-winning Ruby Connection platform, which offers financial education, information, and networking to more than 2.3 million women. To institutionalize these efforts, the bank invested early in sex-disaggregated performance tracking enabling the Women's Markets team to be evaluated against clear targets. Branch staff are assessed on overall revenue and advocacy rather than gender-specific measures and reinforce the commercial value of this market segment.

Together, these governance and customer-centric measures established Westpac as a global benchmark for gender-intelligent banking.

In contrast, India's first women only bank launched in 2013 with INR 1,000 crore capital and 103 urban branches was largely a symbolic political initiative. The bank lacked systematic data collection to inform strategy, operated only in urban areas despite rural women facing the greatest exclusion, and offered products that merely replicated what other banks provided with minor modifications. After serving only 400,000 customers and disbursing INR 192 crore in loans, it was merged with a public sector bank just four years after launch.

This shows that simply launching women-focused initiatives is insufficient. Westpac succeeded because it embedded gender inclusion into its strategy, using data, KPIs, and targeted programs. This drove real impact for both women and the bank. The women only bank, on the other hand, was mostly symbolic, lacked research, and offered products that did not meet women's actual needs. As a result, it reached only a small segment and failed to achieve lasting social or business outcomes.

2. Business strategy

Institutions use insights from GDD to inform strategic planning, KPIs, and targets. They also use GDD to identify new market opportunities, strengthen risk models, budgets, and build partnerships that expand outreach to women customers.

Case study: Diamond Bank Nigeria-BETA program

Diamond Bank Nigeria used gender-disaggregated data to identify a significant gap: Only 30% of women held formal bank accounts compared to 46.3% of men. The bank saw this as a major market opportunity and launched the BETA Program to serve women traders excluded from formal systems. Through 1,100 community-based "BETA Friends" agents, more than half of whom were women, the bank offered zero-minimum-balance accounts, doorstep collections, and simplified onboarding.

Between 2013 and 2018, BETA accounts grew from 38,600 to more than 601,000 to achieve 79% growth in just two years, while women comprised 38% of the bank's users. Agents handled more than 94% of deposits, which significantly reduced the costs of customer acquisition and transactions. Women borrowers recorded a 100% loan repayment rate and emerged as a high-yield, low-risk lending segment. Cross-sell products, such as Target Savers, grew by 424% to add new revenue streams.

By embedding gender intelligence in its strategy, Diamond Bank turned inclusion into profitability. The BETA model generated a stable, low-cost deposit base, improved credit quality, and expanded cross-sell revenue, proving that serving women customers drives both sustainable impact and strong business returns.

The BETA experience shows that embedding gender insights into corporate strategy leads to portfolio diversification, operational efficiency, and sustainable profitability. When Access Bank later acquired Diamond Bank, it viewed the BETA customer base as a strategic asset and scalable model for mass-market growth, which validated that gender-intelligent business strategy is a driver of both financial performance and long-term competitive advantage.

3. Products and services

By integrating gender insights into product development, delivery, and feedback systems, institutions create solutions that better reflect the realities and aspirations of women customers. This involves the application of a gender lens to customer centricity in product design and delivery, driven by governance and strategy.

Case study: MiBank's Hibiscus account-driving women's financial inclusion

In Papua New Guinea, only 25% of women held formal bank accounts, largely due to social norms, low formal employment, and the prevalence of unsuitable banking products.

MiBank launched the Hibiscus account, designed for women, which offered higher interest (1.5% vs. 0.5%), zero account fees, relaxed KYC rules, and tailored digital engagement. Women agents were recruited to onboard clients, who focused on convenience, confidentiality, and culturally appropriate practices.

Within a year, 5,459 accounts were opened in Goroka, with 79% of them held by women, many of whom were first-time account holders. Women agents onboarded more than twice the number of clients as male agents. Hibiscus accounts now represent 56% of MiBank's total accounts, which mobilized USD 98,222 in deposits.

For MiBank, the initiative expanded its customer base, increased deposits, strengthened agent performance, and built trust among women clients, which showed that gender-focused design can drive both inclusion and business growth.

MiBank's success shows that gender-responsive design addresses structural barriers through evidence-based solutions to achieve both financial inclusion and commercial viability. In contrast, a prominent Indian bank, marketed a credit card product as a tool to "empower women financially." Yet, the credit card relied on stereotypical assumptions that women only care about shopping and beauty. It ignored practical financial needs, such as fuel, business expenses, education, and healthcare, and focused on consumption over empowerment.

Gender-intelligent banking requires institutions to move beyond "women's products" as marketing exercises toward systematic integration of gender analysis across the product lifecycle, from needs assessment and design to delivery systems and feedback mechanisms.

4. Operations and culture

Evolution in operations drives institutional change from within. This lever focuses on staff sensitization and training, inclusive communication, and capacity building to embed gender intelligence across teams and touchpoints, such as CICO agents, to promote trust and long-term engagement with women clients.

Case study: SBI’s 30% women workforce initiative-embedding gender intelligence across operations

The State Bank of India, the country’s largest lender with 240,000 employees, announced in October 2025 its commitment to increase women’s workforce representation from 27% to 30% by 2030. As part of this move, the bank targeted institutional change through systematic capacity building and inclusive operations. Women currently comprise 33% of frontline staff, yet account for only 27% of the total workforce, which reveals a concentrated presence in customer-facing roles.

SBI’s approach embeds gender intelligence across three operational dimensions. First, the “Empower Her” flagship initiative identifies, mentors, and grooms women for leadership through structured leadership labs and coaching sessions, building a pipeline of women executives. Second, supportive policies including creche allowances, family connect programs, return-to-work training for women on maternity leave, breast and cervical cancer screenings, and cervical cancer vaccination drives address retention and well-being. Third, SBI operates over 340 all-women branches across India, positioning women at critical customer touchpoints where research demonstrates they build stronger trust relationships and achieve superior customer engagement, particularly with women customers.

This multidimensional strategy positions gender diversity as a driver of operational excellence that strengthens both employee engagement and customer satisfaction and transforms institutional practices from within.

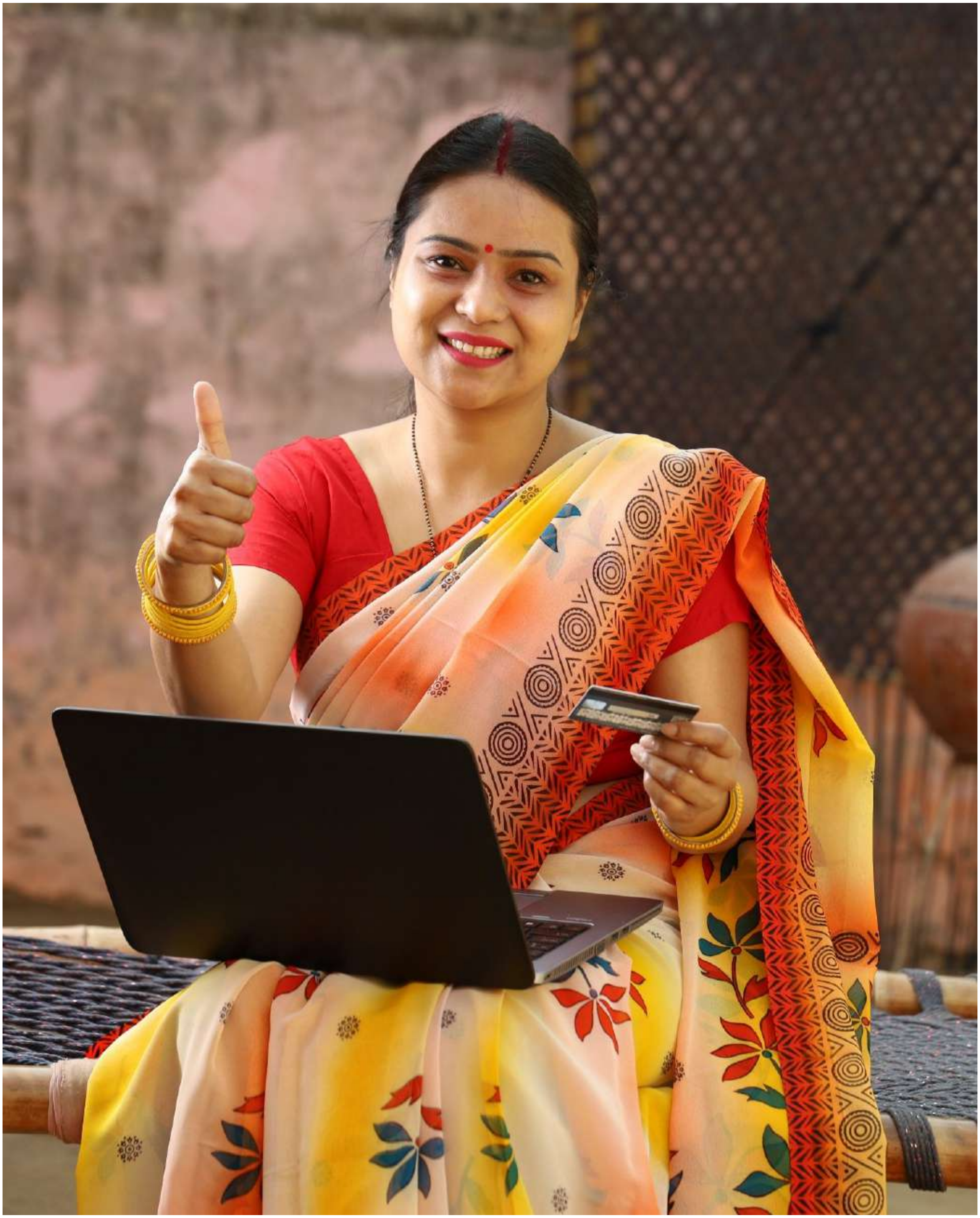
The SBI’s approach provides a replicable model for the banking sector: One that recognizes women employees and agents as valuable assets whose unique strengths, when properly supported and deployed, create a sustainable competitive advantage.

The caselets illustrate that targeted interventions such as gender-focused products, leadership programs, or workforce diversity policies can generate measurable gains. However, lasting transformation requires movement across all institutional levers. When institutional levers move in isolation, progress often breaks down.

Our research and past experiences reinforce this finding and show that progress on one institutional lever alone does not lead to lasting change. For example, women-focused products may struggle to gain traction if frontline staff are not trained to engage women clients sensitively, or if branches and digital platforms are not designed with inclusivity in mind. Some banks introduced women’s credit lines but continued to rely on traditional collateral requirements that excluded women entrepreneurs. The product existed, but the supporting ecosystem did not.

Likewise, gender-sensitization workshops or leadership commitments often have limited impact when not linked to recruitment practices, incentive systems, or operational policies. Even data-driven strategies can fall short without corresponding adjustments in product design or delivery.

GIB demands synchronized action across products, operations, people, and strategies. A gender-intelligent transformation occurs only when leadership commitment (policy and governance) aligns with strategic intent (business strategy), customer-centric innovation (products and services), and inclusive internal practices (operations and culture). Only through such alignment can institutions move beyond fragmented successes toward sustained, system-wide change that embeds gender intelligence into the core of banking to create a self-reinforcing cycle of trust, performance, and growth.



Chapter 5:
Way forward

This chapter distills the market opportunity and outlines where financial institutions and policymakers can begin their journey toward gender-intelligent banking. As women's labor force participation and incomes rise, they represent a powerful commercial opportunity, one that can be unlocked by institutions that design and deliver services tailored to this segment.

The scale of the opportunity is substantial:

- Deposits are an incremental opportunity of USD 253 billion, with the potential to activate 497 million and build lifetime customer value.
- Credit is a USD 193 billion untapped credit market, ready for gender-intelligent lending models that blend flexibility, trust, and behavioral insight.
- Insurance represents a market worth USD 22 billion by 2030, driven by women's growing economic roles and demand for customized risk solutions.
- Investments are worth a staggering USD 242.3 billion in women-led investment potential, fueled by increased digital adoption and financial confidence.

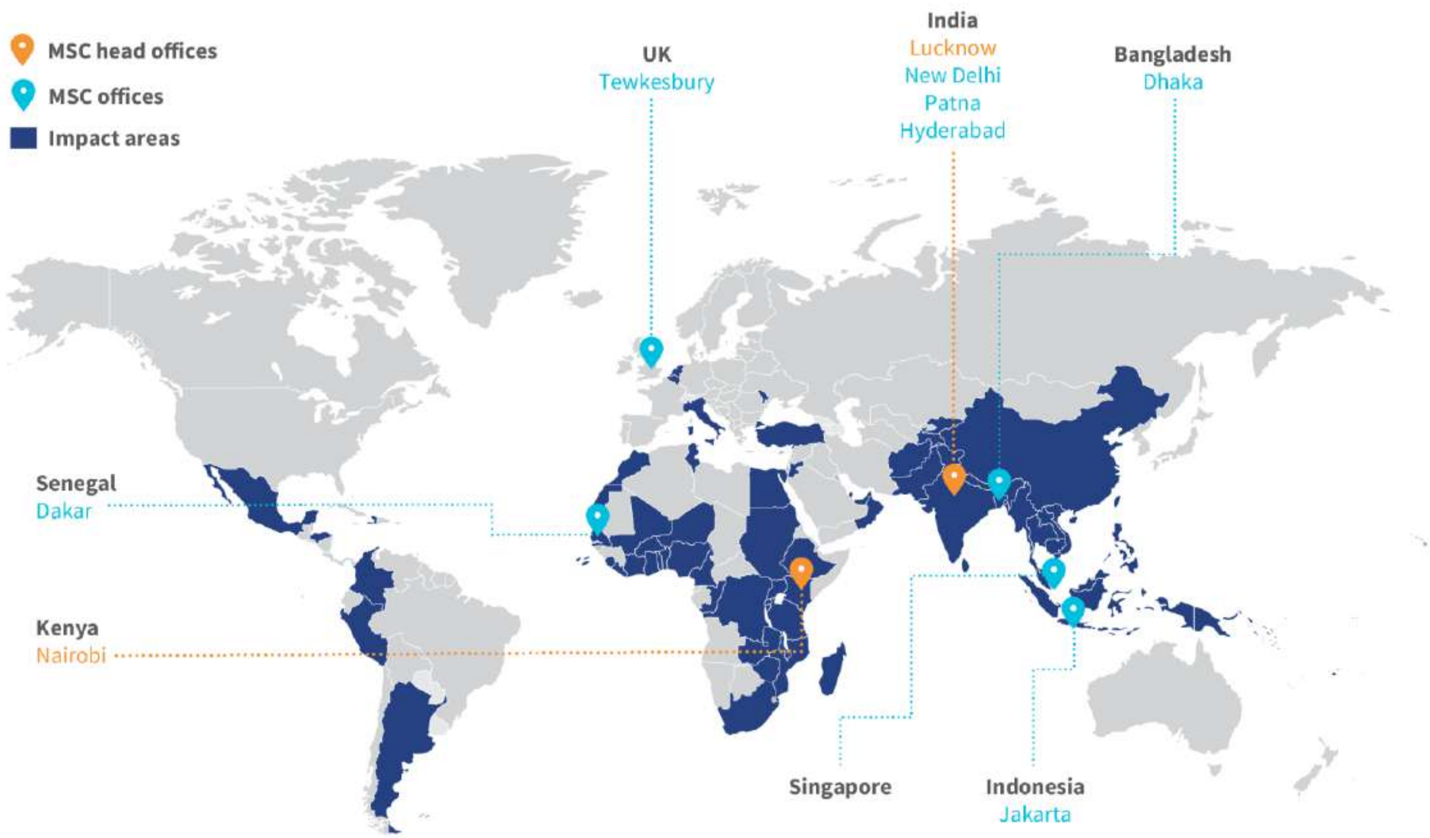
Together, these represent a USD 688 billion market opportunity.

FIs must move beyond compliance-oriented inclusion and toward gender-intelligent banking to realize this potential. The below-mentioned strategic intent and a few decisive steps can help FIs begin their GIB journey :

- **View women as a market, not a mandate:** Serving women is no longer a developmental checkbox. It is a competitive advantage. FIs should treat women as a high-value market segment to align profitability with purpose, deepen engagement, and strengthen balance sheets.
- **Start with data, not assumptions:** Gender-disaggregated data reveals where opportunity hides, in dormant accounts, unserved entrepreneurs, and underinsured households. FIs should integrate this data into business intelligence to help banks design, target, and measure products with precision.
- **Empower from within:** Gender-intelligent banking empowers institutions from within by driving change beyond surface-level initiatives. It embeds gender intelligence across policies and governance, strategy, products, and operations. By acting across these institutional levers, FIs build sustainable, systemic change rather than isolated interventions.
- **Partner to scale:** No single actor can close the gender gap alone. Partnerships with FinTechs, self-help groups, women's collectives, and regulators can extend reach, simplify onboarding, and amplify trust across last-mile segments.

Gender-intelligent banking is the next frontier of competitive advantage. It builds stronger relationships, expands markets, and secures long-term resilience. Institutions that embed gender intelligence now will position themselves at the forefront of India's next wave of sustainable financial growth.

MSC
MicroSave Consulting



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