

Rural Finance

Loans, savings products, insurance and payment transactions are at the heart of rural financing. Focused on the needs of agricultural smallholders and microenterprises, we help create needs-oriented and personalised agricultural financing products that take account of cropping cycles and seasonal fluctuations. Furthermore, rural financing also embraces entire value chains and hedging tools, such as targeted insurance solutions or payment and supply guarantees.

Green Finance

Green finance concerns investments that foster renewable energies and energy efficiency while enabling people to cope better with climate change (by promoting eco-friendly business developments, for example). Sparkassenstiftung also assists local banks in developing financial products for investments in green technologies. Committed to the energy transition, Germany's Sparkassen are the financial enabler behind a great many small-scale projects realised by municipalities, medium-sized companies and homeowners.



History of German Sparkassen – A brief timeline

- **1778**
First-ever Sparkasse in Germany opens its doors in the city of Hamburg
- **1838**
First Prussian – and first-ever – savings banks law is adopted
- **1924**
The German Savings Banks Association – Deutscher Sparkassen- und Giroverband (DSGV) – is founded
- **1931**
Sparkassen become legally independent entities
- **1934**
Sparkassen are acknowledged as financial institutions; they are now subject to prudential regulation and oversight
- **1992**
Sparkassenstiftung für internationale Kooperation – Savings Banks Foundation for International Cooperation (SBFIC) – is set up

 **Finanzgruppe**
Sparkassenstiftung für
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**Sparkassen and development
cooperation: A success model
goes global**



**Think globally, act locally,
cooperate internationally**

Sparkassen (savings banks) were first introduced in Germany some 200 years ago as microfinance institutions for low-income earners. Since then, they have evolved into one of the largest financial groups in the world, successfully combining a high level of professionalism with a strong social mandate.

The mission of the Sparkassenstiftung für internationale Kooperation (Savings Banks Foundation for International Cooperation) is to disseminate this experience to developing countries and emerging economies.

Sparkassenstiftung – Its background and objectives

With the foundation of the Sparkassenstiftung für internationale Kooperation in 1992, the commitment of the German Sparkassen-Finanzgruppe (Savings Banks Finance Group) to development-policy issues was intensified, systematised and professionalised. The Sparkassenstiftung promotes financial institutions that enduringly foster economic and social development by enabling sustainable access to financial products and services at local, regional or national level.

This helps to create jobs, generate income and eventually to fight poverty. Orienting the business strategy to micro, small and medium-sized enterprises (MSME) as well as to low and middle-income earners

actually benefits the partner institutions themselves: providing professional services to these customer groups has proven to be a sustainably viable business model.

This complies with the approach and objectives that Germany's Sparkassen have been pursuing for the past 200 years or more. They are proof that financial inclusion can be sustainably achieved, when organised efficiently and done professionally. Local and regional financial institutions help stabilise the local financial sector and promote a country's economic development.

Core Competences

Sparkassenstiftung implements projects across the entire range of banking activities. Its main focus, however, is on six thematic priority areas designed to foster financial inclusion.

Capacity Development

Training and HR development are integral components of all Sparkassenstiftung's projects. From introducing dual vocational training courses to establishing training academies, we take successful concepts and integrate them into our partners' educational framework. Besides training local trainers to implement our specially devised business simulations, we also organise and conduct seminars.

Financial Literacy

Since the decisions we make in life are often financial ones, it is absolutely imperative that we understand how money works. This explains why Germany's Sparkassen are dedicated to strengthening business skills and know-how and to helping private households become more financially flexible. With their advisory services, such as the "Sparkassen SchulService" (Savings Banks School Service) for children and young people or the "Geld und Haushalt" (Money and Household) service for adults, they are helping to boost financial literacy throughout Germany. Sparkassenstiftung's work builds on this experience but customises the concepts and materials to fit the given country's specific needs.

MSME Finance

Micro, small and medium-sized enterprises (MSME) are the bedrock of economic growth and employment. But they need access to needs-oriented financial services to succeed. Sparkassenstiftung leverages the wealth of experience in the Sparkassen-Finanzgruppe (Savings Banks Finance Group) to assist banks and microfinance institutions to roll out and professionalise all aspects of lending – from product design through to staff training.

Institution Building

'Fair, caring, close by' – German Sparkassen are adept at combining excellent financial returns with social responsibility. Moreover, they also make financial services accessible to everyone. Key factors driving their success include cost reductions due to their work in associations and increased profit thanks to their professionalism. By communicating and applying these key factors in its project work, Sparkassenstiftung is able to restructure retail banks and turn informal MFIs into regulated microfinance banks. Moreover, it also fosters the creation of associations that provide useful services to their members.

