The impact savings and retail banks make to boost the real economy while giving back to the communities they serve in Latin America and the Caribbean.
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As the world faces pressing economic and social challenges, people look more than ever to the savings and retail banking model. Serving as a financial catalyst in local economies – small towns, big cities and everywhere in between – the savings and retail banks, no matter what size or shape, nourish the real economy made up of households and small and medium-sized businesses.

This document aims to tell that compelling story. With the aim of being better understood by policymakers and stakeholders, it features facts and figures that paint a clearer picture of what we are and what we value: responsibly managed banks that are retail focused and regionally present. It includes data on employment levels, branch numbers and balance sheet items, buttressed by case studies from savings and retail banks throughout the Latin American and Caribbean region.

To help highlight how well WSBI member banks, the booklet offers a closer look at ways they deepen the customer relationship – built on respect and driven by our self-help roots. Data and examples also showcase our unwavering commitment to giving back to the communities we serve, staying at the forefront of need through our foundation work.

“Retail, Responsible and Regional”, the values savings and retail banks uphold are needed more than ever. Steadfast in their mission to serve, savings and retail banks can play an even greater role to help countries in the Latin American and Caribbean region emerge stronger from past economic hurdles. It requires the right policy that helps unleash, not hinder, innovation to keep the region thriving in the 21st century.

Diego Fernando Prieto Rivera
President, WSBI GRULAC

Chris De Noose
Managing Director, WSBI
Savings and retail banks are driven to convert deposits from local communities into loans that finance the real economy – households and SMEs.

Figure 3: SME lending as percentage of total assets (in %)

WSBI members in Latin American and Caribbean region have more than €40 billion in SME loans on their books.

132 million people in the Latin American and Caribbean region seek banking services from WSBI members there.

* Based on sample of survey responses from WSBI members in the region.
CASE STUDY: CHILE
BANCOESTADO

CuentaRut & Caja Vecina, BancoEstado’s agent banking scheme

BancoEstado and small store owner Ester Roa Basaez has made wheelchair-bound Amanda Vergara Flores’ life easier in Puente Alto, Chile.

An account holder under the CuentaRUT offering, considered a “Vista Account” and operates with a debit card, Amanda can manage money securely: deposit, transfer or withdraw money and/or pay in different stores. There is no monthly maintenance fee and it has no access limitations. Women over 12 years and men over 14 years can receive an account.

Related to CuentaRUT is Caja Vecina, a modern, innovative agent banking scheme system that allows people, clients and non-clients – living far from centric sectors – to access various financial services offered by BancoEstado in local shops. This means she no longer has to make the trek to the BancoEstado office in her city. Instead, she can depend on Caja Vecina’s easy access format, including extended hours. Through the Caja Vecina, CuentaRUT allows customers to make withdrawals, deposits, transfers between BancoEstado accounts, pay service and credit accounts, consult balances and transfers in an easy, fast and safe way.

Caja Vecina is not only a powerful way to help people gain access and use financial service, it’s also good business for local businesses like the one owned by Ester. Part of the programme since 2006, she has seen the success of Caja Vecina first hand.

It encourages savings by customers, helps boost traffic to her store and sets her apart from other businesses in the area. She first learned about Caja Vecina while listening to the radio. It took her less than a month to set up the service in here store. Years later, it still serves people in the community, including Amanda.

Why it’s important

BancoEstado improves access to financial services by people who live in remote areas thanks to Caja Vecina while assessing the impact that its activities have on society. It’s part of an important, fundamental role played by BancoEstado to boost access to financial services for individuals and micro, small and medium-sized enterprises who seek financing in Chile. It also supports several public policies and contributes to economic growth of the country by paying taxes, generating utilities and providing liquidity.

Amanda Vergara Flores: User of the Caja Vecina system with her CuentaRUT

Ester Roa Basaez: Owner of a small general store in Puente Alto, Chile. Her store has offered CajaVecina to local customers since 2006.
CASE STUDY: COLOMBIA
BANCO CAJA SOCIAL

Cuentamiga, cost-free current account offered to the mass market

“With more than 107 years serving middle- and low-income households in Colombia, Banco Caja Social is characterized by its service culture and commitment to serving Colombia’s middle and lower middle classes. The bank has been developing for decades tailored solutions that incentivise savings and meet customers’ transactional banking needs.

Cuentamiga is a free-of-cost transactional account with an opt-out automatic hidden pocket that helps people save for “rainy days”. Initially launched as a low-income account for employees, and formerly called Mi Sueldo (“My Salary” in English), the account has been shifting since 2017 to serve the entire mass market.

Banco Caja Social more than 1 million active clients using Cuentamiga – 48% of the bank’s total clients – with an average monthly balance of COP976,874 (US$326.00). To date, 76% of active clients using Cuentamiga save in the automatic hidden pocket, with an average balance of COP56,316 (US$19.00). Two of the biggest challenges for the bank are fit and usage. More specifically, offering the product to clients who really need it while boosting low product usage rates. To date, 44% of opened accounts remaining inactive.

Banco Caja Social has also developed different attention models and value propositions to meet the needs of micro and small companies. In the last 20 years the bank has capitalized on lessons from success and pitfalls and continues to evolve towards closer, integrated and cost-efficient models.”

CASE STUDY: MEXICO
BANSEFI

BANSEFI’s PATMIR scheme

“Thanks to Caja Popular San José de Iturbide, my dream business became real”.

Elia Soto Escobar is a woman on a mission. A client of Caja Popular San José de Iturbide and a full-time mom who is head of her household, she brings up her children while having a thirst for being a small business owner.

Thanks to BANSEFI’s PATMIR scheme, she was able to start a relationship with her local caja, which led to greater things. After Elia received support from the promoters of a local cooperative, she was able to get a loan to fund her business from the caja. Her success has been such that she is already applying for her second loan to grow and reinvest in her business.
Savings and retail banks invest in the communities they serve, whether it is through core banking services or through its pioneering community outreach work.

CASE STUDY: PERU
FEDERACIÓN PERUANA DE CAJAS MUNICIPALES DE AHORRO Y CRÉDITO (FEPCMAC)

CMAC Trujillo’s initiative to include local skilled women entrepreneurs in global value chains

The "Manos Tejedoras" initiative is the main social responsibility project done by Caja Trujillo, a FEPCMAC programme designed to strengthen the technical skills of poor mothers with low economic resources.

Participants, mostly heads of household, benefit from a series of training in weaving techniques, which allows them to reinforce their skills and thus create garments and decorations that are then exported to the United States, where have an ready-made market. This project benefits an average of 1,000 people from Alto Trujillo, El Porvenir-Trujillo, in Peru, and directly to 200 women who have participated since last year.

The programme is part of FEPCMAC’s efforts to position itself as a strategic representative of the CAJAS MUNICIPALES DE AHORRO Y CRÉDITO (CMACs) to the main national cooperation entities and international organizations, as well as supervisory and regulatory bodies and the various stakeholders participating in the different lines of action of the National Strategy of Financial Inclusion that is being developed in Peru.

They hope by 2017 to continue promoting the process of decentralization and financial deepening on different fronts, such as water and sanitation, social housing and the creation of green financial products for mitigation and adaptation to climate change. This is done through a management model that identifies the best practices in the microfinance sector in other countries and through access to studies through the use of appropriate technologies.

A non-governmental legal entity of public law, FEPCMAC is in charge of coordinating the activities of its members at national leve as well as representing the Municipal Savings and Credit System of the country nationally and internationally. It represents eleven Municipal Savings and Credit Banks operating in the national territory and whose objective is to achieve financial inclusion by both savings and credit.
Social and financial inclusion is part of APAP’s vision and values. This creates in the institution the commitment to design inclusive solutions. The bank promotes the equality and non-discrimination policy that seeks to create a culture of inclusion and equality in the company.

In addition to providing customer service to people with disabilities and recruiting employees with the same conditions, APAP plays a major role as an inclusive financial institution, becoming the first and only in the country’s banking sector. Through its APAP TODOS programme, it looks to become an accessible entity through the adaptation of its facilities and infrastructure, the digitalization of its channels, training its customer service representatives in sign language and by creating an inclusive culture inside the organisation. In its first eight months, the program in 2015 had trained personnel in sign language in 50% of APAP’s branches in an area where the largest population of hearing impaired in the country is concentrated.

As part of APAP’s corporate social responsibility, APAP TODOS offers financial education to people with disabilities, with a training programme that adjusts to the necessities of the audience. That includes financial education in sign language for hearing-impaired students and using fun methods for people with autism.

APAP pursued this work to achieve financial inclusion as well as accessibility to customers with different disabilities, whom are mainly excluded in the Dominican society because of their physical and intellectual limitations. To circumvent this barrier, APAP developed strategic alliances with other institutions, such as the National Disability Council (CONADIS), universities, schools and organizations that serve people with disabilities.
Locally focused savings & retail banks – whether small, medium or large – serve their customers to help spur growth at regional level through a vast network of banks throughout Latin America and the Caribbean. Harnessing digital means provide a further boost to extend and deepen our contact with people, democratising finance to give greater access to banking.

5,000 banking outlets

5,000 banking outlets
137,000 staff
15,000 trainees and apprentices
43,000 Automated Teller Machines (ATMs)
CASE STUDY: BRAZIL
CAIXA ECONOMICA FEDERAL DO BRAZIL

Riverboat bank Agência Barco Chico Mendes, CAIXA’s branch serving the Amazon Basin region

Caixa’s Agência Barco Chico Mendes riverboat banking project serves the riverside populations in Amazonas and Pará. Two vessels are in service, Chico Mendes, inaugurated in 2010 that operates in the Manaus-Coari stretch on the Solimões River, and Marajó Island, inaugurated in 2014 and which operates in the 10 municipalities of the Island.

The vessels fulfil the need for banking assistance caused by access difficulties to the regions and reduces the displacement expense when the local population travels to urban centers when seeking banking services. The project aims to provide access to financial services to the populations of the Amazon Basin region, thus expanding service delivery options, promoting socioeconomic development and financial inclusion. Starting in 2010, the river bank unit was the first to operate in Brazil.

Beyond banking services, boat agencies have access to justice and women’s rights through the Women, Living Without Violence program in partnership with the Secretariat for Women’s Policies. In addition, they serve the workers through a partnership with the Ministry of Labor and Employment, issuing work portfolios and removing doubts about labor rights.

In this way, in addition to actions to promote health, education, environmental protection and citizenship, Caixa promotes banking inclusion for residents and socioeconomic development of the region, reinforcing its role as a socially responsible financial institution.

CASE STUDY: PANAMA
CAJA DE AHORROS

CSR in Panama: Rooted in the community

Caja de Ahorros leads social responsibility projects that have a big impact on communities and give people access to banking services. It develops flagship programmes focused on food sustainability through the creation of school vegetable gardens in different towns and neighborhoods throughout the country. They also focus on the National Savings Scheme, which raises the awareness of children and young people about the importance of savings with the help of volunteers who promote this habit. It is also the first bank in Panama to train employees in sign language in more than 50 of its branches nationwide now ready to serve hearing-impaired customers.
The GBP 99 supermarket is part of Fedecredito’s agent banking network: *Fede Puntos vecino*. Through this *Fede Puntos vecino* business model, the minimarket serves a community of 20,000 inhabitants, in addition to the surrounding municipalities. At the same time Mr. Carlos Armando Barillas has increased sales and business of his minimarket, created a bookshop section and placed a new branch of the mini supermarket in Jujutla, municipality near Guaymango, both located in the Ahuachapán department. *Fede Puntos vecino* provides microentrepreneurs with an opportunity to grow and develop their businesses.

The *Fede Puntos vecino* scheme is present in all 14 departments of the country through *Fede Puntos vecino* outlets, providing financial services on behalf of member institutions. To date, 234 *Fede Puntos vecinos* have been implemented in 196 of 262 municipalities of the country (74.81% of El Salvador). There is a service point every 20 km, with 505 points open for business. Up until December 2016, there were 5.4 million transactions valued at some $195 million with an average transaction amount of around $35.

*SISTEMA FEDECRÉDITO* is recognized as the sole banking organisation in the country of Salvadoran ownership with the highest coverage of municipalities. It has a strong brand image that forms a strong link to Salvadorian pride. With more than 78 years of service, it has a leading position serving the base-of-the-pyramid population. It is also plays a crucial role in El Salvador for its extensive efforts of bancarization and financial inclusion of low-income populations.

Thanks to greater access to financial services, Salvadorians benefit from improved financial access to receive loans, make deposits and collect remittances. Greater financial protection of unbanked populations is now possible thanks to *Fede Puntos vecinos*.

**What it means for the customer**

**Meet Martin**

Martin is a user of the product *Mi Cuenta*, available for anybody whose salary is equal to or less than $300 per month or who receives a subsidy from the government. It also has a savings component, and only $1 is needed to open up a *Mi Cuenta* account. Martin frequently uses *Fede Puntos vecino* to move cash in and out of his account.
Representing financial institutions and federations, the WSBI Latin American and Caribbean Group (GRULAC) looks to create and share knowledge with one another and to raise awareness of WSBI and its positions with people in the region.

The Latin American & Caribbean Regional Group (GRULAC) was established to bring together the members in the region to keep close exchange on specific issues and to promote the exchange of best practices and create opportunities for business cooperation.

Representing 12 financial institutions from 11 countries, the group's members meet at least once a year at annual regional group meetings. Those meetings serve as a platform for exchange of experiences among members and also provides potential members or other interested international or regional organizations a way to keep up to date on savings and retail banking as well as WSBI efforts in the region.

Cooperation between WSBI members in the group ranges from contact building and exchanges of information to the development of concrete business opportunities, at bilateral or multilateral level. For example, members host training workshops and one-on-one study visits for fellow members, sign business cooperation memoranda of understanding, exchange expertise and enter into reciprocal business partnerships.

MEMBERS

- Bolivia: Mutual La Primera
- Brazil: Caixa Econômica Federal do Brasil
- Chile: BancoEstado
- Colombia: Banco Caja Social (BCS)
- Cuba: Banco Popular de Ahorro
- Dominican Republic: Banco Nacional de las Exportaciones (Bandex); Asociación Popular de Ahorros y Préstamos (APAP)
- El Salvador: Federación de Cajas de Crédito y Bancos de los Trabajadores (Fedecrédito)
- Guatemala: Banco de Desarrollo Rural (Banrural)
- Mexico: Banco del Ahorro Nacional y Servicios Financieros (BANSEFI)
- Panama: Caja de Ahorros de Panama
- Peru: Federación Peruana de Cajas Municipales de Ahorro y Crédito (FEPCMAC)

LEADERSHIP

Diego Fernando Prieto Rivera, president of Banco Caja Social in Colombia, leads the Latin American & Caribbean Regional Group. WSBI regional group presidents (RGP) are appointed for three-year terms among the top management of member banks in the region. His term ends in 2018.

Macario Armando Rosales Rosas, president of Fedecredito in El Salvador, is a member of this group and additionally serves as WSBI Treasurer. He previously led the GRULAC group from 2009 to 2012.

WHY THEIR WORK MATTERS

The shifting economic order that emerged after the global financial crisis has given the Latin American and Caribbean region significant attention and has generated a record international climate for growth.

Representing members that include federations, together translating to 84 financial institutions, the GRULAC group address region-wide structural changes needed to extend the access to financial services. To date, focus has been placed on digital banking, payments systems, micro and small and medium sized enterprises (MSMEs), risk management and overall savings mobilization.

The group aims to generate and share knowledge and to advocate for members to:

- raise member profiles as financial pillars of their national economies, vis-à-vis national and international authorities;
- promote the development of socially committed financial institutions in the region while conveying the right messages for a conducive regulatory framework;
- create opportunities for exchanges of information, training and technical assistance;
- channel business opportunities for member institutions; and
- expand WSBI membership in the region.
The Annual Regional Group Meeting (RGM) is a forum to discuss and drive issues relevant to the region’s retail banking sector. It also serves as a platform for cooperation between regional banks and provides input into the WSBI overall strategy.

The GRULAC Steering Committee brings together top leaders from members in the region who are committed to promoting WSBI. They aim to shape the regional group’s future positioning and visibility in the region as well as positioning WSBI as a trusted, leading voice on retail banking worldwide.

ADVOCACY

An important role of regional groups is to provide input to overall WSBI messages provided to G20 leaders. GRULAC Group members advocate as necessary with regional parties, authorities and national regulatory bodies. Members have regular contact with regional and multilateral organisations such as the:

- Association of Supervisors of Banks of the Americas (ASBA);
- Central American Bank for Economic Integration (BCIE/CABEI);
- Center for Latin American Monetary Studies (CEMLA);
- Inter-American Development Bank (IDB); and
- La Federación Latinoamericana de Bancos (FELABAN).

KNOWLEDGE SHARING

Knowledge sharing between GRULAC Regional Group members helps boost their business development efforts. The group aims to promote members’ best practices, to transfer the knowledge among members, fostering regional cooperation – members helping members.

Knowledge sharing efforts aim to highlight and address areas such as digitalization, banking innovation, financial inclusion, and financing MSMEs.

ABOUT THE WORLD SAVINGS AND RETAIL BANKING INSTITUTE (WSBI)

WSBI represents the interests of 6,000 savings and retail banks globally, with total assets of $14tn and serving one billion customers in nearly 80 countries (as of 2014). WSBI focuses on international regulatory issues that affect the savings and retail banking industry. It supports the aims of the G20 in achieving sustainable, inclusive, and balanced growth, and job creation, whether in industrialised or less developed countries. WSBI favours an inclusive form of globalization that is just and fair, supporting international efforts to advance financial access and financial usage for everyone. Learn more at: [www.wsbi-esbg.org](http://www.wsbi-esbg.org)