



WSBI

Helping savings
and retail banks
thrive.

Savings and retail banks: Bringing the benefits of globalisation to all

STATEMENT OF THE 25th WORLD CONGRESS
OF SAVINGS AND RETAIL BANKS

New Delhi

15-16 November 2018

At the occasion of their 25th World Congress, World Savings and Retail Banking Institute member savings and retail banks commit themselves to help narrow the socio-economic inequality gap among people around the globe. They will do this by including a maximum of people into the formal economy and the financial system.

- ***Globalisation : a powerful force... for good***

The gradual interlinking of regions, countries, economies and people, in the last three decades has lifted hundreds of millions of people out of extreme poverty, boosted standards of living and brought swaths into the formal financial system. In advanced economies, economic integration has further raised living standards, but forced downward pressure on wages, notably for lower skilled workers in developed countries. This has led to a populist backlash against globalisation in industrialised countries.

But an inclusive version of globalisation rarely

get the headlines that appear around layoff announcements, wage cuts or offshoring. But there is another way.

Savings and retail banks see hope in an inclusive form of globalisation for all. That includes global trade flows and socio-economic progress that benefit all citizens at all strata of society. Not the few.

- ***Local communities, buttressed by savings and retail banks: gateways to a global economy***

A sound and solid financial footing on a local level helps equip citizens to withstand the headwinds of globalisation. That strong foundation offers them a chance to tap into global markets for work or trade. Citizens can find attractive jobs abroad, companies can export products and services worldwide with economic gains re-invested back into the local economy. That strengthens peoples' prospects on the ground and the societies they live in. As main financiers of the local economy and as intermediators between savers and borrowers, savings and retail

banks have a key role to play along the way.

- ***A double bottom-line for sustainable development***

A fair profit keeps firms sustainable. Savings and retail banks are no exception to the rule, but a balance must be met between shareholder value and stakeholder return, which includes giving back to the communities that make these institutions thrive.

WSBI commitments

WSBI members, who come from some 80 countries around the globe, make the following five commitments:

- **Commitment 1:** Savings and retail banks will serve clients from all layers of society with traditional branch networks complemented by clever use of digital technology.
- **Commitment 2:** Savings and retail banks will continue efforts to open and maintain accessible, sustainable and affordable bank accounts outside of or within the association's previously stated UFA 2020 goals framework.
- **Commitment 3:** Savings and retail banks will maintain their focus on financing SMEs, the main engine of jobs and wealth creation in their communities.
- **Commitment 4:** Savings and retail banks will widen financial inclusion by offering affordable products adapted to the specific needs of people, especially the unbanked and underbanked.
- **Commitment 5:** Savings and retail banks will continue investing financial and logistic resources into financial education, for a pathway to financial inclusion and to a sustainable economy.

A policy framework needed to help savings and retail banks reach their commitments:

- **Adapted regulation**

WSBI member savings and retail banks see a need for international and national policymakers to acknowledge the specific business model that make savings and retail banks unique. Geared towards the local economic and financial ecosystems, the model takes on less risk than internationally active financial institutions. Adapted regulation and supervision of WSBI member financial institutions would ensure their essential role to finance the real economy is not hampered by unnecessary rules.

- **De-risking: Avoid its counter-productive consequences**

There is urgent need for international regulatory institutions to re-consider damage caused to banks by some aspects of de-risking rules. Retail banks struggle greatly to conduct the basic task of linking up with other banks in other countries and offer local economies they serve a gateway to the global economy. WSBI and its members wholeheartedly agree that rules should protect citizens from the harmful consequences of a globalized financial system. They should not, however, prevent normal business relations between banks from being born.

- **Open up sources for local investments**

International financial institutions that are part of or associated to the Bretton Woods institutions should work now, rather than later, with locally rooted retail banks to further unleash financing for local economic development projects that spur economic growth and deepen social cohesion.

ABOUT WSBI

The World Savings and Retail Banking Institute is an association committed to helping savings and retail banks thrive. Representing savings and retail banks from all continents, WSBI focuses on issues of global importance affecting the banking industry. The institute promotes a vision for a pluralistic banking model and an enabling environment for financial inclusion. Favouring an inclusive form of globalisation that is just and fair, WSBI supports international efforts to advance financial access and financial usage for everyone. WSBI supports the aims of the G20 in achieving sustainable, inclusive and balanced growth and job creation around the world, whether in industrialised or less developed countries.

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