

# Public Commercial and Universal Banks

## Key takeaways

- There are 498 public commercial and universal banks worldwide with combined assets of \$34 trillion.
- PCUBs magnify and mobilize scarce financial resources.
- PCUBs compete with other public and private banks and also fulfill public policy objectives.
- PCUBs can play a larger role in advancing global green and just transitions.



## The scale and capacity of PCUBs

Public commercial and universal banks (PCUBs) include public commercial/retail banks, public universal banks, public savings banks, and public cooperative banks. PCUBs are often owned and controlled by public authorities, and therefore situated within the public sector. Some PCUBs will also have minority private sector participation from private banks and investors. Almost all PCUBs compete with other public, private, and cooperative banks for business. Competition does not rule out collaboration, however. PCUBs can function according to public purposes, if mandated to do so.<sup>1</sup> Many, but not all, PCUBs are profit-making, even profit-maximizing, entities.

According to 2024 BankFocus data, there are **498** PCUBs worldwide that, together, hold **\$34 trillion** in assets.<sup>2</sup> This represents an increase of 14 percent since 2020, or \$4.3 trillion. PCUBs are found in North and South America, Europe, Africa, and Asia. Moreover, PCUBs typically have extensive national (even international) branch networks and offer day to day retail banking services like checking, credit cards, insurance, mortgages, and so on.

PCUBs differ from public development banks because they accept deposits from and provide short- and long-term loans to households, corporations, and public authorities.<sup>3</sup> Importantly, PCUBs magnify scarce financial resources, that is, they can lend out more than they take in through deposits (that is, PCUBs engage in money creation). Public commercial and universal banks operate slightly differently. **Commercial** public banks focus on retail day-to-day services and tend not to perform 'development' activities (for example, the Vietnam Bank for Social Inclusion). **Universal** public banks also provide retail financial services and, in addition, undertake development-oriented lending programs [for example, the Banco de la República Oriental de Uruguay (BROU)]. Across the Global South, public universal banks have played important historical roles in national developmental and industrialization processes during the 20<sup>th</sup> century. This is because public universal banks can mobilize domestic financial resources by accepting deposits, magnifying deposits

	2020			2024		
	Number	Assets (trillion USD)	% of overall public banking assets*	Number	Assets (trillion USD)	% of overall public banking assets*
<b>PCUBs</b>	501	29.7	61	498	34	61.3

Source: Marois, T. 2021. Public Banks: *Decarbonisation, Definancialisation, and Democratisation*. Cambridge: Cambridge University Press and BankFocus (<https://login.bvdfinfo.com/R1/BankFocus>).

\*Excludes public central and multilateral banks.



as loanable capital, and then directing these resources to priority economic sectors (for example, Ziraat Bank in Turkey for agriculture).<sup>4</sup> Public savings banks (like the German Sparkassen) function similarly to PCUBs, and they too have played historically important credit roles across the Global North.

## Why should and do PCUBs matter?

Despite their significant numbers, assets, and global presence, PCUBs have not figured prominently in multilateral policy discussions around equitable development and green transitions. The world's PCUBs are not yet involved in the [Finance in Common Summit](#) and the United Nations Finance for Development reports have yet to integrate them into analyses.<sup>5</sup> This is despite PCUBs being active already in many economic and climate-related areas, such as housing and building retrofits, municipal regeneration, EV car loans, micro-, small-, and medium-sized enterprise support, agriculture, and so on. **While policymakers call on private retail banks to do more, they have yet to call on their own PCUBs.**

PCUBs, like any other commercial financial institution, can be required to maximize profits (for example, the Alberta Treasury Branch in Canada). Yet so too can PCUBs be required to

support policy and community objectives. That is, PCUBs can advance public purposes even as they compete in financial markets. The universal bank Banco Popular y de Desarrollo Comunal in Costa Rica is democratically governed and profit-maximizing, yet it also supports not-for-profit and equity-oriented public purposes, such as social housing and communal water provisioning.<sup>6</sup> The German Sparkassen function democratically and according to an explicit public purpose to support local communities, regional growth, and the socially disadvantaged.<sup>7</sup> PCUBs can also work together to achieve collective goals. In India, 18 public universal banks collaborated with India's national public development bank, NABARD, in a public-public collaboration to finance a large-scale regional public drinking water infrastructure project.<sup>8</sup> PCUBs can do more on this front.

The world's PCUBs are powerful and ubiquitous public institutions. Like all public banks, they are neither innately good nor bad – they are only ever as good as society makes them to be. **PCUBs can and do have public purposes.** As we seek viable and effective climate finance solutions, PCUBs can and should play a much larger and more collaborative role in global green and just transitions. They can most effectively do so as part of a global ecosystem of public banks.<sup>9</sup>

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