

# Financial Sector: Upward Trend in Share of Women on Corporate Boards Progressing Only in Small Steps

by Elke Holst and Anja Kirsch

Last year, more women were appointed to the executive boards of major financial institutions. The share of women on the executive boards of banks and savings banks at the end of 2013 was a good six percent, which represents an increase of almost two percentage points over the previous year. This increase is primarily attributable to changes at private financial institutions and cooperative banks. At the public banks, however, both the share of women on executive boards and changes over the previous year were below average. The share of women on supervisory boards in this area of the financial sector actually decreased. Since the private and cooperative banks were not able to compensate for this, the trend toward more women on the supervisory boards of the 100 largest financial institutions was broken. At the end of 2013, the share of women on supervisory boards was just over 17 percent, but this figure was just under 18 percent one year previously. The percentage of women on the executive boards of insurance companies was slightly higher than at the banks (nearly nine percent; up almost three percentage points) but slightly lower on supervisory boards (over 16 percent; up one percentage point). Since the initial values were so small, this was not enough to overturn the overwhelming predominance of men in the highest decision-making bodies of companies in the financial sector—despite more than half of employees being women. Considerable efforts and structural changes are needed if even remotely egalitarian structures on corporate boards are to be achieved in the foreseeable future. The challenges faced by public financial institutions are at least as difficult as they are for other institutions. Proactive human resource development policies would be a good start, but they require clear targets and timelines.

DIW Berlin conducts an annual analysis of the representation of women on the executive and management boards (henceforth executive boards) and also the supervisory boards and administrative boards (henceforth supervisory boards<sup>1</sup>) of companies in Germany's financial sector.<sup>2</sup> The survey includes the 100 largest banks, based on total assets, as well as the 60 largest insurance companies, based on revenues from premiums.<sup>3</sup> Representation of women on the highest decision-making bodies of public banks and savings banks is compared to that in private banks and cooperative banks.

Women's representation on the executive boards and supervisory boards of companies outside the financial sector is discussed in a separate article in this issue of DIW Economic Bulletin. That survey includes the 200 largest businesses outside the financial sector, the DAX 30, MDAX, SDAX, and TecDAX companies, as well as 60 companies with government-owned shares.<sup>4</sup> Taken together, the two reports show the extent to which women are represented in the highest decision-making bodies of over 500 companies.

<sup>1</sup> If an institution has both a supervisory board and an administrative board, only the composition of the supervisory board was used for the calculations.

<sup>2</sup> Most recently in 2013, see E. Holst and J. Schimeta, *The German Financial Sector: Male Dominance in Top Decision-Making Bodies Remains Pervasive*, DIW Economic Bulletin, no. 3 (2013).

<sup>3</sup> The largest banks and savings banks by total assets (2012) were sourced from H. Huck, *Top 100 der deutschen Kreditwirtschaft: Veränderte Bankenlandschaft*, *Die Bank - Zeitschrift für Bankpolitik und Praxis* 8 (2013): 34–35. The selection of the largest insurance companies according to revenues from premiums (2012) was based on Wolters Kluwer Deutschland GmbH: *Die großen 500. Deutschlands Top-Unternehmen* (November 2013). Research on the composition of the highest decision-making bodies of the banks, savings banks, and insurance companies was conducted from November through the end of December 2013. The information is based on the companies' own statements published on the Internet, annual reports and accounts from 2011, articles in the German Federal Gazette (*Bundesanzeiger*), and enquiries to companies made by DIW Berlin.

<sup>4</sup> The findings are presented in the first article in this issue of DIW Economic Bulletin.

Table 1

**Share of Women in Employment Subject to Social Insurance Contributions by Economic Sector**

In percent

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Provision of financial services <sup>1</sup>	57.0	57.1	57.2	57.3	57.4	57.4	57.6	57.4	56.9	56.9	57.1	57.2	57.1	56.9	57.0
Central banks and credit institutions	57.2	57.3	57.5	57.6	57.8	57.8	58	57.8	57.2	57.3	57.6	57.6	57.6	57.5	57.5
Insurance companies, reinsurance companies, and pension funds (excluding social security) <sup>2</sup>	46.8	47.2	47.6	47.8	48	48.3	48.8	49.1	48.9	48.8	50.0	49.2	49.2	49.3	49.7
Activities associated with financial and insurance services <sup>3</sup>	60.2	60	59.7	60.4	61.3	61.5	62.1	61.1	61.6	61.5	61.2	60.9	60.8	60.8	60.2

1 Listed as "Credit Services Industry" up to 2008.

2 Listed as "Insurance Industry" up to 2008.

3 Listed as "Activities Associated with the Credit and Insurance Industry" up to 2008.

Source: German Federal Employment Agency; table by DIW Berlin.

The majority of employees in the financial sector are women.

**Many More Women Than Men Employed in Financial Sector**

Women make up the majority of employees in the financial sector: in 2013, 57 percent of employees subject to social insurance contributions in the financial services industry were women; in the case of central banks and credit institutions, this figure was 57.5 percent; for insurance companies, reinsurance companies, and pension funds, it was 49.7 percent (see Table 1).

In most sectors in which the share of women is above average, the number of women in leadership positions is also relatively high—yet this is not the case in the financial sector, as evidenced recently by the Institute for Employment Research (IAB).<sup>5</sup> Based on a 55-percent share of women in the financial sector, only 11 percent of top-level management were women, and in the second tier of management, it was 27 percent. For comparison: In the catering and hotel industry, 60 percent of employees were women, and their shares in the top two levels of management were 40 and 52 percent, respectively. In the energy, water, waste, and mining sectors, where women account for just 14 percent of employees, they represented 18 and 20 percent of the top two management tiers, respectively.

5 S. Kohaut and I. Möller, Frauen in Führungspositionen: Punktgewinn in westdeutschen Großbetrieben, IAB-Kurzbericht 23 (2013), accessed on January 2, 2014, [doku.iab.de/kurzber/2013/kb2313.pdf](http://doku.iab.de/kurzber/2013/kb2313.pdf).

**Top 100 Banks and Savings Banks**

**Executive Boards: Predominance of Men Remains Overwhelming**

In 2013, the share of women serving on the executive boards of the top 100 banks and savings banks increased by almost two percentage points over the previous year, to roughly six percent. There were 25 women among the total of 396 members of executive boards (compared to 17 in 2012). At the same time, the number of men on executive boards declined from 390 to 371 (see Table 2). The representation of women on executive boards remained very low despite the increases due to low initial levels: in only 24 of 100 banks were there any women at all serving on executive boards, and in every case but one, it was just one woman. The position of CEO remained firmly in the hands of men: just three of the 100 CEOs were women.<sup>6</sup> Overall, the predominance of men remained overwhelming, despite the positive trend.

**Supervisory Boards: Slight Decline in Share of Women**

The share of women on the supervisory boards of banks and savings banks was a good 17 percent (255 positions) at the end of 2013. This corresponds to a decline of slightly less than one percentage point or ten positions over the previous year. Four more positions were held by

6 Manuela Better at Deutschen Pfandbriefbank AG, Unterschleißheim; Dr. Birgit Roos at Sparkasse Krefeld, and Eva Wunsch-Weber at Frankfurter Volksbank e.G., Frankfurt/Main.

Table 2

**Women on the Supervisory Boards and/or Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany<sup>1</sup>**

	Banks and savings banks								Insurance companies							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
<b>Executive boards/management boards</b>																
Total number of companies	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With data on composition	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With women on executive board	10	9	7	9	10	12	17	24	10	13	9	11	10	14	21	29
<b>Percentage</b>	<b>10.0</b>	<b>9.0</b>	<b>7.0</b>	<b>9.0</b>	<b>10.0</b>	<b>12.0</b>	<b>17.0</b>	<b>24.0</b>	<b>15.9</b>	<b>20.0</b>	<b>15.5</b>	<b>17.7</b>	<b>16.1</b>	<b>23.7</b>	<b>34.4</b>	<b>48.3</b>
Total number of members	442	430	414	418	408	404	407	396	394	411	372	392	399	385	384	396
Men	431	420	406	407	396	391	390	371	384	398	363	381	389	370	362	362
Women	11	10	8	11	12	13	17	25	10	13	9	11	10	14	22	34
<b>Percentage of women</b>	<b>2.5</b>	<b>2.3</b>	<b>1.9</b>	<b>2.6</b>	<b>2.9</b>	<b>3.2</b>	<b>4.2</b>	<b>6.3</b>	<b>2.5</b>	<b>3.2</b>	<b>2.4</b>	<b>2.8</b>	<b>2.5</b>	<b>3.6</b>	<b>5.7</b>	<b>8.6</b>
Total number of chairpersons	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
Men	98	98	100	100	98	99	97	97	63	65	57	62	62	59	60	59
Women	2	2	0	0	2	1	3	3	0	0	0	0	0	0	1	1
<b>Percentage of women</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>1.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>1.7</b>
<b>Supervisory boards/administrative boards</b>																
Total number of companies	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With data on composition	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With women on supervisory board	89	91	85	87	88	88	88	89	46	49	42	48	48	45	50	50
<b>Percentage</b>	<b>89.0</b>	<b>91.0</b>	<b>85.0</b>	<b>87.0</b>	<b>88.0</b>	<b>88.0</b>	<b>88.0</b>	<b>89.0</b>	<b>73.0</b>	<b>75.4</b>	<b>72.4</b>	<b>77.4</b>	<b>77.4</b>	<b>76.3</b>	<b>82.0</b>	<b>83.3</b>
Total number of members	1633	1573	1566	1555	1548	1567	1491	1485	812	831	727	734	732	689	704	683
Men	1387	1331	1324	1294	1295	1307	1226	1230	720	726	629	643	645	599	596	572
Women	246	242	242	261	253	260	265	255	92	105	98	91	87	90	108	111
<b>Percentage of women</b>	<b>15.1</b>	<b>15.4</b>	<b>15.5</b>	<b>16.8</b>	<b>16.3</b>	<b>16.6</b>	<b>17.8</b>	<b>17.2</b>	<b>11.3</b>	<b>12.7</b>	<b>13.5</b>	<b>12.4</b>	<b>11.9</b>	<b>13.1</b>	<b>15.3</b>	<b>16.3</b>
Total number of chairpersons	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
Men	97	95	97	96	97	98	97	97	63	65	57	61	61	58	60	59
Women	3	5	3	4	3	2	3	3	0	0	1	1	1	1	1	1
<b>Percentage of women</b>	<b>3.0</b>	<b>5.0</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>
Companies with data on employee representation	33	55	51	50	44	53	56	36	24	41	38	52	34	33	39	27
Total number of members	599	858	767	764	642	738	786	564	291	455	444	634	351	385	411	312
Men	496	731	654	637	549	628	649	455	256	406	390	555	319	347	358	266
Women	103	127	113	127	93	110	137	109	35	49	54	79	32	38	53	46
Female employee representatives	85	95	84	91	62	78	87	69	32	45	41	63	26	36	43	34
<b>As a percentage of women members</b>	<b>82.5</b>	<b>74.8</b>	<b>74.3</b>	<b>71.7</b>	<b>66.7</b>	<b>70.9</b>	<b>63.5</b>	<b>63.3</b>	<b>91.4</b>	<b>91.8</b>	<b>75.9</b>	<b>79.7</b>	<b>81.3</b>	<b>94.7</b>	<b>81.1</b>	<b>73.9</b>

<sup>1</sup> At year end.

Source: calculations by DIW Berlin.

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In 2013, there were more women on the executive boards of banks, savings banks, and insurance companies than in the previous year.

men. Women were represented on 89 of the 100 supervisory boards, three women were chairs.<sup>7</sup> Data on employee representation was provided by 36 banks and savings banks: their supervisory boards included 109 women, 69 of whom were employee representatives, which corresponds to almost two-thirds (a good 63 percent) of women serving on supervisory boards. Therefore, the share of female employee representatives among women serving on supervisory boards was practically unchanged over the previous year.

No women at all served on the supervisory boards of 11 of the top 100 banks and savings banks (see Figure 1). The share of women on most supervisory boards was at most one in five; 22 banks and savings banks had a share of at least one in four on their supervisory boards; and in only ten banks and savings banks did women make up at least one-third of the supervisory board (see Table 3). Women made up the majority on the supervisory board of just one bank, namely IBB Investitionsbank Berlin (five of nine seats).

<sup>7</sup> Marija G. Korsch at Aareal Bank AG, Wiesbaden; Karoline Linnert at Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen; and Cornelia Yzer at IBB Investitionsbank Berlin, Berlin.

Table 3

**Largest 100 Banks and Savings Banks with at Least 25 Percent Women on the Supervisory Board at Year End 2013**

Rank	Company	Total number of members	Men	Women	Percentage of women	Legal form
47	IBB Investitionsbank Berlin, Berlin	9	4	5	56	public
55	Investitionsbank des Landes Brandenburg, Potsdam	18	11	7	39	public
1	Deutsche Bank AG, Frankfurt/M.	20	13	7	35	private
24	Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall	21	14	7	33	cooperative
85	Sparkasse Essen, Essen	15	10	5	33	public
89	BB Bank eG, Karlsruhe	15	10	5	33	cooperative
98	Stadtsparkasse Wuppertal, Wuppertal	15	10	5	33	public
53	Oldenburgische Landesbank AG, Oldenburg	12	8	4	33	private
23	Dexia Kommunalbank Deutschland AG, Berlin	6	4	2	33	private
59	Comdirect Bank AG, Quickborn	6	4	2	33	private
95	Sparkasse Mainfranken, Würzburg	26	18	8	31	public
2	Commerzbank AG, Frankfurt/M.	20	14	6	30	private
57	Sparkasse Hannover, Hanover	18	13	5	28	public
62	Ostächsische Sparkasse Dresden, Dresden	18	13	5	28	public
81	Sparkasse Krefeld, Krefeld	18	13	5	28	public
77	Sparkasse Leipzig, Leipzig	15	11	4	27	public
13	HSH Nordbank AG, Hamburg/Kiel	20	15	5	25	public
30	Deutsche Apotheker- und Ärztebank eG, Düsseldorf	20	15	5	25	cooperative
5	Unicredit Bank AG, Munich	12	9	3	25	private
31	Santander Consumer Bank AG, Mönchengladbach	12	9	3	25	private
50	Investitionsbank Schleswig-Holstein (IB), Kiel	12	9	3	25	public
60	Targobank AG & Co. KGaA, Düsseldorf	12	9	3	25	private

Source: calculations by DIW Berlin.

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In 22 banks and savings banks, more than one-quarter of supervisory board members were women.

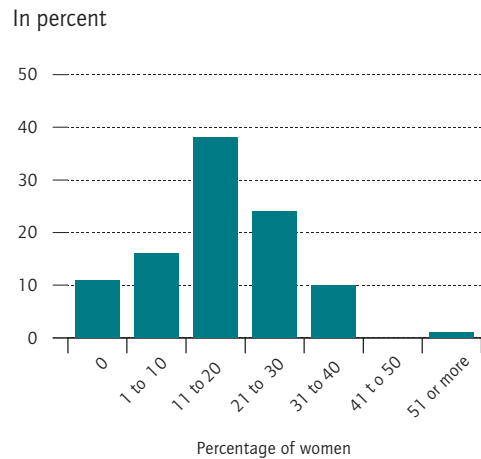
**Women on Executive Boards of Only Relatively Few Public Banks**

Since 2010, DIW Berlin has examined the largest banks and savings banks according to their legal form, differentiating between public, private, and cooperative banks.

The legislation on gender equality of both the federal and the Land governments includes regulations on equal participation of women and men in various bodies—including supervisory boards. These regulations apply, inter alia, to recruiting for positions on the supervisory boards of public banks. Recruiting for positions on the executive boards of public banks, however, is only rarely subject to the provisions of such legisla-

Figure 1

**Top 100 Banks and Savings Banks by Share of Women on Supervisory Boards**



Quelle: DIW Berlin.

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Women accounted for more than half the supervisory board of just one bank.

tion on gender equality.<sup>8</sup> An assessment as to whether public financial institutions can serve as role models for the other banks concerning gender equality, and whether possibly existing directory provisions are proving effective for the composition of bodies in this sector, can be achieved by considering the various types of banks separately.

Almost all public banks (94 percent) have at least one woman serving on their supervisory boards, as do the cooperative banks (see Table 4). This is the case for just 77 percent of private banks. The share of women on the supervisory boards of public banks has decreased (by one percentage point). This decline could not be compensated by the slight increases in private and cooperative banks, so the share of women on supervisory boards has dropped overall as well. Women accounted for 17.5 percent of seats on the supervisory boards of public banks at the end of 2013, which corresponded roughly to the situation in private banks and was somewhat higher than in cooperative banks (slightly over 16 percent). Three of the chairs of the 100 largest banks were women: two at public banks and one at a private bank.<sup>9</sup>

The proportion of public banks with women on their executive boards—16 percent—was far lower than that of

<sup>8</sup> See J. Schimeta, *Einsam an der Spitze. Frauen in Führungspositionen im öffentlichen Sektor* (Berlin: Friedrich-Ebert-Stiftung), 50.

<sup>9</sup> See footnote 7.

Table 4

**Women on the Supervisory Boards and/or Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany by Legal Form<sup>1</sup>**

	All banks and savings banks studied				Public banks				Private banks				Cooperative banks			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
<b>Executive boards/management boards</b>																
Total number of companies	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With data on composition	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With women on executive board	10	12	17	24	3	4	7	8	5	5	7	10	2	3	3	5
<b>Percentage</b>	<b>10.0</b>	<b>12.0</b>	<b>17.0</b>	<b>24</b>	<b>5.8</b>	<b>7.5</b>	<b>13.7</b>	<b>16.0</b>	<b>13.9</b>	<b>14.7</b>	<b>20.0</b>	<b>32.3</b>	<b>16.7</b>	<b>23.1</b>	<b>21.4</b>	<b>31.25</b>
Total number of members	408	404	407	396	203	197	195	193	157	151	153	128	48	56	59	62
Men	396	391	390	371	199	192	188	184	151	146	146	118	46	53	56	57
Women	12	13	17	25	4	5	7	9	6	5	7	10	2	3	3	5
<b>Percentage of women</b>	<b>2.9</b>	<b>3.2</b>	<b>4.2</b>	<b>6.3</b>	<b>2.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.7</b>	<b>3.8</b>	<b>3.3</b>	<b>4.6</b>	<b>7.8</b>	<b>4.2</b>	<b>5.4</b>	<b>5.1</b>	<b>8.1</b>
Total number of chairpersons	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
Men	100	99	97	97	52	53	50	49	34	33	34	30	12	13	13	15
Women	0	1	3	23	0	0	1	1	2	1	1	1	0	0	1	1
<b>Percentage of women</b>	<b>0.0</b>	<b>1.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>5.6</b>	<b>2.9</b>	<b>2.9</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>7.1</b>	<b>6.3</b>
<b>Supervisory boards/administrative boards</b>																
Total number of companies	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With data on composition	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With women on supervisory board	88	88	88	89	48	50	48	47	29	26	27	24	11	12	13	15
<b>Percentage</b>	<b>88.0</b>	<b>88.0</b>	<b>88.0</b>	<b>89</b>	<b>92.3</b>	<b>94.3</b>	<b>94.1</b>	<b>94.0</b>	<b>80.6</b>	<b>76.5</b>	<b>77.1</b>	<b>77.4</b>	<b>91.7</b>	<b>92.3</b>	<b>92.9</b>	<b>93.8</b>
Total number of members	1548	1567	1491	1485	960	999	909	885	396	349	354	321	192	219	228	244
Men	1295	1307	1226	1230	802	831	741	730	333	291	293	264	160	185	192	204
Women	253	260	265	255	158	168	168	155	63	58	61	57	32	34	36	40
<b>Percentage of women</b>	<b>16.3</b>	<b>16.6</b>	<b>17.8</b>	<b>17.2</b>	<b>16.5</b>	<b>16.8</b>	<b>18.5</b>	<b>17.5</b>	<b>15.9</b>	<b>16.6</b>	<b>17.2</b>	<b>17.8</b>	<b>16.7</b>	<b>15.5</b>	<b>15.8</b>	<b>16.4</b>
Total number of chairpersons	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
Men	97	98	97	97	49	51	48	48	36	34	35	30	12	13	14	16
Women	3	2	3	3	3	2	3	2	0	0	0	1	0	0	0	0
<b>Percentage of women</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>5.8</b>	<b>3.8</b>	<b>5.9</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<sup>1</sup> At year end.

Source: calculations by DIW Berlin.

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The proportion of women on the executive boards of public banks was relatively low.

private (slightly over 32 percent) and cooperative banks (slightly over 31 percent). Women hold nine of 193 positions on the executive boards of public banks (just under five percent). In the case of private and cooperative banks, their shares are approximately eight percent, and by the end of 2013, the proportion of women had increased by about three percentage points over the previous year. In public banks, however, the increase was half a percentage point (one woman more than in the previous year). There was one woman CEO in each of the groups of banks (see Overview).

### Directory Provisions in Gender Equality Legislation: A Paper Tiger?

The legislation on gender equality at the federal and Land levels has not succeeded in guaranteeing equal representation of women and men on the highest decision-making bodies of public banks and savings banks. Women are not represented to a significantly greater extent on the supervisory boards of public banks than on those of other groups of banks. The representation of women on the executive boards of public banks is lower overall than in the private and cooperative banks. Thus, public banks remain far removed from a possible role as pioneers.

Overview

**Women on the Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany in 2013**

Rank	Company		Legal form
<b>100 largest banks and savings banks</b>			
3	KfW Bankengruppe, Frankfurt/M.	Dr. Edeltraud Leibrock	Public
8	Norddeutsche Landesbank Girozentrale, Hanover	Ulrike Brouzi	Public
10	Postbank AG, Bonn4	Susanne Klöß	Private
15	ING-DiBa AG, Frankfurt/M.	Katharina Herrmann	Private
17	Deutsche Pfandbriefbank AG, Unterschleißheim	Manuela Better (CEO)	Private
19	Landwirtschaftliche Rentenbank AG, Frankfurt/M.	Imke Etori	Public
25	Aareal Bank AG, Wiesbaden	Dagmar Knopek	Private
28	Hamburger Sparkasse AG, Hamburg	Bettina Poullain	Independent savings bank
29	Volkswagen Bank GmbH, Brunswick	Dr. Heidrun Zirfas	Private
44	BMW Bank GmbH, Munich	Kerstin Zerbst	Private
45	HSBC Trinkaus & Burkhardt AG, Düsseldorf	Carola Gräfin von Schmettow	Private
46	Westdeutsche Immobilien Bank AG, Mainz	Christiane Kunisch-Wolff	Public
51	Stadtparkasse München, Munich	Marlies Mirbeth	Public
53	Oldenburgische Landesbank AG, Oldenburg	Karin Katerbau	Private
55	Investitionsbank des Landes Brandenburg, Potsdam	Gabriela Pantring, Jacqueline Tag	Public
58	Stadtparkasse Düsseldorf, Düsseldorf	Karin-Brigitte Göbel	Public
59	Comdirect Bank AG, Quickborn	Martina Palte	Private
60	Targobank AG & Co. KGaA, Düsseldorf	Maria Topaler	Private
69	Berliner Volksbank eG, Berlin	Tanja Müller-Ziegler	Cooperative
75	Sparda-Bank Südwest eG, Mainz	Karin Schwartz	Cooperative
81	Sparkasse Krefeld, Krefeld	Dr. Birgit Roos (CEO)	Public
83	Frankfurter Volksbank e.G., Frankfurt/M	Eva Wunsch-Weber (CEO)	Cooperative
87	Teambank AG, Nuremberg	Dr. Christiane Decker	Cooperative
89	BB Bank eG, Karlsruhe	Gabriele Kellermann	Cooperative
<b>60 largest insurance companies</b>			
1	Allianz Group	Dr. Helga Jung	
3	Allianz Deutschland AG	Dr. Birgit König	
5	ERGO Versicherungsgruppe AG	Dr. Bettina Anders	
9	AXA Konzern AG	Dr. Andrea van Aubel	
11	Versicherungskammer Bayern	Barbara Schick	
12	HUK-COBURG -Konzern	Sarah Rössler	
14	Deutsche Krankenversicherung AG DKV	Silke Lautenschläger	
17	Generali Lebensversicherung AG	Dr. Monika Sebold-Bender	
19	AXA Versicherung AG	Dr. Andrea van Aubel	
20	Zürich Deutscher Herold Lebensversicherungs-AG	Dr. Marita Kraemer, Nicole Weyerstall	
21	Allianz SE	Dr. Helga Jung	
25	Allianz Private Krankenversicherungs-AG	Dr. Birgit König (CEO)	
30	Cosmos Lebensversicherung-Aktiengesellschaft	Claudia Andersch	
33	AXA Krankenversicherung AG	Dr. Andrea van Aubel	
34	Provinzial Rheinland Konzern	Sabine Krummenerl	
35	Württembergische Lebensversicherung AG (Konzern)	Ruth Martin	
36	Bayern-Versicherung Lebensversicherung AG	Barbara Schick	
37	HDI Gerling Lebensversicherungs-AG	Iris Klunk, Barbara Riebeling	
40	Signal Krankenversicherung a.G.	Marlies Hirschberg-Tafel	
41	AXA Lebensversicherung AG	Dr. Andrea van Aubel	
42	Allianz Global Corporate & Speciality AG	Sinéad Browne	
43	DEVK Schadensversicherung-Konzern	Dr. Veronika Simons, Sylvia Peusch, Tarja Radler	
44	Alte Leipziger Lebensversicherung a.G.	Wiltrud Pekarek	
47	Generali Versicherung AG	Dr. Monika Sebold-Bender	
52	Bayerische Beamtenkrankenkasse AG	Manuela Kiechle	
53	Württembergische Versicherung AG	Ruth Martin	
56	HDI Versicherung AG	Iris Klunk, Barbara Riebeling	
58	HUK-COBURG Allgemeine Versicherungs-Aktiengesellschaft	Sarah Rössler	
59	Iduna Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe	Marlies Hirschberg-Tafel	

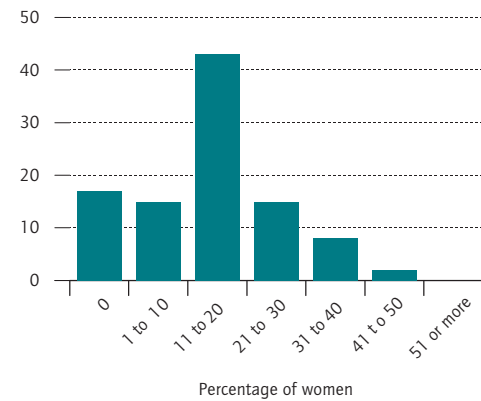
Source: survey by DIW Berlin

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Figure 2

**Top 60 Insurance Companies by Share of Women on Supervisory Boards**

In percent



Source: DIW Berlin.

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The share of women on the supervisory boards of insurance companies was seldom over 20 percent.

**Insurance Companies**

**Executive Boards: 22 Women in 34 of 396 Executive Board Positions**

In 29 (just over 48 percent) of the 60 insurance companies studied, there was at least one woman on the executive board (see Table 2). Overall, 22 women held 34 of the 396 positions on executive boards (see Overview).<sup>10</sup> The number of positions occupied by men remained constant at 362. The share of women on executive boards increased more markedly than in other areas, reaching 8.6 percent (up by almost three percentage points). Thus, insurance companies have surpassed the banks and savings banks. However, the CEO of just one insurance company was a woman.<sup>11</sup>

**Supervisory Boards: Share of Women Increased Somewhat**

Of 60 insurance companies, 50 had at least one woman on their supervisory boards (just over 83 percent). Overall, women accounted for 111 of the 683 seats on supervisory boards at the end of 2013. That corresponds to over

<sup>10</sup> Some women held positions on the executive boards of several subsidiaries of a corporation.

<sup>11</sup> Dr. Birgit König at Allianz Private Krankenversicherungs-AG.

16 percent, an increase of one percentage point over the previous year, continuing the slight upward trend observed since 2010. Just under half of insurance companies provided data on employee representation. Of the 46 female members of their supervisory boards, 34 were employee representatives and continued to account for the large majority—74 percent—of women serving on supervisory boards. This share is much higher than at the banks and shows that insurance companies are still lagging a long way behind when it comes to investors appointing women to their supervisory boards. One woman chaired a supervisory board.<sup>12</sup>

In most insurance companies (75 percent), no more than one-fifth of supervisory board members are women (see Figure 2). Women held at least one-quarter of supervisory board positions in just 12 insurance companies. In five of these, the share of women was one-third. The supervisory board was made up of the same number of men and women (see Table 5) in just a single insurance company (Allianz Versicherungs-AG).

## European Central Bank and Central Banks of EU Countries: Classic Male Domains

In 2013, the top-level management positions at the European Central Bank (ECB) as well as at the central banks of the 28 EU countries were still held overwhelmingly by men. But some changes are expected in this area:

The ECB's top decision-making body, the Governing Council, is made up of the 17 euro area countries' national central bank presidents as well as the six members of the ECB's Executive Board. From 2011 to 2013, these were all men (see Table 6).<sup>13</sup> In late 2012, another man—Yves Mersch—was appointed to the Executive Board; this decision was controversial because the European Parliament had called for the appointment of a woman.<sup>14</sup> The German member of the Executive Board, Jörg Asmussen, recently left his position to serve as Permanent State Secretary at the Federal Ministry of Labour and Social Affairs. The ECB Governing Council confirmed Deputy President of the Bundesbank, Sabine Lautenschläger, as his successor in early January 2014; the European Parliament confirmed the decision as well.<sup>15</sup> In addition, another woman, Danièle Nouy, was

<sup>12</sup> Beate Läsch-Weber at the Provinzial Rheinland corporation.

<sup>13</sup> Since Latvia's entry into the euro area on January 1, 2014, this has included the president of the Latvian central bank as well.

<sup>14</sup> See also Holst and Schimeta, *The German Financial Sector* (2013).

<sup>15</sup> EZB-Rat winkt Lautenschläger als neue Direktorin durch, Spiegel-Online, January 9, 2014. European Parliament, Parliament backs Sabine Lautenschläger for European Central Bank Executive Board, press release, January 16, 2014, [www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board](http://www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board).

Table 5

### Largest 60 Insurance Companies with at Least 25 Percent Women on the Supervisory Board at Year End 2013

Rank	Company	Total number of members	Men	Women	Percentage of women
10	Allianz Versicherungs-AG	6	3	3	50
1	Allianz Group	12	8	4	33
21	Allianz SE	12	8	4	33
7	Hannover Rückversicherungs-AG	9	6	3	33
25	Allianz Private Krankenversicherungs-AG	6	4	2	33
4	Talanx AG (Corporation)	16	11	5	31
28	SV Sparkassen Versicherung – Corporation	20	14	6	30
2	Münchener Rückversicherungs-Gesellschaft AG	20	15	5	25
5	ERGO Versicherungsgruppe AG	20	15	5	25
8	R + V Konzern	16	12	4	25
51	R + V Versicherung AG	16	12	4	25
13	Debeka Krankenversicherungsverein a. G.	12	9	3	25

Source: calculations by DIW Berlin

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Women and men were equally represented on the supervisory board of a single insurance company.

Table 6

### Women on the ECB Governing Council<sup>1</sup>

	Total number of members	Men	Women	Percentage of women
2003	17	16	1	5.9
2004	17	16	1	5.9
2005	17	16	1	5.9
2006	17	16	1	5.9
2007	19	18	1	5.3
2008	21	20	1	4.8
2009	22	21	1	4.5
2010	22	21	1	4.5
2011	23	23	0	0.0
2012	23	23	0	0.0
2013	23	23	0	0.0

<sup>1</sup> From January 1, 2014 there are 24 members after Latvia joined the euro area. Source: EU database on the participation of women and men in decision-making processes.

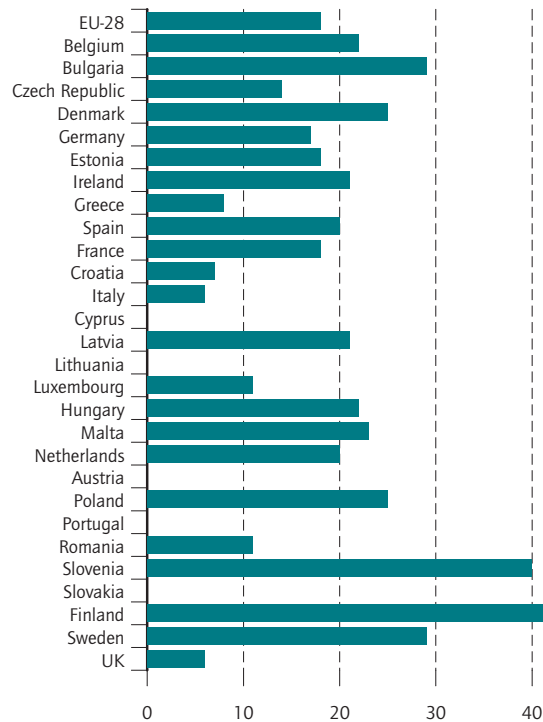
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There were no women on the ECB Governing Council for the third year in a row.

Figure 3

### Women on the Key Decision-Making Bodies of European Central Banks in 2013

In percent



Source: EU Database: women & men in decision making.

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The representation of women on the decision-making bodies of central banks in Europe was greatest by far in Finland and Slovenia.

appointed as Chair of the Supervisory Board of the new European banking supervisory authority (Single Supervisory Mechanism, SSM) at the European Central Bank on December 16, 2013.<sup>16</sup> Nouy had served as Secretary General of the French Prudential Supervision and Resolution Authority to date.

In 2013, the ECB introduced its own quota for women in senior management positions. The share of women in middle management is to reach 35 percent, and in more senior management, 28 percent by the end of 2019.<sup>17</sup> However, the quotas do not apply to the ECB board of directors whose members are proposed by the euro countries and confirmed by the European Parliament.

<sup>16</sup> European Central Bank, Danièle Nouy Appointed as Chair of the Supervisory Board, press release, December 16, 2013, [http://www.ecb.europa.eu/press/pr/date/2013/html/pr131216\\_2.en.html](http://www.ecb.europa.eu/press/pr/date/2013/html/pr131216_2.en.html).

<sup>17</sup> A. Rexer and M. Zdra, Förderung von Managerinnen: EZB führt Frauenquote ein, Süddeutsche Zeitung, August 29, 2013.

The European Commission publishes information about the representation of women in the most important decision-making bodies of the EU Member States' national central banks.<sup>18</sup> It reveals that women have accounted for an average of 16 to 18 percent for years (see Figure 3). In 2013, not a single EU country had a woman as president of its central bank. This was an exception in the past as well.

In 2013, the nomination of Sabine Lautenschläger and the appointment of Danièle Nouy as well as the ECB's introduction of quotas for women were important landmarks for women's equal participation in the top decision-making bodies of the European financial sector. Nonetheless, the central banks remain a traditionally male domain. Far-reaching changes are required to achieve gender equality in this sector.

### Risk Behavior and Control of Particular Relevance in Financial Sector

Women's representation on executive and supervisory boards is an important political topic at the European level. In the financial sector, two aspects in particular are the subject of discussion: firstly, whether women cause banks to adopt less risky strategies and secondly, whether they enable more effective control of banks.

First of all, there is a lack of consensus whether women serving on executive and supervisory boards are more risk-averse or more risk-loving than men in top decision-making bodies. Although many studies have shown that women in general appear to be more risk-averse than men,<sup>19</sup> it is unclear whether that also holds for women working in the top management levels of the financial sector. Several studies suggest that the opposite is the case. For example, an analysis of German banks' executive boards in the period from 1994 to 2010 shows that a higher proportion of women on the executive board resulted in a riskier business model.<sup>20</sup>

<sup>18</sup> European Commission, Database: women & men in decision-making, [ec.europa.eu/justice/gender-equality/gender-decision-making/database/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm), accessed on December 28, 2013.

<sup>19</sup> This is not confirmed unequivocally by all research results, however. See J. Nelson, Are Women Really More Risk-Averse than Men?, INET Research Note, no. 12 (Institute for New Economic Thinking, 2012).

<sup>20</sup> A. Berger, T. Kick, and K. Schaeck, Executive board composition and bank risk taking, Deutsche Bundesbank Discussion Paper, no. 3 (2012); see also R. B. Adams and P. Funk, Beyond the Glass Ceiling: Does Gender Matter?, *Management Science* 58, no. 2 (2012): 219-235. On the connection between women on supervisory boards and risk behavior in the financial sector, see, for example, K. Rost and M. Osterloh, Opening the Black Box of Upper Echelons: Drivers of Poor Information Processing During the Financial Crisis, *Corporate Governance: An International Review* 18, no. 3 (2010): 212-233; E. Prügl, If Lehman Brothers Had Been Lehman Sisters ...: Gender and Myth in the Aftermath of the Financial Crisis, *International Political Sociology* 6, no. 1



It is also unclear what impact women in supervisory and control functions actually have. On the one hand, they are less frequently part of traditional networks and therefore presumably more independent in exercising management control. On the other, women on supervisory boards have less experience on average than men in top-level management positions, which could entail less effective control.

Although there is no clear evidence concerning the relationship between diversity on corporate boards (including the representation of women) on the one hand and risk behavior as well as control in the financial sector on the other, this consideration affects government regulation. In European Union (EU) regulations, gender diversity on corporate boards in the financial sector—but also diversity of age, geographical origin, and educational and professional background—is associated with more effective management control. The CRD IV package (consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and Regulation 575/2013 on prudential requirements for credit institutions and investment firms) entered into force on July 17, 2013. It includes directions for increasing the share of the underrepresented gender on corporate boards in the financial sector in the EU and gives improved risk control as the reason: »More diverse management bodies should more effectively monitor management and therefore contribute to improved risk oversight and resilience of institutions.« The argument is put forward that the members have more diverse opinions and experiences and are thus in a position to question management decisions more critically than homogeneous bodies.

## Conclusion

Top-level management positions in the financial sector have traditionally been dominated by men in Western market economies. Yet the low representation of women is all the more difficult to understand since women have accounted for the majority of employees in this sector for a long time. Provided there is targeted human resource development, a sufficient number of suitable women would surely be available to fill top-level management positions. While it is true that the share of women in top-level management positions is increasing, it is not increasing enough to be able to change the massive predominance of men. In addition, observing this

issue over time reveals repeated setbacks. In this respect, significant, ongoing, and decisive efforts are still necessary to enable more women to access top-level management positions.

Public financial institutions could take on a special role in this regard. Public banks and savings banks are subject to legislation on gender equality at the federal or Land level. However, the directory provisions in this legislation have not yet resulted in equal representation of women on the supervisory boards of public financial institutions. There have been more positive developments in private and cooperative banks, at least in part. The public banks have not fulfilled expectations. Apparently, clear targets as well as timelines for implementing them are required. If they are accompanied by efficient controlling under the auspices of the relevant minister, determined action could presumably be more successful in the foreseeable future.

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