



Finanzgruppe

Sparkassenstiftung für
internationale Kooperation

Annual Report 2008



International Cooperation

Projects and Partners

2008

Finanzgruppe 2008

446 Sparkassen (Savings Banks)

| | |
|---------------------|-----------------|
| Balance sheet total | 1,071 billion € |
| Customer deposits | 742 billion € |
| Loans to customers | 631 billion € |
| Employees | 251,400 |

11 Landesbanken/Girozentralen¹ (Regional Banks/Central Savings Banks)

| | |
|---|-----------------|
| Balance sheet total ² | 1,908 billion € |
| Deposits by customers and financial institutions ³ | 888 billion € |
| Debts evidenced by certificates ⁴ | 406 billion € |
| Loans to customers and financial institutions ³ | 1,063 billion € |
| Employees | 59,702 |

10 Landesbausparkassen (Central Building Societies)

| | |
|--|---------------|
| Balance sheet total | 51 billion € |
| New contracts | 36 billion € |
| Capital outpayments | 10 billion € |
| 11.1 million contracts with aggregate contractual savings volume | 256 billion € |
| Employees | 8,796 |

DekaBank⁴

| | |
|---------------------|---------------|
| Fund's assets | 165 billion € |
| Balance sheet total | 139 billion € |
| Employees | 3,920 |

12 Regional Insurance Companies

| | |
|----------------------|--------------|
| Gross premium income | 17 billion € |
| Employees | 30,000 |

¹ Not including DekaBank

² Including foreign branches as well as domestic and foreign consolidated Landesbank subsidiaries (excluding building Landesbausparkassen)

³ Not including foreign branches nor domestic and foreign consolidated Landesbanken subsidiaries (excluding Landesbausparkassen)

⁴ Figures for the given group

International Cooperation, Projects and Partners Annual Report 2008

Foreword



Heinrich Haasis
Chairman of the Board of Trustees and President
of the Deutscher Sparkassen- und Giroverband

Locally based financial institutions, such as savings banks or microfinance institutions, are experiencing a renaissance in these times of global financial crisis. In many countries they have a vital role to play in terms of securing financial-sector stability. It is for this reason that the principles underlying their business operations, such as responsibility for local economic development, devolved decision-making, proximity to customers and the creation of long-term customer relations, are arousing such great interest in developing and emerging nations in particular.

It is to be feared that countries on the road to development will be very hard hit by the crisis. For many of them, the global economic recession is wiping out sales markets and causing earnings from natural resources to dwindle. Foreign investment is also on the decline and tourism is generating less income. Even financial aid from abroad is now less abundant.

Local banks that have invested money in international capital markets are directly

affected by the financial crisis, thus making small, local financial institutions even more important than ever before. Micro and SME loans, like the ones Sparkassenstiftung extends in many of the projects it supports, are essentially independent of the global financial markets. This is because microcredit is funded using the savings deposits of the people on site and hence usually in local currency. The savings used in this way are secure, because microloans are safe. Indeed, the repayment rate is generally almost 100 %.

The crisis on the world's financial markets was the dominant theme throughout 2008. For the Sparkassenstiftung für internationale Kooperation however, 2008 was a record year. Never in all its 16-year history as a public-benefit organisation under the Sparkassen-Finanzgruppe has it ever been engaged in such an extensive range of consultancy work across the globe, taking it from the Caucasus to Asia and from Latin America to Africa – a fact that also illustrates the world's high regard for the business principles employed in German Sparkassen.

The Sparkassen concept came into its own in Germany some 200 years ago during the time of the Stein-Hardenberg economic reforms, giving less well-off people latently at risk of impoverishment the chance to stand on their own two feet financially. In this day and age too, their social mandate is what distinguishes German Sparkassen from commercial banks with their focus on maximising profits. This mandate is also reflected in the work performed by Sparkassenstiftung whose objective is to help promote the healthy development of financial systems around the world. Thus, in future too, German Sparkassen will continue to make their experience available in many countries the world over.

Sparkassenstiftung für
internationale Kooperation
(Savings Banks Foundation for
International Cooperation)

Simrockstraße 4
53113 Bonn/Germany
Phone: +49 228/97 03-0
Fax: +49 228/97 03-6 13
Email: Office@Sparkassenstiftung.de
Homepage: www.Sparkassenstiftung.de

Printed by:
Druck Center Meckenheim

Table of Contents

| | | |
|-------------------------------|-----------|--|
| | 6 | Overview |
| | 8 | Spotlight |
| | 8 | Microfinance as a driving force for development: German microfinance engagement in Africa |
| | 12 | Rural microfinancing in Mexico: Enabling the marginalised rural population to access financial services |
| | 16 | Project Activities |
| Europe | 18 | Russian Federation: Financial market development, development institutions |
| Europe/Caucasus | 19 | Armenia: Promoting renewable energy supplies, Funding small hydropower plants |
| | 20 | Armenia, Azerbaijan, Georgia: Credit Guarantee Fund |
| | 21 | Azerbaijan: Credit line for small and micro enterprises |
| | 22 | Azerbaijan: Management of the German-Azerbaijani Fund (GAF) |
| Africa | 23 | Madagascar: Strengthening institutional capacity and ongoing development of CEM |
| | 24 | Rwanda: Professionalising the microfinance system |
| Asia | 25 | China: CCB networking |
| | 26 | China: Institutional development at Nanchong City Commercial Bank |
| | 27 | Yemen: Financial services for small and medium-sized enterprises |
| | 28 | Vietnam, Cambodia and Laos: Setting up microfinance institutions |
| | 29 | Vietnam: Training programmes for two banking universities |
| | 30 | Laos: Training facilities for the microfinance sector |
| | 31 | Uzbekistan: Stepping up MSME and personal banking operations |
| Latin America | 32 | Mexico: Reforming the savings banks sector |
| | 33 | Mexico: Restructuring of savings banks |
| | 34 | Mexico: Financial services in rural areas (PATMIR Project) |
| Transnational Projects | 35 | Africa: Conference – Sustainable financial literacy |
| | 36 | Management training for financial institutions: China, Croatia, Madagascar, Mexico, Serbia |
| | 37 | Sparkassen Reconstruction Fund for South Asia: Sri Lanka, Indonesia |
| | 38 | Sparkassen Reconstruction Fund for South Asia: Cooperation with Bank BPD Aceh |
| | 39 | Training Materials: In action around the globe |
| | 40 | Highlights 2008 |
| | 44 | Supervisory and Executive Boards, Head Office and Representations Abroad |
| | 49 | Members |

Overview



Dr. Holger Berndt
Chairman of the Board

In many developing countries, up to 80 % of the population is still without access to financial services. In those places where people are unable to deposit their savings safely or cannot get a loan or take out insurance, they are prevented from playing a pro-active role in economic life. The upshot is that a major precondition for growth and employment is considerably undermined.

Development cooperation – both past and present – uses a wide range of different methods to set up and strengthen financial systems in developing countries and so break through the cycle of poverty. Existing banks are given assistance and modernised, new banks are launched with international support and credit lines are made available. Furthermore, over the course of the past twenty years, microfinance institutions (MFI) have been started up and promoted in a large number of countries, the aim being to give small earners and micro companies a chance to build a future for themselves.

Sparkassenstiftung is presently operating in some 22 projects in a total of 13 nations. In the Caucasus, Sparkassenstiftung provides consul-

tancy and training for local commercial banks so as to empower them to deliver efficient services to small enterprises and to foster business development through reliable lending operations. For customers, being able to access these loans means they can make investments and thus keep and create jobs. For the banks, a large number of small customers translates into a substantial reduction in risk and enables them to stabilise their income situation.

In Mexico, Sparkassenstiftung has helped restructure more than 180 small, local savings banks, thereby enabling them to more than double the number of customers within a three-year period. Branch offices have trebled in the same timeframe, giving people in many villages first-time access to regular savings and credit products and concomitantly helping oust local moneylenders with their extortionate interest rates.

Another example comes from the Philippines: From 1997 through to 2004, we supported the microfinance institution CARD (Centre for Agriculture and Rural Development) as it made the transition from an informal, non-governmental organisation to a licensed microfinance bank. The focus here was on generating the internal structures vital to sustainable growth. At the start of the project in early 1997, CARD had some 6,844 customers in 11 branch offices with 83 staff members. At its close at the end of 2004, there were some 109,580 customers in 100 branch offices with 736 employees. Sparkassenstiftung is particularly proud of the latest figures: as at end 2008, CARD had 706,890 customers in 681 branch offices with a 4,102-strong staff count, thus making CARD one of the leading providers of microfinance services in the world.

A particularly noteworthy development is that CARD, a former recipient of consultancy, has since evolved into an advisor itself. With Sparkassenstiftung's support, the 'CARD



Dr. Peter Langkamp
Member of the Board and CEO

system' has not only been exported to Vietnam but to Laos and Cambodia, too. Working together since 2004, CARD and Sparkassenstiftung have been assisting the Vietnamese Women's Union in the development of its own microfinance institution, the TYM Fund. At the start of 2008, support also got off the ground for the Women's Union in Laos and for four other institutes in Laos and Cambodia, in a bid to help them expand their service offer and enhance their level of professionalisation.

Women play a key role in microfinance institutions. Women are regarded as being particularly reliable and, given their high repayment rates, as extremely creditworthy. In small towns and villages, women are the key figures. They provide for the family and see to the children's education and so generate an important impetus in terms of economic growth and poverty reduction.

However, whether or not a microcredit programme succeeds or fails is not dependent on the entrepreneurial capacity of the borrower alone, but on the level of economic development in the respective country. Unfavourable frame-

work conditions and inexperienced borrowers can turn even small loans into a debt trap. To prevent this from happening, a lot of institutions combine small loans with educational measures. For Sparkassenstiftung, the theme of financial literacy is becoming increasingly important. In addition to an extensive study on selected African countries in 2007, Sparkassenstiftung and the Kenya Post Office Savings Bank organised a conference on Financial Education in Nairobi in November 2008.

Although our project partners are very different in many respects, they also share one point in common, namely the will to combine professional and profitable banking operations with a social mandate. They all gear their activities to micro and small enterprises and to low and middle-income earners, and often to people subsisting below the poverty line.

In its project support Sparkassenstiftung relies on the experience of Germany's Sparkassen, orienting its work to the Sparkassen business model. We are fully aware that it is not enough to merely try and replicate this set-up. Rather we aim to use our experience to lay a foundation on which to build an appropriate solution for our respective partner institutions. Processes of this kind take time to develop which is why our projects are normally geared to the longer term, running for between four to eight years.

The ongoing banking crisis has highlighted the significance a properly functioning financial market has in terms of economic development. And today we are receiving more and more requests for assistance from developing countries wishing to introduce the successful principles that underpin Germany's Sparkassen business model – one that has proved to be particularly stable and resilient, in these times of financial crisis. Together with the other members of the Sparkassen-Finanzgruppe, Sparkassenstiftung is meeting this challenge head on.

Microfinance as a driving force for development: German microfinance engagement in Africa



Karin Kortmann
Parliamentary State Secretary
German Federal Ministry for Economic Cooperation
and Development (BMZ)

Nothing could better illustrate the importance of the credit sector for the rest of the economy than the present financial and economic crisis. Wherever the circular flow of money does not work or no longer works smoothly, other branches of the economy are unable to flourish.

People save so that, when times get hard, they have something to fall back on. Companies need savings in order to be able to invest and grow. As intermediaries between savers and borrowers, banks and savings banks are an indispensable part of this system. Wherever the banking sector or credit system fail to do their job properly, savings are left lying idle and companies lack the credit they need. And where people have no chance of insuring themselves against life's basic risks, they become reticent to take on additional economic risks. And yet, who dares wins – and who doesn't, won't!

In many parts of Africa this circular flow of money does not work well enough. Many savers do not know who they should entrust their

hard-earned savings to, because many banks believe that it is not profitable for them to cater for small and micro-savers. And it is for the same reason that small and micro enterprises are virtually unable to access credit.

Africa's businesses will however, "only become the driving force for economic development, if they are able to grow and create jobs. To do so, they have to have better access to appropriately priced financial services", explained Donald Kaberuka, President of the African Development Bank at the first forum of the 'Making Finance Work for Africa' partnership.

The German Federal Ministry for Economic Cooperation and Development (BMZ) has therefore set itself the goal of facilitating access to financial services for all echelons of the population. To do so, Africa has to set up efficient and stable, 'inclusive' financial systems. 'Inclusive' implies not only large, 'traditional' financial service providers but specialised, profitable and economically independent (micro) finance institutions that operate savings accounts for low-income earners and offer financial services, such as loans or insurance, to small and micro enterprises and to economically active citizens – including poor population groups. Microfinance institutions of this kind require efficient associations to represent their interests and provide services. They have to network well with other financial institutions and information pools, such as credit reporting agencies and, most essentially, require conducive framework conditions, especially transparent legislation and efficient regulatory authorities that operate with integrity.

BMZ was quick to make financial systems development into a priority of its cooperation with its partner countries. Projects within the scope of German government-backed development cooperation approach the issue from various angles: the range of involvement goes

from financing and the creation of microfinance institutions or credit offices right through to consultancy for bank associations, central banks and finance ministries.

The German development bank KfW is now the largest institutional investor in the field of micro financing. BMZ estimates that technical cooperation geared to building up capacity in partner institutions and generating a basis for the development of sustainable financial systems is on the same scale. In qualitative terms too, Germany is amongst the leading donors in the microfinance sector. This is confirmed repeatedly by CGAP (Consultative Group to Assist the Poor). Founded in 1996, CGAP is a consortium of more than 30 development and private foundations housed at the World Bank. In its assessment of its members' performance in the years 2003 and 2007, CGAP awarded top marks to KfW and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) for their work in financial systems development. BMZ has also commissioned non-governmental organisations to render services in developing countries: This is where the Deutsche Genossenschafts- und Raiffeisenverband (DGRV) and the Sparkassenstiftung für internationale Kooperation come into their own, channelling their experience from Germany into their work on the ground. The fact that almost everyone in Germany has access to savings and banking services is thanks to its citizen-oriented institutions, such as the municipal savings banks known as Sparkassen, whose experience can surely stand developing countries in good stead.

Sub-Saharan Africa has some great challenges ahead

In wide parts of sub-Saharan Africa in particular, financial systems are still underdeveloped, a fact that is holding back sustainable economic development. Especially poor people have virtually no opportunities for harnessing the

benefits of financial services here and thus no chance of liberating themselves from poverty.

- On average, only 20 % of adults in this region have a bank account. Making it easier for people to access financial services would enable them, and women in particular, to save for emergencies and to access funds for investment. Enabling people to make provisions would prevent them from slipping even deeper into poverty with every crisis that comes along.
- Very few people in sub-Saharan Africa have the chance to take out any kind of insurance. Micro insurance could thus enable them to protect themselves against social and economic risks. This makes micro insurance an integral component of an inclusive, pro-poor financial system and a key contributing factor in terms of social security.
- The volume of company and private credit is not sufficient to promote private-sector development and advance economic growth.
- Loan interest costs and administration fees and the collateral that has to be provided are comparatively high in Africa. As such, they prevent the poor population in particular from developing their full economic potential.
- Although a lot of banks are solvent, they seldom grant long-term investment loans. On the one hand, short-term investments in government securities are considered to be more lucrative and less risky. On the other, the framework conditions are inadequate. In some countries, for example, there is hardly any possibility for asserting legal rights or registering a land charge.

These obstacles have to be eliminated. This task can only be accomplished, if German development cooperation institutions coordinate and harmonise their actions with donors from other countries and if they gear their interventions to the needs and specific conditions facing their African partners.

German contribution – partnerships for success

Germany has pledged a total of USD 214 million for financial systems development in sub-Saharan Africa for the period 2000-2006; this is equivalent to a good 16 % of the total commitments of all industrialised countries for this sector, making Germany the largest donor in this field. Germany also has a leading role to play in international dialogue on this theme, as demonstrated by the German government at the G8 Summit in Heiligendamm.

It was at this summit that the G8 states decided to support the 'Making Finance Work for Africa' partnership whose goal is to enhance the efficiency and effectiveness of measures targeting financial systems development in Africa. To this end, cooperative networks are to design innovative instruments, actors are to share their respective experience and empirical data is to be expanded. The 'Making Finance Work for Africa' partnership thus aims to better coordinate projects by various donor countries and to focus more on partners' priorities, especially those of the private sector. On top of this, financial systems development is to be better integrated in national and regional development strategies. This all complies with the 2005 Paris Declaration on Aid Effectiveness. In addition to BMZ, other bi- and multilateral donors as well as private and public African actors have joined this initiative.

Furthermore, also at the G8 Summit in Heiligendamm, a decision was taken to set up two new mechanisms to promote sustainable investments through long-term financing in Africa: The investment fund REGMIFA will provide refinancing to microfinance institutions in local currencies and thus increase lending to micro, small and medium-sized companies especially. The TCX Fund, which is already up and running, also promotes long-term lending in the respective national currency by making available adequate hedging mechanisms. Both funds

reduce the currency risks for the lender and help develop local capital markets.

In all, German development cooperation organisations in sub-Saharan Africa are conducting 30 programmes on financial systems development having a volume of EUR 212 million. This not only involves projects in individual countries but supraregional activities, such as support for the African microfinance network AFMIN and the Microfinance Initiative for Sub-Saharan Africa (MIFSSA), which backs the creation of new microfinance institutions. On top of this, there is the German government's trust fund managed by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG). This takes the form of shareholdings and long-term loans to financial institutions in African partner countries. Thanks solely to financial cooperation, it has been possible to grant around 850,000 loans to ultimate borrowers and reach a total of nearly 4.5 million people.

For many years now, BMZ has relied on Sparkassenstiftung as a major and steadfast partner for financial capacity building in sub-Saharan Africa. In this region alone, BMZ has backed Sparkassenstiftung projects with some EUR 6.7 million in the period from 1999 through to 2009. The work by Germany's Sparkassen in Africa is of particular importance, because its partners, the African post office savings banks, offer attractive deals to a wide range of people; indeed, some 65 % to 75 % of all savings are deposited with these institutions. However, due to a whole range of institutional weaknesses, the potential of these banks is often not exploited in full. This is where the Sparkassenstiftung comes in. A lot of German Sparkassen cooperate directly with the institutions on site. At the same time, Sparkassenstiftung supports associations, helping them strengthen the workings of their member institutions whilst concomitantly improving

the supply of financial services to the urban and rural population.

Financial literacy – an essential element of financial systems development

Sparkassenstiftung lends particularly vital support to a matter close to BMZ's heart, namely financial literacy for the people in its partner countries. In places where financial services are rare, people know very little about the benefits of a savings book and the way in which a loan works or the advantages and disadvantages of insurance. This in turn prevents them from taking advantage of financial services.

In November 2007, Sparkassenstiftung published a comparative study ('Financial Literacy – A comparative study in selected countries') of Namibia, Botswana and South Africa, leading to some useful recommendations for German development policy in the field of financial literacy; recommendations that apply to practically all microfinance institutions and BMZ implementing organisations.

This is because German development policy regards basic financial education for microfinance customers as a priority area of activity. A good example here is Ghana where, on BMZ's behalf, GTZ worked with Danish development cooperation to implement several information events in September 2008 to teach people how to handle their personal finances. Participants were given information about financial products and informed about their rights and duties as bank customers. These events mainly took place in rural areas, at markets and traditional meeting places, the overriding aim being to reach the rural population.

In November 2008, Sparkassenstiftung organised the international conference on Sustainable Financial Education in Nairobi, Kenya. BMZ supported this event which involved institutions such as the Kenyan Ministry of

Finance, the Ugandan Capital Markets Authority, Kenya's national post office savings bank and the Ugandan microfinance association AMFIU. All of the participants agreed that the initiatives already underway needed to be better evaluated and coordinated. The partnership 'Making Finance Work for Africa' provides assistance here by communicating the theme of financial literacy in other countries in sub-Saharan Africa. It also helps disseminate solutions elaborated by Sparkassenstiftung throughout the African continent.

German development policy will continue to prioritise the development of stable financial systems across the board. In many places substantial progress is already manifesting itself. However, further efforts are needed in cooperation with state and private actors if targets are to be met and people in Africa are to receive better financial support to help them make their way out of poverty. As in the past, Sparkassenstiftung has a major role to play in this process.

Rural microfinancing in Mexico: Enabling the marginalised rural population to access financial services



Gabriela Zapata Álvarez
Director of Promotion for Financial Organisations –
Ministry of Agriculture, Livestock, Rural Development,
Fisheries and Food (SAGARPA), Mexico

In January 2008, Mexico's Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) and Sparkassenstiftung für internationale Kooperation started working together within the scope of a project designed to enhance access to financial services for marginalised, rural population groups; the World Bank having extended a loan to the Mexican government specifically to enable implementation of this project. Our ministry is basing its efforts here on the extensive experience of Germany's Sparkassen which offer their services in rural and urban regions alike. The situation in Germany and Mexico is further comparable in that financial services for the public at large are provided by decentrally organised, frequently smaller institutions that cooperate via associations.

Today 'microfinance' is an agenda-topping theme the world over. Happily, this term is no longer just taken to mean microcredit, but now covers the entire range of pertinent financial

services for low-income population groups. Although loans undoubtedly form a part of this offer, they are in themselves not enough to satisfy all the economic needs a household has. Indeed, a whole multitude of appropriate, purpose-oriented and affordable financial services are required to meet the needs of poor households in terms of the safe depositing and investment of capital and provision-making for unforeseen events as well as with regard to enabling participation in economic life. In this context, creating a corresponding offer of financial products is of the same level of importance as providing financial literacy measures for the potential customers of such services.

In Mexico the marginalised rural population essentially uses informal financial mechanisms to meet its financing and investment needs. As in many other parts of the world, the traditional banking system does not regard these population groups as an attractive business prospect owing to their poverty, remote settlement locations, lack of conventional loan collateral and their low educational status.

Against this backdrop, the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) has developed a strategy designed to improve access to financial services for marginalised population groups. The Rural Microfinance Technical Assistance Project (PATMIR) was launched back in 2001, with a view to giving the marginalised, rural population better access to formal, self-managed and sustainable financial services. This programme focuses in particular on promoting saving but also fosters access to savings products and encourages people to make good use of them. This is because saving is regarded as a vital activity when it comes to improving standards of living and helping families develop their economic status. Furthermore, PATMIR also aims to show that hitherto unbanked popula-

tion groups can also constitute a viable and interesting market segment for financial institutions.

In its initial phase from 2001 through to 2007, PATMIR concentrated primarily on creating, consolidating and expanding local financial intermediaries. At its core, the strategy for PATMIR phase I had comprehensive support for new or existing financial institutions, above all cooperative ones, so as to comply with valid legislation and regulations and, at the same time, to sustainably provide good, appropriate and safe services. In the course of the project phase, the consultancy firms identified or set up financial institutions that were willing and able to comply with regulatory demands and expand their services to marginalised, rural areas. At the close of the initial project phase, seven regional projects were providing support to a total of some 33 financial institutions with a network of 193 branch offices. These institutions had more than 267,000 users, of which some 194,000 customers were new to this field, not having had any access to financial services before. Thus, the overall goal with regard to mobilisation of new users of financial services was exceeded by 24 %.

PATMIR is now in its second phase, taking it from 2008 through to 2012. PATMIR II works in line with the results from the previous phase and involves cooperation with a group of strengthened, sound financial intermediaries, with a view to further nurturing their potential for sustainably expanding their financial services to the target population. The criteria used to select financial institutions for the programme include aspects such as compliance with supervisory regulations, level of professionalism and competitive capacity as well as proximity to the marginalised population groups. Here again, activities centre on promoting saving and generating access to savings products.

The strategy underlying PATMIR II is based on four contractual alliances between experienced consultancy firms and a wide-ranging network of mostly cooperative-oriented financial intermediaries. These alliances have mutually undertaken to enable a contractually agreed number of new users to access financial services. Success is thus measured in terms of numbers and the quantitative use of savings products as well as in terms of the extent to which users engage in cooperative-based participation in financial institutions.

Within this process, the financial intermediaries and consulting firms have joint responsibility for reaching out to new users and for ensuring the structured growth of the financial institutions. The plan provides for some 750,000 individuals in marginalised areas to access and make use of the financial services being offered by end 2012. By concomitantly developing the financial institutions' safety, quality and efficiency, it will be possible to ensure that this push for expansion and extended access to financial services will retain its viability throughout.

The Sparkassenstiftung für internationale Kooperation successfully engaged in the comprehensive tender procedure for consulting firms for PATMIR II. Sparkassenstiftung's origins in the German Sparkassen-Finanzgruppe (Savings Banks Finance Group) were a significant factor in its success, as was its extensive experience in a wide number of financial-sector projects across the globe. Sparkassenstiftung thus started cooperating with around 55 rural savings banks in early 2008 and has set itself the goal – via the financial intermediaries it is supporting – of generating first-time access to financial services for around 120,000 individuals by end 2010, and also of consolidating these customers' status as regular users.

Strategic alliances between consulting organisations and savings banks offer a great many advantages. The distinctive feature of institutions in the savings-bank sector is their proximity to the target population. Through their work, they aim not only to pursue entrepreneurial objectives but social ones as well, in particular within the scope of poverty reduction. For their part, the consulting firms' mission is to deliver high quality and inexpensive advice and training, thus enabling the financial intermediaries to provide their target groups with adequate products and services. In this way, the financial institutions' efforts to expand and consolidate their scope are being backed by an extensive support package consisting of consultancy and training inputs, as well as qualitative and quantitative monitoring. On top of this, these alliances make it possible to discuss and introduce innovations and 'best practices' based on international experience. Transaction costs, in particular as regards customer outreach, are lowered through the use of effective methods. The programme's clear target orientation and the transparent way it communicates its results are generating a competitive situation that can also be regarded as positive.

Right from the outset, PATMIR's results-oriented strategy has successfully promoted the development, consolidation and expansion of accessible financial services in marginalised rural areas of the country. The Mexican Agricultural Ministry's PATMIR programme serves as a model example of the way in which the delivery of and access to financial services in marginalised rural areas can be expanded at a qualitatively high level and on a sustainable basis.

The Mexican government's commitment to the promotion of financial services for the marginalised rural sector is intended to help generate a favourable environment for the country's further development. Key principles here include the generation of local capacities,

target-oriented subsidisation, results and quality orientation as well as the accountability of all those involved. In this sense, PATMIR demonstrates an innovative project structure that enhances the impact of the public funding used. In addition to the experience gained in the first phase of the PATMIR programme, activities are also reliant on the extensive inputs by the German Sparkassenstiftung which focus on policy design and the hands-on implementation of a qualitatively sound and economically viable financial sector. Backed by the German government, Sparkassenstiftung's support for Mexico in the vitally important fields of poverty reduction and economic development first started in 2001.

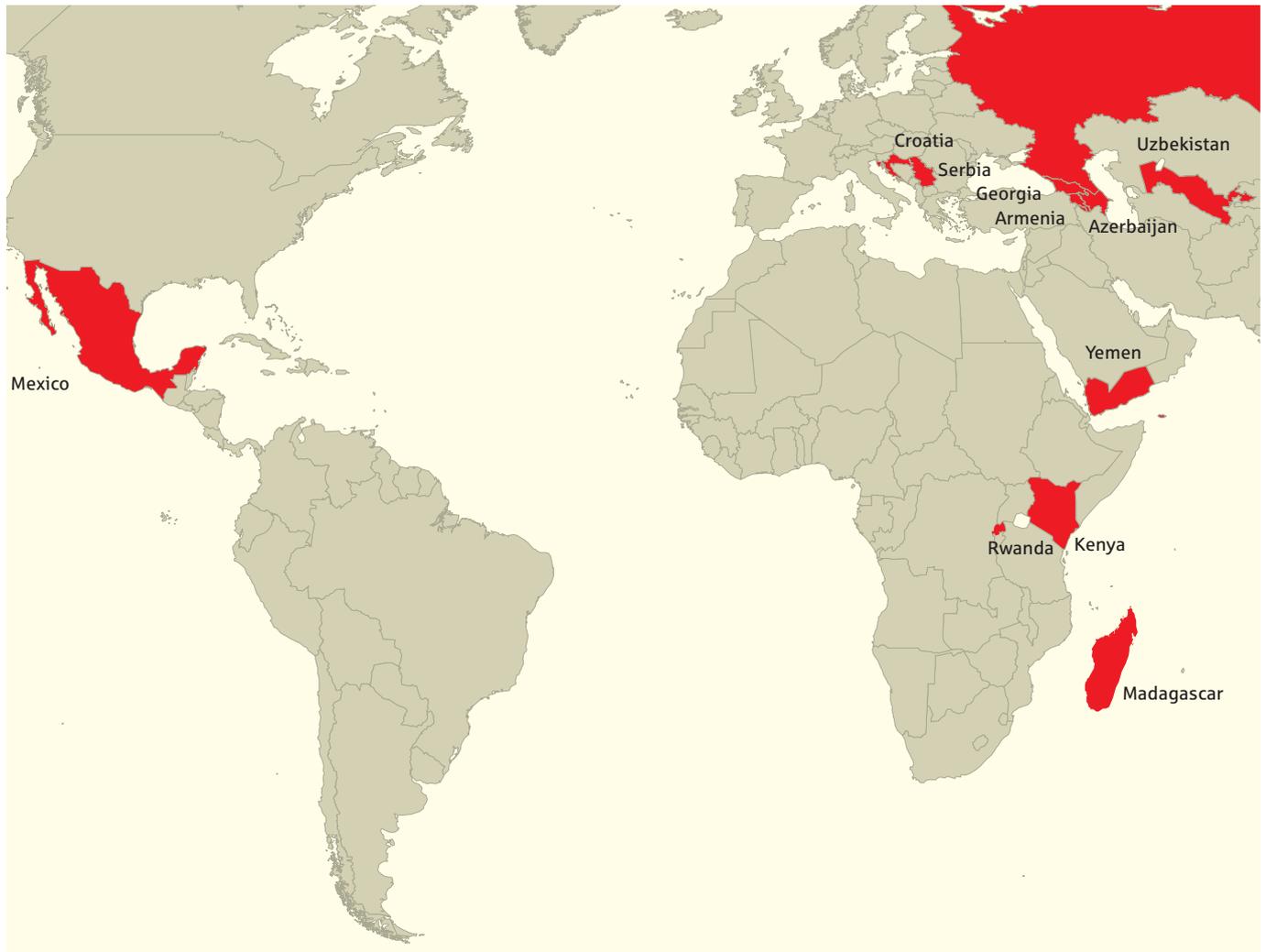


Projects



- 18 Russian Federation**
Financial market development, development institutions
- 19 Armenia**
Promoting renewable energy supplies, Funding small hydropower plants
- 20 Armenia, Azerbaijan, Georgia**
Credit Guarantee Fund
- 21 Azerbaijan**
Credit line for small and micro enterprises
- 22 Azerbaijan**
Management of the German-Azerbaijani Fund (GAF)
- 23 Madagascar**
Strengthening institutional capacity and ongoing development of CEM

- 24 Rwanda**
Professionalising the microfinance system
- 25 China**
CCB networking
- 26 China**
Institutional development at Nanchong City Commercial Bank
- 27 Yemen**
Financial services for small and medium-sized enterprises
- 28 Vietnam, Cambodia and Laos**
Setting up microfinance institutions
- 29 Vietnam**
Training programmes for two banking universities



- 30** **Laos**
Training facilities for the microfinance sector
- 31** **Uzbekistan**
Stepping up MSME and personal banking operations
- 32** **Mexico**
Reforming the savings banks sector
- 33** **Mexico**
Restructuring of savings banks
- 34** **Mexico**
Financial services in rural areas (PATMIR Project)

Transnational Projects

- 35** **Africa**
Conference – Sustainable financial literacy
- 36** **Management training for financial institutions**
China, Croatia, Madagascar, Mexico, Serbia
- 37** **Sparkassen Reconstruction Fund for South Asia**
Sri Lanka, Indonesia
- 38** **Sparkassen Reconstruction Fund for South Asia**
Cooperation with Bank BPD Aceh
- 39** **Training Materials**
In action around the globe



St. Basil's Cathedral is the unofficial name of Moscow's Cathedral of the Intercession on the Moat. The cathedral, which is located on the southern end of the Red Square, is today regarded as one of Moscow's landmarks. It has nine domes, each of which is different in appearance and colour. The cathedral itself, however, is made exclusively out of simple, red bricks and, in contrast to many other Russian churches, is not painted on the outside. It consists of nine separate chapels. At the centre is the Chapel of the Intercession with its golden dome. A different, colourfully domed chapel is located at each corner of the octagonal structure.

Russia

Financial market development, development institutions

Project activities for the Russian Ministry for Economic Development and Trade (MEDT) and for the three pilot regions in Russia (Kaluga, Saratov and Yakutia) were continued in 2008. The project objective is to help formulate a sound development strategy for the Russian government and to promote the economic capacity of the Russian economy. In the three pilot regions, the aim is to generate an impetus that will boost economic promotion efforts.

The project is intended to help Russia promote the performance capacity of its economic sector beyond the raw-materials sector. The global economic developments of 2008 underscore the special importance this project has.

As the leader of a consortium with the Russian Academy of Public Administration under the President of the Russian Federation and the Italian project partner Fondazione CUOA, Sparkassenstiftung has been commissioned in the period from August 2007 through to March 2009 to produce a series of studies and recommendations, along with proposals concerning the reform of framework conditions and

guidelines for establishing and operating various development institutions. Activities to date have also included a study trip and four seminars.

In 2008, the consortium experts worked on the following specialist themes:

- Establishment and operation of development institutions and public-private partnerships
- Development of the Russian financial market, with a view to making it a regional centre of finance
- Impacts of promotion programmes on regional and supraregional clusters
- Legal statutes underlying the financial market and financial sector institutions
- Relevance of measures by regional development institutions in terms of attaining the defined goals
- System for assessing the efficiency of various development institutions
- Improvements to the legal system, with a view to raising the economy's competitive capacity
- Creation of regional and supraregional development institutions
- Selection criteria and processes for projects backed by development institutions
- Assessment of the efficiency of investment projects and decision-making procedures

The project is funded by the European Union within the scope of its TACIS programme and steered by a Sparkassenstiftung staff member. To date, approximately 50 experts from six EU countries and Russia have been employed on the project.

Country data Russia

| | | |
|--|---------------|--------|
| Population | 140.0 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 12,008 | |
| Real changes in GDP | 2006 | 7.7 % |
| | 2007 | 8.1 % |
| | 2008 | 6.0 % |
| Average gross monthly wage in local currency (Rubel RBL) in Euro | 16,406 | |
| | 351.3 | |
| Annual inflation rate | 2006 | 9.0 % |
| | 2007 | 11.9 % |
| | 2008 | 13.9 % |

* PPP-adjusted



The Opera and Ballet Theatre is one of Armenia's outstanding landmarks. Located in the heart of Yerevan, it is the work of the architect Alexander Tamanian whose unusual design connects two auditoriums in a semicircular-shaped building.

The theatre was finished in 1939; the large philharmonic auditorium was added in 1963. The construction plans were awarded the 'Grand Prix' at the International Exhibition in Paris in 1937. The building itself underwent major refurbishment in 1980.

Armenia

Promoting renewable energy supplies, Funding small hydropower plants

Armenia essentially derives its energy supplies from Russian natural gas and petroleum and from a controversial nuclear power plant. To reduce dependency on – increasingly expensive – imports and to lower the environmental cost of power supplies in the medium term, it is intended to make greater use of renewable sources of energy. Armenia is relying here on existing, small-scale hydropower plants which are to be repaired and/or made more efficient within the scope of activities.

KfW's provision of long-term refinancing funds to Armenian partner banks via the 'German-Armenian Fund – Renewable Energy (GAF-RE)' made it possible to generate appropriate credit facilities for the repair of existing plants and for the construction of new small hydropower plants

Working closely with a 'technical consultant', suitable projects were identified, analysed and, once all the technical and economic conditions had been met, financed too. A German engineering company is on hand to provide comprehensive technical support to the operators of the small-scale hydropower plants.

Sparkassenstiftung's mission is to advise the financial institutions concerned on the changes that need to be made to procedures and organisation structures in the credit department in order to accommodate larger-scale lending activities. Other activities include training measures and courses for bank employees. Potentially suitable projects are selected and analysed together with the partner institutions. The knowledge thus communicated is of general relevance to the funding of larger-scale

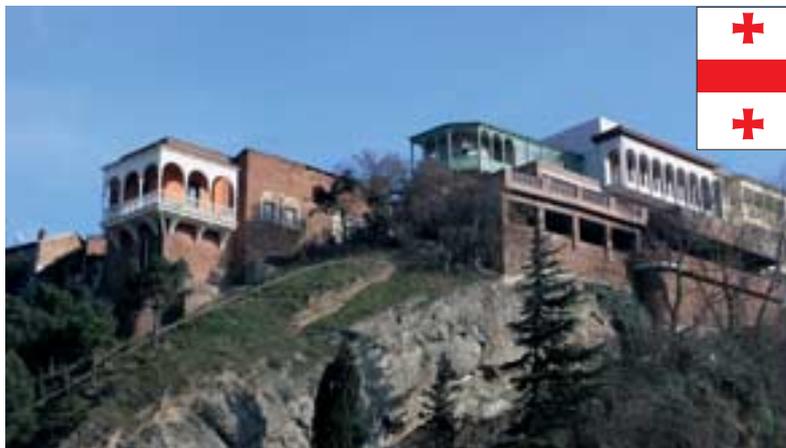
projects. The principles that apply to the analysis of small hydropower plants have been summarised in a project manual along with the GAF-RE procedures, thus ensuring that this knowledge stays in the partner banks on a permanent basis once the measure has been completed.

In the interim, all of the EUR 6 million in funding has been disseminated, which means that the focus has now switched to monitoring the loans that have been granted. The project is backed by an experienced Sparkassenstiftung expert and implemented by a team of local experts.

Country data Armenia

| | | |
|---|-------------|--------|
| Population | 3.0 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 4,864 | |
| Real changes in GDP | 2006 | 13.2 % |
| | 2007 | 13.8 % |
| | 2008 | 7.6 % |
| Average gross monthly wage in local currency (Dram AMD) in Euro | 88,581 | |
| | 184.7 | |
| Annual inflation rate | 2006 | 1.1 % |
| | 2007 | 4.5 % |
| | 2008 | 10.2 % |

* PPP-adjusted



Old Tbilisi in Georgia is known for its 19th-century houses with their wooden balconies and other characteristic architectural features. A common sight when strolling through the narrow side streets, these traditional wooden balconies were originally located on the main façade but were later moved to the rear and given some additional decorative details. The photo depicts some of these new-style, rear balconies which incorporate both local and international ornamental aspects and thus represent the harmonious coexistence of European and traditional culture.

Armenia, Azerbaijan, Georgia

Credit Guarantee Fund

First launched in Armenia (2003), the credit guarantee fund was extended in the years ahead to Georgia (2004) and Azerbaijan (2008/09). In contrast to traditional credit guarantee funds, it is not the individual loan to the entrepreneur that is guaranteed. Instead, international banks are guaranteed that partner banks will meet their payment obligations towards them. This enables local financial institutions on site to expand their SME operations and, in particular, to provide services to medium-sized companies.

The project's overarching goal is to support the financial sector. Besides strengthening operational capacity in the partner banks in these countries, the project also serves to network their activities within a region traditionally dogged by conflict. Furthermore, the project also generates positive effects in real economic terms, in that SME lending is a key factor in the creation and maintenance of jobs.

Project work focuses on the following priority areas:

- Selecting local partner banks
- Organising contacts with international lenders
- Assisting partner banks with lending operations
- Monitoring partner banks' financial stability and the refinanced credit portfolios
- Handing over tasks to a suitable local institution

In Armenia, tasks were handed over to an administrative unit of the Central Bank in 2006. The scheduled launch of the second phase of the credit guarantee fund mid-2008 was initially postponed in Georgia due to the armed conflict there and to the impacts of the financial crisis. Preparations for the selection of suitable partner banks got off the ground in Azerbaijan at the end of 2008.

A total of six local institutions have been supported to date in the countries concerned, enabling the disbursement of more than USD 77 million in loans by the end of 2008.

The project is funded by resources from the KfW Bankengruppe. Activities are essentially implemented by local experts with the support of Sparkassenstiftung staff members.

Country data Georgia

| | | |
|---|-------------|--------|
| Population | 4.6 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 3,572 | |
| Real changes in GDP | 2006 | 9.4 % |
| | 2007 | 12.4 % |
| | 2008 | 2.4 % |
| Average gross monthly wage in local currency (Lari GEL) in Euro | 363 | |
| | 167.3 | |
| Annual inflation rate | 2006 | 8.2 % |
| | 2007 | 8.0 % |
| | 2008 | 11.3 % |

* PPP-adjusted



From the viewing platform of the Maiden's Tower in Baku, the onlooker has a great view of the roof of a traditional 'hamam', a bath-house dating back to the 18th century that is still keenly frequented today by the local population. For a minimal entrance fee, people can relax with steam baths, water basins or a massage – right in the heart of the historical old town of Baku. Hamams are predominately found in the Arab region where they constitute an important part of the Islamic culture of hygiene and physical cleanliness.

Azerbaijan

Credit line for small and micro enterprises

Based on the success of the "German-Azerbaijani Fund", the European Bank for Reconstruction and Development (EBRD) began extending loans to Azeri banks in 2005. EBRD is not only supporting eight banks, but five non-governmental organisations, thus enabling a great many small and micro enterprises to access loans and other financial services, not only in the capital Baku but in all other parts of Azerbaijan, too.

2008 marked the systematic launch of agricultural loans in a bid to increase the scope of lending. The objective of this measure is to foster balanced economic development by strengthening a key sector of the economy. The agricultural sector employs around 40 % of the working population, but contributes less than 7 % to the country's value added.

Consultancy inputs by Sparkassenstiftung now focus on the following:

- Introducing new and efficient loan extension procedures – analysis of company solvency instead of "relationship banking"
- Extensive training for staff at all levels
- (Re)-organising loan extension and establishing a basis for the expansion of lending activities across the board
- Regular auditing of the credit portfolios compiled by partner banks

By developing appropriate scoring procedures, it is hoped to make lending activities more effective. The upshot is that more people will be able to access a loan.

The impacts of the financial crisis mean that, in many partner institutions, the relatively safe SME credit sector has taken on even greater importance, with many partner institutions now expanding this area of operation. The project's sustainability is demonstrated by the ongoing low loan default rate and the positive effects in terms of jobs. At the end of 2008, more than 27,000 loans had been disbursed with a total volume of almost USD 114 million.

Project work on site is steered by an internationally experienced, long-term expert from Sparkassenstiftung with the backing of a highly qualified team of local employees.

Country data Azerbaijan

| | | |
|--|-------------|--------|
| Population | 8.2 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 6,840 | |
| Real changes in GDP | 2006 | 30.5 % |
| | 2007 | 23.4 % |
| | 2008 | 11.6 % |
| Average gross monthly wage in local currency (Manat AZN) | 113 | |
| | in Euro | |
| Annual inflation rate | 2006 | 12.0 % |
| | 2007 | 16.0 % |
| | 2008 | 21.6 % |

* PPP-adjusted



The Qiz Qalasi, which translates as Maiden's Tower, stands in the southeast of the walled, old part of town in the Azeri capital Baku. The tower is part of the city's former ramparts whose eastern section, which included the 29.5-m high tower, no longer exists. Architecturally the Qiz Qalasi is not clearly attributable to a given style. Its massive construction style is neither Turkish nor Persian in origin. The tower, and with it, the entire old part of town, have been listed as a UNESCO World Heritage Site since 2000.

Azerbaijan

Management of the German-Azerbaijani Fund (GAF)

Azerbaijan's economic development has gained considerable momentum over recent years. This is chiefly due to oil production and to the commissioning of the Baku-Tiflis-Ceyhan pipeline in May 2005. However, the global financial crisis and drop in prices for raw materials clearly show the limitations of this kind of boom.

Small and medium-sized enterprises (SMEs) are particularly important when it comes to ensuring well-balanced development. The German and Azeri governments already had this target group in their sights when they set up the GAF, a revolving credit fund, in 1999. To this end, the German government gave Azerbaijan a loan totalling EUR 8.6 million (at IDA terms) which is distributed to the SME target group via local banks. The loan is made available at relatively favourable conditions with the proviso that resources are passed on to the SME target group. The partner banks, which bear the entire credit risk, were helped to align their lending operations with Western standards.

Whilst Sparkassenstiftung's work in the early years concentrated mostly on introducing new lending technologies, training human resources and reorganising SME departments, the focus has since shifted to the following areas:

- Expansion of lending activities across the board – including into rural regions
- Credit-line management (loan agreements, disbursement of credit funds, repayment monitoring)
- Monitoring of the six financial institutions involved

- Auditing of the credit portfolios set up by the partner banks

By end 2008, more than 15,000 loans with a volume of nearly EUR 76 million had been disbursed from the funds provided.

A team of local, Sparkassenstiftung-trained experts is mainly responsible for implementing the various measures; a German long-term expert is on site to coordinate activities. Activities are funded through a management fee levied against fund assets.



Madagascar's modest rural housing bears witness to the fact that this country still counts as one of the poorest in the world. In political terms, too, the country is still in turmoil. And yet, with a surface area of 587,041 km², Madagascar, which has approximately 20½ million inhabitants, is the second largest island state in the world and one with enormous development potential.

Madagascar

Strengthening institutional capacity and ongoing development of CEM

With over one million customers, the Caisse d'Épargne de Madagascar (CEM) is the most important provider of basic, pro-poor savings products in Madagascar. CEM operates some 20 branch offices and, through the project, has also started marketing its products via a mobile banking service. CEM has been offering savings products since 1918. Formerly part of Madagascar's Post Office, CEM became a joint-stock company in its own right in 2001, with the Malagasy government as its sole shareholder.

Together with Hamburger Sparkasse, Sparkassenstiftung has been supporting CEM since mid-2006 within the scope of a partnership project. The orientation phase, which was successfully wound up at the end of 2008, focused on institutional capacity-building at CEM. A major aspect here was basic and further training for employees and executives. On top of this, process alignment and automation have helped improve the way in which customer transactions are processed, enhancing the level of reliability.

Cooperation has seen the first-time introduction or modernisation of various savings products. As a result, and thanks to a newly designed marketing image, CEM has been able to increase customer deposits by more than 25 %.

Working with the Hamburg Chamber of Trade and Industry and the Malagasy Chambers, a dual vocational training course has been developed leading to qualification as a bank clerk. The first group of CEM staff members has

started training and is scheduled to graduate in the summer of 2009.

Thanks to the project's success in the first phase, the German Federal Ministry for Economic Cooperation and Development (BMZ) has extended the project through to the end of 2010. Activities will focus on further improving the range of services on offer, inter alia, by opening more branch offices as well as by introducing current accounts and money transmission services.

Country data Madagascar

| | | |
|---|--------------|--------|
| Population | 20.7 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 760 | |
| Real changes in GDP | 2006 | 5.0 % |
| | 2007 | 6.2 % |
| | 2008 | 7.0 % |
| Average gross monthly wage in local currency (Ariary MGA) | 61,759 | |
| | in Euro | |
| Annual inflation rate | 2006 | 11.6 % |
| | 2007 | 12.0 % |
| | 2008 | 9.2 % |

* PPP-adjusted



Rwanda, a former German colony in the heart of Africa between Lakes Kivu and Victoria, today presents itself as a politically stable, safe and diverse country. Nowadays, the streets of the capital city of Kigali are more and more lined with modern and well equipped houses, as the picture shows. Hut villages that fit well into the landscape of rolling hills are a characteristic feature of the rural areas, in which the majority of the population lives. And it is here, too, that Rwanda lives up to its other name, the 'Land of a Thousand Hills'.

Rwanda

Professionalising the microfinance system

Together with the savings banks association belonging to the federal German state of Rhineland-Palatinate, i.e. the Sparkassenverband Rheinland-Pfalz, Sparkassenstiftung started advising two institutions in the Rwandan microfinance sector within the scope of a new project launched at the close of 2008.

The first of these institutions is Rwanda's central bank, BNR. Pursuant to the microfinance law adopted in 2008, BNR is to supervise all institutions operating in the microfinance sector. Sparkassenstiftung is thus helping BNR to execute its supervisory function and to develop future operations, such as the creation of deposit guarantee systems or measures to enhance financial literacy.

The second institution is the Association of Microfinance Institutions in Rwanda (AMIR) which was newly founded in 2007. AMIR's mission is to advise Rwanda's microfinance institutions on compliance with supervisory regulations. It also aims to help them improve their range of services for poor and rural

population groups. Above all, AMIR is to promote national savings mobilisation, a priority area of Rwandan microfinance strategy.

Sparkassenstiftung is assisting AMIR in the introduction of a sustainable finance model that gives member institutions a greater role in association work, thus making them less reliant on subsidies from international donors. Furthermore, Sparkassenstiftung is working with AMIR to develop instruments that will boost the mobilisation of national savings.

The German Federal Ministry for Economic Cooperation and Development (BMZ) has given the go-ahead for funding for an orientation phase scheduled to go through to October 2010.

An experienced employee from the Sparkassenverband Rheinland-Pfalz has agreed to work as a long-term expert on the project; he is scheduled to take up his post on site as of January 2009.

Country data Rwanda

| | | |
|--|--------------|-------|
| Population | 10.5 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 684 | |
| Real changes in GDP | 2006 | 5.5 % |
| | 2007 | 6.0 % |
| | 2008 | 7.5 % |
| Average gross monthly wage in local currency (Franc RWF) in Euro | 8,339 | |
| | 11.3 | |
| Annual inflation rate | 2006 | 8.8 % |
| | 2007 | 8.0 % |
| | 2008 | 9.5 % |

* PPP-adjusted



This richly decorated temple stands in Beijing's Beihai Park. Its characteristic feature is its typical Chinese construction style. Beihai Park is one of the oldest and most authentic royal gardens in China with an almost 1,000-year-old history. Most of the architecture in this garden originates from the days of the Qing Dynasty which ruled Imperial China from 1644 after replacing the Ming Dynasty. As of 1912 the Republic of China came into being.

China

CCB networking

In many respects China's City Commercial Banks (CCBs) are similar to Germany's Sparkassen. With just a few exceptions, they are smaller-scale banks that operate regionally. Their focus is on urban population groups and on small and medium-sized enterprises. Now totalling 110 in all, CCBs are today located throughout virtually all of China's provinces where they command a 6-% share of the market.

Project activities by Sparkassenstiftung with CCBs in Shandong and Sichuan Provinces aim to establish network structures such as joint training or IT centres whose central services are to help CCBs raise their levels of efficiency and reduce costs. On top of this, the establishment of joint facilities and networks is intended to improve cooperation between CCBs and enhance their position in the market.

The project's orientation phase was continued in 2008, whereby the priority areas of activity included:

- Network systems
- Risk management
- Credit management
- Product development
- Marketing strategies
- Human resource management
- Basic and further training for bank employees

Furthermore, executives at CCBs in Shandong Province underwent bank management training based on the business decision game method. CCB management also undertook two study trips to Germany.

In 2008, the Shandong City Commercial Banks Alliance Co. & Ltd. (SCCBA) and the CCB Committee of the Sichuan Association of Banks were set up as joint CCB facilities in their respective regions. SCCBA constitutes the first example of voluntary cooperation in all of China and is heralded as a model example throughout the country.

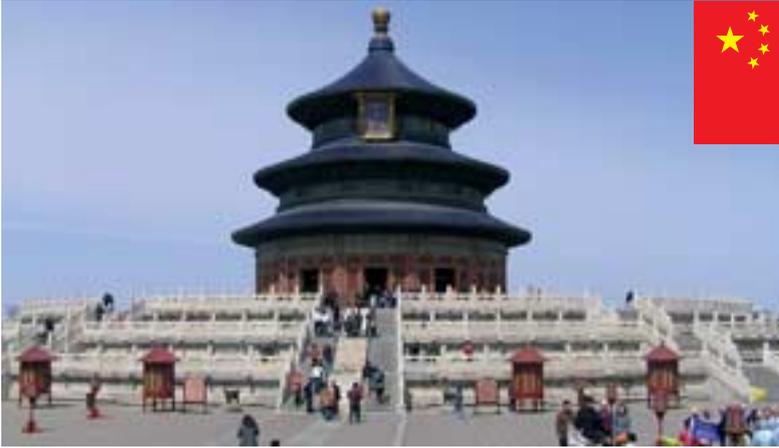
Project funding is provided by Germany's Federal Ministry for Economic Cooperation and Development (BMZ).

The German partner institution is a savings banks association, i.e. the Rheinischer Sparkassen- und Giroverband (RSGV). The following have also made available experts for consultancy assignments: Sparkasse Essen, Frankfurter Sparkasse, Finanz Informatik and DekaBank.

Country data China

| | | |
|--|---------------|--------|
| Population | 1,338 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 4,560 | |
| Real changes in GDP | 2006 | 11.6 % |
| | 2007 | 13.0 % |
| | 2008 | 9.8 % |
| Average gross monthly wage in local currency (Yuan Renminbi CNY) | 1,977 | |
| | in Euro | |
| Annual inflation rate | 2006 | 1.5 % |
| | 2007 | 4.7 % |
| | 2008 | 6.0 % |

* PPP-adjusted



The Temple of Heaven (Chinese 天壇 / 天坛, Tiāntán) in Beijing is where the emperors of the Ming and Qing Dynasties prayed each year for a good harvest. The temple is located in the Xuanwu district in the south of the city inside a large park. The entire site is surrounded by a double wall. In the north, the walls run in a semi-circular line, whilst in the south they are square. Seen from above, the walls look like an extended dome. This reflects the prevailing concept at that time, whereby heaven was round and the earth square. The north-south axis with its terraces and halls is 1,200 metres in length, making the Temple of Heaven probably the longest site for heavenly supplication in the world.

China

Institutional development at Nanchong City Commercial Bank

Sparkassenstiftung's project partner is Nanchong City Commercial Bank (NCCB) in China's western province of Sichuan. NCCB was founded in 2001 following the merger of ten credit cooperatives. With 470 staff members and 45 branch offices, NCCB has a balance-sheet total of EUR 1,074 million. The project involves DEG equity participation amounting to EUR 3 million together with EUR 1 million by the Sparkassen International Development Trust; Sparkassenstiftung provides ongoing consultancy.

The project objective in the Sichuan region is to foster the development of a retail bank that is capable of providing its target groups, namely low and middle-income earners, with banking services on a sustainable basis. Moreover, by strengthening confidence in financial institutions, the project is helping to mobilise savings activities in rural regions. Thanks to its loan extension operations targeting small and medium-sized enterprises, it is also helping to secure well-balanced economic development.

In 2008, NCCB received consultancy in the following thematic areas:

- Risk management
- Credit management
- Product development
- Human resource management
- Marketing
- IT

Through to 2007, the project was funded both through German government funds ('Public-Private Partnership') as well as by the NCCB itself. In 2008, the consultancy project was funded bilaterally by NCCB. The project term has been extended through to the end of 2009.

The following provided experts for consultancy assignments: Sparkasse Essen, HSH Nordbank, the Rheinischer Sparkassen- und Giroverband (RSGV), the Rheinische Sparkassenakademie and Finanz Informatik.



The buildings in the Yemeni capital of Sana'a look as if they are made from gingerbread and coated with icing. Thanks to its unrivalled architecture, Sana'a is reputed to be the most beautiful city in all Arabia. Designated a UNESCO World Heritage Site in 1988, Sana'a's famous old town looks back on a 2,500-year-long building tradition. The feature that most impresses the beholder of the three- to eight-storey-high buildings is the attractive gypsum plaster that harmoniously decorates the yellow or reddish façades.

Yemen

Financial services for small and medium-sized enterprises

Sparkassenstiftung has been cooperating with the Small Enterprise Development Trust (SEDF) in Yemen since mid-2007.

Yemen's financial sector is still underdeveloped and thus unable to fulfil its role as a catalyst that drives forward economic growth and promotes employment. Start-ups in particular have difficulty accessing financial resources. On top of this, social and cultural barriers often limit women's business aspirations, essentially blocking their access to bank loans.

The project backed by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH provides consultancy inputs to SEDF in a bid to strengthen institutional capacity, thus empowering SEDF to step up loan extension to small and medium-sized enterprises.

Sparkassenstiftung advises SEDF in the following areas:

- Training for loan officers
- Operations by the finance division and internal auditing unit
- Expansion of the branch network
- Management training
- Design and implementation of a management information system

One- to two-week consultancy measures are conducted on site in all five thematic areas. Sparkassenstiftung works closely here with experts from the Sparkassen-Finanzgruppe, some of whom speak Arabic.

In April 2008, some 15 SEDF representatives took part in a training course in Germany whose main objective was to further improve their knowledge of lending operations. During a visit to the Stadtparkasse Bad Honnef, key processes involved in SME lending were demonstrated and explained to the participants in great detail. A visit to one of Sparkasse KölnBonn's customers gave the delegation members an insight into a typical, medium-sized company in Germany. Talks with the Deutsche Sparkassenakademie about the basic and further training system employed within the Sparkassen-Finanzgruppe rounded off the Yemeni delegation's visit to Germany.

The consultancy project with SEDF was scheduled to end in December 2008. Sparkassenstiftung hopes to continue cooperation beyond this date so as to consolidate partner expertise in the selected specialist areas. GTZ has assured to provide financial support for further cooperation with SEDF.

Country data Yemen

| | | |
|---|--------------|--------|
| Population | 23.8 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 1,824 | |
| Real changes in GDP | 2006 | 3.2 % |
| | 2007 | 3.5 % |
| | 2008 | 3.2 % |
| Average gross monthly wage in local currency (Rial YER) | 17,448 | |
| | in Euro | |
| Annual inflation rate | 2006 | 14.8 % |
| | 2007 | 10.7 % |
| | 2008 | 18.0 % |

* PPP-adjusted



Cambodia is situated between Thailand, Laos and Vietnam. The major force shaping the

landscape in the east is the Mekong River. This life-giving artery of continental Southeast Asia has attracted many village settlements along its banks. Housing is simple and consists of bamboo and wooden homes constructed on wooden or even concrete pillars to protect them from flooding. Other buildings have a predominantly Chinese or French influence. In the 1950s and '60s, Chinese entrepreneurs built three- to five-storey, concrete housing blocks in the city centres which have however since fallen into a state of disrepair. This French influence can also be seen in the capital city's suburbs with their villas dating back to the latter phases of colonial rule.

Vietnam, Cambodia and Laos

Setting up microfinance institutions

Some sixteen years ago, the Vietnam Women's Union (VWU) founded the TYM Fund (TYM corresponds to the Vietnamese abbreviation for 'compassion') to provide microfinance services to women in need in the north of Vietnam. This service package includes small loans and savings products as well as basic insurance. TYM Fund grants micro-loans averaging around VND 3 million (about EUR 150), in particular to help women start up or expand their economic livelihoods.

With just under 20,000 customers in 2004 and plans for further growth, the TYM Fund was evidently in need of professional structures. To this end, the TYM Fund sought assistance from CARD Rural Bank (Philippines) and Germany's Sparkassenstiftung. Project activities initially concentrated on taking the TYM Fund out of the VWU, making it an independent institution. The emphasis in 2007 and 2008 was thus on strengthening internal structures, with a view to achieving long-term, sustainable growth.

At the end of 2008, some 195 staff members working for the TYM Fund in 28 branch offices were serving more than 34,000 customers.

The project's priority areas for the ongoing phase 2008/09 include:

- Staff training
- Streamlining work processes
- Expanding lending operations
- Introducing new savings products

Starting at the close of 2008, this successful concept was also extended regionally to the neighbouring countries of Cambodia and Laos. The small institutions in Cambodia, namely CHC, Seilanithih and Ekphatthana (with 10,300, 6,700 and 2,000 customers respectively), and the Lao Women's Union in Laos were identified as future partners. Regional cooperation focuses on promoting the systematic exchange of experience and on building up and strengthening a regional microfinance network.

The project is backed financially by the German Federal Ministry for Economic Cooperation and Development (BMZ). The key component of project activities is extensive consultancy through long-term experts working on site, local staff members, as well as through assignments by Philippine and German experts and executives. In addition to CARD Rural Bank, project partners include Sparkassenstiftung, the aforementioned institutions on site and Sparkasse Essen.

Country data Cambodia

| | | |
|---|--------------|--------|
| Population | 14.5 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 1,520 | |
| Real changes in GDP | 2006 | 10.8 % |
| | 2007 | 10.2 % |
| | 2008 | 6.8 % |
| Average gross monthly wage in local currency (Riel KHR) | 218,796 | |
| | in Euro | |
| Annual inflation rate | 2006 | 4.7 % |
| | 2007 | 5.9 % |
| | 2008 | 5.5 % |

* PPP-adjusted



Vietnam is comparable with Germany both in terms of its surface area and the number of inhabitants. The elongated, coastal state in Southeast Asia consists of two river deltas in the north and south of the country, whose fertility predisposes them to rice cultivation, and a narrow stretch of mountainous land covered in forests. More than a quarter of the population already lives in urban areas. A typical home in Hanoi generally consists of one large room divided up into eating, living and sleeping quarters using furniture. Per-capita living space is in limited supply.

Vietnam

Training programmes for two banking universities

As part of a consortium by the European Savings Banks Group (ESBG), Sparkassenstiftung supports training programmes offered by the Banking Academy in Hanoi and the Banking University in Ho Chi Minh City. These two central-bank-owned institutions in Vietnam train specialists and executives for the country's entire financial sector.

By enabling more than 100 lecturers at the two universities to access further training, the project aims to align university education with international standards and thus to strengthen the Vietnamese financial sector.

The project's foremost component involves extensive training by European experts. In addition to Sparkassenstiftung, the other partner in the ESBG consortium is the Vietnamese Banking Skills Training Company (BTC).

The project focuses primarily on elaborating training materials and implementing training measures.

Project funding is by the Swiss State Secretariat for Economic Affairs (SECO).

Country data Vietnam

| | | |
|---|--------------|--------|
| Population | 87.0 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 2,128 | |
| Real changes in GDP | 2006 | 8.2 % |
| | 2007 | 8.5 % |
| | 2008 | 6.2 % |
| Average gross monthly wage in local currency (Dong VND) in Euro | 1,296,279 | |
| | 56.5 | |
| Annual inflation rate | 2006 | 7.5 % |
| | 2007 | 8.1 % |
| | 2008 | 24.5 % |

* PPP-adjusted



For the landlocked country of Laos, the Mekong River is of great importance. It also forms the approximately 1,000-kilometre-long border with neighbouring Thailand. Similar to those in Cambodia, typical Lao houses are mainly built of wood and sit atop concrete pillars to protect them from flooding. The outside walls are made of woven grass or palm leaves. The open storage area beneath the houses is used as a general work area and for animals. In modern houses, this is where the office is situated. The first floor usually consists of a large communal room as well as the parents' bedroom and kitchen and is accessed by an external staircase.

Laos

Training facilities for the microfinance sector

Laos's official microfinance sector is as yet still underdeveloped. However, in June 2008, the Laotian government introduced microfinance regulation to support this sector's development. The main objective behind this move is to give Laos's poorest population groups an opportunity to build up an economic livelihood for themselves.

In the summer of 2008, the Microfinance Center (MFC) of Laos, which was set up to provide microfinance training and consultancy services, asked Sparkassenstiftung to help it strengthen the training sector. Since then, more than 600 people have undergone basic and further training. MFC's focus however is on the field of consultancy. Owing to the very lively demand for training and its development-policy significance, MFC aims to evolve into a professional provider of appropriate and customised basic and further training measures in Laos. This will not only secure support for all players in the microfinance sector in Laos, but ultimately for microfinance customers, too.

The focal areas of project activity in the phase 2008/09 include:

- Design of a development concept
- Elaboration of training materials
- Implementation of training measures

On top of this, MFC also received support in the form of equipment and materials.

The project is being funded with resources from the German Federal Ministry for Economic Cooperation and Development (BMZ). Consultancy is provided by a long-term expert and various short-term experts from the Sparkassen-Finanzgruppe and CARD whose training centre Sparkassenstiftung also helped establish (CARD-MRI Development Institute).

Country data Laos

| | | |
|---|-------------|-------|
| Population | 6.8 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 1,596 | |
| Real changes in GDP | 2006 | 8.3 % |
| | 2007 | 7.5 % |
| | 2008 | 7.5 % |
| Average gross monthly wage in local currency (Kip LAK) | 692,256 | |
| | in Euro | |
| Annual inflation rate | 2006 | 6.8 % |
| | 2007 | 4.5 % |
| | 2008 | 8.5 % |

* PPP-adjusted

The Samanid Mausoleum stands out amongst the medieval buildings of Bukhara. An architectural masterpiece, it was built towards the end of the ninth century and is an example of sheer brilliance in its simplicity, as becomes

clear in its composition and in the evenly-balanced decorative elements on its façades and interior. The mausoleum consists of a dome resting on a square construction. All of its façades are identical, with a column at each corner. The entire building is made of dried brick forming horizontal, vertical and diagonal patterns on the walls.

Analyses have confirmed that all of the mausoleum's architectural elements relate to squares and diagonals. The same forms and patterns are repeated inside the building. The Samanid Mausoleum remains a mystery that bridges different eras and their respective styles of architecture.



Uzbekistan

Stepping up MSME and personal banking operations

Uzbek micro, small and medium-sized enterprises (MSME) play a key role in terms of creating jobs. They are also vital suppliers of goods and services for the domestic market and instrumental in raising the general standard of living. Against this background, Sparkassenstiftung is providing consultancy services to the Uzbek Republic's national savings bank, 'Xalq Banki'.

The business philosophy behind Xalq Banki, whose 2,696 branch offices and a balance-sheet total of EUR 151 million make it the largest bank in the country, corresponds to that of a German Sparkasse. Cooperation essentially aims to combat poverty – Xalq Banki is to be empowered to deliver competitive financial services both to the general population and to micro, small and medium-sized companies.

A model branch office was set up in the city of Tashkent in 2003 already. By the end of 2008, the number of pilot branch offices had increased to 31, all of which offer MSME credit services. Loans are granted in the national currency from a credit line provided by the bank's regional administrations. To date, the project has helped sustainably enhance the living conditions of around 37,850 people.

On top of this, work in 2008 focused on:

- Providing seminars on the themes of MSME lending as well as branch office steering and asset and liabilities management
- Standardising forms and contracts for lending operations
- Optimising procedures in the pilot offices, with a view to more intensive customer

services (separating front and back office operations)

- Implementing a management information system developed specifically for Xalq Banki
- Marketing and image promotion
- Introducing the system 'sales-intensifying branch-office operations'

Funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), project work has been extended through to the end of 2010. A German long-term expert is on site to implement the major share of project activities. He is supported by local employees of Xalq Banki and by project staff members. As German partners, the Saalesparkasse in Halle and the Kreissparkasse Anhalt-Bitterfeld are major contributors of consultancy inputs.

Country data Uzbekistan

| | | |
|--|--------------|--------|
| Population | 27.6 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 1,976 | |
| Real changes in GDP | 2006 | 7.3 % |
| | 2007 | 9.5 % |
| | 2008 | 8.9 % |
| Average gross monthly wage in local currency (Sum UZS) | 73,275 | |
| | in Euro | |
| Annual inflation rate | 2006 | 7.6 % |
| | 2007 | 16.0 % |
| | 2008 | 13.5 % |

* PPP-adjusted



Mexico is synonymous with colour. The houses dating back to colonial times were photographed in the main square of the mining town Real del Monte in the federal state of Hidalgo. The Spanish built a number of mines here, their prime objective being to exploit the silver deposits. Today the small town is one of Mexico's official 'magic towns' (pueblos mágicos) and a favourite tourist destination.

Mexico

Reforming the savings banks sector

Sparkassenstiftung has been promoting savings banks development in Mexico since the beginning of 2002. The project objective is to strengthen central-level institutions within the Mexican savings banks system, with a view to stabilising and promoting the savings banks sector overall and thus improving the supply of financial services to rural areas.

Since 2005, a key focus of consultancy in this project has been on advancing the association system. The instruments that are developed here are made available to all other associations operating in Mexico's savings banks sector.

On top of this, individual measures have targeted representatives from the field of politics, the central bank and the bank supervisory authorities. Moreover, discussion forums are held regularly to debate current issues in the Mexican savings banks sector. Decision-makers in and around the Mexican savings banks group are informed about the latest developments in this sector and briefed about the various prospects for development.

Structural improvements to basic and further training for employees and executive-level staff are of central importance to the growth of Mexico's savings banks sector. For this reason, Sparkassenstiftung has been advising individual banks and associations in this sector for a number of years already. The further education institution INFIPO concentrates on training for savings banks. Sparkassenstiftung has assisted INFIPO in the design and implementation of an undergraduate course for future managers of Mexican savings banks.

Financial literacy is yet another key project area and one in which a study has been conducted to determine the ongoing availability of measures. Sparkassenstiftung has been working together with the Mexican savings banks since 2007 to develop and implement training measures. Thanks to these activities, savings banks customers are now able to manage their financial resources more efficiently and thus make better use of them.

The project is promoted financially by the German Federal Ministry for Economic Cooperation and Development (BMZ). A long-term expert from Sparkassenstiftung is on site in Mexico City where she forms a team with three local employees. Project work is backed by a German savings banks association, namely the Sparkassenverband Baden-Württemberg, and a German regional bank, the Landesbank Baden-Württemberg.

Country data Mexico

| | | |
|---|---------------|-------|
| Population | 111.2 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 10,792 | |
| Real changes in GDP | 2006 | 4.9 % |
| | 2007 | 3.2 % |
| | 2008 | 1.4 % |
| Average gross monthly wage in local currency (Peso MXN) in Euro | 5,046 | |
| | 281 | |
| Annual inflation rate | 2006 | 3.4 % |
| | 2007 | 3.8 % |
| | 2008 | 6.2 % |

* PPP-adjusted



The photo shows the 'Pyramid of the Niches' which forms part of the remains of the ancient city of El Tajín in the Mexican state of Veracruz. The pyramid's name derives from the 365 niches in its steps, which presumably represent the days of the year. In the days of yore, El Tajín was the most influential urban stronghold in the east of Mexico. Today it is one of the most important and most unusual archaeological excavation sites on the Gulf Coast.

Mexico

Restructuring of savings banks

Mandated by the World Bank and the Mexican Ministry of Finance, Sparkassenstiftung was engaged in two projects in the period from 2003 through to end 2008 that were designed to advise and support local savings banks with operations restructuring. In all, some 180 savings banks took part in both projects.

With more than 300 predominantly small savings banks, the Cajas Solidarias (Solidarity Credit Unions) make up the largest group of savings banks in Mexico. Sparkassenstiftung advised a total of 153 of these cajas. This figure includes those banks whose size or product range necessitates their compliance with the savings banks law as well as those that have committed themselves to voluntary compliance.

Voluntary compliance is an option that is open to the many Cajas Solidarias that do not come under the savings banks law owing to their very small size or because they do not accept savings deposits. They can, however, voluntarily commit to adhere to the provisions in the savings banks law and apply for a licence. Sparkassenstiftung therefore supports all Cajas Solidarias complying with this law, be it by default or voluntarily.

Having worked with the savings banks associations at the outset of the project to elaborate customised restructuring plans for the individual banks involved, Sparkassenstiftung went on to provide assistance for their implementation, the objective being to empower the savings banks to obtain a licence from the bank supervisory authority by end 2010. Besides promoting savings banks, which all participated in the programme on a voluntary basis, consultancy

also targeted the individual associations involved.

Support was geared to two key aspects. First, the participating Cajas Solidarias were strengthened with regard to their financial and operative situation. Some 147 out of the total of 156 Cajas Solidarias that took part have now gained a licence or are well on the way to receiving one. Second, support aimed to give more people access to financial services. Customer statistics at the Cajas Solidarias involved in project activities rose from 150,000 to 336,000 and the number of branch offices went up from 160 to 553.

As of the end of 2006, a second project got underway supporting a total of 31 savings banks, most of which are members of the association Fortaleza Social. In terms of content, the tasks are the same – and this project has also succeeded in getting almost all of its participating savings banks on the road to licensing whilst concomitantly doubling the number of customers.

For its projects, Sparkassenstiftung operates some eight offices employing a total of more than 40 staff members in all. These offices are located in Mexico City (Head Office), Guadalajara, Durango, Querétaro (two offices), Tepic, Oaxaca and Campeche.



The first bull fights in Mexico took place in 1526. Initially, the fights were held at improvised sites. The first arena, located in Mexico City, was not erected until 1877. In those days bull fights were conducted on horseback. The first fights on foot did not take place until 1680. For a long time, bull-fighters fought solely for the sake of honour. However, as of 1769, bull-fighters started to get paid for their efforts. Today, Mexico has some 225 arenas – together with around 500 improvised bull-fighting rings.

Mexico

Financial services in rural areas (PATMIR Project)

In autumn 2007, Sparkassenstiftung won an international tender for a project designed to improve access to financial services in poor, rural regions in Mexico. Financed by the World Bank and the Mexican Ministry of Agriculture, the 3-year project, which was launched on 31 January 2008, is steered by PATMIR, a mechanism established by the Agricultural Ministry.

In Mexico's rural areas, only few people have access to financial services. In contrast to the cities, there are often no financial institutions at all. One possible option is Mexico's cooperative-based savings banks whose social mandate makes rural areas an attractive market prospect. However, the savings banks are often very small and reluctant to take on the costs and risks involved in expansion. This explains why, at present, only every fourth villager has access to a savings banks branch office within less than a 20-kilometre radius.

This is where the PATMIR project comes in by helping Mexican savings banks to further expand their branch-office network in rural areas. The project reimburses a large share of the costs incurred through expansion and the savings banks are supported in their efforts by external advisers, i.e. Sparkassenstiftung. To receive project funding, the savings banks involved first have to work together with the advisers to draw up a blueprint for expansion. Support is only given to new branch offices in localities having fewer than 15,000 inhabitants and these places must be regions that have a below-average level of income.

Sparkassenstiftung has selected and motivated 50 savings banks throughout Mexico to take part in the project. These savings banks have

been chosen exclusively from amongst those that have already received Sparkassenstiftung support within the scope of BANSEFI projects. Close cooperation and the use of offices and other infrastructure from these projects make it possible to support a large number of savings banks whilst keeping costs at a reasonable level. In all, the Sparkassenstiftung-backed PATMIR project employs some 35 staff members, almost all of whom are local experts.

Through to the start of 2011, the project is to help recruit a total of 120,000 new customers for the savings banks. This figure applies exclusively to customers who actively use savings banks products for a period of at least six months.



This nice guy is Paco Pesitos, who was invented by Sparkassenstiftung to advertise and promote saving.



With its many skyscrapers and modern housing apartments, Nairobi is the embodiment of urban Kenya. Indeed, the capital city is regarded as the hub of the country's economic and communication operations. In the language of the Maasai people, Nairobi means 'cool river', a reference to the river Athi that flows through the city. The skyscrapers however are deceptive since some 60 % of Nairobi's inhabitants are still housed in the more than 200 slums spread across the city.

Africa

Conference: Sustainable financial literacy

Approximately 80 participants – mostly from the east and south of Africa – attended a conference in Nairobi to discuss how basic financial literacy activities can be designed in a target-oriented and sustainable manner. The conference was organised by the Sparkassenstiftung in cooperation with the Kenya Post Office Savings Bank.

The presentations on the role of financial institutions, associations, state agencies and non-government organisations made it clear that activities need to be coordinated and good practices adhered to. Many of those taking part emphasized the importance of being able to deal responsibly with offers of financial services. Most also advocated the development of mechanisms that would enable better evaluation of the success such education measures achieved.

The thematic area of basic financial literacy has only just begun to move to the fore in the development-policy debate. The objective is to balance out improved offers of financial services with education measures for their potential users. Financial education empowers people to make good use of financial products and to protect themselves from excessive debt or unserious offers. This also lessens the need for strong state regulation which, under certain circumstances, can limit innovation.

The project was financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Speakers, including experts from the German Sparkassen-Finanzgruppe, GTZ's Ghana operations, the Kenya Post Office Savings Bank,

Uganda's microfinance association AMFIU, the Ugandan Capital Markets Authority CGAP, and the Rwandan School of Banking and Finance, looked at case studies and approaches from a variety of angles. Extensive in scope, the discussion process ranged from the longstanding experience of Germany's Sparkassen, e.g. with their Sparkassen school service, through to work by committees such as the Kenya Financial Literacy Task Force which acts as a mediator between the political and financial sector.

Country data Kenya

| | | |
|---|--------------|--------|
| Population | 39.0 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 1,216 | |
| Real changes in GDP | 2006 | 6.4 % |
| | 2007 | 7.0 % |
| | 2008 | 2.2 % |
| Average gross monthly wage in local currency (Shilling KES) in Euro | 2,561 | |
| | 26 | |
| Annual inflation rate | 2006 | 14.5 % |
| | 2007 | 9.8 % |
| | 2008 | 25.5 % |

* PPP-adjusted



The Church of St. Marcus stands in the old part of Zagreb, Croatia. The Roman windows that were discovered under its façade on the southern side suggest that the church was constructed in the early 13th century. In the latter part of the 14th century, the church was refurbished in the Gothic style. On its roof, the church bears the modern-day coat of arms of the city of Zagreb (a white castle against a red background) and the historical coat of arms of the triumvirate kingdom of Croatia, Slavonia and Dalmatia. The church with its many statues is considered to be one of the most beautiful in this part of Europe.

Management training for financial institutions

China, Croatia, Madagascar, Mexico, Serbia

In 2008, more than 450 participants from seven countries successfully completed bank management training with the Sparkassenstiftung.

As in previous years, several training seminars funded by the Chinese banks themselves were organised for the managers of Chinese financial institutions. In addition, as part of project work with the City Commercial Banks in Shandong Province, executive-level training was conducted using the bank management game. Training also took place in Croatia for the Croatian subsidiary of the Austrian-owned Erste Bank der Oesterreichischen Sparkassen and in Madagascar.

The Academy for Banking and Finance, which belongs to the National Bank of Serbia, again organised a training course together with Sparkassenstiftung, culminating in the award of a 'Banking Cup' to the best team by the President of the Serbian National Bank. This year saw 11 teams from three countries (Hungary, Macedonia, Serbia) compete for the prize.

Management training was stepped up considerably in Mexico. Here FONAES, a national

institute that, inter alia, promotes cooperatively organised savings banks, commissioned eight decision game seminars for managers from Mexico's savings banks sector.

At the seminars, a PC-based market model is used to simulate the following management tasks:

- Pricing policy
- Steering bank investments
- Risk steering
- Human resource policy and investments in materials and equipment
- Liquidity steering
- Capital resources
- Advertising and marketing strategies

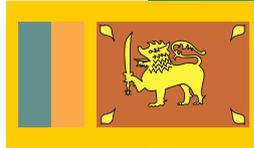
The training materials are available in the following language options: English, French, German, Russian and Spanish, and to a certain extent also in Chinese and Serbian. The software is regularly upgraded and has now been used in more than 70 seminars in over fifteen countries.

Management training is conducted by Sparkassenstiftung staff members as well as by external trainers. Sparkassenstiftung is also an experienced trainer of multipliers.

Country data Serbia

| | | |
|--|-------------|-------|
| Population | 7.4 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 8,284 | |
| Real changes in GDP | 2006 | 5.6 % |
| | 2007 | 7.1 % |
| | 2008 | 5.6 % |
| Average gross monthly wage in local currency (Dinar RSD) | 27,760 | |
| | in Euro | |
| Annual inflation rate | 2006 | 6.6 % |
| | 2007 | 6.8 % |
| | 2008 | 6.8 % |

* PPP-adjusted



The Sparkassen Reconstruction Fund has helped thousands of people in Sri Lanka and Indonesia to return to work and find appropriate housing. The regions along the Sri Lankan coast and in Banda Aceh, Indonesia, which the tsunami nearly all but wiped out, have now been almost completely rebuilt. The picture was taken shortly after the natural disaster in Sri Lanka.



Sparkassen Reconstruction Fund for South Asia

Sri Lanka, Indonesia

On behalf of the German Sparkassen-Finanzgruppe, Sparkassenstiftung manages and monitors the refinancing lines made available to four financial institutions in Sri Lanka and Indonesia within the scope of the Sparkassen Reconstruction Fund. The resources are earmarked for loans to micro and small-scale entrepreneurs affected by the December 2004 tsunami.

Partners in Sri Lanka include:

- Hatton National Bank, one of the largest commercial banks in the country which already started providing SME loans in 1998,
- Ruhuna Development Bank, a regional development bank operating in the badly affected southern part of Sri Lanka and
- the non-governmental organisation SEEDS, the largest microfinance institution in the country.

In Indonesia, Sparkassenstiftung helped the regional development bank BPD Aceh launch a completely new loan product for micro and small-scale entrepreneurs.

The partner banks' loan refinancing activities are managed in Sri Lanka by local employees of Sparkassenstiftung and in Indonesia by long-term experts by means of a service contract.

In all, the partner banks have passed on refinancing resources amounting to more than EUR 9 million. Through to completion of project activities in Sri Lanka mid-2007, more than 5,400 customer loans having a volume of approximately EUR 7.5 million were channelled through to the target group. In Indonesia, some 2,000 customer loans having a total volume of

EUR 3 million were granted. In the meantime, BPD is using its own financial resources to implement the credit programme developed in the project and is constantly expanding it.

The refinancing agreements between the Sparkassen-Finanzgruppe and the partner institutions have a long-term character – through to 2011 in Sri Lanka and 2012 in Indonesia. Sparkassenstiftung monitors compliance, a task that also involves regular visits on site.

Country data Sri Lanka

| | | |
|--|--------------|--------|
| Population | 21.3 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 3,268 | |
| Real changes in GDP | 2006 | 7.7 % |
| | 2007 | 6.8 % |
| | 2008 | 6.0 % |
| Average gross monthly wage in local currency (Rupie LKR) in Euro | 13,139 | |
| | 82.3 | |
| Annual inflation rate | 2006 | 9.5 % |
| | 2007 | 15.6 % |
| | 2008 | 14.4 % |

* PPP-adjusted



Masjid Raya Baiturrahman is a large mosque located in the centre of the city of Banda Aceh. A symbol of Acehese religion and culture, it is of great significance to the people here. This magnificent mosque was designed by an Italian architect and built by the Dutch colonial administration as a token of reconciliation following the destruction of an older mosque during the Aceh wars. Building work started in 1879 and was completed in 1881. The mosque survived the massive 2004 tsunami which destroyed much of the rest of the city of Banda Aceh.

Sparkassen Reconstruction Fund for South Asia

Cooperation with Bank BPD Aceh

The Indonesian bank partnering the Sparkassen Reconstruction Fund for South Asia is the regional development bank of Aceh Province, Bank BPD Aceh. Germany's Sparkassen-Finanzgruppe provides BPD Aceh with refinancing funds that are earmarked for micro and small enterprises affected by the 2004 tsunami.

With over 1,300 staff members in just under 90 branch offices, BPD Aceh manages deposits having a volume of around EUR 750 million. Within the scope of consultancy for partner banks, BPD was helped to further expand and improve the credit operations newly introduced by Sparkassenstiftung. Besides consistently monitoring and improving credit products, activities also concentrated on enhancing staff qualifications. On the basis of an extensive customer survey, a strategy was also developed for BPD operations with small and medium-sized companies. The aim here is to switch the bank's hitherto focus on officially employed, private customers to a broader, development-policy-oriented basis.

Loan extension from the Sparkassen Reconstruction Fund has evened out since the start of the year at more than 100 loan disbursements per month. Overall, a total of approximately 1,500 customers were reached and the refinancing funds have been transferred in full to customer credit. BPD provided its own funds in the second half of the year in order to continue the credit programme, thus documenting its high level of 'ownership'.

The consultancy project is financed by the German Sparkassen-Finanzgruppe and is scheduled to run through to the end of 2009.

Sparkassenstiftung's presence in Aceh, which extends beyond that of most other international initiatives, aims to ensure that the completely new field of credit operations introduced at BPD remains sustainable after the end of the project, too.

Consultancy is provided by an experienced credit expert assigned by the Landesbank Berlin, and by a professional female co-expert. Various practitioners from German Sparkassen have undertaken short-term assignments in what continues to be a challenging environment in Aceh.

Country data Indonesia

| | | |
|---|---------------|--------|
| Population | 240.3 million | |
| Annual per-capita Gross Domestic Product* (GDP) 2008 | € 2,964 | |
| Real changes in GDP | 2006 | 5.5 % |
| | 2007 | 6.4 % |
| | 2008 | 6.1 % |
| Average gross monthly wage in local currency (Rupiah IDR) in Euro | 1,557,237 | |
| | 110 | |
| Annual inflation rate | 2006 | 13.2 % |
| | 2007 | 6.3 % |
| | 2008 | 11.1 % |

* PPP-adjusted



The Bonn-based German Federal Ministry for Economic Cooperation and Development (BMZ) is one of the few ministries that has remained in the former capital city of Bonn following the government's move to Berlin. This makes sense – because Bonn is the city with the most development-policy-oriented organisations in Germany, including the United Nations. BMZ relocated to the former Federal Chancellery in 2005, following the latter's extensive rehabilitation.

Training materials

In action around the globe

Sparkassenstiftung has carried out hundreds of training measures over the years. However, its bank management training measures based on a business decision-making game are a particular favourite with Sparkassenstiftung partners around the globe.

Sparkassenstiftung now intends to channel this experience into the development of a series of methodologically compatible training materials for various partners, target groups and themes. The project aims to use the new materials to modernise, systematise and intensify Sparkassenstiftung's training inputs, thereby enhancing the professional qualifications of partner-institution employees worldwide.

The materials are intended to be used to train staff and management-level employees in Sparkassenstiftung's two most important kinds of partner institutions:

- Regional retail banks having a savings banks character
- Microfinance institutions (MFI)

The following practical training components have been prioritised for development:

- Overhaul of the 'classic' bank management game used hitherto in regional retail banks
- A decision-making game that allows players to experience the way in which an MFI needs to operate whilst evoking the decisions and structures of importance to MFI success
- A management game that illustrates the way in which professional risk management should operate at regional retail banks
- A management game that presents the necessities and decision-making areas involved in risk management in MFI
- A decision-making game on sales management

The German Federal Ministry for Economic Cooperation and Development (BMZ) is financing the project which is scheduled to run over a 25-month period.

The project team is made up of various experts that have gained extensive experience in the fields of bank management, training, game-based management training, risk management and MFI consultancy. Sparkassenstiftung is co-developing pertinent software with the company TATA Interactive Systems which specialises in the design of training materials of this kind.

Highlights 2008

16 April



Speakers from countries such as Indonesia, Malaysia and Yemen gave an insight into their experience with Islamic Banking.

Symposium Islamic Banking

Practical experience from developing and emerging nations

Just how important is Islamic Banking at present for the people and for small and medium-sized enterprises in developing and emerging countries? Which aspects should be taken into account when providing financial-sector consultancy in Islamic nations? Approximately 100 representatives of development organisations came together to discuss this issue at a development-policy symposium in Bonn on 16 April 2008. Experts from Indonesia, Malaysia and Yemen followed the invitation by the Sparkassenstiftung für internationale Kooperation to report on the significance of Islamic Banking in their respective countries.

12 June

80th birthday celebrations for Dr. Helmut Geiger

On 12 June 2008, Dr. h.c. Helmut Geiger celebrated his 80th birthday. Founding Chairman of the Sparkassenstiftung für internationale Kooperation, having initiated its inception in 1992 during his term as President of the Deutscher Sparkassen-und Giroverband (1972 through to 1993), Dr. Geiger tirelessly dedicated fifty years of his life to Germany's Sparkassen. To this very day, Dr. Geiger has continued to remain a keen follower of Sparkassenstiftung's cooperation efforts around the globe. Sparkassenstiftung owes Dr. Geiger a deep debt of gratitude and extends its most sincere birthday greetings!



Dr. Helmut Geiger at the symposium Islamic Banking in Bonn on 16 April 2008.

'Sustainable Financial Education, Public Service, Corporate Social Investment or Business?'

Financial Literacy Conference, Nairobi

This was the title of a conference in Nairobi, Kenya, co-organised by the Sparkassenstiftung für internationale Kooperation and the Kenya Post Office Savings Bank, with which Sparkassenstiftung has maintained a close working relationship for many years.

In some African countries, almost 70 % of the population have never heard of the terms 'interest' or 'account', or do not understand what is meant by them. Others may be aware of what they mean but are unable to handle their finances responsibly, leading many households to fall hopelessly into debt because they fail to plan for repayments or simply do not understand the terms and conditions of the loan they have agreed to. Thus, on the one hand, the aim



25-26 November

Approximately 80 participants from Kenya, Lesotho, Madagascar, Malawi, Rwanda, South Africa, Tanzania and Uganda came together to discuss initiatives and prospects for basic financial literacy in Africa.

is to create an appropriate offer of financial services specifically for Africa's poorer, often rural population groups whilst, at the same time, ensuring that these services are put to meaningful use. This is not just a task for governments and education systems, but a matter for the financial-sector institutions in the respective countries, too.



'Development of Financial Markets – Russian Federation'

Final conference of the project in Moscow

After 17 months of intensive and successful work, the project presented its results to the

expert community. As the leader of a consortium with the Russian Academy of Public Administration under the President of the Russian Federation (RAPA) and the Italian project partner Fondazione CUOA, Sparkassenstiftung has been commissioned to elaborate incentives for economic growth in three pilot regions (Kaluga, Saratov and Yakutia) on behalf of the Russian Ministry for Economic Development and Trade, and thus to promote the performance capacity of Russia's economy beyond the exploitation of natural resources. Backed by EU funding, the project involves some 50 experts from six EU Member States.

18 December



**Supervisory and Executive Boards,
Head Office and
Representations Abroad**

Board of Trustees

Heinrich Haasis
Chairman of the Board of Trustees
President, Deutscher Sparkassen- und
Giroverband

Dr. Karlheinz Bentele
Deputy Chairman of the Board of Trustees
Retired President, Rheinischer Sparkassen-
und Giroverband

Dr. Stephan Articus
Managing Director and Executive Member,
Deutscher Städtetag

Hubert Beckmann (as of November 2008)
Deputy Chairman of the Board, WestLB AG

Peter Bock
Chairman of the Board, Wartburg-Sparkasse

Gregor Böhmer
Executive President, Sparkassen- und Giro-
verband Hessen-Thüringen

Michael Bräuer
Chairman of the Board, Sparkasse Oberlausitz-
Niederschlesien

Michael Breuer (as of November 2008)
President, Rheinischer Sparkassen- und
Giroverband

Chris De Noose
Chairman of the Joint Office,
World Savings Banks Institute and
European Savings Banks Group, Brussels

Günter Distelrath
Executive Managing Director,
Sparkassenverband Niedersachsen

Dr. Gunter Dunkel
Chairman of the Board, NORD/LB Norddeutsche
Landesbank Girozentrale

Dr. Norbert Emmerich (until September 2008)
Deputy Chairman of the Board, WestLB AG

Rudolf Faltermeier
Vice President, Sparkassenverband Bayern

Werner Fuchs
Retired Member of the Board,
Rheinland-Pfalz Bank

Wilhelm Gans (as of November 2008)
Member of the Executive Board,
Deutscher Sparkassen Verlag GmbH

Martin Grapentin (as of November 2008)
Chairman of the Board, Landessparkasse zu
Oldenburg

Klaus-Dieter Gröb
Member of the Board, Landesbank Hessen-
Thüringen Girozentrale

Dr. Ulrich Gröschel (as of November 2008)
Member of the Board, Sparkasse KölnBonn

Walter Groll
Member of the Board, DekaBank
Deutsche Girozentrale

Volker Groß (until November 2008)
Retired Chairman of the Board,
Sparkasse Neunkirchen

Günter Haas
Retired Chairman of the Board,
Sparkasse Rhein-Nahe

Josef Hastrich (as of November 2008)
Deputy Chairman of the Board,
Kreissparkasse Köln

Prof. Dr. Hans-Günter Henneke
Executive Member, Deutscher Landkreistag

Dr. Josef Bernhard Hentschel
(until November 2008)
Chairman of the Board, Sparkasse Osnabrück

Friedel Höhn (as of November 2008)
Chairman of the Board, Kreissparkasse
Saarlouis

Claus Friedrich Holtmann
(as of November 2008)
Executive President, Ostdeutscher Sparkassen-
verband

Joachim Hoof
Chairman of the Board,
Ostsächsische Sparkasse Dresden

Dr. Peter A. Kaemmerer
Member of the Board,
Landesbank Baden-Württemberg

Jörg-Dietrich Kamischke
President, Sparkassen- und Giroverband
Schleswig-Holstein

Dr. Bernd Kobarg (until November 2008)
Chief Managing Director, Deutscher Sparkassen
Verlag GmbH

Dr. Wilhelm Kraetschmer
Deputy Secretary General,
Österreichischer Sparkassenverband

Uwe Kruschinski (until November 2008)
Retired Member of the Board,
Landesbank Berlin Holding

Fritz Lütke-Uhlenbrock
Deputy Chairman of the Board,
Bremer Landesbank Kreditanstalt
Oldenburg – Girozentrale –

Dr. Tim Nesemann (as of November 2008)
Chairman of the Board, Sparkasse Bremen

Jürgen Oltmann (until November 2008)
Retired Chairman of the Board, Sparkasse
Bremen, and President, Verband der Deutschen
Freien Öffentlichen Sparkassen e.V.

Manfred Oster
Chairman of the Board, Sparkasse Ulm

Dr. Henning Osthues-Albrecht
(until November 2008)
Retired Chairman of the Board,
Sparkasse Essen

Dr. Karl-Peter Schackmann-Fallis
Executive Member of the Board,
Deutscher Sparkassen- und Giroverband

Werner Schmidt
Retired Chairman of the Board,
Bayerische Landesbank

Peter Schneider
President, Sparkassenverband
Baden-Württemberg

Dr. Friedhelm Steinberg (until November 2008)
Deputy Chairman of the Board,
Hamburger Sparkasse

Hartmut Strauß (until June 2008)
Retired Member of the Board,
HSH Nordbank AG

Werner Thum
Chairman of the Board,
Stadt- und Kreissparkasse Rothenburg

Bernhard Visker (as of November 2008)
Member of the Board,
HSH Nordbank AG

Jörg Wohlers (as of November 2008)
Member of the Board,
Hamburger Sparkasse

Alexander Wüerst (until February 2008)
Chairman of the Board,
Kreissparkasse Köln

Management and Staff

Board of Directors

Dr. Holger Berndt, Chairman of the Board

Dr. Peter Langkamp, Member of the Board and CEO

Dr. Hans Ulrich Schneider, Member of the Board

Head Office

Dr. Peter Langkamp

Niclaus Bergmann, Deputy Director

Ferdinand Feldgen, Deputy Director

Christina Blum

Matthias Fohs

Stephanie Hagemann

Stefan Henkelmann

Christina Heuft

Brigitte Kurscheidt

Elisabeth Lamm

Lucia Meiwes-Spruck

Cornelia Müller

Monika Nurkewitz-Munsteiner (as of July 2008)

Nataliya Polishchuk (as of June 2008)

Marco Rimkus (until September 2008)

Dagmar Romero

Dr. Ilonka Rühle

Regina Schumann

Gerd Weißbach (as of July 2005 assigned to representation office in Mexico City)

Tian Xia

Representations abroad

Armenia

Gert Z. Otto
Artyom Zakaryan
4 Sakarov Str.
37010 Yerevan

Azerbaijan

Andreas Francke
Elena Frank
Nizami st. 10, 3rd floor
1001 Baku

China

Hartmut Oertel (until June 2008)
Jinan City Commercial Bank Building
176 Shunhe Street
Jinan, 250001

Georgia

Nino Vardiashvili
1, Aragvi Str.
0179 Tbilisi

Indonesia

Dorothee Keller (as of November 2008)
Michael Kühl
Sonia Reinhardt (until August 2008)
P.T. Bank BPD Aceh
Kantor Pusat
Jln. Tgk. H. Mohd. Daud Beureu-eh No. 24
Banda Aceh 23121

Madagascar

Susanne Hierholzer (until October 2008)
Caisse d'Epargne de Madagascar
21, Rue Karija Tsaralalana
101 Antananarivo

Mexico

Dr. Ursula Heimann
Kai Krug (as of February 2008)
Enrique Peñaranda Bustamante
(as of February 2008)
Luis Proaño Guillén
Gerd Weißbach
Miguel Laurent No. 64
Colonia Tlacoquemecatl del Valle
Delegación Benito Juárez
03200 Mexico, D.F.

Russia

Chris Thomas
Russian Academy of Public Administration
(RAPA)
Vernadsky Prospekt, 84
119606 Moscow

Uzbekistan

Ulrich Kienitz
Xalq Banki
46, Qatortol Str.
700096 Tashkent

Vietnam

Jörg Teumer
TYM Fund
20 Thuy Khue st., Room 305
Hanoi

Members

Sparkassen / Savings Banks

Sparkassenverband Baden-Württemberg

Sparkasse Zollernalb, Balingen
 Kreissparkasse Biberach
 Kreissparkasse Böblingen
 Sparkasse Bühl
 Sparkasse Engen-Gottmadingen
 Sparkasse Ettlingen
 Kreissparkasse Freudenstadt
 Sparkasse Gengenbach
 Kreissparkasse Göppingen
 Sparkasse Haslach-Zell
 Sparkasse Hohenlohekreis, Künzelsau
 Kreissparkasse Ludwigsburg
 Sparkasse Neckartal-Odenwald, Mosbach
 Sparkasse Pforzheim Calw
 Kreissparkasse Ravensburg
 Bezirkssparkasse St. Blasien
 Sparkasse Singen-Radolfzell
 Sparkasse Hochschwarzwald, Titisee-Neustadt
 Kreissparkasse Tuttlingen
 Sparkasse Ulm
 Sparkasse Schwarzwald-Baar, Villingen-Schwenningen
 Kreissparkasse Waiblingen
 Sparkasse Hochrhein, Waldshut-Tiengen

Sparkassenverband Bayern

Sparkasse Aschaffenburg-Alzenau
 Sparkasse Bad Tölz-Wolfratshausen
 Sparkasse Coburg-Lichtenfels
 Sparkasse Dachau
 Sparkasse Fürstenfeldbruck
 Sparkasse Fürth
 Kreissparkasse Garmisch-Partenkirchen
 Vereinigte Sparkassen Gunzenhausen
 Kreissparkasse Höchststadt
 Sparkasse Ingolstadt
 Kreis- und Stadtparkasse Kaufbeuren
 Sparkasse Allgäu, Kempten
 Sparkasse Kulmbach-Kronach
 Sparkasse Landsberg-Dießen
 Kreissparkasse Miesbach-Tegernsee

Kreissparkasse München Starnberg
 Stadtparkasse München
 Sparkasse Neuburg-Rain
 Sparkasse Nürnberg
 Sparkasse Mittelfranken-Süd, Roth
 Stadt- und Kreissparkasse Rothenburg
 Stadtparkasse Schrobenhausen
 Sparkasse Schweinfurt
 Sparkasse Niederbayern-Mitte, Straubing
 Kreis- und Stadtparkasse Wasserburg
 Sparkasse Mainfranken, Würzburg

Hanseatischer Sparkassen- und Giroverband

Die Sparkasse Bremen AG
 Hamburger Sparkasse

Sparkassen- und Giroverband Hessen-Thüringen

Sparkasse Bad Hersfeld-Rotenburg
 Sparkasse Bensheim
 Sparkasse Darmstadt
 Sparkasse Dillenburg
 Wartburg-Sparkasse, Eisenach
 Sparkasse Odenwaldkreis, Erbach
 Sparkasse Mittelthüringen, Erfurt
 Frankfurter Sparkasse
 Sparkasse Oberhessen, Friedberg
 Kreissparkasse Gelnhausen
 Sparkasse Gera-Greiz
 Kreissparkasse Gotha
 Stadtparkasse Grebenstein
 Kreissparkasse Groß-Gerau
 Sparkasse Hanau
 Sparkasse Starkenburg, Heppenheim
 Kreissparkasse Hildburghausen
 Sparkasse Arnstadt-Ilmenau
 Kasseler Sparkasse
 Sparkasse Waldeck-Frankenberg, Korbach
 Kreissparkasse Limburg
 Sparkasse Marburg-Biedenkopf
 Kreissparkasse Nordhausen
 Städtische Sparkasse Offenbach
 Kreissparkasse Saale-Orla, Schleiz
 Sparkasse Langen-Seligenstadt
 Kyffhäusersparkasse, Artern-Sondershausen

Nassauische Sparkasse, Wiesbaden
Kreissparkasse Eichsfeld, Worbis

Sparkassenverband Niedersachsen

Sparkasse Aurich-Norden
Stadtsparkasse Bad Pyrmont
Sparkasse Celle
Stadtsparkasse Cuxhaven
Sparkasse Duderstadt
Sparkasse Gifhorn-Wolfsburg
Sparkasse Göttingen
Sparkasse Goslar/Harz
Stadtsparkasse Hameln
Sparkasse Hannover
Sparkasse Münden, Hannoversch-Münden
Sparkasse Hildesheim
Sparkasse LeerWittmund
Sparkasse Nienburg
Landessparkasse zu Oldenburg
Sparkasse Osnabrück
Kreissparkasse Peine
Sparkasse Schaumburg, Rinteln
Kreissparkasse Soltau
Kreissparkasse Stade
Sparkasse Stade – Altes Land
Kreissparkasse Walsrode
Stadtsparkasse Wunstorf

Ostdeutscher Sparkassenverband

Sparkasse Erzgebirge, Annaberg-Buchholz
Kreissparkasse Aue-Schwarzenberg
Sparkasse Elbe-Saale, Bernburg
Kreissparkasse Anhalt-Bitterfeld,
Bitterfeld-Wolfen
Sparkasse Jerichower Land, Burg
Sparkasse Chemnitz
Sparkasse Spree-Neiße, Cottbus
Stadtsparkasse Dessau
Kreissparkasse Döbeln
Ostächsische Sparkasse, Dresden
Sparkasse Barnim, Eberswalde
Sparkasse Elbe-Elster, Finsterwalde
Sparkasse Oder-Spree, Frankfurt/Oder
Sparkasse Vorpommern, Greifswald

Sparkasse Muldental, Grimma
Saalesparkasse, Halle (Saale)
Stadt- und Kreissparkasse Leipzig
Sparkasse Mansfelder Land, Lutherstadt
Eisleben
Sparkasse Wittenberg, Lutherstadt Wittenberg
Stadtsparkasse Magdeburg
Sparkasse Mittleres Erzgebirge, Marienberg
Kreissparkasse Mittweida
Sparkasse Neubrandenburg-Demmin
Sparkasse Ostprignitz-Ruppin, Neuruppin
Bördesparkasse, Oschersleben
Sparkasse Uecker-Randow, Pasewalk
Mittelbrandenburgische Sparkasse in Potsdam
Sparkasse Uckermark, Prenzlau
Sparkasse Prignitz, Pritzwalk
Sparkasse Meißen, Riesa
Sparkasse Altmark West, Salzwedel
Kreissparkasse Sangerhausen
Stadtsparkasse Schwedt
Sparkasse Mecklenburg-Schwerin, Schwerin
Kreissparkasse Aschersleben-Staßfurt
Kreissparkasse Stendal
Kreissparkasse Märkisch-Oderland, Strausberg
Müritz-Sparkasse, Waren
Harzsparkasse, Wernigerode
Sparkasse Burgenlandkreis, Zeitz
Kreissparkasse Anhalt-Zerbst, Zerbst
Sparkasse Oberlausitz-Niederschlesien, Zittau
Sparkasse Zwickau

Rheinischer Sparkassen- und Giroverband

Sparkasse Aachen
Stadtsparkasse Bad Honnef
Sparkasse Dinslaken-Voerde-Hünxe
Sparkasse Düren
Kreissparkasse Düsseldorf
Stadtsparkasse Düsseldorf
Sparkasse Duisburg
Kreissparkasse Heinsberg, Erkelenz
Sparkasse Essen
Kreissparkasse Euskirchen
Stadtsparkasse Haan
Sparkasse Kleve

Kreissparkasse Köln
 Sparkasse KölnBonn
 Sparkasse Krefeld
 Sparkasse Leverkusen
 Stadtparkasse Mönchengladbach
 Sparkasse Mülheim a. d. Ruhr
 Sparkasse Neuss
 Stadtparkasse Oberhausen
 Sparkasse Radevormwald-Hückeswagen
 Stadtparkasse Remscheid
 Sparkasse Hilden Ratingen Velbert
 Verbands-Sparkasse Wesel
 Sparkasse der Homburgischen Gemeinden,
 Wiehl
 Stadtparkasse Wuppertal

Sparkassenverband Rheinland-Pfalz

Kreissparkasse Altenkirchen
 Kreissparkasse Westerwald, Bad Marienberg
 Kreissparkasse Ahrweiler, Bad Neuenahr-
 Ahrweiler
 Kreissparkasse Bitburg-Prüm
 Sparkasse Germersheim-Kandel
 Sparkasse Koblenz
 Kreissparkasse Kusel
 Sparkasse Südliche Weinstraße Landau
 Kreissparkasse Rhein-Pfalz, Ludwigshafen
 Sparkasse Vorderpfalz Ludwigshafen a. Rh. –
 Schifferstadt
 Kreissparkasse Mayen
 Sparkasse Neuwied
 Kreissparkasse Rhein-Hunsrück, Simmern
 Kreis- und Stadtparkasse Speyer
 Sparkasse Trier

Sparkassenverband Saar

Kreissparkasse Saarpfalz, Homburg/Saar
 Sparkasse Merzig-Wadern
 Sparkasse Neunkirchen
 Sparkasse Saarbrücken
 Kreissparkasse Saarlouis
 Kreissparkasse St. Wendel

**Sparkassen- und Giroverband für
 Schleswig-Holstein**

Sparkasse Holstein, Eutin
 Sparkasse Westholstein, Itzehoe
 Förde Sparkasse, Kiel
 Sparkasse zu Lübeck AG
 Sparkasse Mittelholstein AG, Rendsburg
 Stadtparkasse Wedel

**Westfälisch-Lippischer Sparkassen- und
 Giroverband**

Sparkasse Westmünsterland, Ahaus
 Sparkasse Attendorn-Lennestadt-Kirchhundem
 Sparkasse Wittgenstein, Bad Berleburg
 Stadtparkasse Bad Oeynhausen
 Sparkasse Bergkamen-Bönen
 Sparkasse Bielefeld
 Stadtparkasse Blomberg/Lippe
 Sparkasse Bochum
 Sparkasse Bottrop
 Sparkasse Hochsauerland, Brilon
 Sparkasse Burbach-Neunkirchen
 Sparkasse Detmold
 Stadtparkasse Dortmund
 Sparkasse Ennepetal-Breckerfeld
 Sparkasse Finnentrop
 Stadtparkasse Freudenberg
 Sparkasse Gelsenkirchen
 Sparkasse Geseke
 Stadtparkasse Gevelsberg
 Stadtparkasse Gladbeck
 Sparkasse Gronau
 Kreissparkasse Halle (Westfalen)
 Sparkasse Herford
 Stadtparkasse Hilchenbach
 Sparkasse Iserlohn
 Sparkasse Lemgo
 Sparkasse Lüdenscheid
 Sparkasse Kierspe-Meinerzhagen
 Sparkasse Menden
 Zweckverband Sparkasse Meschede
 Sparkasse Minden-Lübbecke
 Sparkasse Münsterland Ost, Münster
 Sparkasse Olpe-Drolshagen-Wenden

Sparkasse Paderborn
Vereinigte Sparkassen im Märkischen Kreis,
Plettenberg
Stadtsparkasse Porta Westfalica
Stadtsparkasse Rahden
Sparkasse Vest Recklinghausen
Stadtsparkasse Rheine
Sparkasse Rietberg
Sparkasse Siegen
Sparkasse Soest

Associations

Deutscher Sparkassen- und Giroverband e.V.,
Berlin und Bonn
Sparkassenverband Baden-Württemberg,
Stuttgart
Sparkassenverband Bayern, München
Hanseatischer Sparkassen- und Giroverband,
Hamburg
Sparkassen- und Giroverband Hessen-Thürin-
gen, Frankfurt a. M. und Erfurt
Sparkassenverband Niedersachsen, Hannover
Ostdeutscher Sparkassenverband, Berlin
Rheinischer Sparkassen- und Giroverband,
Düsseldorf
Sparkassenverband Rheinland-Pfalz, Mainz
Sparkassenverband Saar, Saarbrücken
Sparkassen- und Giroverband für Schleswig-
Holstein, Kiel
Westfälisch-Lippischer Sparkassen- und
Giroverband, Münster
Verband der Deutschen Freien Öffentlichen
Sparkassen e.V., Bremen

Landesbanken / Girozentralen

DekaBank Deutsche Girozentrale, Frankfurt
a. M. und Berlin
Landesbank Baden-Württemberg, Stuttgart,
Karlsruhe, Mainz und Mannheim
Bayerische Landesbank, München
Landesbank Berlin AG, Berlin
Bremer Landesbank Kreditanstalt Oldenburg –
Girozentrale –, Bremen
HSH Nordbank AG, Hamburg und Kiel
Landesbank Hessen-Thüringen Girozentrale,
Frankfurt a. M. und Erfurt
Nord/LB Norddeutsche Landesbank Girozen-
trale, Hannover, Braunschweig und Magdeburg
Rheinland-Pfalz Bank, Mainz
Landesbank Saar, Saarbrücken
WestLB AG, Düsseldorf und Münster

Other national and international associations, entities and other members

Europäische Sparkassenvereinigung, Brüssel
Österreichischer Sparkassenverband, Wien
Bundesgeschäftsstelle Landesbausparkassen,
Berlin
LBS Landesbausparkasse Baden-Württemberg,
Stuttgart und Karlsruhe
LBS Ostdeutsche Landesbausparkasse AG,
Potsdam
Deutscher Sparkassen Verlag GmbH, Stuttgart
Deutscher Städtetag, Köln und Berlin
Deutscher Landkreistag, Berlin
Helmut Wolynski, Burgdorf

Picture credits:

- S. 18 © Dr. Tatiana Feldgen
- S. 19 © SBFIC Armenia
- S. 20 © SBFIC Georgia
- S. 21 © Dr. Tatiana Feldgen
- S. 22 © Dr. Tatiana Feldgen
- S. 23 © Marco Rimkus
- S. 24 © Sparkassenstiftung
- S. 25 © Hermann Rune
- S. 26 © Dr. Tatiana Feldgen
- S. 27 © Ferdinand Feldgen
- S. 28 © J. Carillet, Istockphoto
- S. 29 © Klaus Remmer, Savings Bank Essen
- S. 30 © Nicole Brand
- S. 31 © Ulrich Kienitz
- S. 32 © Dr. Ursula Heimann, SBFIC Mexiko
- S. 33 © Dr. Ursula Heimann, SBFIC Mexiko
- S. 34 © Fotolia
- S. 35 © Kw 515 kw, Istockphoto
- S. 36 © Dr. Tatiana Feldgen
- S. 37 © DSGV (German Savings Banks Association)
- S. 38 © Frank Wieseemann
- S. 39 © BMZ Bonn

