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GLOBAL Women CEO Project

Intelligent Financial Research & Consulting

ASEAN WOMEN CEO



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The **WOMEN CEO** project is the first step of a larger project on the relationship between performance and governance. We are doing in parallel other topics such as women on board, capital held by the state, or foreign investors, or family ownership.

Starting from Vietnam, we extend this project to global listed companies. This report compares companies run by woman CEO in ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam), and other companies in term of number, market capitalisation and stock performance following different group levels: country, sector, and size.

We calculate **WOMEN CEO Equal Weighted indexes** for each country having at least 10 companies led by woman (Malaysia, Philippines, Singapore, Thailand and Vietnam) and the WOMEN CEO ASEAN index comprising all companies. These indexes start at 1,000 at December 31, 2008.



By country

In ASEAN, 120 of 3,553 companies are managed by WOMEN CEO, i.e. 3.38% compared to 5% in the USA (S&P 500 index). The Philippines (8.05%), Vietnam (6.71%) and Thailand (3.77%) are countries having the best representation. The total capitalisation percentage of these companies is higher for Vietnam (17.57%) and Singapore (10.30%) than the overall average 4.80%. In the Table 1, in green (respectively in red) are companies where concerned statistics are above (respectively below) the average.

In term of performance, we calculate absolute and excedent annual performance average by country and for all ASEAN companies from December 31, 2008 to June 30, 2014. Excedent performance is defined by the difference of performance between the company (or index) and the FTSE ASEAN index.

Concerning ASEAN country WOMEN CEO indexes, the absolute annual performance average is 36.32% over the periode 2009-2014, and is significantly higher than the performance of the FTSE ASEAN benchmark index (17.54%). The best performers are WOMEN CEO Philippines (62.74%), Malaysia (42.04%), and Thailand (37.37%). The WOMEN CEO ASEAN index performance is 32.31% and is also superior and **exceeds by 14.78% per year the performance of the FTSE ASEAN index.**

Table 1 : Women CEO by country (June 2014)

| COUNTRY | Number of companies | | | Market Capitalisation (\$Bn) | | | | Excedent [*] |
|-------------|---------------------|-----------|-------|------------------------------|----------|-----------|--------|-----------------------|
| | ALL | WOMEN CEO | % | Nb | ALL | WOMEN CEO | % | Performance |
| Indonesia | 458 | 3 | 0.66% | 458 | 408.07 | 2.06 | 0.50% | 4.05% |
| Malaysia | 924 | 12 | 1.30% | 924 | 530.88 | 9.58 | 1.80% | 18.66% |
| Phillipines | 236 | 19 | 8.05% | 236 | 249.07 | 10.16 | 4.08% | 35.21% |
| Singapore | 706 | 21 | 2.97% | 706 | 681.51 | 70.17 | 10.30% | 8.48% |
| Thailand | 583 | 22 | 3.77% | 583 | 408.97 | 10.50 | 2.57% | 14.97% |
| Vietnam | 641 | 43 | 6.71% | 641 | 54.15 | 9.51 | 17.57% | -8.33% |
| ASEAN | 3,548 | 120 | 3.38% | 3,548 | 2,332.64 | 111.98 | 4.80% | 10.38% |

Source : IFRC Vietnam (www.globalwomenceo.com)

Table 2 : Women CEO indexes performance (2009 - 2014)

| WOMEN CEO Index | % | NATIONAL INDEX | % | Diff | FTSE ASEAN % | Diff |
|-----------------------|--------|--------------------------|--------|--------|--------------|--------|
| WOMEN CEO Malaysia | 42.04% | FTSE MALAYSIA ALL CAP | 15.22% | 26.82% | 17.54% | 24.50% |
| WOMEN CEO Philippines | 62.74% | FTSE PHILIPPINES ALL CAP | 26.64% | 36.10% | 17.54% | 45.20% |
| WOMEN CEO Singapore | 29.04% | FTSE SINGAPORE ALL CAP | 11.10% | 17.94% | 17.54% | 11.51% |
| WOMEN CEO Thailand | 37.37% | FTSE THAILAND | 22.91% | 14.47% | 17.54% | 19.84% |
| WOMEN CEO Vietnam | 10.40% | FTSE VIETNAM ALL-SHARE | 7.25% | 3.14% | 17.54% | -7.14% |
| Average | 36.32% | | 16.62% | 19.69% | 17.54% | 18.78% |
| WOMEN CEO ASEAN | 32.31% | | | | 17.54% | 14.78% |

Source : IFRC Vietnam (www.globalwomenceo.com)

Comparison shows WOMEN CEO Country indexes also outperform their respective national index. Abnormal performance per country is always positive, the highest differences concern Philippines (36.10%), Malaysia (26.82%). In average the WOMEN CEO Country indexes outperform 19.69% per year.

WOMEN CEO ASEAN companies outperform FTSE ASEAN index 18.78% per year in average over the period 2009-2014. Vietnamese companies underperform FTSE ASEAN index, and the best performer countries are the Philippines and Malaysia with 45.20%, and 24.50% excedent return per year respectively.

By size

ASEAN companies are ranked by market capitalisation in decreasing order first. Large Caps are first companies of which accumulated capitalisation covers 80% of the total market, Mid Caps are next 15%, and Small Caps include the remaining 5%. The result of this ranking defines 344 Large, 804 Mid and 2,400 Small capitalisations.

Nine of 120 ASEAN WOMEN CEO companies, i.e. 7.50%, are Large Caps, and 111 are Mid and Small Caps. Most of published studies on the WOMEN CEO performance are based on Large Caps, and we can see in the Table 3, 92.50% of Women CEO in ASEAN managed Mid and Small Caps companies.

Higher performances concern Large and Mid Caps with 13.40% and 17.91% of annual excedent return respectively. Small Caps excedent performance is always positive but slightly lower the average.

Table 3 : Women CEO by size of company (June 2014)

| SIZE | Number of companies | | | Market Capitalisation (\$Bn) | | | | Excedent [*] |
|-------|---------------------|-----------|-------|------------------------------|----------|-----------|--------|-----------------------|
| | ALL | WOMEN CEO | % | Nb | ALL | WOMEN CEO | % | Performance |
| Large | 344 | 9 | 2.62% | 344 | 1,866.00 | 75.63 | 4.05% | 13.40% |
| Mid | 804 | 22 | 2.74% | 804 | 349.97 | 10.89 | 3.11% | 17.91% |
| Small | 2,400 | 89 | 3.71% | 2,400 | 116.67 | 25.46 | 21.82% | 8.15% |
| ASEAN | 3,548 | 120 | 3.38% | 3,548 | 2,332.64 | 111.98 | 4.80% | 10.38% |

Source : IFRC Vietnam (www.globalwomenceo.com)

By sector

Concerning sectors, **Consumer Services (6.89%)**, and **Health Care (5.43%)** are industries where **women CEO are most numerous**, and inversely **Utilities (1.43%)** is the most under-represented compared to the general representation ratio 3.38%.

Technology (18.36%) and Industrials (17.67%) are sectors with highest excedent performance respectively compared to the sample average of 10.38%. Utilities (-15.81%) is the most negative excedent performance among others: Telecommunications, Health Care... . Other sectors don't have enough women CEO to conclude statistically.

Table 4 : Women CEO by sector (June 2014)

| SECTOR | Number of companies | | | Market Capitalisation (\$Bn) | | | | Excedent [*] |
|--------------------|---------------------|------------|--------------|------------------------------|-----------------|---------------|--------------|-----------------------|
| | ALL | WOMEN CEO | % | Nb | ALL | WOMEN CEO | % | Performance |
| Oil & Gas | 112 | 2 | 1.79% | 112 | 167.70 | 0.14 | 0.08% | 13.46% |
| Basic Materials | 350 | 13 | 3.71% | 350 | 93.13 | 1.41 | 1.52% | 10.95% |
| Industrials | 1,070 | 24 | 2.24% | 1,070 | 358.45 | 17.95 | 5.01% | 17.67% |
| Consumer Goods | 593 | 18 | 3.04% | 593 | 325.03 | 6.61 | 2.03% | 1.70% |
| Health Care | 92 | 5 | 5.43% | 92 | 52.07 | 0.56 | 1.07% | -0.80% |
| Consumer Services | 334 | 23 | 6.89% | 334 | 266.56 | 16.64 | 6.24% | 2.57% |
| Telecommunications | 40 | 2 | 5.00% | 40 | 197.57 | 51.81 | 26.22% | -5.56% |
| Utilities | 70 | 1 | 1.43% | 70 | 87.45 | 0.79 | 0.90% | -15.81% |
| Financials | 679 | 25 | 3.68% | 679 | 742.53 | 14.50 | 1.95% | 12.21% |
| Technology | 208 | 7 | 3.37% | 208 | 42.15 | 1.57 | 3.72% | 18.36% |
| ASEAN | 3,548 | 120 | 3.38% | 3,548 | 2,332.64 | 111.98 | 4.80% | 10.38% |

Source : IFRC Vietnam (www.globalwomenceo.com)

Conclusion

Our first results clearly show that the companies grouped by country, sector, or size have a superior return compared to their national index or ASEAN area benchmark index. They overperform about 15% per year from 2009.

The **WOMEN CEO ASEAN Indexes Series** will be extended to the capitalisation weighting, and the tradable **WOMEN CEO ASEAN 40 index**. This index could be an investment opportunity for financial products. Their figures and other information will be updated on the www.globalwomenceo.com website.

Next steps

With our academic partners, **VCREME, ICN, EDC and SKEMA Business Schools (France)** and **University of Economics and Laws (Vietnam)**, we are trying to explain why **WOMEN CEO companies** outperform by controlling other corporate performance measures (fundamental ratios for example), and factors such as gender, and CEO profil (experience, education, compensation, ...).

In the second step, we will study the Executives Board of each company, and calculate the presence ratio of women. Like women CEO companies study, we will analyse the relation of the firm characteristics, the executive profile and the stock market or corporate performance of the company for about **40,000 companies of 41 countries of our universe**.

IFRC is a dynamic company specialized in the development of new indexes and in the customized indexes services. Officially present in Vietnam in 2010, we aim to approach the Viet Nam stock market by creating a VNX Indexes Series that supplies to investors a trusting performance measure for this lively emerging stock market. This family covers 400 indexes including Benchmark, Size, Sectors, Blue Chips, Strategy and Theme indexes. They provide full and transparent information on indicators, follow the standards of international investment, and are potential underlying of funds and structured products.

IFRC & Index (International www.ifrcindex.com and Vietnam www.vnxindex.com)

Our experienced professional team, trained and supervised by Dr. Huu Minh MAI with 15 experience years working for New York Stock Exchange Euronext in Index department, expect to enrich continuously the index family by exploiting different social/economic trends while working in collaboration with Vietnamese and global partners.

First index provider of full 400 VNX indexes for the whole Viet Nam market

Provide full and transparent information on indicators (calculation method and data of companies in the index) to help monitoring and analyzing the situation of investors.

Ability to create indexes that meet the standards of international investment (UCITS III)

Relations in the extensive expertise, international financial institutions that use and commercialize indices (NYSE - New York Stock Exchange, Lyxor, Société Générale, Calyon, BNP Parisbas, Deutsch Bank...).

IFRC & Research

Index activity which requires an important data resource, also creates a rich database in return. Our ambition is to exploit this available database and our know-how to contribute for research activity.

Women CEO Project (www.globalwomenceo.com)

This project is the first step of a larger project on the relationship between corporate performance and governance which is covered both academic and financial approaches. Other topics will be the presence of women on boards, capital held by the state, capital held by foreign investors, or family businesses. This project is carried out in the different geographical areas as Vietnam, Southeast Asian and Asian Nations, Eurozone and European Markets and all over the world.

Vietnam Financial Database (www.vnfdb.com)

We are willing to support and foster empirical researches in Vietnam by implementation of Vietnam Financial Database, an academic cooperative project that centralizes in a single point of access to different sources and types of data and documentation useful for research in Finance.