

news & views

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Customer Centricity

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ESBG memorandum: Part of communications gear up before European elections (see page 6)

Driving deeper into customer-centric banking (see page 11)



WSBI



ESBG

Helping savings and retail banks thrive.

INSIDE THE NUMBERS: **ESBG**

→ **ESBG reach**

1,000 banks 15% of total credit institutions in Europe

50,000 outlets 1/3 of all branch branches in Europe

680,000 staff 1/3 of total EU banking labour force

DID YOU KNOW?

→ **ESBG members have €500 billion in SME loans on their books in the EU, equal to roughly a third of the market.**

→ **One-third of Europeans seeking banking services come to our member banks.**

Members provide 20% of loans (in value terms)

Members provide 20% of deposits (in value terms)

→ **ESBG members spend more than €1.7 billion on philanthropic activities.**

The customer centricity challenge

WSBI-ESBG Managing Director Chris De Noose explores the challenge of connecting with customers in Africa.

Banks in Africa face unprecedented challenges. A demographic “youth bulge”, poor educational opportunity, and limited access to finance make the continent prone to economic malaise and societal struggle. Compounding these are digitalisation and globalisation, powerful forces that affect Africa’s 1.2 billion inhabitants in new ways. Like other regions of the world, Africa looks to financial institutions like savings and retail banks to help address most, if not all, of these obstacles at local level, in swelling cities and remote rural areas alike.

Especially daunting for banks is Africa’s population, set to quadruple by century’s end. Among the many challenges that population growth will present is the need to serve peoples’ financial needs better at the macro level while connecting better with people at the micro level. The question is “how?” The answer: offering products and services based on customer need that are usable, affordable, accessible and sustainable. While doing so, banks have to remain viable businesses that receive a fair return. A prime example is how best to offer much-needed low-balance savings accounts.

Scale2Save, a partnership between WSBI and Mastercard Foundation, aims to tackle this challenge. Its mission is to establish the viability of small balance savings in six African countries. The programme addresses the issue of high poverty rates, financial exclusion, and low formal savings rates in Africa. Part of the programme annual research effort, survey results and conclusions are shared with the international community and financial institutions in Africa – and beyond – to drive change in the banking sector to close the financial inclusion gap

Finding ways to make viable low-balance savings accounts work requires a customer-oriented approach that entails

approaches often misunderstood by formal financial service providers worldwide. In Africa, they rightly see great potential to build out a “savings market” based on people from various low-income segments. Findings of a recently released Scale2Save report reveal banks struggle with needs of customers – and how much they can afford to pay to satisfy those needs. Their business models appear to fall short when it comes to customer experience, giving rise to extremely high incidences of dormancy and inactivity in bank accounts. These effects cause significant drain on bank operating costs. That result disqualifies potential sustainable business cases that senior executives within banks want, bringing to market accessible financial services to people becomes more elusive.

Given the population-driven future of Africa, the question arises whether banks in the region can meet the growing needs of people there. They can. According to the McKinsey Global Banking 2017 report, the African banking sector is among the most dynamic in the world, the second-best performing global banking market in terms of growth and profitability as well as a home to significant innovation.

Other research shows that retail banking in Africa has huge potential. Those banks already deploy a vast set of tools and new business models to offer banking services that address the need to widen financial inclusion, which remains stubbornly low throughout the continent. Nearly three-fifths of Sub-Saharan Africans remain unbanked, and nearly half of those living in North Africa lack a basic bank account. Africans use cash excessively too, which can hinder economic growth and societal stability.

Despite low banking penetration rates, 2017 Global Findex data on financial inclusion rates draws some hope. They show financial inclusion in Africa



has improved greatly, driven by digital payments, government policies, and a new generation of services accessed through mobile phones and the internet. A bulging youth demographic in Africa will benefit greatly from those breakthroughs. Industry experts and policymakers should view WSBI member banks and Scale2Save programme partners ideally placed to help the next generation of adults build a growing, prosperous Africa.

As work continues to progress in Africa, we also share in this edition of *News & Views* efforts in other regions. We highlight the recent advocacy work on remittances, postal financial services reform, a new memorandum for EU policymakers, as well as regional group meetings and the ADBI-WSBI Conference taking place in Tokyo on the sidelines of the G20 Japan Presidency.

This edition also touches on overlapping challenges in different regions, especially digitisation and innovation, better regulation and financing the real economy. We show the impressive breadth and depth of work done by WSBI-ESBG and its members to help widen financial and economic inclusion.

CUSTOMER CENTRICITY

Customer centricity remains a challenge faced by banks. News & Views explores this by highlighting new research from Scale2Save on savings and retail banking in Africa. This edition features interviews with WSBI-ESBG members, the ESBG memorandum ahead of EU elections, a recap of WSBI regional group meetings in Zimbabwe and Brazil, and the upcoming ADBI-WSBI joint event during G20 meetings in Tokyo.



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Messages for G20 Leaders, prepping for WSBI-ADBI Tokyo conference

In response to new priorities under the G20 Japanese Presidency, WSBI's G20 Institutional Position paper being drafted now will shed light on emerging areas such as savings to address global imbalances as well as demographic change and its impact on the financial system. It also will provide WSBI's take on existing policy priorities such as bank consolidation and associated risks, financial innovation and social inclusion. The paper will be available to member banks during the ADBI-WSBI Conference: G20 and Locally Focused Banks set for 5-6 June in Tokyo. Members are invited to attend. ●



ESBG memorandum: Part of communications gear up before European elections

Sebastian Stodulka, who heads up ESBG's legal and regulatory affairs, explores the ESBG memorandum Together for a growing and more integrated Europe.

Tell us about the publication and its purpose?

We see this publication, which we call the "memorandum", as a chance to show our pro-European attitude. We know that the European Parliament elections are right in front of us. Election campaigning has already started, so we released it now to give visibility to our pro-European attitude and support our members when they interact with political candidates. They will surely have activities at national level, and we welcome them to point out to politicians that the banks they represent form part of a bigger European family. By joining together with some common messages, ESBG and its members have one clear voice for the European savings and retail banking sector that includes some 1000 savings and retail banks in more than 20 countries.

Tell the readers a little bit more of what's inside. Perhaps distil the opening chapters.

At the beginning, we present a little bit about ESBG, its members and how savings and retail banks work and how they help Europeans and the local economies where they live.

It seems a bit basic, but as we welcome a newly elected European Parliament, you can be sure it will have a new composition. That leads naturally to the fact that many of the intake of new MEPs don't know our story. The memorandum should also provide a small introduction to as to who we are. We hit home the message that we are held together by belief in the same values, we are regionally focused banks, our members pursue a responsible business and we have

a very much of a retail focus. Apart from that, we delve down into some policy-specific areas in each section of the paper.

How does ESBG frame the savings and retail banking business model? Why should policymakers care?

The start of memorandum really shows that savings and retail banks help improve financing that spurs growth and sustainable development in Europe. We point out that it's crucially important that the conditions are right for our members to continue serving the real economy – where most clients of our members comprise households and small- and medium-sized enterprises.

We argue that a large majority of SMEs still prefer bank lending over market-sourced financing. So it's crucial for SMEs and locally focused banks to work within a regulatory framework that enables our members to continue being "champions" in SME financing. ESBG members seek to be acknowledged by policymakers and regulators as retail banks in the regions they serve. They have a local focus, meaning a long-standing track record for being close to the people. We are convinced that they will continue to play a crucial role in financing the real economy.

That said, market-based financing has a place. A project of the EU Capital Markets Union, market financing provides a well-fitting complement to bank financing. It shouldn't replace bank financing. In fact, it couldn't. We would like to see the right framework for SME lending provided by banks.



SEBASTIAN STODULKA

The term "sustainable" has been buzzing around frequently in recent weeks and months. It's banded about all over Europe, and you hear it used often among decision-makers and stakeholders. How do ESBG and its members define the word?

Everybody has been jumping on "sustainable" to be sure, us included. Sustainable is of course environmental but it's more than just environmental. It also has a social dimension and this is what we would like decision-makers to take appropriately into account, without neglecting that we all need to put lots of effort into the mitigation of climate change and environmental risks.

Savings and retail banks have had a responsible business model, a sustainable business model and we are fully aligned with the goal with what policymakers would like to achieve. Often they use three letters – E.S.G. – that stands for environmental, social, and good governance.



READ THE ESBG MEMORANDUM
AT [BIT.LY/2UD3WUM](https://bit.ly/2UD3WUM)
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SEE THE UPDATED ESBG SHOWCASING
BROCHURE AT [BIT.LY/2UF4ZEH](https://bit.ly/2UF4ZEH)
OR BY SCANNING THIS QR CODE.

We could not agree more with those three elements. We express in the paper our support for these goals. So far, it seems the social dimension has been maybe a little less in the focus, however, than the environmental part.

What about financial stability? How does the memorandum address this pressing policy topic?

Financial stability plays a big part in the memorandum. We play the proportionality card early on. Proportionality has been a guiding principle for ESBG and its members in recently years when it comes to financial stability policymaking. We had to, because legislation has sometimes fallen short in fully taking into account the needs and specificities of certain banking sector segments in Europe.

There is legislation, more specifically international legislation, oftentimes designed for internationally active banks. It's good to have a global set of rules, but sometimes it's also good to see on the one hand, the size of the bank. But even more so is its business model – what is its reach? What is its risk profile? Proportionate rules should not just reflect the size of banks but also the riskiness of the balance sheets, the interconnectedness of transactions they have and so on and so forth.

Framing the market as banks on equal footing and on a level playing field is misguided. Small, locally focused banks need to compete with global players, need to fulfil the same rules to the same extent with the same compliance requests that may not put them on an equal footing, in fact. So proportionality to us is key. That is our case spelled out in the financial stability section. We think it fits well in there together with other messages, for instance that we very much back “biodiversity” in the banking sector.

We observe that diverse banking landscape has proven to be an asset during the crisis. A European banking works best when the sector is composed of banks with very different business models. We would like to continue that diversity. Besides, moving towards a banking marketplace comprised of the same business model would undermine financial stability. This is perhaps an argument that resonates well with policymakers.

“It's good to have a global set of rules, but sometimes it's also good to see on the one hand, the size of the bank.”

How were the messages built out?

Member banks and associations stand behind these messages because we developed them together with them. Proportionality looms large in our messaging, but also, as I mentioned before, sustainable development or SME financing goes right to the core of our members' identity too. So this has been something ESBG has been promoting at EU and also international level. Members have been active especially at national level.

We have good examples of SME financing being provided by members of ESBG in a brochure that just been updated called [Banking.Serving.Thriving](#). Those case studies help support our messaging in a powerful way.

Tell us a bit more about the genesis of memorandum? How will it be used?

As briefly explained before, the main motive to write this memorandum was

the upcoming European elections. It was important to try to separate us a bit from the crowd. It's no doubt that there will be many initiatives once the European Parliament has taken office over the summer and in autumn. We will surely raise our visibility again later this year, but we would also like to be already active now, which is maybe something that not everybody is doing right now.

Together with our members, we would like to use this opportunity as explained before to project a pro-European attitude and present ourselves a little bit in the election campaigning at national level with this memorandum. Probably not everyone knows the business model of savings and retail banks, their core values and what they think about nowadays big regulatory initiatives.

Is there anything else you'd like to say about the memorandum or what's ahead?

First of all, I would like to thank, of course, our members. It was a common exercise, not a top-down one. The communication department has done a great job in designing the memorandum.

The memorandum it's not super long but it really gives readers a good flavour of who we are. The sections on innovation and digitalisation and financial inclusion deserve a special look too. It will give people a real feeling of what make European savings and retail banks special and why they are important to the EU economy. I encourage people to read it, not just future MEPs, but also other decision-makers or stakeholders who would like to get to know us. ●

Q&A with Wolfgang Neumann

WOLFGANG NEUMANN FROM DSGV – THE GERMAN SAVINGS BANKS ASSOCIATION – SHARES HIS INSIGHTS AS CHAIRMAN OF THE WSBI-ESBG COORDINATION COMMITTEE, A KEY BODY THAT HELPS JOIN UP THE WORK OF THE TWO ASSOCIATIONS.

As you enter your third term as chairman, could you tell us about your role within the Coordination Committee?

Certainly. As chairman of the Coordination Committee requires me to propose the agenda to be discussed and to find common positions whenever possible. We work with the WSBI-ESBG Joint Office, which is at the front lines, where they might need guidance and what direction to go on an issue. A forum where members speak up openly and frankly on issues, the committee prepares decisions to be taken by the respective WSBI and ESBG boards. That means as chair you have to have a feel for what policy areas will gain consensus among members when it is decided by the boards. We guide discussion in a collegial way that is open, fair and frank. We check alignment between policy positions defined at expert committee level with the general strategic priorities and goals of the board.

The committee also ensures that the necessary steps are taken to implement the board decisions. It coordinates permanent exchange of information among the members and with the WSBI-ESBG office in Brussels and also coordinates the activities of the expert committees. Wherever possible, we want the “joint approach” of WSBI and ESBG members visible, a role the committee has to play. The committee works with those in charge of European and global affairs at the “joint” WSBI-ESBG office in Brussels to the interest of the members.

What do you look forward to during the 2018-2021 mandate period?

WSBI and ESBG boards have given us their goals. For both organisations, it involves strengthening our advocacy work and raise WSBI-ESBG visibility, which helps stakeholders and policymakers become more aware of the savings and retail banking model, recognise it and seek out our expertise. The boards also seek to broaden the membership within both associations, and foster more exchange of best practice experience between members.

With these goals defined by our statutory bodies we will have no problem with filling the agendas for our meetings. Work in the Coordination Committee will not get boring.

“Innovation and digitisation front will continue to be very important. Financial education, a pathway to financial inclusion, will be high on the agenda.

What are big policy areas to be tackled in the coming year?

Innovation and digitisation front will continue to be very important. Financial education, a pathway to financial inclusion, will be high on the agenda. Sustainable finance has emerged in a big way. We have much work ahead to craft our story for stakeholders and politicians.

Sustainable finance is a much broader issue than climate change – it is ecology, economy, and it's social. There is a “green” dimension growing in importance, but there are also economic and people aspects of a sustainable society that we would like to communicate with policymakers and stakeholders alike. Keeping up pluralism in the financial sector, avoiding concentration in the hands of the few, subsidiarity and proportionality in law making and regulation. I am sure that these will continue to be the corner stones for our political work.

What steps are taken to get feedback from all members in all regions?

The committee tries to fit in the agenda items beyond Europe. I admit: this always has been a challenge. The fact that roughly 80 per cent of the topics on the agenda focuses on EU affairs might turn off WSBI members from non-EU countries. But of course there is a reason for this dominance of European affairs: the European members have with the European Institutions a common legislator and regulator. That means the members are well advised to give European answers on issues and participate with common positions in the discussions on the European level wherever possible.

Nevertheless, international regulatory issues beyond Europe have become much more important. Just think about the work of international institutions like the United Nations, the IMF, World Bank, the G20, the FSB and the Basel Committee, just to give some important examples. This requires feedback from all WSBI members because they as well are affected by what happens at global bodies.

So we will have to develop some ideas on how to better include our non-European members in the work of our committee, maybe by using new formats of communication and more intensive bilateral contacts.

How does knowledge exchange work between committee members? Do ESBG members learn from WSBI members?

Members exchange face-to-face and through WSBI-ESBG communications channels. WSBI members from non-EU countries provide valuable examples, which strengthen both WSBI and ESBG advocacy. Best practices from WSBI members on digitisation, financial education and inclusion are some examples. And then there are issues like the major inroads on proportionality our US member ICBA could achieve. I dare say: the recognition in the US of the pivotal role of community banks for the well-being of their communities has had a very positive impact on the proportionality discussion in Europe as well. Connecting better ESBG and WSBI members is in our best interest. ●



WOLFGANG NEUMANN

ESBG NEW MEMORANDUM LAUNCHED AHEAD OF EUROPEAN ELECTIONS

“Together for a growing and more integrated Europe”, that’s the name of a new memorandum released in January by ESBG. The 14-page document has eight sections that spell out the saving and retail banking association’s position on a host of issues. Designed for with policymakers and candidates alike, it touches on How to improve financing growth and sustainable development, financial stability, innovation and digitalisation, financial inclusion and educations as well as short piece on the importance of the 20th anniversary of the euro: the common currency of a strong Europe.



READ THE PUBLICATION AT [BIT.LY/2UD3WUM](https://bit.ly/2UD3WUM) OR BY SCANNING THIS QR CODE.

Scale2Save report: Banks in Africa struggle with customer centricity



NEW WSBI REPORT SHOWS DIVERSE PRODUCT AND SERVICE OFFERING BUT SLOW TAKE UP, ESPECIALLY FOR POORER POPULATIONS.

Focusing on the needs of customers remains a challenge for savings and retail banks in Africa, according to a new report issued recently by WSBI's Scale2Save Programme, a partnership between WSBI and Mastercard Foundation.

Based on a survey of 34 WSBI Africa institutions in 2018, the 50-page report finds that member banks offer a variety of transaction and savings accounts as part of their drive to attract and satisfy customers. But it also found their product and service mix still falls short of customer needs. That shortfall could decrease account activity and hamper take-up by potential customers. If this persists, banks surveyed could face weak financial performances.

WSBI Programme Director Ian Radcliffe said: "WSBI banks offer a broad service, which shows a real commitment to widening financial access to low-income people, especially when it comes to women and those in rural areas. Reform of bank business models, for example through greater customer-focused bank leadership and culture, would improve the customer experience when opening an account and actually using it. Doing so would allow banks to satisfy customers more, which would lead to more sustainable services from the banks themselves."

The report also identified a persistent "affordability gap", which makes it difficult for low-income populations to access financial services. More than 40% of the population of Sub-Saharan Africa lives on less than the internationally recognized poverty line of \$1.90 daily.

The study adds that any business case that includes high account charges for account maintenance is bound to fail for this segment of the population.

Radcliffe added: "Lack of customer centricity drains the bottom line for banks, and ultimately the sustainability of financial services for poorer people, especially given razor thin margins in serving these segments. Services have to be convenient, secure, affordable and accessible to deliver value for the customer while keeping the bank on a sustainable footing."

HIGH-TECH ACCESSIBILITY HAMPERED BY START-UP COSTS; CUSTOMER REACH SUFFERS

Survey results show appetite by respondents to scale-up alternative delivery channels for financial services, such as through ATMs, agents and mobile phones. Some 45% of respondents remain interested in spending on mobile banking. Designed to make it easier for customers to carry out banking, alternative channels have a costly price tag that weighs down on the already limited operating budgets of banks. The survey indicated that banks see upfront investment costs as an especially heavy burden, while there is neglect on outlays for continuous training and monitoring. Radcliffe concluded: "As mobile banking continues to explode in Africa, WSBI member banks will need to spend more on digitally driven platforms. To keep costs in check and speed up service delivery, the report recommends that the banks consider partnering with mobile network operators, or new players such as FinTech companies."

ABOUT SCALE2SAVE

Scale2Save is a partnership between WSBI and Mastercard Foundation to establish the viability of small-scale savings in six African countries. The six-year programme aims for 1 million more people banked in those countries through projects using innovative models.

ABOUT MASTERCARD FOUNDATION

Mastercard Foundation seeks a world where everyone has the opportunity to learn and prosper. The Foundation's work is guided by its mission to advance learning and promote financial inclusion for people living in poverty. One of the largest foundations in the world, it works almost exclusively in Africa. It was created in 2006 by Mastercard International and operates independently under the governance of its own Board of Directors. The Foundation is based in Toronto, Canada.



SEE THE REPORT AT [BIT.LY/2CZF85H](https://bit.ly/2CZF85H) OR BY SCANNING THIS QR CODE.

Driving deeper into customer-centric banking

PROJECT EXPERTS CONVENE IN MOMBASA FOR FIRST-EVER PEER REVIEW WORKSHOP



More than 40 banking experts from banks and organisations focused on Africa convened on 18-20 March to discuss how African banking can better address make small-scale savings work.

The gathering of the Scale2Save Peer Review Workshop brought experts for a three-day workshop to share learning as part of the Scale2Save programme – a partnership between WSBI and Mastercard Foundation to establish the viability of small-scale savings in Africa.



Day 1 tackled the results of a new report by WSBI on savings and retail banking in Africa that shows the struggle banks face with customer centricity, defined as the ability to provide people with products and services that they will take up and use based on need. The Scale2Save programme report pulls data from dozens of WSBI member banks on the continent on how banks are tackling how savings by people in the region can be made more usable, affordable, accessible and sustainable through better understanding what people want from their bank to spur savings activity at local level from cities to village and everywhere in between.

The event kicked off with opening remarks from Scale2Save Programme Director Ian Radcliffe, who presented results of the Scale2Save report.

PostBank of Kenya Managing Director Anne Karanja followed, explaining the importance of finding a viable way for savings to thrive. Following Mrs. Karanja's remarks, the first of three panels looked at customer centricity and how best to address the gap between customer needs and what banks provide. A second panel followed, which explored digital aspects of savings, and the importance of knowing how the poor save, use and move money. The third and final panel took a deep dive into linkage banking, a way for banks to connect with savings mechanisms like village savings groups.

Day 2 took a first-hand look at how PostBank in Kenya is serving the poor in Ukunda County, with visits to agents and savings groups. Day 3 had breakout sessions on business models for savings groups and how best to manage third-party partnerships such as with Mobile Network Operators.

The next Scale2Save Peer Review Workshop is planned for October in Washington, D.C.



SCALE2SAVE: A LOOK AT PROJECT IN MOROCCO

WSBI provides in a short two-minute video look at the Scale2Save project in Morocco. It shows how project partner Al Barid Bank is putting in motion its mobile-based banking service in the town of Ben Guerir. The video explains how Al Barid's work fits into the greater aims of the Scale2Save programme.

See it on YouTube at youtu.be/uVkh5BKkP0



SEE THE WORKSHOP EVENT SITE AT WSBI-ESBG.ORG/EVENTS/SCALE2SAVE OR BY SCANNING THIS QR CODE.



LEARN MORE ABOUT SCALE2SAVE AT WWW.WSBI-ESBG.ORG/KNOWLEDGESHARING/SCALE2SAVE OR BY SCANNING THIS QR CODE.

Breaking down the latest report on banking in Africa

WSBI and Scale2Save programme Director Ian Radcliffe shares his thoughts on customer centric banking and how the Scale2Save report findings echo stories from the recently held Scale2Save Peer Review Workshop in Kenya.

When we at WSBI set out our Scale2Save Programme in 2016, we anticipated that customer centricity was a challenge for savings and retail banks in Africa. The programme's first-ever study, *The State of Savings and Retail Banking in Africa*, released earlier this year, has proven that to be true. Based on responses to a survey of 34 WSBI Africa member institutions, the study shows that making small-scale savings work requires both more thought on the supply side, and a better acknowledgement of the needs of people – the demand side – too.

The 50-page report is part of the research component of Scale2Save – a partnership between WSBI and Mastercard Foundation – and reveals that member banks offer an array of transaction and savings accounts as part of their drive to attract and satisfy customers. Figure 1 sheds some light on just how active banks are to push out products, but also the pitfalls and challenges when it comes to the four pillars that frame the report: usability, accessibility, affordability and sustainability.

As the survey results focus on supply-side (that is to say, 'banks') perceptions of customer centricity, it reveals that the product and service mix offered falls short. That shortfall can impair account activity and hamper take-up by potential customers. If this persists, these banks could see adverse effects on their financial performance, undermining what the Scale2Save programme seeks to achieve – increasing the viability of small balance savings in six African countries. WSBI banks offer a broad service, indeed, which shows a real commitment to widening financial access to low-income people, especially when it comes to women and those in rural areas.

As we examined the data further, we found a persistent affordability gap, which makes it hard for low-income people to access financial services. Two in five people in Sub-Saharan Africa live on less than the internationally recognised poverty line of US\$1.90 a day (in 2011 prices). Any business case that weaves in high account charges for maintenance of those accounts is bound to fail for this segment of the population.

Figure 2 illustrates how banks view customer perception of what customers like most: low fees. That makes sense. We also see that a big proportion of targeted customers have no account because of insufficient funds. It seems customers have expressed some concern about financial services being too expensive.

HIGH-TECH ACCESSIBILITY HAMPERED BY START-UP COSTS, CUSTOMER REACH SUFFERS

Survey results show an appetite among survey respondents to scale-up alternative delivery channels for financial services, such as through ATMs, agents and mobile phones. Half of them use agents and mobile banking. Some 45% of respondents remain interested in investing in mobile banking (Figure 3). Designed to make it easier for customers to carry out banking, alternative channels have a costly price tag that weighs down on the already limited operating budgets of banks. Banks see upfront investment costs as an especially heavy burden. Meantime, there is neglect by banks on outlays for continuous training and monitoring.

Figure 1

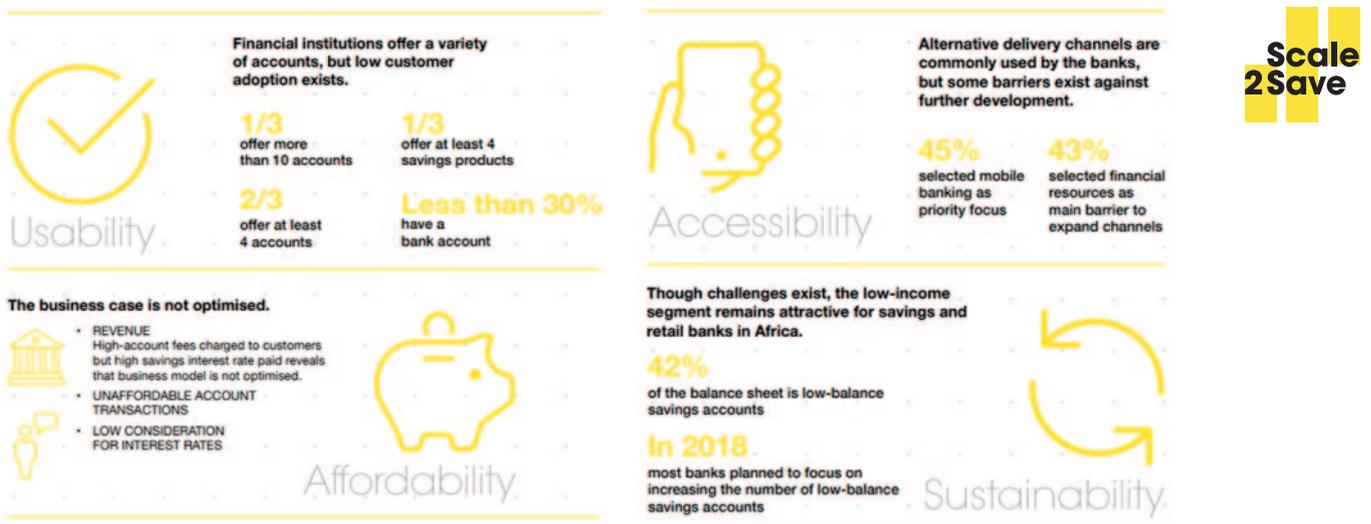


Figure 2



As mobile banking continues to explode in Africa, WSBI member banks will need to spend more on digitally driven platforms. To keep costs in check and speed up service delivery, banks are considering partnering with mobile network operators or new entrants such as FinTech companies.

ANECDOTAL INFORMATION GOES BEYOND DATA

Results of the report echoed first-hand accounts by financial institutions at the Peer Review Workshop held in March. That gathering brought together people from the six Scale2Save countries in Kenya. Held with the help of Kenya Post Office Savings Bank (KPOSB), which is both a WSBI member and project partner, and with the support of its Managing Director Anne Karanja, the event was an opportunity to hear a wide variety of participants' anecdotes via first-hand accounts of customer centricity struggles with the seven Scale2Save projects. One account by a financial institution revealed the caution institutions must exercise when approaching customers around insurance, as people may wonder if you want them dead. Account take-up requires care on the supply side, indeed.

Customer experience was also discussed during one panel.

Experts advocated the need for investment in organisational structures and highlighted the need for putting internal structures in place to support customer centricity.

Regulation was one report finding that echoed throughout the workshop sessions. The 40 attendees shared differing approaches to banking rules in the region. A lot of frustration bubbled up around regulation thwarting financial inclusion, especially when it comes to accessibility. One example was a rule requiring Interpol clearances in Uganda for thousands of agents there – no small task, indeed. In Kenya, it seems Tax ID, or tax registration rules, may hinder more account take-up as well. Searching the right role for government when it comes to digitisation is crucial. They have a role, but how are they going to help drive digital-driven financial inclusion without hindering it? Figure 4 presents the 34 WSBI member institutions' response to a question on regulatory barriers.

One question that persists is: why isn't anyone here talking about open banking? It's coming, it's already here.

Figure 3

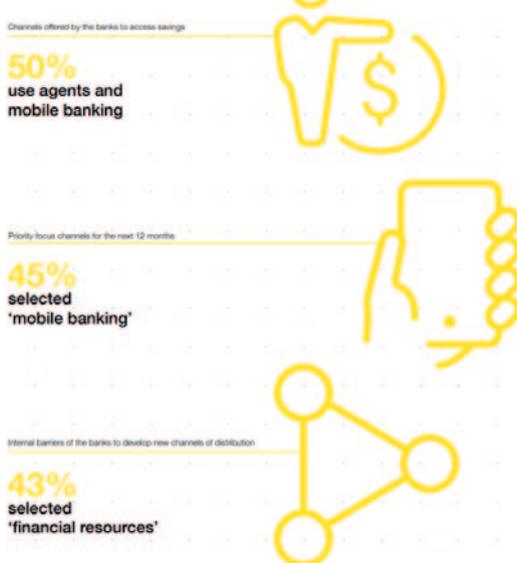
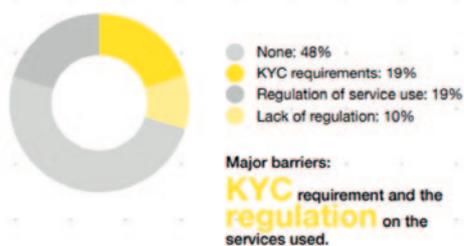


Figure 4

What is the major regulatory barrier, if any, to develop financial inclusion in your country?



From M-PESA to M-KOPA, they have opened up. So much of the conversation in banking is about open banking and APIs, and regulators need to tackle the customer protection side. Questions around who is liable should also be addressed. As WSBI's Weselina Angelow observed during the workshop, the move from cash to digital for customers is a challenge. Even in the host country Kenya, the birthplace of M-PESA, it is clear how much of a lifeline it is for people throughout the country. It's evident too that KPOSB taps into M-PESA to move money from village group savings boxes placed in member homes into POSTBANK accounts for safeguarding. →

BREAKING DOWN THE LATEST REPORT ON BANKING IN AFRICA

WHAT'S AHEAD

Scale2Save is moving forward on many fronts. The programme will continue with the next edition of the Savings and Retail Banking in Africa study for 2019, with surveys having been sent out earlier this year to member banks. Market and customer research projects are underway too. Through them, we want to extract any generic lessons that are useful for all the partner banks. European Development Days is coming in June. The next Peer Review Workshop is scheduled for October. We will also have the first results from the change management programmes, which focus on behaviour change within organisations. And finally, youth research, which we are working now on in three countries. That work requires compiling results from fieldwork to examine what might be an adequate offer for younger people. The findings are scheduled for release this spring.

COMMUNICATION MATTERS

We all recognise the importance and challenge of making small scale savings work. Communicating is paramount. We have laid out more ways to exchange among the Scale2Save “Jamii” (the word for “community” in Swahili), including a WhatsApp group, a new website and a video series planned for release soon to help reinforce what we learned at the workshop and to share project success stories.

WHAT WE LEARNED SO FAR

Bank organisations must reform their business models. That means greater customer-focused bank leadership and culture to help improve the customer experience when opening an account and actually using it. Doing so would allow banks to satisfy customers more, which leads to more sustainable services from the banks themselves.



IAN RADCLIFFE (CENTRE) DISCUSSES KPOSB'S SCALE2SAVE PROJECT WITH WORKSHOP PARTICIPANTS.

Shying away from it ultimately drains the bottom line for banks, and the long-term prospects for bringing to market financial services for poorer people. That means coping with razor thin margins and cost-cutting moves on the bank operations side, balanced with the need on the demand side for convenient, secure, affordable and accessible products and services that deliver value for people.

But if banks in Africa, like anywhere, maintain too much of a product-led focus, then expect slow take up of basic accounts, high account dormancy rates, and banks struggling to remain a sustainable business in this growing, vibrant and younger-aged marketplace. ●



SEE THE REPORT AT [BIT.LY/2CZF85H](https://bit.ly/2CZF85H) OR BY SCANNING THIS QR CODE.

ESBG Spotlight: First three sessions a success

ESBG SPOTLIGHT ON 28 MARCH: CHALLENGE FOR SME FINANCING

The latest ESBG Spotlight focused on the characteristics and the challenges of SME Financing. Taking place on 28 March at WSBI-ESBG offices in Brussels, the spotlight discussion featured insights from expert Gerhard Huemer, Economic Policy Director at SME united, the specialised trade association representing European SMEs. The third ESBG Spotlight so far this year, the event is timely because small and medium-sized enterprises form the backbone of the European economy, representing 99% of all businesses in the European Union.

In the past five years, they have created around 85% of new jobs and provided two-thirds of total private-sector employment. SMEs are also a core customer group for ESBG member savings and retail banks. Many entrepreneurs are clients at the local savings bank for years, sometimes even generations. EU regulation in the field of SME credits obviously have a high impact on how banks serve SME clients.

SECOND EVENT FOCUSES ON SINGLE RESOLUTION BOARD

ESBG organised on 28 February a second edition of its Spotlight speaker series at its premises in Brussels. The session focused on the role of the Single Resolution Board, and featured SRB board Member Bostjan Jazbec (pictured) at podium.

FIRST SPOTLIGHT ON NON-PERFORMING LOANS WITH ECB OFFICIAL

ESBG Spotlight kicked off successfully its first edition in February, which was dedicated to Non-Performing Loans and featured a talk by a representative from the European Central Bank, Boris Kisselevsky, who heads up the Frankfurt-based central bank's representation in Brussels. The event invites WSBI and ESBG members to hear from a keynote speaker followed by a short Q&A-session and a light lunch, all under two hours. The format fills a need within the Brussels "bubble" for targeted information in a short-duration format.



NEXT ESBG SPOTLIGHT: STATUS OF BANKING UNION, CAPITAL MARKETS UNION IMPLEMENTATION

Discussion with Lucio Vinhas de Souza, Head of Economics Team at European Political Strategy Centre (EPSC), European Commission

ESBG invites you to the fourth edition of ESBG Spotlight, a monthly event series focusing on current burning topics and issues in the field of European financial services. Held at WSBI-ESBG offices in Brussels on 5 May, it focuses on the status of the EU Banking Union and the Capital Markets Union and their implementation. Mr. Vinhas de Souza will review what has already been completed and what further measures are needed to tackle the remaining risks in the banking sector.



Two ‘souls’ united towards same aim: Italian savings banks, banking-based foundations

DID YOU KNOW?

The first savings banks in Italy, like in many other European countries, were created in the beginning of the 19th century. From their inception, they dedicated themselves to providing banking services and contributing to cultural and philanthropic activities. As the overall legal framework of the Italian banking sector changed during the 1990s, Italian savings banks placed banking activities into joint stock companies while foundations of banking origin were entrusted with a philanthropic role.

Associazione di Fondazioni e di Casse di Risparmio, or ACRI – Association of Italian Foundations of Banking Origin and Savings Banks – is a founding member of WSBI. A history well intertwined with that of WSBI, Italian savings banks in 1924 took the initiative to create the World Thrift Day and the International Savings Banks Institute, the predecessor to WSBI.

ACRI represents in Italy 30 savings banks, active today with 3,500 branch offices, some 29,000 employees and €162 billion in total assets.



News & Views learned more about Italian association ACRI with its Foreign Relations Commission Chair Giuseppe Ghisolfi, who serves also as an ESBG vice-president and its treasurer.

How is ACRI doing?

The financial world is changing rapidly and radically and ACRI is at the forefront of these changes. Our members feel the changes in their daily functioning and we absolutely need to react to the changes in an effective and collective way. An association is the perfect environment to elaborate such an adequate strategy.

Also within ACRI as an association, we are at the eve of great internal changes, since the last mandate of President Giuseppe Guzzetti is nearing its end. He has provided during almost 20 years a stable and enlightened management in a particularly complex period. It will not be easy to pick up his legacy, but we are confident that his successors will be able to continue the mission of protecting and developing the members of ACRI.

Within the members of ACRI, there is a strict separation between the savings banks and the foundations.

Can you tell us a bit more in detail how this separation works in practice? How does the interaction work concerning the financing of these foundations, the priorities in the philanthropic projects of the foundations, among others?

The law of reform of Italian public banks, that came into force at the end of the 1990s and is known as the "Amato-Carli law", separated the credit activity of the savings banks from the philanthropic activities. As you know, these activities aimed to develop local communities at social and civil level. To this end, joint-stock companies, the Casse di savings spa, were established, to which the separate banking companies were transferred from the original savings banks.

Over time, the shareholdings of the foundations in the banks have been progressively reduced and today, the investments of all the 87 foundations amount to 26% of their total assets. The relationship with the original bank is therefore either completely severed, or at least strongly diminished, and can in any case be considered as the classic relationship between shareholder and investee.

Through diversified investments, the foundations generate the resources to carry out their mission, which is the social utility and the promotion of economic development.

Can you tell us something more about the positive role of the foundations of banking origin on cohesion in the community?

The foundations intervene in the territory in many sectors. From social to cultural, from health to the environment, from volunteering to education and scientific research and in all areas of activity that the Foundation consider to be priorities. They either develop their own projects or contribute to the work of other institutions that also work for the community. The work carried out by the foundations is essential both for social cohesion and for responding to those needs that the local public is unable to satisfy due to lack of resources or skills.

ACRI has 112 members, 85 of which are foundations. Does this not give too much weight to the foundations to the detriment of the banks?

In Acri, the Foundations and the Savings Banks coexist and cooperate positively in a synergistic relationship aimed at local development.



GIUSEPPE GHISOLFI

Thanks to the skillful management by President Giuseppe Guzzetti, the two categories of institutions find a right balance in the associative life, allowing the pursuit of policies of protection and representation corresponding to the needs of both foundations and savings banks. The savings banks are also represented in ABI, the Italian Banking Association, chaired by Antonio Patuelli, president of the historic Savings Bank of Ravenna.

You published in 2014 the book “Manuale di educazione finanziaria”, last year the book “Banchieri” and this year “Lessico Finanziario”, where you are described as the “eroico pioniere dell’educazione finanziaria”. How is the situation of financial education in Italy? What should be improved?

The level of financial education in Italy is still low, but I am happy to say that in recent years there are dozens of initiatives aimed at improving it.

As regards the definition of "heroic pioneer of financial education", ABI President Antonio Patuelli and the editorialist Angelo De Mattia attributed this title to me for my activities in schools all over Italy. I started 20 years ago with lessons in financial education in various schools and I continue to meet about 2,000 students a year. I believe that my books contribute to the increase of the level of financial education and the good reputation of banks. I am convinced that financial education should be weaved within the curriculum of all schools. In this sense, considerable progress is being made. Even public television should, in my opinion, set up appropriate educational programmes.

“I believe that my books contribute to the increase of the level of financial education and the good reputation of banks.”

ACRI is a founding member of WSBI and of ESBG. How do you consider the work of WSBI and ESBG? How do you see this evolve, taking into account the evolution of the financial sector and the entrance of new players?

I consider the work of WSBI and ESBG to be essential, above all thanks to the commitment of the presidents and Managing Director Chris De Noose whom I appreciate and respect. The evolution of the financial sector and the entry of new global players, which increasingly accentuate the global profile of processes and interconnections between operators, require analyzes and responses at an international level and therefore make the role of international organisations, such as precisely WSBI and ESBG so important.

Italian privately owned banks: New ESBG member Pri.Banks shares its story



The Italian Association of Italian Privately Owned Banks, or Pri.Banks in short, became in 2018 a member of ESBG. News & Views interviews Pietro Sella, chair of the association to learn more about their unique role in the Italian banking world.

Mr. Sella, you have 35 members in your association. Which value do you bring as an association to your members?

Our association has been a reference point for the Italian privately owned banks for more than 60 years. Recently, and thanks to the work and efforts of the presidents who preceded me, the association has grown a lot.

Initially Pri.Banks was a structure that provided consultancy services, while today the scope of activity has expanded to become, above all, a place of knowledge sharing and exchange of experiences on the main topics concerning our sector and our activity. This exchange is essential to enrich and to deepen the vision and knowledge that form the basis to take strategic choices.

This is especially true in times like these, where we face competition on a global scale, where we face digital disruption and the evolution of regulatory and supervisory standards.

It makes our environment extremely complex, but it also offers great opportunities. Moreover, these changes concern top management, present on the board of the association, as well as the heads of the operating structures who participate in the technical meetings on specific topics. This happens in the context of an initiative called "Agora", to recall precisely the spirit of the town square from which our association takes inspiration.

Was it necessary to regroup banks with private ownership in an association? What makes them different from the others?

Pri.Banks was established to represent the private shareholder banks that operated in Italy at a time when the banking system was predominantly publicly owned. Today, the situation has radically changed, as the Italian banking sector experienced a strong privatisation process at the end of the last century and the existing private banks were affected by a considerable merger phase. The private banking model, however, has proven to be able to keep up with the changing times thanks to its characteristics.

Pri.Banks has 35 member banks representing 4.5% of the market, with more than 20,000 employees and 1,700 points of sale. The advantage of Pri.Banks, in addition to the sharing of experiences I mentioned earlier, is that it allows us to highlight the specificities of our business model. That model has a solid ownership structure thanks to a strong family or shareholder base, a sustainable and positive bond with the territories where our members are active, a strong ethical approach and the ability to look to the future by innovating in a dynamic

and responsible manner. In this sense, Pri.Banks continues to "represent and renew a tradition of the banking enterprise inspired by the values of prudence, fairness, transparency, solidity, trust, responsibility, independence and customer orientation".

You declare on your website that your members are all strongly connected to the region in which they were established. Does this link to the territory make it easier for them to get the trust of the clients? Is it also not a natural limit that prevents your members to grow beyond their natural "habitat"?

The fact that a company is strongly rooted in its territory is not a limit for its growth, on the contrary: it brings a lot of added benefit and a strength. It also provides a positive contribution to a strong customer culture, where our employees pay attention to the needs and requests of our clients, where we maintain direct contact with our stakeholders and where we also make sure that we manage our companies in a prudent way. We maintain this approach when we go beyond our territories, or beyond the Italian borders to tap into the opportunities offered by international markets or by the new "territories" that are the internet and the digital world. We obviously need to be open to change, to innovation, but this does not mean we have to give up our solid roots, our traditional link to our territories.

How would you describe the typical client of one of your member banks? What kind of products and services do your members offer?

Customers choose the banks that provide them with the most suitable solutions to manage their needs and activities. Privately owned banks, like other banks, serve private customers and companies without distinction and with a full range of banking services.

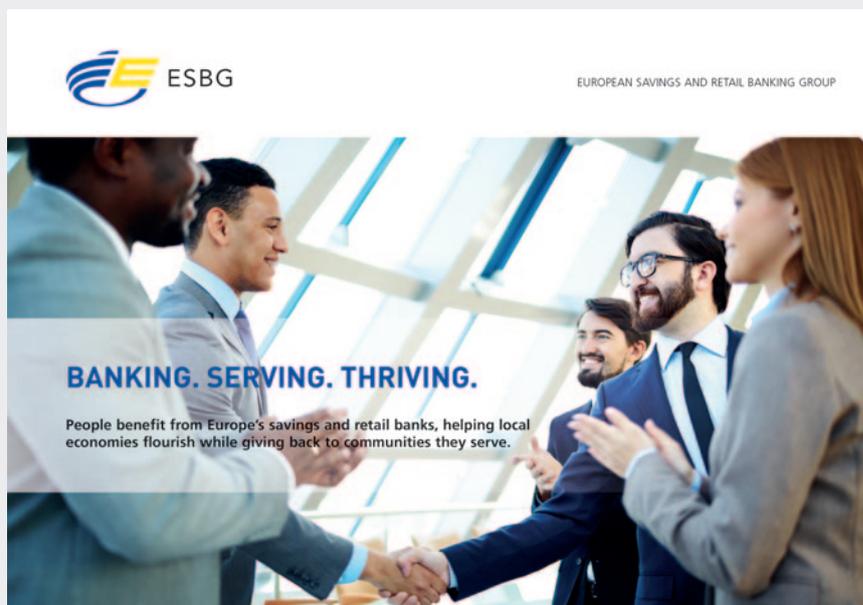
ESBG showcasing brochure updated

NEW ESBG BROCHURE EXPLORES IMPACT MADE BY SAVINGS AND RETAIL BANKS IN LOCAL COMMUNITIES

In this context, banks will be increasingly characterised on the one hand by consultancy activities to manage better all the needs of families and businesses, relating to the enhancement of assets, financing requirements, payments and banking and financial activities in general. On the other hand, the technological component will be ever more relevant to carry out its business in an ever faster, more efficient and safer way. On this road, moreover, an extra gear is coming from the spread of open innovation, thanks to which all companies, if inserted in a good ecosystem, can collaborate and use the innovations produced obtaining great benefits.

You are a member of ESBG since a few months. Why did you become a member and what do you expect from membership?

Joining ESBG is extremely important at a time of increasing openness to international markets, which increasingly characterizes our member banks. Furthermore, we are very interested in being able to understand better in a timely manner the process of formation of the European legislation covering the banking sector. For us, in fact, the issues of proportionality of norms and proximity to the national productive fabric are particularly relevant and we share the attention that ESBG shows for these aspects. We also expect that the participation of representatives of our Italian banks associated with the ESBG technical committees will encourage an exchange of knowledge with the banks of other European nations. ●



ESBG published in March an updated version of a brochure that gives an overview of the social value of savings and retail banks. Called Banking. Serving. Thriving., the brochure showcases the impact made by European savings and retail banks to boost the real economy while giving back to the communities they serve. Originally published in November 2016, the latest version updates the facts and figures to give a clearer picture of what ESBG members value: responsibly managed banks that are retail focused and regionally present.

Primarily intended for ESBG advocacy purposes, it includes data on employment levels, branch numbers and balance sheet items, buttressed by case studies from savings and retail banks throughout Europe, showcasing a commitment to sustainable development, giving back to the communities we serve, and staying at the forefront of need through our foundation work. The brochure also helps highlight how well ESBG member banks adhere to the WSBI-ESBG Charter for Responsible Business. ●



SEE THE UPDATED BROCHURE
AT [BIT.LY/2UF4ZEH](https://bit.ly/2UF4ZEH) OR BY SCANNING
THIS QR CODE.

EU financial services organisations launch FinDatEx

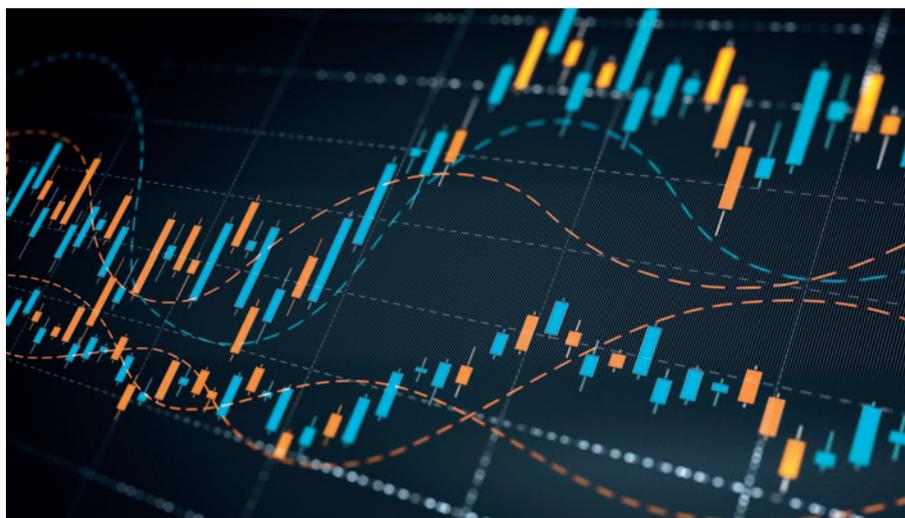
ESBG PART OF PLATFORM DESIGNED TO IMPROVE DATA EXCHANGE

WSBI-ESBG RESPOND TO PUBLIC CONSULTATION ON MITIGATING MONEY LAUNDERING/ TERRORISM FINANCING RISKS IN VIRTUAL ASSET ACTIVITIES

WSBI-ESBG responded on 8 April to the Financial Action Task Force (FATF) consultation on preventive measures and related qualifications applied to virtual asset service providers from the Interpretive Note to FATF Recommendation 15, focused on new technologies and money laundering/terrorism financing (ML/FT) risks. WSBI-ESBG underlined that some aspects are still unclear, such as the nature of the appropriate authorities and the requirements of information on the beneficiary/originator of the virtual asset transfers, and which platforms fall within the scope of the recommendation. On another note, WSBI-ESBG considered that these virtual assets should be regulated currently analogously to the traditional assets and by the same rules applicable to intermediaries. An exception must be made to allow for the identification of the persons involved in each transaction and of the addresses through which the assets are channelled. On a last note, in case of transactions over a certain threshold, when the originator and the beneficiary are different, the details about the operation must include information about the platform's client. The Interpretive Note will be adopted as part of the FATF Standards in June.



VISIT FINDATEX AT [FINDATEX.EU](https://findatex.eu) OR BY SCANNING THIS QR CODE.



European financial services organisations launched in February the Financial Data Exchange Templates (FinDatEx) platform to support the development and use of standardised templates to exchange data between European financial sector institutions.

FinDatEx aims to allow EU financial services representatives:

- To interact in order to develop technical templates.
- To coordinate and organise any standardisation work that is carried out by experts from different financial services.
- To help disseminate technical templates to other relevant EU financial services stakeholders.
- FinDatEx is comprised of the European Banking Federation (EBF), the European Fund and Asset Management Association (EFAMA), Insurance Europe, the European Savings and Retail Banking Group (ESBG), the European Association of Cooperative Banks (EACB), and the European Structured Investment Products Association (EUSIPA). It is open to other European Associations who want to participate in the new structure.

The joint structure will build on the successful informal collaboration within the European Working Group (EWG). Through the improved governance structure, relevant templates for data reporting between European financial institutions are to be drafted and adopted following a clear and inclusive process.

Ghislain Périssé, who was instrumental in steering the EWG work said: "I welcome the creation of FinDatEx and look forward to contributing to its success and to continue working on the templates in this context".

The work already initiated on a Solvency II tripartite template (TPT), European PRIIPs templates (EPT and CEPT), a European MiFID template (EMT), and a MiFID feedback template (MFT) will be continued. Other workstreams are also being assessed. All templates are provided to the industry free of charge and free of any intellectual property rights.

Disclosure requirement to address leverage ratio window-dressing

ESBG RESPONDS TO BASEL COMMITTEE ON BANKING SUPERVISION CONSULTATION

ESBG replied on 13 March to the Basel Committee on Banking Supervision (BCBS) consultation on disclosure requirement to address leverage ratio window-dressing.

ESBG appreciates the efforts undertaken by the BCBS to frame Basel III including a simple, transparent and non-risk-based measure, the leverage ratio, to act as a credible supplementary tool to the risk-based capital requirements. However, the association sees the proposed calculation of the leverage ratio on an average of daily values extremely burdensome, cost intensive and not proportionate to the regulatory objective pursued.

This approach is, in fact, highly questionable and surely cannot be guaranteed. It would drastically reduce the simplicity of the non-risk-based leverage ratio and, therefore, it would disregard the fundamental principles on which the leverage ratio was established in the first place. Moreover, it should be noted that the BCBS has provided neither empirical evidence nor other facts and figures to justify the extension of disclosure requirements.

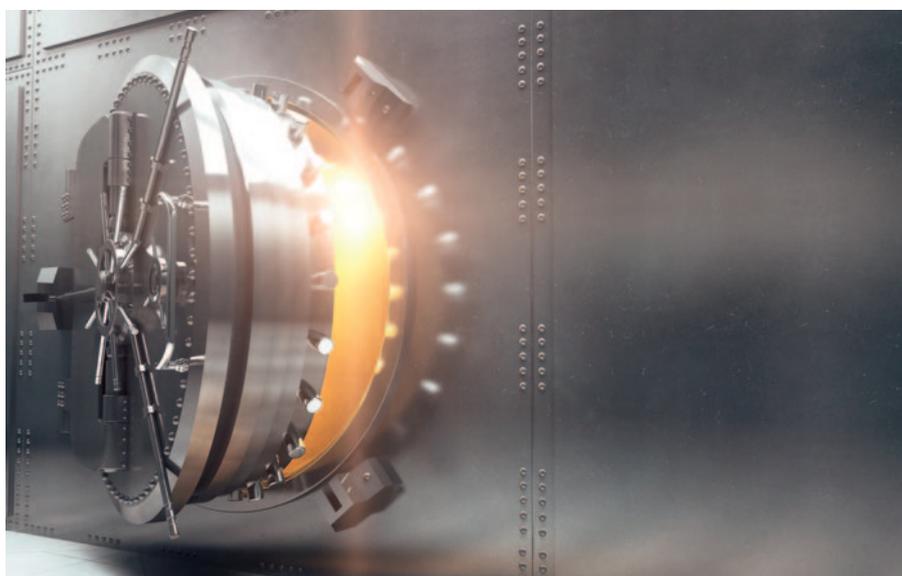
Hence, the efficiency and effectiveness of the chosen measure cannot be assessed without a plausible basis.

As an alternative, ESBG suggested in its response to keep the current calculation on a quarterly-end basis instead to propose a new exposure calculation based on an average of daily values. Accordingly, the standard compromises – a 3% minimum level that banks must meet all the times – would remain.

ESBG also stressed that replacement cost (RC) of derivative exposures and central bank reserves that are included in on-balance sheet should be excluded for the calculation of the leverage ratio on a daily basis. We also pointed out that the new process of information disclosure could diminish the highly liquid feature of the repo markets and, consequently, slowdown one of the transmission channels of monetary policy.

The public disclosures of an average of daily calculations should only be done with management data on a best-effort basis, as evidenced by UK and US banks experience and allowed by both regulators. Daily values to be used for the calculation of leverage ratios should not be based on accounting values, but they should be based on a management data and a best effort basis.

Finally, given the high costs generated by the implementation of the proposed disclosure requirements, ESBG suggested that the final standards of the BCBS should be implemented according to proportionality rules in each jurisdiction. In this sense, ESBG believes that the most convenient option would be to enhance the control and response of the supervisor to entities that specifically perform window dressing practices. ●



SEE THE FULL RESPONSE AT
THE WSBI-ESBG WEBSITE [BIT.LY/2WCCFOE](https://bit.ly/2WCCFOE)
OR BY SCANNING THIS QR CODE

EBA internal models benchmarking: Transparency, openness needed

ESBG HITS BACK AT EBA CONSULTATION SAYING BANKS NEED TO KNOW ‘SCORE’ VERSUS OTHER BANKS IN EXERCISE



There is need for more transparency and openness regarding the EBA benchmarking exercise for bank internal models, ESBG said in an EBA consultation on benchmarking of internal models.

Published in February on the association website, ESBG noted that it would be highly useful for the participating banks to know how they "score" relatively to the other banks also involved in the exercise.

ESBG also stressed in the response, which focuses on implementing technical standard (ITS) amending the European Commission Implementing Regulation EU 2016-2070, the "overly complex" nature of requests for additional pricing information. Those requests pose operational challenges to provide additional information on the pricing factors and on the respective sensitivities, the paper notes, since this would require an extremely large amount of information to be delivered when applied on trade/instrument level.

The foreseen timeline between the initial market valuation (IMV) measurement and the reporting date is also too short. ESBG argues the additional pricing information will not improve the comparison of value at risk (VaR) variability among institutions because risk factors in VaR often differ from the profit and loss (PnL) setup – such as in number, timing, data source – up to differences due to in methodological aspects like usage of spreads or factor representations.

Regarding the time setting of the reference date for the instruments, ESBG stressed that the extended specification of the time setting provides additional clarity. It would be even better to have an additional update, however, with concrete dates to avoid potential remaining uncertainties such as non-business days.

Finally, ESBG called for more guidance with regard to the expected consideration of foreign exchange (FX) risk, including treatment of past cash flows. Doubts remains on the benefits and the necessity of a split into a different standard notional for IMV purposes and different amounts in the VaR portfolio calculation.

FINTECH REGULATION, LEGAL AND RETAIL COMMITTEES MEET: DISCUSS DIGITAL POLICY DEVELOPMENTS

The FinTech Regulation Committee (FRC) met on 8-9 April in Stockholm along with the Legal and Retail Committee (LRC). Hosted by Swedbank, the combined committee meeting developed positions aimed at European policymakers in financial technology – or "FinTech" – and other legal and retail banking topics. Members exchanged positions and discussed next steps on open banking and a level playing field, AI ethics, cloud, crowdfunding, cryptoassets, cybersecurity, the reviews of the Consumer Credit Directive and Mortgage Directive, data protection, anti-money laundering, outsourcing, taxation and digital skills. Regulatory sandboxes and innovation hubs formed a big part of exchange, with examples from various jurisdictions as well as talk around the new European Forum for Innovation Facilitators (EFIF) initiative and showcasing of the 'global sandbox' concept under the Global Financial Innovation Network (GFIN). The meeting closed out with a talk on Swedbank's Open Banking and Innovation Teams on Collaboration Strategies with FinTech startups.



SEE THE CONSULTATION RESPONSE AT [BIT.LY/2FWiI81](https://bit.ly/2FWiI81) OR BY SCANNING THIS QR CODE.

First FinTech Female Roundtable: Enhancing Collaboration in Financial Technology

PARTICIPANTS DISCUSS COLLABORATION AND PARTNERSHIPS



WSBI-ESBG organised on 13 March its first-ever Fintech Female Roundtable in Brussels. Supported by Fintech Ladies, Cosmo Element, Fintech Belgium and B-Hive, the event focused on the theme “Enhancing Collaboration in Financial Technology”.

Both men and women who attended the event heard examples from women in financial services on how collaboration can be made successful. Various perspectives were given on the FinTech topic from a regulatory, consulting, bank and startup view. The roundtable exchange that followed provided a chance to interact and discuss the event topics more in depth.

SUCCESSFUL COLLABORATION EXAMPLES FROM ALL-FEMALE SPEAKERS' LINE-UP

The late-afternoon roundtable kicked off with welcoming remarks by Natalie Staniewicz, who leads Innovation & Business Development at WSBI-ESBG: “With this event we want to shine light on the various viewpoint of FinTech (meaning “Financial Technology”) – from the perspective of a regulator, bank, startup and consulting firm. But we also want to show that the FinTech world is much more diverse than we often see in the conferences or events – the aim is to highlight some successful women with expertise in FinTech”.

Maja Gostovic, Product Owner & Squad Leader plug in integrations from George Labs (Erste Group) presented her experience on how to integrate banking and FinTech by showcasing the

example of the George platform and their Plug in concept and API approach. “Customer centricity means we should collaborate” echoed throughout the presentation which shared some key learnings from the George journey.



JEKATERINA GOVINA

Nina Hülsken, Managing Director of Cosmo Element, shed light on the challenges of making collaboration successful while outlining some key areas where partnerships between corporates and startups in finance can bring strategic value: “to improve customer experience, create and strengthen capabilities, reduce fraud, expand product lines or close gaps, reach new customer segments or expand geographically”.



MAJA GOSTOVIC

Jekaterina Govina, Advisor to the Board of the Bank of Lithuania, presented how regulators can collaborate and approach the FinTech topic to support financial innovation in the interests of consumers: “Instead of being only a watchdog we decided to help financial companies by taking a partnership approach.”



NINA HÜLSKEN

FIRST FINTECH FEMALE ROUNDTABLE



PATRICIA BOYDENS

Patricia Boydens, Chief Commercial Officer of HARMONEY, showcased the FinTech state of play in Belgium while sharing experiences from the startup point of view: “Issues surrounding new vs old technology, in-house IT teams, security and trust, available data and deep data mining and a fast changing regulatory landscape – these are only some challenges that need to be overcome to reap the opportunities of corporate – startup partnerships”.

The speakers' session ended with the announcement of the launch of the Fintech Ladies initiative in Brussels.



FINTECH LADIES IN BELGIUM

Headquartered in Berlin, Fintech Ladies is a network for women in the finance and tech industry. It operates in Germany, Austria, Switzerland, United Kingdom and, since the FinTech Female event, in Belgium too.

The discussions on collaboration between different stakeholders continued during the roundtable exchanges which focused on three main topics:

- **Collaboration in the FinTech ecosystem – challenges and opportunities for corporate – startup partnerships**, facilitated by Fabian Vandenreydt and Raf de Kimpe of B-Hive

One aspect discussed was the type of collaboration which depends highly on risk perception of the two parts: a partnerships being not only a mutually beneficial relationship, but also one where the two parts consider one another as equal for the scope of the partnership (compared to subordinated relationship when one part sets the conditions from a dominance perspective such as acquisition, supply of services). Inter-bank collaboration was also highlighted, the idea being that banks which currently need to focus highly on effectiveness should look into aspects where they can join forces and take part in bank-bank initiatives where several partners can benefit from the same technology, service or partnership with external parties such as start-ups.

- **Regulator – Bank & FinTech collaboration: best practices and learnings**, facilitated by Catherine Houssa from Simont Braun

Regulatory policies in Financial Technology were named as important to ensure a level playing field, consumer protection, avoid abuses and guarantee an adequate implementation.

Equal access and market pluralism considerations should go hand in hand with financial stability while considering that the market should also not become too fragmented. Various policy initiatives such as sandboxes were discussed and the importance for regulators to foster a sharing of best practices (between market actors, regulators-with FinTech stakeholders and between various national regulators at European level) was highlighted.

- **Collaboration at Leadership level: how to strengthen diversity in finance and at Board level**, facilitated by Nina Hülsken from Cosmo Element

Participants agreed that empowering women is a process that needs “leadership from the top”. Board members and managers should raise awareness for diversity and women participation at leadership level. A good way to promote new female leaders can be to focus on hard facts, such as the economic costs of foregoing diversity within the corporate environment. Existing best practices solutions and cooperation opportunities were also highlighted, such as the initiative “No women, no panel” supported by European Commissioner Mariya Gabriel, or the Scandinavian initiative TackaNej where male experts decline to take part in non-diverse panels.

Africa Regional Group: Innovation trends and digital revolution

REGULATORS, BANKERS FROM REGION EXCHANGE ON PUBLIC POLICY



S. CHITOKWINDO SENIOR MANAGER FOR BANKING OPERATIONS AT AGRIBANK, EXCHANGES WITH PANEL DURING THE QUESTIONS AND ANSWERS SEGMENT. PHOTO COURTESY OF AGRIBANK

More than 80 bankers, regulators, central bankers, and governments convened on 27-29 March in Victoria Falls, Zimbabwe, for the 25th edition of the WSBI Africa Regional Group Meeting. Hosted by WSBI Zimbabwean member People's Own Savings Bank (POSB) and organised in close cooperation with Agricultural Bank of Zimbabwe (Agribank), the event brought together converging sectors and innovation forces shaping Africa's digital banking future.

The meeting was an opportunity to take stock of private and public actors' commitments and major milestones reached by WSBI African members when it comes to digital financial inclusion. The meeting focused on how WSBI members' innovation and digital policies help improve the customer journey and financial inclusion at national level.

WSBI Managing Director Chris De Noose provided opening remarks during the three-meetings. He focused on the importance innovation through best practice exchange between fellow WSBI member banks. He also urged policy-makers to keep in mind how rules applied to banks should help, not hinder innovation.

Welcome addresses followed by POSB CEO Admore Kandlela and Agribank CEO Somkhosi Malaba followed by a keynote address by Guest of Honour Dr. Jesimen T. Chipika, deputy governor of the Reserve Bank of Zimbabwe.

WHY THE MEETING MATTERED

Savings and retail banks in Africa face fierce competition, especially challenging a world of Mobile Network Operators. To address this, members and industry experts met to explore areas like open banking and APIs and how they will change the banking landscape. It also explored how both areas lead financial

institutions to partner more and more with FinTech in a never-ending search to bring flexible, innovative solutions to people banks call customers.

The event also showed the next steps towards implementation of financial innovation. It put on display the latest progress and reach extended through innovative products, asset classes as well as business lines. It also described banks' challenges in becoming more customer centric, including latest innovations in technology, especially in rural areas.

The meeting also focused on customer centricity, a challenge faced by African members according to a new report shared at the event by WSBI's Scale2save programme, a partnership with the Mastercard Foundation to establish the viability of small-scale savings in six African countries.

Attendees took in the recently released Scale2Save report on savings and retail banks in Africa and learned about the projects, including one in Uganda.

THE DIGITAL EXOSYSTEM

An exchange in digitisation and banking rules looked at the role regulators and policymakers play and their impact on fair competition, open access, public infrastructure, interoperability and consumer protection and G2P/ID Introduction. Challenges overcome in the financial sector in those areas were addressed by Econet Chief Technology Officer Vinod Sharma. A panel followed featuring policymakers and regulatory authorities, which included: Norman Mataruka, director for bank supervision at the Reserve Bank of Zimbabwe; Brian Akimanzi, Financial Markets Development Committee, Bank of Uganda; →

AFRICA REGIONAL GROUP INNOVATION TRENDS AND DIGITAL REVOLUTION

Alfred Marisa, deputy director general, Posts and Telecoms Regulatory Authority of Zimbabwe; and Judith Rusike, director for the Zimbabwe Financial Capital Markets Ministry of Finance and Economic Development. Debates followed with KPOSB CEO Anne Karanja; Postbank Uganda's Mukweli; and Luckmore Chitima, chief executive of ECB International, a FinTech.

After that exchange, WSBI member banks shared their experience with open APIs, blockchain and partnerships for international digital payments, as well as agent and retail networks. ECB's Chitima moderated the panel that featured Charles Kabanda, general manager for retail and outreach at Centenary Bank, Uganda; Loice Ngulube, IT executive, POSB Zimbabwe; Ngazi Technology's chief manager business solutions Leonard Katamba and Charles Erasto, Mbuli director of technology development.

Presentation of new developments by financial/technological/software providers also took place with Chitima being joined by Akaboxi Ltd. (UG) CEO Joshua Businge by video, Ma Tontine (SN) Managing Director Bernie Akporiaye, also by video, and Edmund Katiti, director at Rostec School of Leadership & Governance.



GUEST OF HONOUR: RESERVE BANK OF ZIMBABWE DEPUTY GOVERNOR DR. JESIMEN T. CHIPIKA.

SAVINGS AND RETAIL BANKING IN AFRICA: SCALE2SAVE REPORT

Day 1 closed out with a presentation of Scale2Save programme 2018 member bank survey as well as a related presentation and debate on how best to collect small-scale savings and the role of customer centric policies. The MasterCard Foundation's Michael Williams joined WSBI's Weselina Angelow to lead the session. A panel on customer centricity looked at ways for banks to meet challenges of acquiring, retaining and deepening customer relationships.

Panelists found it necessary to transform the business model at banks by placing the customers at the centre all decision-making strategy and organizational design. Taking part were KPOSB's Anne Karanja and Leonard Katamba, chief manager for business Solutions at TPB Bank in Tanzania. They applied the CGAP approach to customer centricity, which guides banks to focus on (1) Acquiring, (2) retaining, and (3) growing customer relations.

DAY2

The second day delved into rural and sustainable finance. National Savings & Credit Bank CEO Mukwandi Chibesakunda explored NATSAVE, Zambia customer experience and journey in rural areas versus and urban and peri-urban cities. Francis Macheke, Executive Director Retail and Agricultural Development, Agribank, touched on sustainable rural finance in Zimbabwe: for whom the challenges and avenues for sustainable finance closely align with UN developments goals.

Day 2 also had a WSBI member exchange with Laurie Dufays, head of Africa institutional relations at WSBI. The session focused on the achievements and challenges of WSBI and its members in the region. Members also looked at the WSBI agenda in the region for 2019.

Remarks by Messrs. Malaba, Kandela and De Noose closed out the event.



Six and counting: Latest innovation workshop held in Brazil

Experts from banking, FinTech and start-ups industries gathered on 21 March in São Paulo, Brazil, for the sixth edition of WSBI Innovation Workshop.

The workshop, themed *Customer Engagement, Data & Partnerships – How to get the most out of new technologies*, let participants from the Latin American region deep dive into customer engagement and discussed the role of banks, start-ups and regulators in making successful collaborations.

FIRST WSBI WORKSHOP IN LATIN AMERICA

The first WSBI Innovation Workshop in the region was hosted in São Paulo, home to a highly active financial sector – the biggest in the Latin American and Caribbean region. Brazil also ranks as the largest FinTech hub in Latin America, after the birth of more 188 new start-ups active in FinTech in the past months. Innovation in banking and the FinTech ecosystem in Brazil is driven by strong growth in the segments of digital banking, trading and capital Markets, as well as loans and insurance.

INNOVATION AND SAVINGS BANKS

The event started with an opening speech by Diego Prieto, GRULAC chairman and president of Banco Caja Social in Colombia, who stressed the importance of innovation for savings banks: “As never before, the new information and communication technologies, work flows and ecosystems are revolutionizing many industries, and ours is no exception. However, the most interesting part of this workshop is not the means, but their role in the ultimate goal of savings banks: throughout our history we have preserved the essence of our social mission, providing quality financial services that effectively contribute to the development of our clients.”

FROM REGULATORY ASPECTS TO SUCCESSFUL EXAMPLES

After scene setting by WSBI-ESBG’s Natalie Staniewicz, the workshop continued with the presentation by Rafael Rodrigues, investments director at Banco Inter, who presented the digital journey of leveraging innovation and data in order to improve customer experience.

WSBI-ESBG and the moderator of the workshop, discussed the theme of the event from a regulatory point of view. Participants were introduced to recent developments and perspectives in policies and regulation fostering innovation and financial technology.

CaixaBank Head of Marketing Javier Mas shared the Spanish bank’s journey to transform the customer experience and presented the case of Imagin Bank, the first mobile-only bank in Spain.



WSBI MEMBERS DISCUSS INNOVATION AT FIRST-EVER WSBI WORKSHOP IN LATIN AMERICA.

José Flavio Pereira, founder of Nuveo Digital Transformation Specialist, presented his experience of fostering successful collaboration between banks and FinTech to remain customer centric.

Aimée Suarez, senior adviser for international and institutional relations at

The case of Banco Original, the first bank in Brazil to have fully digital account opening process, was presented by Paulo Bissacot, IT governance superintendent. He also discussed how putting customer centricity at the core of the business leads to successful customer engagement. →

SIX AND COUNTING: LATEST INNOVATION WORKSHOP HELD IN BRAZIL

WORKGROUP DISCUSSIONS – INDISPENSABLE PART OF EVERY INNOVATION WORKSHOP

Each WSBI Innovation workshop aims not only to bring interesting speakers and present relevant cases, but also to involve participants to actively share their experience and discuss workshop topics. During the breakout sessions in São Paulo participants discussed in groups one of the four themes:

- **Theme 1: Bank – Startup Collaboration.** Facilitated by Ernesto Pacheco, finance manager of Fedecredito in El Salvador.
- **Theme 2: Bank – Bank Collaboration.** Facilitated by Joan Rosas, director for relations with international institutions for Spanish retail banking market leader CaixaBank.
- **Theme 3: How to develop better customer engagement.** Facilitated by Albert Morales, vice president for product management at Barcelona-based Strands.
- **Theme 4: Regulatory. “How can Policy foster Innovation?”** Facilitated by Joseph Delhaye, senior vice president and head of legal at BCEE in Luxembourg.

WORKSHOP FINALE: STUDY VISIT TO INNOVABRA HABITAT

The last part of the workshop focused on digital onboarding and authentication with panellists Paulo Felipe Oliveira Antonio

from Banco Original, Marcus Vinicius de Carvalho from the Brazilian Securities Exchange Commission and Joseph Delhaye from BCEE.

After a round of conclusions that each participant shared with the others, the programme continued with a study visit to the INNOVABRA HABITAT, a co-location space created by Brazilian bank Bradesco and dedicated to the generation of business based on the technologies that transform the world of today. During the study visit, participants heard more about how Bradesco fosters collaboration and innovation with this project and what benefits it brings to all stakeholders.

WSBI AND INNOVATION

WSBI sees innovation as a crucial ingredient to help its members thrive in the 21st century. As an international banking association that brings together savings and retail banks located on all continents, innovation and digitalisation can help foster closer customer relationships and better services while in the long term widen financial inclusion and boost sustainable, modern finance.

WSBI helps members by fostering exchange of experience and success stories through activities like the São Paulo workshop. That exchange includes efforts to facilitate knowledge sharing among members, with FinTech companies and other strategic frontrunners through exchanges of information and experience at all levels within the organisation as well as in-house knowledge management.

Backed by some 6,000 financial institutions with total assets of US\$16.7 trillion and serving more than 1.3 billion customers in some 80 countries worldwide, WSBI voices the concerns of savings and retail banks. The institute does this through advocacy, representing the interests of its members towards international policymakers and standard setters on the main regulatory and other issues that shape international retail banking policy. ●

Next Workshop in Prague

The next WSBI Innovation Workshop will take place on 26 June in Prague, Czech Republic.

More information

For more information about innovation workshops hosted by WSBI, email: innovation@wsbi-esbg.org.



SEE FULL PROGRAMME OF THE WSBI INNOVATION WORKSHOP AT [BIT.LY/2WRC88Z](https://bit.ly/2WRC88Z) OR BY SCANNING THIS QR CODE.



WATCH THE RECORDING OF THE WORKSHOP AT [BIT.LY/2YNQZW2](https://bit.ly/2YNQZW2) OR BY SCANNING THIS QR CODE.



Digital transformation of postal services in Africa

WSBI MANAGING DIRECTOR PROVIDES INSIGHT INTO POSTAL SAVINGS BANKS



WSBI Managing Director Chris De Noose participated in the High-Level Forum on Digital Transforming of Postal Services in Africa. Held on 14-15 March in Tunis, it was hosted by WSBI Member La Poste Tunisienne and the African Union.

The rumours of the death of postal banks are greatly exaggerated. Postal banks are not dead. Nor are postal banks on their final leg. In fact, they are alive in well in many parts of the world, including in Africa.

The High-Level Forum on Digital Transforming of Postal Services in Africa held in mid-March was an ideal chance to transmit that narrative. It was also an opportunity demonstrate *how*: by transforming Africa's postal banks.

To be sure, digitisation drives much of that change. The 40 African postal organisations present at the Tunis forum know this well. They realise that digitisation presents those "posts" with a daunting challenge. They also realise the once-in-a-lifetime opportunity before them to reinvent their institutions and turn post offices and postal banks into a force for greater social and financial inclusion.

POST OFFICE AS ACCESS POINT

Postal banks make up two-thirds of WSBI members in Africa, which means we at the institute have a big stake in helping postal banking thrive. We support their aims to play a real role in people's lives, serving households and businesses at local level, in large cities, small villages and everywhere in between.

Postal banks are special in other ways too. They provide services to a broad swath of customers: from poor and underbanked all the way "up" to high net worth people. They have a simple, easy-to-understand set of services, and much of what they do overlaps with digital financial services. Postal banks for the most part trusted and well liked, are close to people on the ground, easy to access and provide affordable products. They also facilitate financial education – a pathway to financial inclusion.

Nearly 2 billion people worldwide use post offices in some 100 countries as an access point to basic financial services. An estimated 1.1 billion people have opened nearly 2 billion accounts at posts. Nine hundred million people also use post offices as an access point to make or receive payments.

At a public policy level, their work closely aligns with stated aims of governments across Africa, the African Union and other international bodies to address financial inclusion. In 24 countries, post offices play a substantial role in helping governments reach their quest for greater access to financial services. The most effective postal banks are oftentimes "agents" of one or more financial institutions, and are often autonomous. Marked as being "licensed and corporatised", they fall under separate governance and management from the post office. All postal banks have a strong reason to transform more towards this model.

WSBI STUDY

Many postal banks in Africa seek reform to become self-managed and autonomously governed. Transforming them has proven elusive, however, with un-reformed postal banks rarely going beyond a limited range of services. A WSBI-commissioned study released last year explains in full a missed opportunity.

Penned by postal banking expert Hans Boon, the WSBI paper provides a roadmap designed to help postal banks become more modern, robust, and sustainable businesses. The study flagged basic questions that policymakers must address when reforming postal financial institutions. How should governments regulate a postal bank? Should it fall under postal services, telecoms, or perhaps a financial institution? →

DIGITAL TRANSFORMATION OF POSTAL SERVICES IN AFRICA

Defining what a postal bank is has knock-on effects for how a ministry decides to regulate it and what form its management and governance will take.

We urge governments to define postal financial institutions as banks. There are manifold reasons to do so. They tap into multichannel banking – both physical and digital – and link into the payment system. Postal banks also bring basic financial infrastructure to remote areas, and support rural and regional economic development. They also help spur the transition to cashless payments and have an essential role to play in the first and last mile of e-commerce and in the financial transactions linked to e-commerce. Governments are especially keen on e-based transfer payments disbursed by banks cheaply and securely to citizens.

Another catalyst for successful reform is a clear desire by governments to tap into postal banks to boost financial inclusion. This is a strategic first step on the ladder to success. The middle step is funding. Does the postal bank need to be recapitalised? Will there be capital needed to make necessary changes to the banks operations, like IT? The final step is putting in place the right management.

WHAT REFORMED POSTAL BANKS LOOK LIKE: ABB AND TPB BANK

Transformed postal financial institutions offer banking products and services using the postal service as agent, in addition to other physical and electronic distribution channels. This implies a step change from the traditional model, where the postal services manage and govern the activities of the postal bank.

Two case studies in the report come from WSBI members Al Barid Bank in Morocco and TPB Bank in Tanzania. They have in place well-trained, strong management, have moved their model towards the “post as agent” model, and successfully implemented innovative digital tools adapted to rural populations.

People in both countries are reaping the benefits, especially when it comes to digital banking and financial inclusion.

Based on five strategic principles outlined in the WSBI study, change happened at ABB and TPB. Both gained governments backing to harness them as part of nationwide financial inclusion strategies. They also received the green light to be licensed by a financial regulator. Third, both ABB and TPB defined a clear mission and invested a lot updating how they work, plugging into multi-channel banking. Next, there was a willingness and desire to tap into innovation through areas like mobile money. And finally, both TPB Bank and Al Barid Bank brought in strong senior management with the right skills to transform the organisation.

They were considered “outsiders”, not coming from the postal service or postal bank. Both CEOs – TPB Bank's Sabasaba Moshinghi and ABB's Redouane Najm Eddine – have done a fine job of change management, with capacity building and change management systems employed by their organisations. In addition, TPB tackled compensation and brought in a performance-oriented culture. ABB addressed a need for better skills training through its own university.

POSTAL BANKS BEING HELD BACK

Despite the commendable success attained by TPB Bank and Al Barid Bank, many postal banks need help. If not, they will fall further behind.

International institutions can lend a hand. International bodies, agencies and private sector donors that dip into this area have helped some 40 countries to reform. In most of the cases, however, support has been short-term, small-scale or fragmented. More joined-up efforts work better, with more focus on postal banks governance and accountability alongside technical assistance in capacity building. Reforms happen at a faster pace through more international cooperation – on one platform – between all involved.

That means governments, their postal banks, international financial institutions and other stakeholders like funders supporting financial inclusion.

SPURRING REFORM

Financial inclusion and economic inclusion are stated aims in the African Union 2063 Agenda and the UN Sustainable Development Goals. If they seek the maximum number of people added to the formal financial system, postal banking should be unleashed. That means transform them into autonomous institutions using post offices as agents, not only safeguarding deposits but transforming them into loans that nourish the economy and build businesses.

With the right tools in hand, transformed postal banks become ideally placed to provide wider access to financial services, uplifting millions of Africans by raising their financial, economic and social wellbeing.



DISCOVER: WSBI-COMMISSIONED STUDY "POSTAL FINANCIAL INCLUSION: PUSHING THE ENVELOPE" AT [BIT.LY/2JKZMQR](https://bit.ly/2JKZMQR) OR BY SCANNING THIS QR CODE.

WSBI member meeting kicks off remittances platform



BANK SIMPANAN NASIONAL MALAYSIA HOSTS ONE-DAY MEETING

Six financial institutions from WSBI membership and two like-minded banks in Asia met on 13 March in Kuala Lumpur, Malaysia to explore ways to implement the WSBI framework for fair value remittances. Hosted by Bank Simpanan Nasional Malaysia, the one-day working meeting presented the WSBI Fair Value Remittance Framework whilst the first service provider presented their technical details.

The meeting provided an occasion for WSBI, the remittances service provider and interested banks to discuss business conditions and to deliberate on the implementation plan for the WSBI remittances platform, a non-exclusive and white label platform that aims at delivering fair pricing to end-users for remittances.

WSBI supported the development of this framework as it further contributes to WSBI's strong positioning on remittances and as it supports WSBI's overall strategy in financial inclusion. The objective of the framework is to promote the World Bank and BIS General Principles on remittances.

Diederik Bruggink, who heads up the project at WSBI, said: "This remittances gateway provides participating banks with the opportunity to gain control over the remittance products and to offer fair pricing, to move from simple disbursement

point to provider of financial services and to become part of the worldwide movement towards financial inclusion.

"The platform will enable WSBI member banks to shift from traditional systems to alternative and more efficient systems that will increase the interconnectivity with other money transfer players, to the ultimate benefit of the end-users that are depending on remittances."

Turkey-based payment service company UPT Odeme Hizmetleri (UPT) took part in the meeting. UPT was selected last year as the first remittances processor joining the platform.

With the evolution of digitisation, the working meeting was also a chance to discuss how the remittances can be transacted in a full digital manner and how to connect mobile wallets / mobile banking of participating banks. →

REMITTANCE FLOWS BY REGION

The World Bank reports that Europe and Central Asia remittance flows swelled by 20.9 percent in 2017 from the year prior while in Sub-Saharan Africa they expanded 11.4 percent. The Middle East and North Africa both grew by 9.3 per cent in 2017 and Latin America and the Caribbean activity grew slightly less at 8.7 percent year on year. The East Asia and the Pacific regions increased in 2017 by 5.8 percent and in South Asia by 5.8 percent.

Source: <https://www.worldbank.org/en/news/press-release/2018/12/08/accelerated-remittances-growth-to-low-and-middle-income-countries-in-2018>



WSBI MEMBER MEETING KICKS OFF WSBI REMITTANCES PLATFORM

WORKSHOP AN OUTCOME OF BILATERAL DISCUSSIONS AND IMPLEMENTATION WORK PROPOSAL

The working meeting follows earlier discussions that WSBI held in 2017 and early 2018 to set up an extensive end-to-end remittance platform to enable cross border remittances services among banks in various countries. WSBI launched last October the 'Fair Value Remittances Framework' when UPT was selected as the first remittances processor. WSBI sees that participating banks would gain competitive advantage in remittances services by plugging into the extensive networks run by WSBI members and the more than 10,000 outlets that UPT has developed so far. The opportunity of distributing remittances in a digital way will also be addressed. By establishing the framework, WSBI effectively laid the foundations for a closed user group of like-minded financial institutions in the remittances business. Via the framework, these financial institutions agree on their bilateral relationships and on a consistent, explicit service level to the end-users.

THE JOURNEY TO WSBI FAIR VALUE REMITTANCE FRAMEWORK

WSBI has been actively involved in the global policy debate on setting a fair value framework for international remittances. The association's work on fair remittances practices dates back to 2003 when it crafted a "Fair Value Remittances" value proposition that promotes end-to-end transparency and accountability in migrating from cash to account-based remittances. It served as input to the 2007 BIS / World Bank International Guiding Principles.

The outgrowth of that work is the WSBI Fair Value Remittance Framework, which responds to the needs from WSBI member banks and non-member financial institutions seeking to set standardized contractual terms and conditions governing their bilateral relationships. These financial institutions aim at raising overall market efficiency, notably through greater choice and service quality for customers. These banks also look to offer customers a more ethical value proposition while boosting overall economic impact. By doing this, they put in practice the World Bank/BIS General Principles for International Remittance Services and work towards reaching the relevant United Nations' Sustainable Development Goal #10. That goal specifies that by 2030, the transaction costs of migrant remittances should be reduced to less than 3 per cent and remittance corridors with costs higher than 5 per cent should be eliminated.

REMITTANCES FLOWS WORLDWIDE REACH NEARLY US\$500 BILLION

The World Bank calculates that remittance flows to low- and middle-income countries – LMICs – in 2017 rose by 8.5 percent to \$466 billion. Remittances globally reached \$613 billion, with flows rebounding in all regions in 2017. The trend is expected to continue in 2018, with remittance flows to LMICs growing an estimated 4.1 percent year on year to \$485 billion.

UPT understands well this trend. Setting off on its journey in 2010 under the brand Uncostly Payment Transfer in Turkey, and being a subsidiary of Aktif Bank, UPT has been proceeding on its way under the brand of Universal Payment Transfer since 2012. The UPT strategy includes plans for international expansion, which includes neighbouring Asia countries. It is hence logical and strategic for UPT to establish a collaboration with Asian Members of WSBI and after with other participants.

History Award 2019

DEADLINE FOR RESEARCH SUBMISSIONS 1 MAY

The European Savings and Retail Banking Group (ESBG) and World Savings and Retail Banking Institute (WSBI) announced on 21 February that they welcome submissions of academic research to be considered for this year's Savings and Retail Banking History Award.

Research should focus on areas that addresses either the evolution of financial systems or savings in the community in general for this years. WSBI-ESBG particularly encourages research into the history of savings and retail banks, and studies that address the day-to-day development and work of savings and retail banks. The two associations also welcome academics to submit work that addresses the history of savings mobilisation, especially if the research focuses on the history of financial literacy or on the history of financial advice.

Submissions to the Savings and Retail Banking History Award should be written in a clear, understandable, narrative style. They should be suitable for both publishing in academic/savings banks professional circles and study by a wider audience.

The three best submissions will share a total prize money of €9,000 (€5,000 for the winner, €2,500 for the second prize and €1,500 for the third prize).

PRACTICAL INFORMATION

Entries must comply with the criteria laid out in the official rules, and must be submitted to WSBI-ESBG by email before 1 May 2019.

Applicants should address their submissions to the WSBI-ESBG secretariat for the attention of Ms Nancy Lockkamper, Archivist, and send them to nancy.lockkamper@wsbi-esbg.org.

For more practical information, please contact your country's national contact. See the list of country contacts.

WSBI-ESBG will contact and announce the finalists before 30 June 2019.

The official Awarding Ceremony will be organised at the occasion of the next Financial History Workshop on 27 September 2019, in Vienna.

AWARD MISSION AND VISION

It's 200 years since pioneers such as Henry Duncan in Scotland, Georg Christian Oeder in Germany, and Benjamin Delessert and François de la Rochefoucauld in France launched innovative institutions, now known as savings and retail banks, to collect the savings of private households and re-invest these funds responsibly and sustainably in the local community (in both SMEs and local authorities). These savings banks continue to be forward-looking and innovative, while still guarantying reliable and accessible services to the maximum number of people.

A significant amount of research has been conducted on the banking sector, and specifically on savings banks, but there is still plenty of unknown territory to discover and explore.

The European Savings and Retail Banking Group (ESBG) and World Savings and

Retail Banking Institute (WSBI) believe it is essential to encourage and support research into savings and retail banks and financial history. This research is needed to increase awareness and appreciation of the characteristics of savings and retail banks within the context of the multi-dimensional world of banking.



SAVINGS & RETAIL BANKING HISTORY AWARD

The award seeks to:

- encourage historical and comparative research into the savings and retail banking industry worldwide
- stimulate thought and discussion on trends and market forces affecting the evolution of the industry
- strengthen collaboration among international research centres and academia



**LEARN MORE ABOUT THE AWARD AT
[WWW.WSBI-ESBG.ORG/EVENTS/
 HISTORY_AWARD](http://WWW.WSBI-ESBG.ORG/EVENTS/HISTORY_AWARD)
 OR BY SCANNING THIS QR CODE.**

Case study: Savings and Social Development Bank in Sudan

A WSBI member, Savings and Social Development Bank in Sudan is the top microfinance institution in the country. “A pioneer in social banking”: the motto lived out every day by the bank.

Founded in 1996 as an extension to the Sudanese Saving Bank, which operated from 1974-1995, its stated objectives include to undertake all banking works and financial, commercial and investment transactions and contributing to industrial, agricultural and urban development projects as well as other economic and social development inside and outside Sudan. With 54 branches, 10 outlets, and 83 ATMs distributed across the country, SSD plans for its saving policy and draws up rules for monitoring them. They coordinate with competent parties to execute those plans within the framework of general state policy.

guarantees appropriate based on their situation. It also finances research and economic and social feasibility studies for investment projects focused on the aforementioned target segments.

A VISION, MISSION BASED ON SEVEN VALUES

Savings and Social Development Bank aspires to be the leading financial institution in Sudan that provides microfinance services, energising a savings culture in the country while being a pioneer in social banking. They are driven also to provide a divers set of high quality and efficient

financial services to small firms across Sudanese rural and urban communities. Through its efforts, the bank aims to alleviate poverty and unemployment while achieving financial sustainability.

The bank guides itself through a set of values that include applying Islamic Shariah in all of its transactions, professionalism, fairness and integration, transparency, innovation & creation, seeking to play an effective role in society and

striving for continuous improvement.

BANK SETS COURSE

The bank has set forth four major policy initiatives. First, they have adopted an expansion-oriented policy in the field of micro- and small-scale finance based on the application of best practices and standards aiming to alleviate poverty.



Second, they continue to put forth a policy to instil a saving culture within the country and enable people who take on micro and small finance to grasp the need for savings. Another SSD policy mobilises financial resources and effectively uses them. The bank also has implemented a policy of utilising people in the best way within the institution through the latest communications tools.



MR. ALZAIN OMER ALHADU, GENERAL MANAGER, SAVINGS & SOCIAL DEVELOPMENT BANK

SSD steers its resources towards economic activities that serve comprehensive economic and social development. The bank provides the financing required by the different sectors, particularly projects for the poor, small producers, artisans, craftsmen, family-owned firms, low-income people, recipients of zakat, students, women, organisations, businesspeople, together with observing

Hatching economic inclusion one egg at a time

Savings and Social Development Bank Sudan (SSD) in Sudan has cracked the financial and economic inclusion challenge. Through the Al-Zahra project, the bank aimed at providing eggs and work opportunities to both women and graduates in Shendi and Koboshia area in the River Nile State in the north of the country.

The SSD project, in collaboration with the Al-Gaith Charitable Organisation and Coral Company for Poultry, provided a means to connect the public and private sectors to further spur rural development. Coral provided a project technical and administrative expert. Three hundred women benefited from the project through financing valued at SDG32,992 (US\$5,075).

A study conducted around the project by Shendi University unveiled factors that led to Al-Zahra's success. Women aged 20-40 years were drawn to the project, with female beneficiaries earning 300-500 SDG per month (US\$46 to 77). Ninety-six per cent of women in the project had been without an income before joining in.

People from low- and non-income segments who sought to improve their livelihood. Results of the survey also showed a crack in highly conservative local cultural norms, as respondents acknowledged the need for women who worked in the project.



SSD observed other factors too, as links formed between the project management and the local community.

Women taking part started to shift habits when it comes to personal finance. Female beneficiaries used to put aside a small amount of their income in Al-Khata boxes – or women's savings boxes – to one-day purchase electric equipment and furniture for their houses. That all changed as female beneficiaries of the project indicated desire to be refinanced by SSD via Al-Gaith Charitable Organization

guarantees. In addition, new social values took hold, as cooperation, the takaful (solidarity) spirit, and teamwork blossomed.

Love also blossomed as marriages soared among female beneficiaries during their work in the project.

A CHANCE TO GROW

The project managed to provide beneficiaries with the training opportunities and expertise, in order to enable them to start their own independent poultry business.

From a bank business standpoint, all bank instalments were paid back completely. Project ownership transferred successfully to the Al-Gaith Charitable Organisation.

The Al-Zahra project showed that success happened thanks to project managers adopting a step-by-step approach. By doing so, women transform themselves into active contributors to the community, releasing a heavy burden on others people's shoulders.

Caisse d'Epargne de Madagascar: 100 years of service

WSBI member Caisse d'Epargne de Madagascar celebrated in 2018 a century of service. News & Views took a closer look at developments within the Malagasy banking sector during the past few years and CEM's recent news around obtaining a license as a deposit and credit institution. CEM Internal Control Director Claude Andriamanantsoa tells more.

The Caisse d'Epargne de Madagascar was created in 1918. What challenges have been tackled and what progress has been made over the last hundred years?

Since its creation, the CEM has faced many challenges. The most important was to ensure its survival in oftentimes difficult political and economic situations. We do not have much room for manoeuvre, since we have been historically limited to collecting savings and investing these deposits to generate interests. That will change as we have obtained in March of this year a licence as a deposit and credit institution.

To date, interest income is the only income we have to remunerate the accounts of our customers – apart from the fee income from Western Union transactions – and to fulfil our various obligations. This means that we are heavily dependent on the economic situation and the interest rate variations. You also need to take into account our social mission within our community. This mission is to be accessible to all citizens. That is the reason why all our products and services are free to all. CEM has 1,135,130 customers who hold 1,146,910 accounts. We serve them through 434 agents and 30 branches.

A highly important challenge is to keep abreast of the evolution of Information and communication technology (ICT). This is essential, given the strong competition in banking and in microfinance. For this reason, CEM acquired a banking software that allows us to work in real-time, with a single database.



CLAUDE ANDRIAMANANTSOA

Another challenge was to remain close to our customers. That is the reason why we maintain our network of 30 branches, six of which are dedicated to Western Union service. These agencies are interconnected.

Which savings products do you currently offer?

CEM offers a savings account for three different age categories: ages 0 to 16, 17 to 25 and 25 and over. These age categories distinguish themselves in terms of remuneration by bonus systems and / or by account balance. We also offer term deposits as well as a special retirement account, where people can deposit over time and that is payable as a lump sum – principal and interest – at retirement age.

What are the distribution channels of the CEM? How will the supply of financial services evolve in the years to come?

CEM serves its customers directly through its agencies. We plan to expand the distribution network by working in

particular with partner points where customers can carry out day-to-day operations with a commission for withdrawals. CEM also plans to cooperate with mobile operators to make access to its products and services more convenient.

More recently, what has been the status of CEM in the context of the 2013-2017 national financial inclusion strategy launched in the country?

As part of the country's 2013-2017 national financial inclusion strategy, CEM has increased the volume of transactions in low-interest savings accounts that account for up to 90% of its balance sheet (average balance <100 USD).

What are CEM's goals for financial inclusion in the short, medium and long term?

Maximize CEM distribution channels as mentioned above. We consider in particular partnerships with points-of-sale and with mobile operators, first on a short- and medium-term basis in all major cities and suburbs and on the longer-term in remote areas. We also plan to digitise some of our products and services in order to reach people who are far from the agencies and to correspond to the needs of people who no longer want to work with the traditional savings "book".

How do you maintain a balance between being a part of the banking sector and being supportive of inclusion objectives?

In terms of market share, CEM's customer base continues to grow steadily and continuously via the entry of new savers, especially individuals. This reinforces our position in the field of inclusion. The banking sector is characterised by the diversity of its offer. One of our strategic goals is to tackle gradually other banking activities to meet the needs of our market.



Because of its seniority in the sector, CEM has accumulated a sizeable, well-placed, and well-managed resource, even at a low rate of return, producing enough interest income to meet its expenses and maintain its financial equilibrium. On the other hand, CEM will actively contribute to the financial inclusion objectives by offering products adapted to all social strata. Moreover, the strategic orientations of the CEM aim at increasing its revenues by offering a broader product range: credit lending, insurance, among others and satisfying the needs of its customers and prospects.

What is the status of the negotiations with the Malagasy Ministry of Finance to allow CEM to issue credit? What will this breakthrough change for CEM?

The Malagasy State has given its approval to allow the CEM to become a Deposit and Credit Institution. A final step was negotiations that took place between CEM and the Banking and Financial Supervision Commission (CSBF) in advance of final approval received towards the end of March. CEM's received approval of its application for authorisation to operate as a microfinance institution (MFI) for deposits and credits.

The approval comes after Madagascar National Assembly passed a new law on that was promulgated at the beginning of 2018. The decree implementing this new law, and the instructions of the CSBF relating to this law, are still in the making. Our approval process fell into the transition period between old and new laws.

The accreditation that we just received allows the CEM to be under the supervision of a controlling entity. It gives clarity to CEM concerning the framework of its activities. Secondly, it will allow CEM to expand its activities, particularly to credit activities and digital distribution. CEM will thus be a major player in financial inclusion.

Initially, is it a desire of the Malagasy government to have a public banking player in order to compete head on the big international banks, or rather an initiative of the CEM in this respect?

CEM has always wanted to expand its field of activity given the needs and expectations of its customers especially as the financial sector continues to evolve and market players are multiplying their product offerings and services.

Our initiative could count with the support of the World Bank and the IMF in the light of the recommendations of a financial sector audit in Madagascar mandated by the latter.

Like other banks around the world, the CEM is competing with telecom companies to offer customers the ability to open bank accounts and carry out banking transactions. How does CEM deal with this competition? Is a gradual entry into digital distribution on the agenda?

Mobile banking has been flourishing in Madagascar for about the past two years. CEM is looking for one or more partners who can offer a technical solution that will allow connectivity between a customer's mobile and his account at the CEM, all this at a reasonable price for the customer. CEM has consulted various operators in this regard and several partnership schemes are under consideration.

Digitalisation is inevitable. Given the rapid evolution of digital technology and its inexperience in this field, CEM is considering a gradual entry into digital distribution.

In addition, CEM enjoys a strong reputation acquired during its 100 years of existence. This image of solidity and good reputation reinforces the trust of its customers. ●

MADAGASCAR AT A GLANCE

Madagascar is an island state in Africa consisting of a large island in the Indian Ocean. Separated from the African continent by the Mozambique Channel, it is the fifth largest island in the world and measures 1,580 km long, 580 km wide, and covers an area of 587,000 square kilometres. The capital is Antananarivo and its currency the Ariary. The country has more than 24 million inhabitants.

According to the Regulatory Authority for Communication Technologies (ARTEC), the telephone coverage rate in 2017 was 86% of the population. The penetration rate of mobile telephony was nearly 40%.

The rate of banking remains low in Madagascar. Four percent of the population has a bank account. Less than 0.5% of the population uses a debit card, and less than 0.1% a credit card. With just over 1 million users, as many as the number of bank accounts, the phone has become a common payment method. Accepted in many stores, the extension of this method of payment collides, however, with the current regulation, which without prohibiting online payment, is based on the establishment of a security system for payment systems such as the implementation of the national switch provided for by the future national payment strategy. The Central Bank of Madagascar leads that strategy.

Consumer confidence in online payment remains low. Nevertheless, it seems that a better knowledge and appreciation of online sales platforms is in progress. One of the major constraints for Madagascar is that the number of secure servers remains quite low.

Source: Madagascar: Rapid Assessment of E-Commerce Readiness, UNCTAD, 2018

ADBI-WSBI Conference: G20 and Locally Focused Banks

GETTING THE POLICY RIGHT AND UNLEASHING THE ROLE OF INCLUSION-DRIVEN BANKS

**MORE THAN 15 SPEAKERS
ARE SET TO PRESENT AT
EIGHT SESSIONS IN ALL,
COVERING A BROAD
SWATH OF TOPICS.
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EVENTS/WSBITOKYO2019](https://www.wsbi-esbg.org/events/wsbikitokyo2019)

WSBI will partner up with the Asian Development Bank Institute to convene policymakers, bankers and financial sector researchers to take a closer look at the importance of savings and locally focused banks.

Held on 5-6 June at ADBI offices in Tokyo, the two-day event is designed to highlight to international policymakers the impact made of regionally driven banking. The first day of the conference will focus on policy debate on how to unleash the role of locally focused retail banks in financial inclusion and how they should empower people as consumers in the digital age.

Debates follow on policy recommendations on basis of evidence-based findings on the second day. Day 2 is an academic debate covering various aspects of financial inclusion, including Fintech, financial regulation and financial literacy. ●



Tanzania Postal Bank launches savings account for women

Tanzanian women will have something to smile about after TPB Bank PLC launched in March a special account for them, in a bid to promote savings.

The account, dubbed Tabasamu, was launched by the Vice President of United Republic of Tanzania, Ms Samia Suluhu Hassan. She said the move will help Tanzanian women to improve their saving culture, while enabling them to meet their targeted economic dreams.

This is being done a few months after former Tanzania Womens Bank, which was specifically established to offer financial services to women, was merged to TPB Plc due to liquidity problems.

Speaking during the launching ceremony, Vice President Samia Suluhu Hassan commended the TPB Bank for introducing the special account, saying will help to improve financial independence among women.

She said the aim of establishing TWB was to recognise the contribution and the role of women in the country's economic development as well as to give an opportunity to all women to enjoy the specialised banking services.

Deputy Minister for Finance and Planning, Dr Ashatu Kijaji, said the main purpose of the government to merge the two banks was to ensure savings that were under TWB were safe as well as to ensure the bank's clients continued with banking services.



VICE PRESIDENT OF THE REPUBLIC OF TANZANIA SAMIA SULUHU HASSAN OFFICIALLY LAUNCHES TABASAMU ACCOUNT FOR WOMEN.



Vice President of the Republic of Tanzania Samia Suluhu Hassan officially launches Tabasamu account for women.

"The decision to merge two financial institutions is to strengthen the banking system in the country as it is happening now whereby TPB Bank is one of the strongest financial institution in the country," said Kijaji.

TPB Bank Plc board chairman, Dr Edmund Mndolwa, said Tabasamu account has been established to support the efforts made by the government to empower women.

"TPB Bank Plc believes that women can achieve their daily earnings and gain their economic worth without depending on anybody," said Mndolwa.

This story first appeared in The Nation newspaper in Tanzania. It was written by journalist Majuto Omary.

SEE THE FULL STORY AT [YOUTUBE.COM/WATCH?V=TSLGLN51K](https://www.youtube.com/watch?v=TSLGLN51K)

Case Study: Uganda's Centenary Bank challenges the girl child to embrace savings culture

WSBI member bank Centenary Bank launched on 15 March "Women for Her Campaign" at Old Kampala secondary School. The project, aligned with Global Agenda 2030, will be implemented over 16 months and aims to reach more than 25,000 young girls from 50 secondary schools across Uganda.

The "Women for Her Campaign" (#Women4Her) will act as a platform for the young girls to learn the financial foundations and start saving.

Financial inclusion will be promoted using mentorship by adult women who will encourage girls to get more involved with financial institutions, local and modern mobile banking systems, among other ways.

Centenary Bank has created Cente Junior and CenteVolution Accounts for the girls to be able to save. Furthermore, the bank has made a contribution of 50 million Uganda Shs. The Women4Her Campaign is in line with the government's plan to empower the youth and increase job creation.

Anatali Nambooze, the project leader, strongly believes that when a girl saves, the household is also saving, since women influence the household in a great number of financial decisions. If a young girl starts saving, she will become more economically empowered.



Contributing to UN Sustainable Development Goals

WSBI-ESBG PAPER GIVES EXAMPLES FROM MEMBERS



WSBI-ESBG also released recently a publication that showcases WSBI-ESBG and its members' efforts towards the achievement of the objectives set by the Global Agenda, and more precisely the

17 goals adopted by the United Nations General Assembly in 2015, favouring an inclusive form of globalisation and seeking to reduce inequalities.

The paper features concrete examples from financial institutions that are members of WSBI-ESBG around the world, highlighting how they can concretely be pioneers in these efforts.



SEE THE PUBLICATION AT [BIT.LY/2WBFQDB](https://bit.ly/2WBFQDB) OR BY SCANNING THE FOLLOWING QR CODE.

FINANCIAL EDUCATION

ESBG unveils new financial education brochure

FINANCIAL EDUCATION: POTENT TOOL IN FIGHT AGAINST OVER-INDEBTEDNESS

Savings and retail banking association ESBG released recently a new financial education brochure that focuses on good practice from ESBG members, addressing how financial education can act as a powerful tool in the fight against over-indebtedness.

A lack of education – particularly financial education – can be the cause in some cases of some of the problems affecting part of the financial system, namely over-indebtedness, lack of diversification, fraud and abuse. An increased level of financial literacy can mitigate those, particularly over-indebtedness. ESBG posits that increased levels of financial literacy, complementing adequate consumer protection regulation, can lead to fairer and more inclusive societies.



SEE THE BROCHURE AT THE WSBI-ESBG WEBSITE AT [BIT.LY/211UWTU](https://bit.ly/211UWTU) OR BY SCANNING THE FOLLOWING QR CODE.

Winners of European Stock Market Learning celebrate in Brussels



WINNING TEAMS, ESBG MEMBERS ASSOCIAZIONE DI FONDAZIONI E DI CASSE DI RISPARMIO (ITALY), FINANCES ET PÉDAGOGIE (FRANCE), DEUTSCHER SPARKASSEN-UND GIROVERBAND (GERMANY), BANQUE ET CAISSE D'ÉPARGNE DE L'ÉTAT, LUXEMBOURG, SPARBANKEN VÄSTRA MÄLARDALEN (SWEDEN), JEAN-PAUL SERVAIS (FSMA), CHRIS DE NOOSE (ESBG).

The winning teams of the European Stock Market Learning – a national and cross-border online competition – gathered in Brussels on 12-14 April for the annual awards ceremony followed by a fun-filled weekend in the heart of the EU. Participants from France, Italy, Luxembourg, Germany and Sweden spent the weekend celebrating their success, exchanging experiences and discovering Brussels.

The European Stock Market Learning (ESML) initiative aims to reinforce business and financial literacy of young people through an online simulation of financial investments. It is a national and cross-border online competition for teams of pupils and students, coordinated by the European Savings and Retail Banking Group (ESBG). In 2018, roughly 100,000 contestants from five participating countries took part in it. Five ESBG members are currently taking part in the ESML, namely Associazione di Fondazioni e di Casse di Risparmio (Italy), Finances et Pédagogie (France), Deutscher Sparkassen-und Giroverband (Germany), Banque et Caisse d'Épargne de l'État du Luxembourg, Sparbanken Västra Mälardalen (Sweden).

Each year the final award ceremony takes place in a different participating country where the winning teams are invited together with their teachers and

representatives of savings banks.

This year's award ceremony was hosted by ESBG in Brussels.

The three-day event kicked off with the annual awards ceremony where participants quickly got to know each other as they teamed up for a live quiz that tested their knowledge in geography, music, sports and Belgium. Shortly after Chris De Noose, Managing Director of ESBG, and Jean-Paul Servais, Chairman of the FSMA (the Financial Services and Markets Authority) in Belgium as well as the 2018 Patron, delivered institutional speeches congratulating the students on their achievements.

The next day participants enjoyed a cultural morning visit at the House of European History. This museum aims to raise awareness about Europe's history by collecting a plethora of perspectives and interpretations. →

WSBI-ESBG AND FINANCIAL EDUCATION

WSBI-ESBG and its members recognise the importance of promoting financial education for all citizens worldwide and continue to carry out a wide range of initiatives with the aim not only to prevent social and economic exclusion, but also to contribute to the commitment of providing citizens with a better knowledge of financial issues that will enable them to make informed choices. Based on the principle that financial education must be introduced at an early age, WSBI-ESBG believe it should be provided to everyone and at all ages. WSBI-ESBG consider that it must be a continuous process that constantly adapts to the changing nature of the social, financial and political context, where several actors representing different sectors of society shall play a key role in improving its efforts to attain good results in this field. WSBI-ESBG lists several aspects where attention should be paid, explained on a dedicated webpage that provides the two association's positions on financial education.

SEE THE DEDICATED WEBPAGE AT WWW.WSBI-ESBG.ORG/KNOWLEDGESHARING/INCLUSION/EDUCATION



READ THE SPEECH OF CHRIS DE NOOSE, ESBG MANAGING DIRECTOR AT [HTTPS://WWW.WSBI-ESBG.ORG/KNOWLEDGESHARING/INCLUSION/EDUCATION/PAGES/ESML.ASPX](https://www.wsbi-esbg.org/knowledgesharing/inclusion/education/pages/esml.aspx) OR BY SCANNING THIS QR CODE.

WINNERS OF EUROPEAN STOCK MARKET LEARNING CELEBRATE IN BRUSSELS



ESML STUDENTS VISIT A CHOCOLATE MUSEUM WHERE THEY LEARNED ABOUT CHOCOLATE IN HISTORY AND PRODUCTION SECRETS.

ESBG AND THE EUROPEAN STOCK MARKET LEARNING INITIATIVE

The European Stock Market Learning is one of the key initiatives carried out by ESGB in the crucial area of financial education. ESGB believes that it is timelier than ever to promote similar activities as they provide necessary skills and knowledge for youth to adapt and succeed in economic life. In addition, the competition promotes a long-term vision of sustainable finance, which is high on the agenda of the current policy debate in the European Union.

It showcases the history of European integration and its foundations. The afternoon was later spent at chocolate museums where participants not only learned about the journey of chocolate throughout history and its production secrets, but created and ate their very own chocolate treats.

IMPORTANT INITIATIVE TO INCREASE FINANCIAL LITERACY

“At ESGB, we recognise the value of being prepared as much as possible for life challenges. It is the reason why we promote and support financial education initiatives such as the European Stock Market Learning. This is an important part of our compromise to society and the youth, as the responsibility of savings and retail banks.” said Chris De Noose, Managing Director of ESGB.

Jean-Paul Servais, Chairman of the FSMA (the Financial Services and Markets Authority) in Belgium as well as the Patron of the 2018 edition, also highlighted the importance of this initiative that combines the best recipes for financial and investor education into a single game. He then proceeded to congratulate students for their hard work and explained how limiting the unpredictability risk in the stock market requires the right skills and efforts and for

them to put their knowledge into practice, to challenge the information they receive, to develop critical thinking and sense of social and environmental responsibility.

Students and teachers also shared their views on the initiative. The European Stock Market Learning provides a safe and entertaining environment where students can learn without being afraid of making mistakes. According to the winning teams, it favours teamwork and other essential lifelong skills that will undoubtedly come in handy in the future.



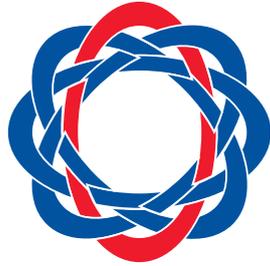
READ MORE ABOUT THE EUROPEAN STOCK MARKET LEARNING INITIATIVE AT WWW.ESBG.BE OR BY SCANNING THIS QR CODE.



JEAN-PAUL SERVAIS, CHAIRMAN OF BELGIUM'S FINANCIAL SERVICES AND MARKETS AUTHORITY IN BELGIUM, WHO SERVED AS 2018 ESML PATRON, CONGRATULATING STUDENTS ON THEIR ACHIEVEMENTS.

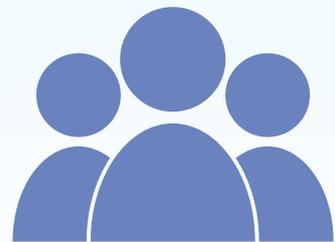
UPCOMING EVENTS

- **5-6 June – ADBI-WSBI Conference: G20 and Locally Focused Banks, Tokyo, Japan**
- **9-10 October – Asia Regional Group Meeting, Cambodia**
- **18 October – WSBI-ESBG Cocktail Reception, Washington, D.C., United States**
- **21 November – Retail Banking Conference, Brussels, Belgium**



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