The impact savings and retail banks make to boost the real economy while giving bank to the communities they serve in the Asia-Pacific.
The Asia-Pacific region continues to be the world economy’s main engine of growth. Globally connected and developing at unprecedented speed, standards of living have reached new highs.

Savings and retail banks are ideally placed to help people gain from this phenomenal growth story. Serving as a financial catalyst in local economies – small towns, big cities and everywhere in between – savings and retail banks, no matter what size or shape, nourish the real economy made up of households and small and medium-sized businesses. That brings jobs, prosperity and social cohesion.

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 Asia-Pacific region.

To help highlight how well WSBI member banks, the booklet offers a closer look ways to 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.

“Retail, Regional and Responsible”, the values savings and retail banks uphold are needed more than ever in this globalised, high-speed world. Steadfast in their mission to serve, savings and retail banks can play an even greater role in Asia-Pacific countries. To do this, it requires the right policy that helps unleash, not hinder, innovation to keep Europe thriving in the 21st century.
Savings and retail banks are driven to convert deposits from local communities into loans that finance the real economy – households and SMEs.

Did you know?

- Postal Savings Bank of China, has more than 539 million individual customers and 9 million SMEs customers. By the end of September 2016, small-amount loans granted by PSBC amounted to around US$190 billion and SMEs loans totalled around US$370 billion and went to nearly 12 million enterprises.

WSBI Asian members serve large part of banked population. The market share of customers among the banked population is extremely high as illustrated by figure 1. This evidences the fact that the traditional savings banks are the largest financial service providers in some countries.

- WSBI member State Bank of India (SBI) has 337.5 million customers, of which more than one million are SMEs.

*All other banking institutions in the European Union that are not ESBG members.
Figure 1: Customer market share (no. of customers/total banked population)

Source: WSBI
Serving the micro-entrepreneur

BSN Micro/i scheme has greatly assisted many micro-entrepreneurs in giving funds to expand their business and seize new opportunities in the markets. As of 2016, BSN had 45 Business Financing Centres located across the country assisted by more than 115 Business Relationship Officers in providing capacity building assistance and advisory services. The average size of the loan disbursed to micro-entrepreneurs is about US$6,000-7,000. The microfinance scheme is also actively assisting of the women entrepreneurs—especially those in the lower income group as 35%-40% of BSN Micro/i customers are made up of women business persons. BSN is the largest provider of micro financing among financial institutions under the national Micro Financing initiative as it holds 53% market share of the micro financing in the industry.

In 2001, when Mrs. Norzamira started managing the business seriously, she realised that the traditional way of baking biscuits would not be able to cater her increasing customer base. However, her plan to expand the business faced a stumbling block – she found difficulty in obtaining financing for her small and informal business with the lack of record keeping and nous on business acumen. Consequently in 2009, Mrs. Norzamira decided to consult BSN and applied for BSN Micro financing for a sum of RM 20,000 (USD 5,000)\(^1\), to upgrade her home-based business to a workshop complete with baking equipment. In line with our mandate and desire to help Malaysians especially the underserved segments, BSN approved Mrs. Norzamira's financing scheme which also offered a short course on basic book keeping.

Today, after almost 40 years since Mrs. Norzamira’s mum single-handedly managed the business, Bangkit Kenari Enterprise has expanded to 2 new stores in Yan, expanding to provide catering services and has increased its product offerings to the local community. From an enterprise of 5 employees, i.e. Mrs Nozamira, her siblings and her mum, the business has now expanded to 18 staff covering a variety of traditional biscuits and snacks.

Mrs. Norzamira’s is one of many Malaysian’s whom BSN has helped in line with our vision of “No Malaysian left behind” and our brand promise of “a better life within your reach”.

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1 Exchange rate of USD1 = RM4 is used for illustration
CASE STUDY:
KOREA POST
(SOUTH KOREA)

Korea Post migrates financial inclusion 1.0 to 2.0

Korea Post has an extensive network. About 55% of Korea Post’s outlets are located in rural areas compared to only 3% by commercial banks. Korea Post emphasizes a non-discriminatory financial inclusion approach, namely, include the vulnerable e.g. the poor, the disabled, the old, the rural, the migrant workers, in the formal financial system. Korea Post aims to provide the vulnerable with more comprehensive services in addition to the current offerings. Products and services will be extended from access to basic transactions to small loans and wealth management. In 2018, Korea Post will launch its microcredit in collaboration with financial institutions. It will also embrace biometric technology to provide more convenient service. More customers will be migrated from the traditional banking channels to the new secured and trusted digital channels.

CASE STUDY:
NATIONAL SAVINGS INSTITUTE (INDIA)

National Savings Institute entices non-banked to open account

In recent years, WSBI member National Savings Institute, Ministry of Finance, Government of India, took several new initiatives to popularize savings among the masses and facilitating participation of non-banked people to open an account. It launched two new financial products – one for small investors and another for girls.

- **Sukanya Samriddhi Account** – A savings product designed for the welfare of girls and targeted to motivate their parents to save for their child to meet the financial needs of higher education and marriage expenses. The account can be opened with a minimum deposit of Rs.1000 and maximum Rs.1,50,000 can be deposited in the account in a financial year. Fifty per cent of the accumulation, including the interest, can be withdrawn for higher education expenses when the girl child attains the age of 18 years – the minimum marriage age under Indian law. To motivate parents to save for the girl child, the highest rate of interest with complete tax exemption has been offered on the account. The scheme was launched by Indian Prime Minister Naranda Modi in 2015. More than three million accounts have been opened under the scheme within the first two months of the programme launch.

- **Kisan Vikas Patra** – The scheme is targeted to benefit small investors, who invest their savings for good return and easy liquidity. Money invested in Kisan Vikas Patra doubles in 100 months and can be prematurely cashed-in any time after 30 months with pre-determined value. The reach of the scheme has been enhanced as the certificates will be available in all authorised branches of nationalised and other commercial banks, in addition to all post offices across the country.
CASE STUDY: PT. BANK TABUNGAN NEGARA (PERSERO)

BTN in Distributing Government Household Conditional Cash Transfer (CCT)

MAs State Own Banks, PT. Bank Tabungan Negara (Persero) – BTN, Ministry of Social Affairs and other State Own Banks, are appointed to take responsibility in distributing government aid, or as known as household CCT. In delivering the cash transfer BTN need to align with financial inclusion, consistency and accountability principles. Implementing KYC policy for the poor households is one of the challenges, but that emerge the ingenuity of digitalization in distributing this CCT Program. Combo Card – integrated e-wallet and debit account, Automatic Card Retrieving and Integrated Dashboard, describe cost-effectiveness in this program.

Poor household were queuing in cashing out the CCT program into cash or commodity in bank agent network. Bank Agent are listed and equipped with Bank’s EDC, which has government CCT disbursement features. The households can also disburse the CCT in the ATM Channels and all the state own bank agent network all over the Nation.

Eventually, collaborating with government program also drive the education to financial inclusion for every people in Indonesia.

Nowadays, over than 6 Mio poor people have the “Kartu Keluarga Sejahtera” or Indonesia Welfare Household Card to disburse more than IDR 11,3 T fund in 2017.

CASE STUDY: NABARD (INDIA)

Livelihood creation through NABARD

Many years ago, thanks to the National Bank for Agriculture and Rural Development (NABARD) India, Self-Help Groups (SHG)1 are changing lives of poor rural women for the better.

One example is a small bakery unit in Kanchipuram in Tamil Nadu State of India, where five SHG members are busy with packing the bread fresh out of the oven about to be sent to a retail store.

Women from one SHG started running the bakery business with a small oven. With a small loan received from NGO 2 Hand-in-Hand, the SHG bought three moderate-sized ovens, which had helped the production significantly increase.

Now the SHG is able to supply the bread to several retail stores. A tiny loan given to the poor as working capital can change poor people’s destiny. They have income and are part of something that serves the community.

There is no doubt that microcredit in India has played a significant role in poverty alleviation. Small loans have helped the SHG members in cattle raising, handicrafts production and other small businesses like bakeries. NABARD supports rural for livelihood creation – income generating activities – through capacity building / training, financial education and marketing support.

1 SHG is a cluster of 10-20 people, of which most of are women, who organize themselves into the group. The group members can save and lend within their group. Every group member savings a small amount regularly and the pooled savings is kept in a bank account in the SHG’s name. NABARD pioneered the model about two decades ago and have been providing supports to facilitate the form of SHGs and to link SHGs to financial services.

2 The NGO is supported by NABARD in grants, training and capacity building assistance. In turn the NGO acts as facilitators/ intermediaries for the formation and credit linkage of the SHGs.
Locally focused savings & retail banks – whether small, medium or large – serve their customers that spurs growth at regional level through a vast network of banks throughout the Asia-Pacific. Harnessing digital means provide a further boost to extend and deepen our contact with people, democratising finance to give greater access to banking.

→ 26 members in 17 countries
→ 1.1 billion clients served
→ Total assets: US$3.5 trillion
→ 66,827 outlets / branches
→ 602,477 employees

Source: WSBI. Data through December 2016.
Postal Savings Bank of China (PSBC) has about 40,000 brick-and-mortar outlets, 150,000 self-service devices and 100,000 ATM distributed nationwide. The agent partnership with post office provides PSBC with obvious advantages of a balanced distribution network and a high density of outlets. It is deeply rooted in rural areas, with a vast and comprehensive network in both cities and rural areas. Compared to other commercial banks, PSBC's network density rate is 2.9 per 100,000 persons, while for commercial banks the rate is 1 per 100,000 persons. As of June 2017, PSBC has nearly 40,000 outlets of which 31,800 are post office agent network. Among the 40,000 outlets, 75% are located in towns and villages. With the outlets and self-service equipment, PSBC covers 98.9% of China. In some rural areas, PSBC is the only provider of national financial services, providing customers with inclusive financial services has played an irreplaceable role.

PSBC works to support the business development of micro-enterprises and improves the financial service offer available to them by innovating products and services, upgrading business models, and establishing branches dedicated to micro-enterprises. The practice of PSBC in financial inclusion has totally changed the traditional perception that big banks can only handle big businesses, while small banks are positioned better to handle small customers.

Bank Simpanan Nasional Malaysia (BSN) launched its agent banking since 2012. Prior to the introduction of the agent banking service, only 40% of the total 886 mukim (sub districts) in Malaysia had been served. Now it is 97.5% coverages with 7,016 agent banks provided by BSN.

Being a BSN agent allowed Kak La - a BSN account holder herself - to provide other BSN account holders with banking transactions facilities like cash deposits, withdrawals and bill payments. They could also make purchases of BSN Premium Savings certificate (eSSP) and cashless payments for items or services offered in her shop. Being an agent banker had also been financially beneficial for Kak La’s. Villagers and workers from nearby factories who dropped by to pay their bills and to deposit or withdraw money would also do some of their daily or weekly shopping at her store. Kak La’s monthly sales revenue increased by 50 percent from an average of RM30,000 to RM45,000.

“Traffic has certainly increased in my store. I used to have about 200 customers per day. Since becoming an agent banker, I am getting about 300 customers daily. Not only that, I also have additional income from the commission that I earn as an agent,” said a beaming Kak La.

Source: BSN Malaysia and AIF Case Study on BSN
Savings and retail banks invest in the communities they serve, whether it is through core banking services or through its pioneering foundation work.

The WSBI Asian membership contributes to sustainable and inclusive development in the region.

Did you know?

→ WSBI member National Savings in Pakistan remains an effective and formidable vehicle to support financial inclusion, particularly in women. More than 50% of the investors in National Savings are women versus merely less than 4% in the banking sector and an average 25% in South Asia – a testament to true financial inclusion and women empowerment.
CASE STUDY: STATE BANK OF INDIA (INDIA)

Empowering rural youth

To mitigate the unemployment and underemployment problems among rural youth in the country, State Bank of India (SBI) has set up 116 Rural Self Employment Training Institutes (RSETIs) across the country that are imparting comprehensive, free of cost residential trainings in personality and skill development. Some of SBI's RSETIs are located in the geographically and socially challenged areas. These institutes are playing a vital role in providing training and enabling settlement in vocation to unemployed rural youth. RSETIs have conducted 13,681 programmes and trained 365,848 candidates of which 234,935 trainees have been gainfully settled in vocation/employment since inception.

CASE STUDY: GSB (THAILAND)

GSB sustainably supports government policies, bank’s social mission

To develop a socially sustainable economy, GSB promotes grassroots and SME businesses by enlightening financial knowledge, providing financial support, improving financial abilities and extending product distribution channels. The bank’s “Aomsin creates happiness to people” project helped community manufacturers distribute their products in 12 market places throughout the country. Project participants received free product selling spaces and increased distribution channels to new retail customers. Aomsin market places helped small manufacturers save rental costs and electricity expense so that they could invest in more materials to produce more products. The bank also promoted plastic bag and foam box use reduction initiatives.

People lives changed for the better

Customer Aunt Teaw Kamonlax Suwannapong, a merchant in Khlong Toei Market, thinks GSB's People's Bank Loan Project, is a good project for people like her. “My life is better. I would like to send my moral support behind the projects. Keep it up.”

Customer Mr. Pitak Soponpong and friends, motorcycle riders of Sathupradit Soi 6, who are part of the People's Bank Loan Project, says GSBs work changed his life. “In the past, I never had savings but now I have it. My life is better. My children study in university level from this project. We are testimony of what GSB done.”
WSBI and the Asia-Pacific Regional Group

Representing financial institutions and federations, the WSBI Asia-Pacific regional group looks to create and share knowledge with one another and to raise awareness of WSBI and its positions with people in the region. Coming from a region that comprises a quarter of G20 countries, the WSBI Asia-Pacific Regional Group represents member banks through sharing and advocacy work on financial inclusion, banking innovation and digitalisation.

The WSBI Asia-Pacific Regional Group 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 business cooperation opportunities. Representing 27 financial institutions from 17 countries, group members meet at least once a year at annual regional group meetings.

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 for other members, sign business cooperation memoranda of understanding, exchange expertise and enter into reciprocal business partnerships.

Members
- **Bangladesh**: International Finance Investment and Commerce Bank Limited (IFIC Bank) Bank Asia
- **China**: Postal Savings Bank of China; Caixa Económica Postal de Macau
- **India**: National Bank for Agriculture and Rural Development (NABARD); National Savings Institute, Ministry of Finance; State Bank of India
- **Indonesia**: P.T. Bank Tabungan Negara (Persero)
- **Iran**: Post Bank of Iran
- **Japan**: Sumitomo Mitsui Banking Corporation (SMBC)
- **Korea**: (Republic of) Dongbu Savings Bank; Korea Federation of Savings Banks (KFSB); Korea Post Postal Savings Division
- **Lebanon**: Fransabank SAL
- **Malaysia**: Bank Simpanan Nasional
- **Mongolia**: State Bank
- **Pakistan**: Central Directorate of National Savings
- **Philippines**: Alalay Sa Kaunlaran, Inc. (ASKI)*; Chamber of Thrift Banks (CTB)
- **Sri Lanka**: National Savings Banks
- **Tajikistan**: The State Savings Bank of the Republic of Tajikistan ‘Amonatbonk’
- **Thailand**: Government Savings Bank
- **Uzbekistan**: Xalq Banki - The State Commercial People's Bank of the Republic of Uzbekistan
- **Vietnam**: Lien Viet Post Bank; Vietnam Bank for Agricultural and Rural Development (VBARD)

* Denotes Associate Member
Leadership
Mr. Maryono, President Director of P.T. Bank Tabungan Negara Indonesia leads the Asia Regional Group. WSBI regional group presidents (RGP) are appointed for three years terms among the top management of member banks in the region. His term ends in 2018.

Why their work matters
The Asian continent has become more and more important for the world economy and the banking sector has a key role to play in these developments. Experiencing robust economic growth in recent years, the region’s voice has grown on the international scene, with a quarter of G20 countries coming from Asia. On the policy front, Asia enjoys policymaker support for banking innovation and digitalization.

The region faces challenges, however, as some members are regulated as specialised banks and restricted to certain business activity in areas such as financial products or services and distribution channels. The region faces increasingly cut-throat competition as new financial service providers enter the banking landscape, including internet finance and more diverse banking business models.

Advocacy
The role of regional groups is to provide input to overall WSBI messages provided to G20 leaders. They advocate as necessary with regional parties, authorities and national regulatory bodies. It interacts and promote member best practice with key regional stakeholders, including the Asian Development Bank (ADB), Asia Pacific Economic Cooperation (APEC), Business Advisory Council Financial Inclusion Initiative and the Asia Microfinance Forum.

Knowledge sharing
Knowledge sharing between Asia Regional Group members help boost their business development efforts. The group aims to promote members’ best practices, a powerful way to raise service, quality and reach in member markets. They look to identify best practices and seek to transfer the knowledge among Asian members, fostering regional cooperation – members helping members.

About the World Savings and Retail Banking Institute (WSBI)
WSBI is an association that represents the interests of 6,000 savings and retail banks globally who serve 1.5 billion customers in some 80 countries. WSBI focuses on global regulation that affects its members. It supports G20 aims in achieving sustainable, inclusive, and balanced growth and job creation, whether in industrialised or less developed countries. WSBI focuses on efforts to advance financial access and financial usage for everyone.

Learn more at www.wsbi-esbg.org