



Finanzgruppe

Sparkassenstiftung für
internationale Kooperation

Annual Report 2005



International Cooperation

Projects and Partners

2005

Finanzgruppe 2005

463 Savings Banks (Sparkassen)

Balance sheet total	1,014 billion €
Savings deposits	308 billion €
Loans to customers	612 billion €
Employees	260,825

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

Balance sheet total ²	1,690 billion €
Deposits by customers and financial institutions ³	724 billion €
Debts evidenced by certificates ⁴	406 billion €
Loans to customers and financial institutions ³	963 billion €
Employees	48,449

11 Landesbausparkassen (Central Building Societies)

Balance sheet total	51 billion €
New contracts	35 billion €
Capital outpayments	8 billion €
11.6 million contracts with aggregate contractual savings volume	245 billion €
Employees	9,400

DekaBank⁴

Fund's assets	141 billion €
Balance sheet total	115 billion €
Employees	3,453

12 Regional Insurance Companies

Gross premium income	16 billion €
Employees	32,000

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 2005

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

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Overview



Dr. Holger Berndt
Chairman of the Board

The year 2005 was the UN year of microcredit, and a year of numerous development-policy events designed to highlight the importance of the financial sector for economic development and stability, especially in developing and transition countries.

Nowadays, few dispute the close link between a country's economic development and the level of financial services open to its people and to small and medium-sized enterprises. However, in many developing countries, less than 20% of the population has a savings account or access to a loan; and in the case of Madagascar this figure is just a mere 3 per cent. Most developing countries exhibit clear structural deficits in their financial sector. Commercially-oriented banks focus almost exclusively on economic strongholds with their well-established companies and middle- to high-income population groups. In contrast, micro and small enterprises and low-income population groups remain essentially excluded. This situation is by no means new in historical terms. Indeed, it was precisely this scenario that led to the establishment of Germany's Sparkassen more than 200

years ago. Sparkassen gave the poor the opportunity to deposit their savings securely and profitably and, through the provision of small-scale credit, empowered them to make a modest living for themselves. Today the deliberations and concepts that shape the development-policy debate are still the same, the objective being to establish a functioning finance sector capable of eliminating the structural deficits at the local level. By generating and strengthening local financial institutions, large sections of the population, namely the poor and low-income earners, as well as micro enterprises, are to be supplied with financial services, thus giving people the chance to take part in economic life and to develop their own initiative. On site, this translates into access to jobs, income and offers of training.

Germany's Sparkassen are chiefly responsible for making a success of this business model. Indeed, they have shown that decentralised, small-scale savings operations by professional organisations can be run efficiently and at a profit. In many developing countries, the "Sparkassen" concept now serves as a role model and has, to a certain extent, even become an export commodity.

It is against this historical backdrop and based on this understanding of financial-sector structures and their general orientation that the Sparkassenstiftung für internationale Kooperation (abbreviated in English to SBFIC) runs its operations today. The poster exhibition which SBFIC implemented in more than 100 Sparkassen with the support of the German Federal Ministry for Economic Cooperation and Development (BMZ) to mark the year of microcredit thus aimed to spotlight model examples of successful SBFIC microfinance projects.

Overall, the substantially increased volume of SBFIC project activities highlights the need for financial-sector action in developing and

transition countries. But it is also a testimony to SBFIC's successful cooperation with its partner institutions. The projects targeting Serbia and Montenegro, Romania and Slovakia were wound up in 2005 which means that SBFIC's portfolio no longer includes a country from Central, Eastern or Southern Europe. In contrast, countries in the Caucasus region, together with Mexico, now account for more than 60% of SBFIC's ongoing project volume.

A central focus of SBFIC project work in the year under review was on the Reconstruction Fund for Southern Asia, for which the Sparkassen-Finanzgruppe has earmarked some EUR 15 million. Suitable financial institutions were identified for the microcredit programme in Sri Lanka and Indonesia, leading to the on-site secondment of four experts to Sri Lanka in July 2005 and to the disbursement of the first round of loans in August. The upshot by the end of the first quarter of 2006: a credit portfolio already in excess of some EUR 2 million. Two further experts took up activities in Banda Aceh at the end of 2005/start of 2006, and initial credit disbursement is now scheduled for the second quarter of 2006.

SBFIC owes considerable thanks to the companies that make up the Sparkassen-Finanzgruppe – i.e. to the Sparkassen themselves, together with their regional banks or “Landesbanken” and their associations and partners – for their across-the-board support for SBFIC work. Indeed, the Sparkassen-Finanzgruppe provides know-how through expert assignments and training, facilitates fact-finding work placements and work experience, supports offices on site with materials and equipment and not least with financial resources too. For this reason, we would like to thank the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH, the Kreditanstalt für Wiederaufbau (KfW) as



Dr. Peter Langkamp
Member of the Board and CEO

well as Germany's Investment and Development Company, the DEG, and of course the World Bank too, for ensuring such good cooperation in our joint projects and for placing their trust and confidence in our organisation.

The Sparkassen Reconstruction Fund – Sustainable Assistance in the Wake of Disaster



Dr. Ilonka Rühle
Project Manager, Sparkassenstiftung für
internationale Kooperation (SBFIC)

The tsunami that claimed the lives of so many people in Indonesia, Sri Lanka, Thailand and other countries in Southeast Asia at the end of 2004/start of 2005 triggered a wave of support on the part of governments and individuals around the globe on a scale that has never been known before. Thus, at the close of 2005, it is time to ask whether this spontaneous aid really did find its way to the victims it was intended for and – much more importantly – whether it has sustainably helped turn their lives around for the better or whether it was just a flash in the pan without any long-lasting impact.

Right at the outset in 2004/2005, Germany's Sparkassen, Landesbanken and their associates decided to pool their offers of assistance. To secure fast, effective and above all sustainable aid in those areas affected by the tsunami, the Sparkassen-Finanzgruppe set up the Sparkassen Reconstruction Fund, providing some 15 million euros to this end. By calling this fund into life, the Sparkassen-Finanzgruppe laid down a cornerstone for aid with a long-term perspective, since its focus was not

primarily on emergency aid, but on an approach targeting sustainable help for self-help. By concentrating its efforts on those countries that have been most badly affected, namely Indonesia and Sri Lanka, the Sparkassen Reconstruction Fund is acting in line with the deliberations and guidelines of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Funding is split into two components – on the one hand financial assistance and, on the other, technical support taking the form of consultancy and training. Financial assistance amounting to some EUR 12.5 million has been committed to local partners (selected local financial institutions) in the form of refinancing funds for microcredits. Returning money is re-employed as loans, which means that a substantially greater volume of credit can be generated. The target group comprises micro-entrepreneurs that have been directly or indirectly affected by the tsunami, yet who are able to resume their income-generating activities with backing from the fund and thus create employment for themselves, their families and others. However, micro-loans are not only important for entrepreneurs wishing to rebuild their livelihoods. Indeed, they can also be a profitable business option for local lenders.

Providing money for credit is, however, not sufficient on its own. And this is where technical cooperation comes in, since it supports partner institutions in their lending activities. Support of this kind is vital to ensure the targeted use of funds and also to sustainably strengthen the credit or microfinance institutions on site. To implement this mandate, Germany's Sparkassen-Finanzgruppe commissioned SBFIC, one of the first organisations to become pro-active in the financial sector on site.

Prior to implementing the Sparkassen Reconstruction Fund, SBFIC conducted two fact-

finding missions. A three-member team headed out to Sri Lanka in February 2005 and an initial appraisal followed in Banda Aceh in March at a time when emergency aid measures and clearing-up work were still in full swing. During this mission, two partners, i.e. Hatton National Bank and SEEDS (Sarvodaya Economica Enterprise Development Services), were identified in Sri Lanka and a Memorandum of Understanding was entered into with each of them respectively. Hatton National Bank is one of the largest commercial banks in the country. In many developing and threshold nations, a lot of the commercial banks do not regard small and micro-entrepreneurs as a viable target group. However, Hatton National Bank had already “discovered” this segment long before the tsunami struck, which meant that loan extension succeeded in getting off the ground quickly.

SEEDS is a non-governmental organisation which grants loans in rural regions in particular. And SEEDS is also a good example of the importance of technical cooperation. Although it concentrates on the target group and knows its needs, SEEDS lacks efficient and professional structures. This is precisely where SBFIC steps in. Together with SEEDS, the German long-term expert on site is designing optimised procedures for loan extension. At the same time, the expert is helping to build up a suitable management information system. In the medium term, SEEDS is to be transformed into a bank. This move is not an end in itself, but is intended to enable SEEDS to take on board savings deposits, thus empowering it to offer an extensive range of financial services to its customers and to work independently of the international donors it still relies on at present.

In Banda Aceh, Indonesia, the devastation was far greater than in Sri Lanka. On top of this, up until the advent of the tsunami, the province of Banda Aceh had been virtually cut off from the rest of the country. The local financial structure

was equally hard hit and many smaller banks were completely “wiped out”. Selecting a suitable partner for Banda Aceh was not easy. Although many organisations there specialise in the target group of micro and small entrepreneurs, most of them are smaller-scale self-help groups operating on their own in individual villages. As a result, they are too small and not professional enough to handle the scheduled volume of money from the Sparkassen Reconstruction Fund. Larger-scale institutions are virtually only found in the provincial capital and have no interest in this target group.

Finally, an adequate partner was found in the shape of the government-owned development bank for the Province Aceh, namely the BPD. To date, BPD has mainly granted loans to state employees and supplier companies. However, following the creation of a new credit department, the entire population should now be able to access loans in future. With its large-scale network, BPD offers good framework conditions for this project and SBFIC is actively helping to restructure BPD’s business policy accordingly. With its project approach, the Sparkassenstiftung became the first financial-sector institution to obtain accreditation from the local reconstruction authority BRR.

In addition to selecting suitable partners, the two fact-finding missions focused primarily on determining the terms and conditions that were to underlie lending operations. In keeping with the approach of the Sparkassen Reconstruction Fund – sustainable assistance in place of a financial free-for-all – loans are granted to the target group on favourable terms that comply with market conditions. Experience with similar types of programmes in developing and also threshold nations has shown that able financial institutions are elbowed out of the market by subsidised customer credit, a mechanism that ultimately only helps just a few companies for a short period of time whilst

destroying key elements of the financial infrastructure in the long term. The upshot is that many micro-entrepreneurs are simply left without any access to credit. The Sparkassen Reconstruction Fund grants funds to the partner institutions at relatively favourable conditions. However, this does not come gift-wrapped and loan extension is linked to very strict reporting requirements, thus underscoring the concept of a partnership based on an “equal footing”.

The project itself, however, would be totally inconceivable without the active support of the long-term expert on site. Whilst the two fact-finding missions were underway, job advertisements were placed in all supra-regional newspapers in Germany – with an overwhelming response. SBFIC received more than 300 written applications from people interested in working for the Sparkassen Reconstruction Fund. Ultimately, six experts were chosen. Following completion of their preparatory training, four long-term experts took up their on-site assignments in Sri Lanka in summer 2005, whilst a 2-member team is scheduled to take up work in Indonesia as of the start of 2006.

In Sri Lanka project work is already producing initial results. Since the first loans were disbursed in August 2005, more than 350 customers have received credit. The customer profile does not only include families, but employees too, thereby enabling the programme to benefit a substantially larger number of people. As a rule, microcredits are below EUR 1,500 and are designed to empower small entrepreneurs from the agricultural, fishing and handicraft sectors to rebuild their broken homes, machines or boats and to buy in the raw materials they need. By way of example, less than EUR 1,000 is enough to help a furniture-maker resume production and EUR 500 suffices to reopen a bakery.

Thanks to its partner institutions, the Sparkassen-Finanzgruppe will be able to channel most of the resources to their target destinations in the course of 2006. This will not only benefit individual borrowers, but will also promote the institutions concerned by enabling them to serve the target group on a sustainable basis.

Teba Bank



Archie Hurst
Managing Director of Teba Bank



Samson Moraba
Chairman of Teba Bank

From a savings fund to a sustainable retail bank

Teba Bank was originally established in 1976 as a savings fund in order to bank South African mineworkers. Coming from all over southern Africa, the mineworkers used Teba Bank for savings, payment and other basic financial services. Providing remittance services was a core task of Teba Bank, as this enabled migrant mineworkers to support their families back home. Having won a full banking license in 2000, Teba Bank was in a position to diversify its range of products and extend its coverage area in and around the mines and mining towns. Today, the bank offers a wide range of savings, loan and other value-adding products to its customers.

Serving the lower end of South Africa's market, Teba Bank provides affordable, accessible and quality financial services on a sustainable basis. The target market has expanded from the mineworkers and their families to the entire lower-income bracket in small towns and rural areas, including the small-scale entrepreneurs within Teba Bank's business areas. Teba Bank has implemented social programmes to pro-

mote the communities in those areas in which it does business, thus explicitly pursuing a social mandate that goes beyond pure banking services.

The combination of professional banking services in and around the mines and mining towns together with a strong commitment towards the community is reflected in Teba Bank's ownership structure, with the mining unions and mining companies having an equal share of 50 % respectively.

Banking environment

South Africa still has a gap in terms of access to financial services. From 2004 to 2005 the number of unbanked adults in South Africa actually increased by 450,000 or 3 % to 15.5 million or 50 % of the adult population. However, the challenge is not only to provide bank accounts. Low costs and levels of regulation are also a source of concern in South Africa's banking market. The micro-lending industry in South Africa has a business volume of R 19 billion (EUR 2.5 bn), with just less than 2,000 microlenders registered with the Microfinance

Regulatory Council (MFRC). Although the industry has grown by nearly 20 % in the past three years, the vast majority of loans are granted to the formally employed, all of whom have bank accounts. Thus, some 80 % of South African adults do not qualify for such loans. Less than 5 % of loans are granted for business purposes; the majority is used for consumption, educational and housing purposes.

Teba Bank, the only MFRC member fully licensed by the central bank, plays an important role in filling the gap between the big four commercial banks and the microfinance sector.

Banking regulation as such is currently under pressure to increase support for competition and consumer protection in the low-income banking industry. The expected “Finance Sector Charter”, the “National Credit Bill” and the “Dedicated Banks Bill” are set to have a huge impact on banks operating in their respective target markets.

Product development

Teba Bank has shown a steady increase in deposits over the years that accelerated in 2003. Through to the end of financial 2005, the bank’s profits were generated within Teba Credit, a joint venture with a large South African micro-loan bank. As of 2006, Teba Bank will implement its lending operations independently. During the year 2005, the bank developed two new micro-loan products, the “Smart Credit” product aimed at the formally-employed sector and the “Makoya Credit” product, a micro-loan specifically targeting mineworkers. Since their launch, these two loan offers have shown significant growth rates.

Besides developing existing products further, the credit growth strategy also involves introducing some new products, both for existing and new markets. SMME loans, revolving credit facilities and mortgage loans are all credit

products to be researched in the future and analysed or tested using a specific pilot market.

As part of the current development of a long-term business plan, Teba Bank plans to achieve substantial growth in savings and credit business over the next five years. The aim is to attain revenue from three major sources:

- Credit products
- Treasury investments
- Non-interest-based income

This reflects Teba Bank’s understanding that sustainable growth, notwithstanding all commitments towards social programmes, can only be realised if the equity base grows accordingly and thus if regulatory requirements are met continuously.

Distribution expansion

Currently, Teba Bank has 71 outlets on gold and platinum mines and 20 branches in mining towns, the old Transkei area in the Eastern Cape Province. It also has 50 agencies in rural South Africa, Mozambique and Lesotho, servicing mining employees, ex-miners and dependants. The bank’s ATM network consists of 41 devices.

Within the scope of its strategy to develop its targeted client base from mineworkers only to a broader-based market, Teba Bank intends to expand its distribution network even further. The bank plans to roll out a mix of different branch types, depending on the requirements and business potential in the respective areas.

Facts and Figures (as at December 2005)

Savings & deposits	Rand 1.612 billion (€ 210 mn)
Loans	Rand 160 million (€ 21 mn)
Total assets	Rand 2.186 billion (€ 284 mn)
No. of employees	745
No. of savings accounts	454,000
No. of loan accounts	45,000

The roll-out plan is ambitious, comprising the annual opening of thirty or more outlets at major hubs over the next three financial years.

People and systems

With regard to the developments now underway, the bank acknowledges that there are two critical factors as far as a successful future is concerned. Firstly, the current information technology systems need to be overhauled and upgraded to first-class standards. Secondly, the management and staff of the bank have to be aligned with the long-term business strategy. This will happen through internal development and training processes as well as through the recruitment of experienced personnel with the required banking skills. The introduction of performance management systems and a revised salary grading system will support and complement the initiatives.

Partnership project

The Sparkassenstiftung für internationale Kooperation (Savings Banks Foundation for International Cooperation – SBFIC) first started supporting Teba Bank's transformation process back in April 2003. Indeed, Germany's Sparkassen and Teba Bank have a lot in common. Both organisations have to strike a balance between being commercially viable whilst living up to their social mandate, which makes them unique organisations in comparison with their peers. This is reflected, amongst other things, in their corporate social investment strategies and the target groups they serve.

As part of the ongoing partnership project, SBFIC has been involved in numerous initiatives and projects run by the bank during recent years. The overall objective has been to strengthen the institutional capacity of Teba Bank and to facilitate its development process from a savings fund into a sustainable retail bank. The core part of the contribution by the

Sparkassenstiftung is the secondment of a long-term expert to Teba Bank to support the organisation on site.

The Sparkassenstiftung and the partner savings banks of Siegen and Gelsenkirchen have mainly supported Teba Bank in three key areas:

- Human resource development
- Credit business
- Information technology

Members of the Board of Directors and numerous senior managers of Teba Bank have had the opportunity to experience first hand the expertise of their partner Sparkassen in Germany as part of information and training visits, e.g. on risk management or human-resource development.

What started as a pilot project has become a solid partnership between the South African and German cooperation partners. Mutual respect and the understanding that there are no "one-size-fits-all" solutions to the challenges Teba Bank faces have contributed to the project's successful progress thus far.

There has never been any doubt that Teba Bank would remain in full charge of its strategic decision-taking process, thus keeping and developing its capacity to decide independently on its future development path. Nevertheless, it has always given due consideration to the experience and advice of its German partners whose technical support has played a major role in its success to date. Thus, the Board and Management of Teba Bank would be most pleased to see this support continue in future.



Project Activities



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Armenia: Armenian legend has it that, on dividing up the lands of the earth, God forgot their country. When the Armenian people complained about this, God, out of pity, shook out the sack which had contained all of the earth's natural riches.

However, out came only stones: "Karastan" – country of stones – a curse for its farmers, a blessing for its builders and architects. Obsidian, basalt and tuff from black through burnt red to light pink inspired them to erect cathedrals and palaces.

The photo shows a polished obsidian which forms when lava cools down rapidly. Its colour varies greatly depending on the level of impurities and their oxidation state. In general, obsidian is dark green to black and is used in works of art and as a gemstone.

Armenia, Azerbaijan, Georgia

Credit Guarantee Fund

The promotion of small and medium-sized enterprises (SMEs), a key aspect of national economic development, also involves facilitating access to credit. The Credit Guarantee Fund provided by the Kreditanstalt für Wiederaufbau (KfW) is intended to empower selected banks in the Caucasus to obtain credit from international banks, thereby enabling them to refinance relatively favourably priced loans to SMEs. Through the KfW's credit guarantee fund, international banks are guaranteed to recover a set amount of the loan extended to the Caucasian banks. Without this fund, international banks would hardly be willing to take on risks at acceptable terms in any of the countries in this region. Favourable refinancing permits partner banks to expand their SME operations.

SBFIC tasks include:

- Selecting and monitoring local partner banks
- Organising contacts with international lenders
- Supporting partner banks in SME loan extension

- Organising cross-frontier seminars

The project serves to network and thus indirectly to enhance relations between the countries concerned in a traditionally conflict-torn region.

SBFIC identified a total of three partner banks in Armenia and Georgia which have now each signed an agreement with the KfW concerning participation in the Credit Guarantee Fund and thus received a loan from an international bank. Loan extension activities within these countries have since made a promising start. However, Azerbaijan did not have the framework conditions required for programme launch, leading to the project's extension through to the end of 2006. This extended timeframe will enable the work initiated in Armenia and Georgia to be continued and consolidated whilst concomitantly allowing project activities to get off the ground in Azerbaijan.

SBFIC has seconded a long-term expert to Armenia and Georgia respectively. Furthermore, a team of qualified staff members is employed in both countries.

Country data Armenia

Population	3.8 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	1,071 €	
Real changes in GDP	2003	7.0 %
	2004	6.5 %
	2005	8.0 %
Average gross monthly wage in local currency (Dram AMD) in Euro	39,987	
	74.7	
Annual inflation rate	2003	2.2 %
	2004	3.5 %
	2005	2.0 %

Azerbaijan: The oil industry has been a major feature of the Azeri economy since the end of the 19th century. Following the first oil boom at the beginning of the 20th century, when Azeri oil met half of world demand, oil production went into a slow but unwavering decline through to the end of the 20th century – also due to a lack of investment. Ultimately, it took intervention by international oil companies to again kick-start exploitation of the large oil and gas fields under the Caspian Sea and thus to set in motion a considerable economic upturn, which is manifested very clearly in today's economic figures. The celebrations surrounding the commissioning of the "Baku-Tbilisi-Ceyhan" (BTC) pipeline on 25 May 2005 marked the official go-ahead for the large-scale production of oil from under the Caspian Sea. The pipeline will be filled for the first time in 2006, enabling the first tanker with a cargo of Azeri oil from the Caspian Sea to leave the Mediterranean port of Ceyhan in Turkey.



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Azerbaijan

Credit line for small and medium-sized enterprises

Backed by the German federal government, the government of Azerbaijan is promoting small and medium-sized enterprises. To this end, the German government, represented by the Kreditanstalt für Wiederaufbau, has extended a long-term credit as part of the "German-Azeri Fund" (GAF). The credit is channelled to SMEs via Azeri banks. The programme itself is designed to empower the six partner banks to develop new groups of customers and to apply Western standards in their lending activities, whereby the Azeri banks shoulder the entire risk for the loans they grant. SBFIC tasks here include:

- Selecting and monitoring partner banks
- Disbursing credit funds to the partner banks and overseeing repayment
- Introducing new credit extension procedures
- Training management-level staff and loan officers in the partner banks
- Laying the foundations for GAF mainstreaming

GAF credit funds in 2005 amounted to some EUR 8.7 million, and are scheduled to be topped up to EUR 15 million in 2006. One of GAF's major successes has been the extension of activities to regions outside the capital city of Baku. GAF's success in past years has helped kindle greater interest in this project on the part of other donors, too. The European Bank for Reconstruction and Development (EBRD) makes use of GAF-facilitated structures to extend loans, whereby these activities are now to focus more intensively on the field of microcredit. Thanks to the training components and the

scheduled mainstreaming of GAF, the framework conditions for project sustainability are good. Acceptance of the project approach in Azerbaijan is reflected in the plans to extend the credit line further, in the increasing number of Azeri banks taking part in the project and in the quality of the credit portfolio.

Project work on site is being steered by an internationally experienced, long-term SBFIC expert. A major contributing factor in terms of project sustainability is the team of well-qualified, local employees.

Country data Azerbaijan

Population	8.2 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	802 €	
Real changes in GDP	2003	11.2 %
	2004	11.2 %
	2005	12.5 %
Average gross monthly wage in local currency (Manat AZM) in Euro	402,768 72	
Annual inflation rate	2003	2.6 %
	2004	3.0 %
	2005	5.0 %



© Dr. Jürgen Engel

Georgia: Borjomi is a well-known mineral water named after the small village in the Caucasus mountains in the Republic of Georgia where the natural springs are found. Throughout the former Soviet Union, Borjomi was famous for its healing properties. And today still the springs are used for curative purposes, such as spa baths, showers and inhalations. When imbibed with a legendary dish from Georgia's famous cuisine, Borjomi is often drunk as a normal table water. Borjomi is one of Georgia's major export items.

Azerbaijan, Georgia

Advising partner banks in the field of retail banking

In days gone by, Azeri and Georgian banks did not regard small and medium-sized companies and the average man on the street as target groups. However, thanks to extensive consultancy and training for selected partner banks, this customer group is now set to gain better access to financial services.

Consultancy for the individual banks has covered the following specialist areas:

- Aligning work procedures and internal organisation structures
- Establishing and consolidating a branch-office network
- Implementing HR structural analyses
- Introducing new remuneration systems and staff-member assessment procedures
- Upgrading management information systems
- Introducing product cost and interest-margin calculations
- Analysing market potential (extensive survey of customers and non-customers alike with over 11,000 completed questionnaires)

- Designing and launching products for new customer groups
- Training management-level employees and other staff members

Another key project objective is the creation of a bank network between Georgia and Azerbaijan. Project components have included joint workshops and study trips to German Sparkassen with representatives from both countries.

SBFIC is implementing this project jointly with an Azeri consultancy institution, the "Azerbaijani Bank Training Center" (ABTC). ABTC enriches the project through its country-specific knowledge and strengthens the sustainability of the results achieved. The ongoing, strong growth of the partner banks along with the increasing levels of training of both managers and bank staff testify to the success of project work. Germany's development bank, the Kreditanstalt für Wiederaufbau (KfW), took over project promotion in 2004.

The Sparkasse in Nienburg has seconded an employee to help implement project work in Azerbaijan. And a German long-term expert is on site in Georgia. Short-term experts have been provided, inter alia, by the Rheinischer Sparkassen- und Giroverband (Rhineland-Palatinate Savings Banks Association), the Sparkasse Rothenburg o.d.T., the Sparkasse Westerwald and Sparkasse Allgäu. Furthermore, the Ostdeutsche Sparkassenakademie (East German Savings Banks Academy) has been involved in the implementation of seminars. To complement the KfW-promoted project measures, Sparkasse Hannover has centred its efforts on the implementation of internships, thereby helping inter alia to launch call centres.

Country data Georgia

Population	5.2 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	877 €	
Real changes in GDP	2002	5.4 %
	2003	4.7 %
	2004	8.6 %
Average gross monthly wage in local currency (Lari GEL) in Euro	152	
	69.3	
Annual inflation rate	2003	4.4 %
	2004	5.5 %
	2005	7.0 %

Azerbaijan: Ninety per cent of the carpets and rugs sold in Europe with a “Caucasus” hallmark originated in Azerbaijan.

Since time immemorial, carpet-making has been a key element of Azeri culture. The long tradition of carpet-making in the area known today as Azerbaijan is attributable to the inhabitants’ equally long-standing tradition of sheep-rearing and to the availability of natural dyes in the region. Fig leaves were used to make ocker, grapes to make lilacs and safran to make golden-yellow whilst the peel of the pomogranate produced a brownish-red colour. Working together at a swift pace, it takes several women between two to three months to finish a large carpet. Today, carpet-making in Azerbaijan is an industrial undertaking, with some 10,000 to 20,000 square meters exported every year.



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Azerbaijan

Introduction of Corporate Governance Standards

The Azeri government regards the introduction of standards for bank management – Corporate Good Governance – as a key step towards further development in the financial sector. Therefore, in cooperation with the auditing and consultancy company PwC Deutsche Revision and a team from the Azeri national bank, a manual was elaborated to facilitate the implementation of Good Governance Standards. Following an international bid for project tenders, KfW ultimately commissioned SBFIC to promote implementation of these standards in four selected pilot banks. As of 2004, the project was conducted jointly with the Azerbaijan Bank Training Center.

For the purpose of implementation, the Corporate Good Governance Standards were broken down into six modules, namely: strategic planning and organisation, information technology, financial planning and budgeting, risk management, personnel development and internal auditing.

Instruments and materials were developed to complement the modules and thus support the pilot banks. Likewise, workshops and seminars were also organised in this connection. Six short-term experts from SBFIC analysed three Azeri banks to determine their compliance with Corporate Governance Standards, producing pertinent recommendations. And a fourth bank was also analysed and supported in connection with one of the six modules. Project implementation managed to shed light on certain weaknesses that had not been apparent before, leading to expert recommendations on the following areas:

- Systematic monitoring to measure achievement of strategic objectives
- Clear allocation of tasks with regard to product development and customer satisfaction
- Division of board responsibility for front and back office tasks
- Concrete improvements in IT security
- Introduction of IAS and GAAP standards

The project was completed successfully in July 2005.

An experienced SBFIC long-term expert coordinated project work.



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Moldova: Wine has been grown for centuries in the territory that makes up the present-day country of Moldova – even the ancients cultivated the “Thracia grape” here. According to Homer’s Ilias, Odysseus went to Thracia to find wine. Legend then has it that it was thanks to this wine that he was able to overcome the one-eyed cyclops Polyphemus.

Reports on Moldova from the 18th century point to a considerable demand for Moldovan wine around this time too. Moldova was the largest producer of wine in the former Soviet Union where it accounted for around one quarter of total production volume. The geographic and climatic conditions for viticulture are particularly favourable here. Indeed, the 140,000 hectares of vineyards lie on the same degree of latitude as Burgundy.

Around 15 % of the country’s annual income is generated through wine-growing. Today, the Republic of Moldova counts as one of the 10 largest wine-making countries in the world, exporting around 85 % of its total production volume.

Azerbaijan, Armenia, Georgia, Moldova, Ukraine

Series of conferences for banks in the Caucasus

Within the scope of the Caucasus Initiative, the German government is endeavouring to reduce the conflict potential in the region and to promote regional exchanges between countries in the Caucasus. To revive dialogue between the financial sectors in Armenia, Azerbaijan and Georgia and to discuss sector-specific themes of relevance to all three markets, the Kreditanstalt für Wiederaufbau (KfW) organised a series of conferences for the banks in the Caucasus region between autumn 2003 and summer 2005. The KfW commissioned SBFIC to implement the conferences, some of which took place

in Germany and some in the Ukraine. The choice of venue reflected the situation in the Caucasus region. Indeed, any attempt to implement the conferences in the Caucasus countries themselves would have generated some very considerable difficulties given the ongoing tensions there. Conference participation was also open to banks from the Ukraine and Moldova.

Five conferences took place on the following themes in the period between autumn 2003 and summer 2005

- Supervisory Regulations and International Norms (Kiev, November 2003)
- Introduction of Corporate Governance Structures (Potsdam, Februar 2004)
- Risk Management (Potsdam, September 2004)
- Credit Organisation und Portfolio Steering (Kiev, April 2005)
- HR Management (Frankfurt am Main, August 2005)

In all, the conferences were attended by some 240 high-ranking representatives of commercial banks, central banks and bank associations from five countries.

Two conferences took place in the Ostdeutsche Sparkassenakademie (East German Savings Banks Academy). Inter alia, the Sparkassen Rothenburg, Essen and Köln/Bonn along with the WestLB AG provided speakers for the conference programmes.

Country data Moldova

Population	4.0 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	713 €	
Real changes in GDP	2003	6.3 %
	2004	7.3 %
	2005	6.0 %
Average gross monthly wage in local currency (Leu MDL) in Euro	745 47.3	
Annual inflation rate	2003	11.6 %
	2004	12.4 %
	2005	12.5 %

Country data Ukraine

Population	47.5 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	1,451 €	
Real changes in GDP	2003	8.5 %
	2004	12.1 %
	2005	6.0 %
Average gross monthly wage in local currency (Hryvna UAH) in Euro	605 84	
Annual inflation rate	2003	5.2 %
	2004	9.0 %
	2005	14.0 %

Azerbaijan: Besides oil, agricultural produce also has a key role to play in the Azeri export industry. A typical product is the pomegranate. Originally from the Near East – Asia Minor, South Caucasus and Persia are the most likely regions of origin – pomegranates and pomegranate sauce are now virtually standard accompaniments of every good Azeri meal and are also sold on Moscow's markets. In Western Europe too, top chefs use the pomegranate to enhance their sauces.



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Azerbaijan

Equity participation by the Sparkassen-Finanzgruppe in Bank Respublika

The Bank Respublika has been a staunch partner of various SBFIC projects for several years already. A highly profitable commercial bank geared to the public at large as well as to small and medium-sized companies, Bank Respublika is now undergoing a period of expansion within the dynamic Azeri context, putting it well on track in terms of achieving its target objective of becoming the leading retail bank on the market there. However, if it is to attain its objective, the bank must not only undertake directly market-oriented activities, but must also provide for and enhance other key framework conditions, such as its internal management and organisation structures which are in need of strengthening.

Having cooperated well with SBFIC over several years, the Bank Respublika was selected in 2005 as the first equity participation project of the Sparkassen International Development Trust (SIDT). Together with the SIDT, the Deutsche Entwicklungsgesellschaft mbH (German Investment and Development Company – DEG) is to invest in the Bank Respublika within the scope of a “Public-Private Partnership” project.

SBFIC consultancy inputs are intended to stabilise and enhance the bank's earning capacity at a high level. The following measures are scheduled within the consultancy project, whereby some have already been implemented:

- Improve organisation structure and describe processes, with the aim of optimising customer-related procedures

- Introduce a customer-relationship management scheme based on clearly defined customer segments
- Launch a management information system
- Introduce a risk-limitation system for all types of bank risks
- Initiate a procedure to analyse branch-office efficiency
- Train and certify auditors

Project funding comes from two sources: On the one hand, the DEG will use the framework provided by the “Public-Private Partnership” project to finance SBFIC consultancy services from German federal funds. On the other, the Bank Respublika will contribute its own funds to cover the costs of SBFIC consultancy.



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Romania

SBFIC first started supporting the Romanian savings banks, Casa de Economii si Consemnatiuni S. A. – CEC, in 1997 in a bid to assist CEC's transition from a state-owned savings bank, whose main thrust of operations was geared to the savings sector, into a contemporary institution dealing with all aspects of banking operations. During this time, CEC had to defend its market position against dynamic commercial banks whose activities specifically targeted the highly profitable customer groups in the country's urban economic strongholds. The objective of support was to secure the supply of financial services to the general population and SMEs in rural areas via the CEC. To this end, CEC needed to design a range of suitable products and had to be empowered to restructure and modernise its branch network, streamline its work procedures and internal organisation structures and upgrade its human resources, so as to assert its position on the market as a key and stable service provider. With over 1,400 branch offices and virtually 9,500 employees, CEC provides nationwide coverage. However, its position on the Romanian banking market has worsened in recent years, most especially due to the increas-

Romania: Romania is well known for its traditional village handicrafts – ceramics, wood carving and weaving. Ceramics from Corund, a place right at the heart of Transylvania, is first mentioned in 1613. The earth is ground several times to produce a very fine clay, which is the key to the exceptional quality of Corund ceramics. The ceramic objects are produced by hand on a potter's wheel using red or blue clay. A typical feature of Corund ceramics is their large-scale floral motives. Corund ceramics have made a name for themselves far beyond Transylvania.

ing offer of financial services by other, mostly foreign banks.

CEC is still entirely state-owned. Originally scheduled for 2005, privatisation has now been postponed until the year 2006.

Consultancy for CEC in the period under review revolved around the fields of training and upgrading as well as organisation and marketing. The key focus, however, was on the nationwide restructuring of the branch network system and the generation of the CEC's very own training and upgrading centre. The establishment of a personnel training centre, the successful graduation of a group of trainers and the restructuring of a CEC branch office in line with the new concept in 2004 all constituted key steps towards implementation of the recommendations from project work.

The German government channelled its financial promotion in 2004 and 2005 via the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH. As in previous years, CEC also paid for part of the consultancy measures from its own coffers.

On top of this, the project received financial backing from the Bayerische Landesbank (Bavarian Regional Bank) and the LBS München.

The project was wound up in 2005. The long-term experts included a former employee of Sparkasse Ostprignitz-Ruppin, a former board member of Sparkasse Gera-Greiz, as well as a staff member from the Mittelbrandenburgische Sparkasse. Without exception, all of these specialists had first-hand experience of German Sparkassen practices.

Country data Romania

Population	21.7 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	3,451 €	
Real changes in GDP	2003	4.6 %
	2004	5.0 %
	2005	5.6 %
Average gross monthly wage in local currency (Lei ROL) in Euro	7,027,204 194	
Annual inflation rate	2003	15.4 %
	2004	11.6 %
	2005	8.9 %

Serbia: Political developments have caused Serbia's GDP to drop by half over the past 15 years. 2005, however, was a year of considerable hope and confidence in terms of the wide-scale impacts brought about by Serbia's new democracy. In the year under review, Serbia received over EUR 1.5 billion in direct investments, generated in part through the privatisation of banks and other state-run companies.

Even now, some 40 % of Serbia's surface area is exploited agriculturally. Agriculture accounts for around 18 % of Serbia's GDP and employs around 17 % of the total population. Serbia has good climatic conditions for agriculture. Its major crops include sugar beet, potatoes, wheat and above all fruit (inter alia, plums, raspberries and apples). Indeed, Serbia counts as one of the largest exporters of raspberries worldwide.



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Serbia and Montenegro

In September 2001, the National Bank of Yugoslavia (now Serbia and Montenegro) asked SBFIC for support in the generation of a National Savings Bank. Thus, the NSB was duly founded at the end of 2001 and started operations in early January 2002. From then on, it swiftly evolved into a key player on the Serbian financial market. In its very first year of business (2002), the NSB closed with a balance-sheet total of around EUR 71 million and no losses. And, in the years that followed, the bank has consistently succeeded in operating at a profit.

SBFIC assistance has focused, inter alia, on helping NSB expand its product range. To promote the sale of financial products to NSB's private customers, SBFIC set about organising and implementing training for sales officers. Furthermore, SBFIC trained 30 loan officers and, together with the National Savings Bank, specified procedural etiquette for SME loan extension. A department was also set up to handle corporate lending operations. Having essentially completed the initial groundwork by the end of 2004, SBFIC followed up these inputs in 2005 with several short-term assignments whose focus in terms of contents was on:

- Regional expansion of SME lending operations
- Training
- Product development

In mid-2005, the Greek EFG Eurobank took over a 70-% share in the National Savings Bank, thus becoming co-owners with the state of Serbia and Montenegro which kept a 30-% stake. EFG Eurobank maintains a keen interest in the National Savings Bank's sound retail activities

and is continuing to operate the business areas established to date.

SME lending operations were extended across the board in 2005. After reaching a total volume of EUR 5 million in the previous year, the credit portfolio in 2005 grew to a volume of EUR 7.5 million, even though the National Savings Bank did not have any refinancing funds from international donors to fall back on. SME loan extension is offered in all regional centres and in 19 branch offices. Credit decisions are mainly taken at the regional level. The quality of the portfolio is outstanding. Payment arrears in excess of 30 days account for less than a mere 1 % of the credit portfolio.

The project, which was promoted by the German Federal Ministry for Economic Cooperation and Development (BMZ), was wound up on schedule in November 2005.

Country data Serbia and Montenegro

Population	11 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	2,260 €	
Real changes in GDP	2003	1.5 %
	2004	5.0 %
	2005	4.0 %
Average gross monthly wage in local currency (Serbia Dinar CSD) in Euro	14,035 174	
Annual inflation rate	2003	11.2 %
	2004	8.4 %
	2005	16.0 %



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Slovakia

The consultancy project aimed to empower Slovakia's official financial market watchdog and the National Bank of Slovakia to enhance their performance capacity by introducing modern auditing techniques and upgrading measures for their staff members.

As part of a consortium spearheaded by the Wiener Börse AG, SBFIC was mandated to advise the Slovak National Bank on issues relating to banking supervision. Meanwhile, the Wiener Börse AG executed those components of the consultancy commission that focused on stock-market regulation and capital markets whilst the German Insurance Association (GDV) was responsible for insurance supervision. The project was designed to generate the following results in the banking sector: support for the production of a manual on techniques facilitating fast-track corrective measures and sanctions, the generation of auditing guidelines (on-site and off-site auditing) along with upgrading for bank-supervisory staff, so as to empower them to implement risk assessments. Furthermore, the Slovak Central Bank showed a keen interest in issues such as the assessment of

Slovakia: The automotive industry has evidently developed a penchant for Slovakia of late, which is now referred to as the "Detroit of the East". The VW company has stepped up production in Bratislava, PSA Peugeot Citroen has opened a new factory in Trnava and Kia-Hyundai is set to launch new production facilities in Zilina. According to present forecasts, more than one million cars are scheduled to roll off the Slovak production line in 2007.

And it is already fair to say that – in relation to the number of inhabitants – Slovakia will become one of the three largest car producers in the world in the course of the next two years. Today already, car manufacturing is by far the largest field of production. The automotive industry employs some 55,000 workers, a figure that is set to double in the year 2007.

financial conglomerates, audits based on consolidated balance sheets and early warning systems.

In 2005 consultancy was provided on the following themes:

- Assessment of financial conglomerates
- Efficiency of early warning systems operated by the supervisory authority
- Approaches to risk management
- Production of a manual on techniques to facilitate fast-track corrective measures and sanctions
- Guidelines for on-site and off-site auditing
- Legal issues
- Implementation of 25 core principles for effective banking supervision pursuant to Basle Committee requirements (Basel II)
- Combating money laundering and terrorism funding

Several seminars and workshops on these themes were conducted for staff involved in supervising the Slovak banking sector.

The project, which was funded by the European Union, was completed successfully in October 2005. SBFIC commissioned a leading expert from the German Bundesbank, a leading expert from France's Central Bank and a former lead member of the Swedish Central Bank to implement its consultancy mandate in the year under review.

Country data Slovakia

Population	5.4 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	8,152 €	
Real changes in GDP	2003	4.2 %
	2004	4.7 %
	2005	5.3 %
Average gross monthly wage in local currency (Koruny SKK) in Euro	16,157 432	
	2003	8.6 %
Annual inflation rate	2004	7.6 %
	2005	2.9 %

Madagascar: The most sought-after, exotic, natural products from Madagascar include spices and semi-luxury items such as cloves, pepper, vanilla, coffee and cacao. Exports of these products account for more than 50 % of the Madagascar economy's foreign earnings. Pepper is a household name throughout the entire world – and its history is the stuff of adventures. According to historians, Alexander the Great brought back pepper from Asia in around 330 B.C. In the Middle Ages, pepper was used as a currency, whereby it was valued more highly than gold. Did you know that: Green pepper is picked in an unripe state and has a fruity, less spicy taste. It can be obtained in a dried form or pickled in vinegar or salt-brine. Black pepper is the hottest type. The pepper berries are picked and dried as soon as they start to turn a light shade of red. White pepper is harvested and peeled when it is very ripe. The white berries are dried. Gray pepper is a mixture of black and white pepper. Pink pepper really is not pepper at all, but the berries of a South American tree. It is suitable for mixing with peppercorns, but is noxious if consumed in too great a quantity.



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Madagascar

In the second half of 2005, SBFIC analysed the situation of the Caisse d'Épargne de Madagascar (CEM) in the following fields: product range, market processing, management, corporate planning and corporate governance. In a second move, a workshop was held together with CEM management and its owners to present the results of the analysis, as well as the strategies and prospects for future development.

Founded in 1918, CEM is the oldest financial institute in Madagascar. In 2001/2002 CEM was transformed into a stock company, with the state as the sole shareholder. Since separating from the Post Office in 2001, CEM now has 19 branch offices nationwide. Akin to Germany's Sparkassen, CEM also has a social and a public-benefit mandate. Although CEM's main objective is to supply all population groups with financial services, it has only succeeded in doing this in part to date. This is because, although it offers savings products, it does not offer credit. CEM has more than 800,000 customers with a total savings portfolio of EUR 38.3 million. This is equivalent to 25 % of the national savings volume. As a result, CEM is of great importance to Madagascar's economy and to its people.

The range of products is, however, no longer in line with customer needs. To maintain its market position, withstand competition and to generate sustainable impetus for national development, CEM will have to re-align and re-orient its scope of products and services. Expanding activities to include lending operations is of key priority here. Furthermore, if CEM has its eye on the working population as a target group, it must introduce current accounts

in combination with money transmission services.

CEM has sufficient potential to generate access to financial services for a large section of the Madagascar population. Thus, the Minister of Economics and Finance of the Republic of Madagascar has asked SBFIC to assist in the implementation of the proposals that have been put forward. SBFIC is therefore scheduled to accompany the German President on his trip to Madagascar in April 2006 and to sign a corresponding Memorandum of Understanding together with the Madagascar government.

The project was initiated through funds supplied by the German Federal Ministry for Economic Cooperation and Development (BMZ). Work within the scope of the main project is scheduled to start in the third quarter of 2006.

Country data Madagascar

Population	18.1 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	203 €	
Real changes in GDP	2003	9.7 %
	2004	5.3 %
	2005	6.0 %
Average gross monthly wage in local currency (Ariary MGA) in Euro	57,200 22	
Annual inflation rate	2003	-1.2 %
	2004	13.8 %
	2005	10.0 %



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South Africa: The rise of the diamond industry in South Africa is linked inseparably to the rise of the corporate imperium De Beers. It was the young Cecil Rhodes who founded the De Beers Mining Company in Kimberley in 1888. Rhodes engaged in a bitter struggle with other mine owners over market leadership, ultimately emerging as the dominant figure in the South African diamond industry, a position he commanded for many years. However, the discovery of new sites in Pretoria and Namibia forced De Beers to concede his position of supremacy. His successor was the German immigrant Ernest Oppenheimer whose Consolidated Diamond Mines (CDM) was established in 1919. In 1929, Oppenheimer also became chairman of the De Beers Group, ultimately merging the two companies into a cartel.

South Africa

Teba Bank evolved from a recruitment agency with an operational base covering all of southern Africa. Set up at the start of the 20th century, its purpose was to seek labour for South Africa's gold and platinum mines. It also operated a paymaster service to the mining companies, initially paying out wages in cash and later through savings books with a trust, i.e. the Teba Savings Fund. Thus, Teba Bank, which was granted a licence in August 2000, was born out of a very specific context. The purpose of SBFIC project activities with Teba Bank is to help Teba harness new markets. The key target groups here are small and middle-income earners along with small companies in mining towns with no or only limited access to the formal banking sector. Furthermore, the bank has mainstreamed a social mandate at the core of its business strategy.

The main phase of the project got off the ground in 2005. Its key focus is now on the field of credit organisation, credit auditing, risk management and management information systems. In cooperation with SBFIC experts, Teba Bank has established its own consumer lending business

and is now marketing two products. By strengthening areas downstream from sales and marketing, Teba intends to generate the framework conditions required to build up lending operations with small businesses in future.

Project funding is supplied by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Backed by the Sparkassen in Siegen and Gelsenkirchen respectively, a former long-standing employee of Sparkasse Siegen is now on site as a long-term expert to advise Teba Bank.

Country data South Africa

Population	45.7 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	4,700 €	
Real changes in GDP	2003	2.2 %
	2004	2.8 %
	2005	4.0 %
Average gross monthly wage in local currency (Rand ZAR) in Euro	1,803	
	242	
Annual inflation rate	2003	7.7 %
	2004	4.7 %
	2005	4.2 %

Tanzania: Macadamia nuts have ideal conditions for growth in the highlands of Tanzania and round Kenya's Lake Naivasha. The plantations are located on gently undulating hillsides with particularly fertile soils exposed to copious sunshine at average temperatures of 25° Celsius.

The trees are tended with care. The nuts remain on the trees until they have attained full maturity and developed their excellent aroma. The inner nut is broken out of its unusually tough outer shell and subsequently sorted by hand according to size and quality. In general no oil is used to roast Macadamia nuts, so as to preserve their pure, delicious taste.



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Tanzania

In autumn 2005, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH mandated SBFIC to implement a project in Tanzania designed to generate access by local population groups to supplies of renewable energy. In this context, SBFIC, which is a member of a consortium involving the consulting group INTEGRATION Environment und Energy GmbH, is now focusing on the issue of how to fund renewable energy production systems for rural target groups. Indeed, the high level of investment costs incurred by production systems of this kind and the virtual absence of pertinent financing options are today regarded as the key obstacles to the dissemination of renewables.

SBFIC has contracted an expert for this consultancy assignment, stipulating the following terms of reference

- Identify potential cooperation partners to help fund investments in renewable energy systems
- Identify and describe funding mechanisms for renewable energy systems
- Determine whether it would be possible for the Tanzanian savings and credit cooperative (SCCULT) to partner financial investments in renewable energy systems
- Assess the Tanzania Solar Energy Association (TASEA) in terms of its capacity to manage a larger volume of financial support
- Identify further potential cooperation partners for the project

The first consultancy assignment by SBFIC is scheduled to start in early 2006. Project activities are to be financed from German federal funds.

Country data Tanzania

Population	36.9 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	250 €	
Real changes in GDP	2003	5.6 %
	2004	5.8 %
	2005	6.1 %
Average gross monthly wage in local currency (Shillings TZS) in Euro	34,767 25	
Annual inflation rate	2003	6.8 %
	2004	6.1 %
	2005	10.5 %



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Uganda: The Nile perch – perhaps better known to us as Victoria perch – is one of the main sources of income in Ugandan agriculture.

The Nile perch was introduced into Lake Victoria deliberately after 1950 to stock the lake with a commercially useful, edible fish. Reproducing rapidly, it did help bring about an upturn in the fishing industry, but also led to the decimation of a large proportion of the originally native tilapia. Between 1970 and 1980, the number of tilapia was put at around 500. Many of the species had not yet been documented and had only been named provisionally. Every year a new species was identified, that is until the advent of the Nile perch in the 1990s which destroyed the other native fish species faster than they could be scientifically documented.

Uganda

From 1996 through to 2005, SBFIC and the Sparkassenbezirksverband Oberfranken (Oberfranken District Savings Banks Association) supported the PostBank Uganda (PBU) within the scope of a partnership project aimed at empowering a legally independent PBU to supply low and middle-income earners, especially those in rural areas, with safe and favourably priced financial services. After some nine years of cooperation, the project was wound up successfully in November 2005.

As its point of departure, the project took a department within the Ugandan Post Office, whose portfolio in 1996 consisted of around 15,000 savings accounts. Today, having evolved into a legally autonomous entity under the name of PostBank Uganda (PBU), and having expanded its banking licence to include lending operations, PBU is now able to offer extensive banking services across the board. At the close of the project, PBU had more than 150,000 active deposit accounts and a service portfolio encompassing payment transactions and credit products. Since 2004, all branch-office transactions have been conducted online using the

banking software introduced within the scope of the project.

Thanks to the project, it was possible to foster PBU's regional integration within the "Association of Savings Banks of East Africa" (ASBEA). Exchanges of information, cooperation and harmonisation facilitate more effective use of the often very limited resources of the post-office savings banks in Uganda, Kenya and Tanzania.

The project formed part of the financial-sector development concept of the Federal Ministry for Economic Cooperation and Development (BMZ) and was funded through Germany's federal budget.

The Sparkasse Freiburg-Nördlicher Breisgau seconded a staff member as a long-term expert to PBU. In addition, a second long-term expert, this time from SBFIC, also worked on site at PBU, focusing especially on the field of accounting/financing.

Country data Uganda

Population	27.0 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	290 €	
Real changes in GDP	2003	5.4 %
	2004	5.5 %
	2005	5.2 %
Average gross monthly wage in local currency (Shilling UGX) in Euro	42,009 19	
	Annual inflation rate	2003
	2004	3.5 %
	2005	10.5 %

China: The Chinese have used chopsticks for almost 4,000 years. Originally, chopsticks were much thicker and longer than those in use today. Why? Because in the olden days people used to be seated around a hot pan of soup from which they had to fish out their food, preferably without burning their fingers. Today, most Chinese use disposable chopsticks made of bamboo, a fact that is causing some considerable environmental problems. Around 60,000 people are employed to produce some 45 billion disposable chopsticks each year for the Chinese market. On top of this, another 15 billion are produced for export (mostly to Japan and South Korea). Levels of wood consumption (around two million cubic metres a year) for disposable chopsticks have reached such a scale in sparsely-wooded China that measures have been introduced to prohibit the use of disposable chopsticks. In addition to the standard bamboo variety, chopsticks are also made out of plastic as well as valuable materials such as silver and jade. And then again, for those who like to travel in style, there are always foldable, travel-easy chopsticks.



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China

Consultancy for the Central Bank and China Banking Regulatory Commission

As part of the “EU-China Financial Services Cooperation Project”, consultancy services are being provided to national institutions in the Chinese financial sector. The objective here is to promote the legal framework for banks, insurance companies and stock exchanges and to strengthen the structures and performance capacity of the three sectors in the financial system through methods and materials for use in training and upgrading. By organising seminars, workshops and study trips, it is also aimed to help highly qualified managers and experts hone their specialist know-how. At the end of December 2002, a consortium spear-headed by the European Savings Banks Group (ESBG) and involving SBFIC, the Wiener Börse AG, the German Insurance Association (GDV), Lloyds TSB, Swedbank and the French savings banks association CNCE, was commissioned to implement the project which, having been extended by a year, is now scheduled to run through to December 2006.

To date, SBFIC has helped to:

- Identify the consultancy requirements of the bank supervisory authority
- Promote cooperation between the Central Bank and bank supervisory authority following their formal separation
- Implement bank management training (bank management seminar with over 70 junior managers)
- Compile financial stability statistics
- Analyse financial market structures and their relevance to monetary policy

- Foster corporate governance in the financial sector
- Train trainers for bank management seminars
- Prepare and implement various study trips

The project has been extended at the express wish of the Chinese Central Bank and the regulatory authority. The partner institutions have shown themselves to be very pleased with the results generated by project work and wish to see the project implemented to the full extent originally planned. Thus, the unused funds earmarked for the first year of project promotion for the Chinese banking sector are now to be employed to fund the project extension phase.

The Beijing project office is staffed by three long-term European experts and local personnel.

Country data China

Population	1,299.8 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	1,434 €	
Real changes in GDP	2003	9.1 %
	2004	9.4 %
	2005	9.3 %
Average gross monthly wage in local currency (Renminbi Yuan CNY) in Euro	3,028.6 284	
Annual inflation rate	2003	1.2 %
	2004	3.8 %
	2005	2.2 %



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China: Silk is the epitome of Chinese fashion and one with a particular attraction. With exotic cuts and sleek elegance, the Asian style has gradually been finding its way on to more and more catwalks and into more and more international boutiques in recent years. Chinese fashion looks back on a 5,000-year-old tradition during which time it was able to develop its very own style unperturbed by foreign influences. As of the second century B.C., trade between the East and West went via the famous "Silk Road", a network of caravan routes that stretched from the central Chinese province of Henan through Central Asia and Northern Persia through to the port at Antiochia on the Syrian Mediterranean coast. China supplied silk in exchange, inter alia, for silver, glass and spices. Through to the mid-14th century, the Silk Road was China's most important trade route. It was also significant in terms of the cultural exchange between West and East.

China

Equity participation by the Sparkassen-Finanzgruppe in Nanchong City Commercial Bank (NCCB)

Within the scope of the German government's "Public-Private-Partnership" programme, the Deutsche Entwicklungsgesellschaft mbH (German Investment and Development Company – DEG) and SBFIC have engaged in a strategic alliance, with the objective of supporting financial-sector projects in markets experiencing difficult framework conditions. A pilot initiative, the cooperation project with Nanchong City Commercial Bank (NCCB) involves DEG contributing an equity participation of some EUR 3 million whilst the Sparkassen International Development Trust (SIDT) will be committing some EUR 1 million. In this context, SBFIC has the mandate to provide back-up consultancy services. The corresponding contracts were signed in July 2005 in Beijing.

The objective of the project is to foster the development of a retail bank in the Chinese region of Sichuan and to empower it to provide its target groups, namely low and middle-income earners, with banking services on a sustainable basis. By strengthening confidence in financial institutions, the project helps to mobilise savings activities in rural regions. Loan extension to small and medium-sized enterprises on the other hand will help secure well-balanced economic development.

The consultancy project is to be funded by the German government (Public-Private-Partnership) as well as by SBFIC and the NCCB itself.

In October 2005, a long-term expert from SBFIC took on the task of analysing the NCCB credit

portfolio on site. This expert is also mandated to advise and support the bank, particularly in the lending sector, by providing training in the field of credit policy, risk steering and lending processes. In keeping with the agreements between the Chinese and German partners, the expert will also spearhead the bank's credit committee.

China: The largest PC manufacturer in China and third-largest worldwide goes by the name of Lenovo. The company was first listed on the Hong Kong Stock Exchange in 1994 (initially under the brandname Legend). Just four years later, overall production reached a total of one million PCs.

In 2003 Legend changed its brandname to Lenovo. This new name is made up of the syllable "Le" from Legend, a tribute to the company's past history, and "novo", Latin for "new". Innovative PC products have made the company the market leader in China – a top-of-the-heap position that it commanded for 8 years in succession, amassing a market share of more than 25 % in 2004. With its take-over of IBM's PC business segment in May 2005, Lenovo chalked up a milestone in the annals of PC history. Lenovo's annual turnover from products for corporate and private customers in 2005 totalled in excess of EUR 10 billion.



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China

Establishing joint facilities for City Commercial Banks

As part of its cooperation activities with the China Banking Regulatory Commission (CBRC) in 2005, SBFIC successfully implemented a pilot project designed to strengthen the Chinese City Commercial Banks (CCBs).

Akin to Germany's Sparkassen, CCBs are local financial institutions with a focus on small and medium-sized enterprises as well as private customers. CCB shareholders are usually the municipalities and districts, although state-owned and private companies as well as members of credit cooperatives are also key players. Indeed, through local-level mergers, cooperatives generate the basis for CCB creation. Overall, CCBs now command a 5-% share of the market. What is more, in contrast to Germany's Sparkassen, they are predominantly still very young – many CCBs only having evolved over the last ten years. CCB quality as measured in terms of management, earning status, capital resources, credit portfolio and other criteria, differs widely. Some CCBs set themselves apart in most positive terms from the four large banks still struggling with the legacy of their past. Other CCBs, however, are experiencing similar difficulties to the larger banks, but lack the sheer size that has enabled their larger-scale cousins to weather the storm in spite of all the problems along the way. The major disadvantage for the ongoing development of the CCBs is now seen as the lack of any associative structures. Indeed, to date, every CCB has operated completely on its own.

Within the scope of a feasibility study, SBFIC experts elaborated possible cooperation alter-

natives for the CCBs. In addition to a written survey of 100 CCBs, the management staff of some 26 institutes were also interviewed in person.

The results of the study are scheduled to be presented and discussed at the start of 2006 within the scope of a planning workshop to be held in Beijing together with the CCBs from four Chinese provinces, and with the active participation of the CBRC and the Rheinischer Sparkassen- und Giroverband (Rhineland Savings Banks and Giro Association) as project partners.

Project funding was supplied by the German Federal Ministry for Economic Cooperation and Development (BMZ).



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Indonesia

Environmental credit line

At the start of 2005, Germany's development bank, the Kreditanstalt für Wiederaufbau (KfW), commissioned SBFIC, in its capacity as a member of a consortium, to launch implementation of a project focusing on an environmental credit line. Other members of the consortium include the consulting companies IP Consult (lead member) and INTEGRATION. This project pursues two objectives: On the one hand, it is designed to implement environmental protection measures by supplying consultancy services and extending credit to companies. On the other, it aims to promote the Indonesian financial sector by building up and consolidating Apex banks, thus empowering them to manage promotion funds which they are to channel via house banks (so-called handling banks) for use as loans.

Against this background, experts from IP Consult and INTEGRATION are advising the beneficiary companies on the implementation of environmental measures whilst an SBFIC expert is advising the Indonesian Apex banks

Indonesia: Around two thirds of the surface area of Indonesia is covered with tropical rain forest, with the largest proportion on the islands of Borneo and Sumatra and in the east of the country. Virtually all of the forests are state owned. More than 80 % of the timber felled is used as fuelwood. Furthermore, a significant amount of fine wood is felled for use in the furniture industry, inter alia, teak, ebony, bamboo and rotang palms (for rattan production). Indonesia is the world's leading exporter of plywood.

and handling banks on the implementation of the credit line and the details of loan extension.

Bank Ekspor Indonesia and Bank Negara Indonesia were chosen as Apex banks. At a planning workshop in June 2005, these two banks reached agreement on activities to promote their respective development, scheduling autumn 2005 as the start date. The SBFIC expert has not only elaborated proposals concerning work procedures and the generation of human resources to manage the credit line, but has also sensitised the two banks to the long-term benefits the credit line holds for them. In the first six months of project implementation, cooperation agreements were signed with two house banks whilst negotiations were held with other potential handling banks.

Handling banks receive a manual containing a description of the procedure, the documentation requirements they have to comply with, application forms as well as guidelines for reporting on the financial and technical aspects of the projects under promotion. Furthermore, staff undergo training to raise their environmental awareness and to empower them to make ecologically-oriented risk assessments.

The ongoing market situation in Indonesia means that the terms for the credit line agreed on by the KfW and the Indonesian government are hardly any different from commercially obtainable credit offers – a situation that is currently hampering credit line implementation. Thus, to generate some momentum, the Indonesian government and KfW need to engage in a discussion on the terms and conditions for lending, as well as on the project concept itself.

Country data Indonesia

Population	242 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	1,145 €	
Real changes in GDP	2003	4.7 %
	2004	5.1 %
	2005	5.6 %
Average gross monthly wage in local currency (Rupiah IDR) in Euro	863,000 86	
Annual inflation rate	2003	6.8 %
	2004	6.1 %
	2005	10.5 %

Vietnam: Most coffee-drinkers in Germany believe that the beans for their favourite blend of coffee come from plantations in Central and South America. However, this is only partly true.

Brazil may be the largest producer and exporter of coffee worldwide, but Vietnam is already a close second in terms of the export statistics for raw coffee.

Vietnamese coffee has a long tradition: Indeed, it was in the mid-19th century that French settlers first started to cultivate coffee in the north of country. However, this beverage was not able to oust green tea as the Vietnamese national drink. Western-style coffee houses are still only few and far between in Vietnam, one reason being that the best coffee is exported.



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Vietnam

At the close of March 2005, a project agreement was signed by SBFIC, Sparkasse Essen, CARD Rural Bank (Philippines) and the TYM Affection Fund (TYM Fund). The TYM Fund is a subsidiary organisation of the Vietnam Women's Union (VWU). The aim of the project is to transform the TYM Fund, which has existed as a non-governmental organisation (NGO) these past ten years, into a microfinance institution licensed by the bank regulatory authority and having the capacity to provide permanent access to financial services to the women who bank with it. The customer groups targeted are women subsisting below the poverty line in rural areas. To secure project sustainability, the TYM Fund must operate as a sustainably profitable and economically independent microfinance institution.

The objective of the first project phase is to take the TYM Fund out of the Women's Union and to build up its own organisation structures. In the long term, the project aims to expand business operations considerably.

The most important component of the project is extensive consultancy. CARD Rural Bank (Philippines), which was itself advised by SBFIC and Sparkasse Essen over an eight-year period as part of a partnership project, is now passing on its experience to the TYM Fund, whereby SBFIC is spearheading project steering.

The TYM Fund supplies more than 20,000 women with basic financial services through some 16 branch offices in Vietnam's poorest provinces. Only women with a monthly income of less than VND 200,000 (around eleven euros) can become members (and thus customers) of the TYM Fund. The central task of the TYM Fund

is to grant micro-loans averaging around VND 2.5 million (about EUR 130) to help start up or expand economic livelihoods.

Preparations for the conversion of the TYM Fund into a legally autonomous entity at the start of 2006 have been completed. Fiscal 2005 was very successful for the TYM Fund, with loan disbursements and savings rising by 20 %. Its credit volume of VND 51.4 billion (approx. EUR 2.7 million) translates into an end-year result of some VND 2.9 billion (approx. EUR 150,000), which means that the project objectives for 2005 have been met in full.

The project is backed financially by the German Federal Ministry for Economic Cooperation and Development (BMZ). Consultancy is provided through a long-term expert in Hanoi and a team of local staff members, as well as through assignments by Sparkasse Essen and CARD Rural Bank.

Country data Vietnam

Population	82.6 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	514 €	
Real changes in GDP	2003	7.2 %
	2004	7.0 %
	2005	7.8 %
Average gross monthly wage in local currency (Dong VND) in Euro	866,610 45	
Annual inflation rate	2003	3.1 %
	2004	5.3 %
	2005	7.7 %



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Uzbekistan: Agriculture accounts for some 30 % of the Uzbek national budget. Of this, some 60 % is generated through cotton production. Indeed, Uzbekistan ranks as the fifth largest cotton-producing country worldwide. Almost one third of foreign earnings is produced through cotton. However, cotton growing, which for decades has been practised as large-scale irrigated agriculture, has in the meantime become a considerable ecological challenge. To turn the dry steppelands into enormous cotton plantations, water had to be diverted from the two rivers Amu Darya and Syr Darya. This is tantamount to a tourniquet around the artery carrying Central Asia's very lifeblood, literally leaving the Aral Sea high and dry.

Uzbekistan

The Uzbek government is currently pursuing a policy geared to the promotion of small and medium-sized enterprises (SMEs). Indeed, SMEs are intended to play a key role in terms of the creation of jobs and are to supply the domestic market with goods and services as well as help raise the general standard of living.

Against this background, SBFIC is providing consultancy services to the Uzbek Republic's national savings bank, "Xalq Banki". Cooperation essentially aims to combat poverty and to boost Uzbekistan's SME-oriented economy. Indirectly, the project also aims to promote economic and political stability. To this end, the bank is to be empowered to deliver competitive bank services, and above all loans, to both the general population and to small and medium-sized companies.

With nationwide operations and close ties to the respective regions, the bank possesses a considerable competitive advantage. On top of this, Xalq Banki's business philosophy corresponds to that of Germany's Sparkassen.

As early as 2003, material support inputs by German Sparkassen (Halle, Kleve, Hannover) were used to set up a model branch office in the city of Tashkent. By the end of 2005, the number had increased to ten, with more pilot offices scheduled for 2006. Backed by training activities delivered through short-term SBFIC assignments, these branch offices are now being used as pilot branches for SME lending operations. Loans averaging around EUR 3,500 are granted to SMEs in national currency (Sum) from a credit line provided by the bank's Head Office.

In 2005, a second mobile branch office was commissioned. Formerly part of the inventory of a German Sparkasse, it is now being financed with project funds. On top of this, other project activity areas have included risk-management consultancy for Xalq Banki and advice on the generation of a management information system.

Project work is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). Within the scope of the project's second main phase, activities have been extended to the end of 2008.

A German long-term expert commissioned by SBFIC is on site to implement the major share of project activities. German Sparkassen partnering the project are the Stadt- und Saalkreis-sparkasse Halle and the Kreissparkasse Bitterfeld.

Country data Uzbekistan

Population	25.9 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	554 €	
Real changes in GDP	2003	0.3 %
	2004	2.0 %
	2005	3.5 %
Average gross monthly wage in local currency (Sum UZS) in Euro	45,920	
	32	
Annual inflation rate	2003	21.9 %
	2004	13.1 %
	2005	14.1 %

Mexico: Tequila is Mexico's most famous liquor. Millions of bottles are shipped throughout the world every year from Veracruz. Tequila is distilled from fermented agave juice which is obtained from the stem of the Maguey agave. Tequila is always distilled twice, since it is the second distillation process that makes it crystal clear, hence the name "fino" meaning fine. To enhance its aroma, tequila is often stored in oak barrels for years at a time. This gives it a delicate, golden-yellow colour. Tequila is named after the small town in Jalisco located about 50 kilometres north of Guadalajara. All around Tequila stretch enormous fields of agave cultivated exclusively to manufacture tequila.

Just as with wine, the price of tequila can vary greatly. In supermarkets a bottle of tequila can be bought for a few dollars or Mexican pesos. Liquor shops, however, offer old, exclusive bottles costing several thousand dollars.



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Mexico

Developing a savings-banks group

SBFIC has been promoting the development of a savings-banks group in Mexico since the beginning of 2002. The project objective is to strengthen central-level institutions in 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. Two Mexican institutions are partnering project work in particular: on the one hand, the umbrella association of the Cajas Solidarias (Solidarity Credit Unions), which was established in autumn 2004 with intensive project support, and on the other, BANSEFI, the central savings bank.

The initial project phase focused on redefining the tasks and responsibilities of the savings banks' umbrella association and various individual associations. This phase also elaborated financing and organisational models and roughly sketched out where association work ends and that of the savings banks and the central savings bank BANSEFI starts. Key activities in this context included the introduction of an association-based audit for savings banks and the elaboration of a range of services to be provided by the associations to their affiliated savings banks.

Since 2005, the focus of consultancy in this project has been on further developing the association model and on applying it in the newly founded Cajas Solidarias association. Consultancy was also provided to BANSEFI with the aim of empowering it to provide affiliated savings banks with standard market products. On top of this, individual measures were implemented for representatives of politics, the

central bank and bank supervisory authorities. In general, the objective here was to sensitise decision-makers in and around the Mexican savings-banks group to the latest developments in this sector and to demonstrate prospects for development.

Consultancy and training measures for individual associations and for BANSEFI aimed to promote the development of the savings-banks group overall. BANSEFI has played a key role in particular here, since it was through this institution that the state assistance package for savings banks was steered and coordinated.

The project is promoted financially by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is scheduled to run through to the end of 2007.

A long-term SBFIC expert has been on site in Mexico City since mid-2002. Project work is backed by the Sparkassenverband Baden-Württemberg (Savings Banks Association of Baden-Württemberg) and the Landesbank Baden-Württemberg.

Country data Mexico

Population	105 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	5,840 €	
Real changes in GDP	2003	3.5 %
	2004	4.0 %
	2005	3.2 %
Average gross monthly wage in local currency (Peso MXN) in Euro	6,067 480	
Annual inflation rate	2003	3.0 %
	2004	4.2 %
	2005	4.4 %



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Mexico

Restructuring savings banks

In 2002, Mexico's central savings bank, BANSEFI, issued international tenders for several projects targeting the restructuring of savings banks. The two initial projects, each scheduled for 2 years, were won by SBFIC. One of the projects was completed on schedule at the end of April 2005 whilst the other has been extended through to the end of October 2006.

The Cajas Solidarias group (Solidarity Credit Unions) comprises about 300 generally small savings banks established over the past 15 years with government support. They are all grouped together in a national coordination council (CCNCS). Thanks to intensive support from a parallel SBFIC-promoted project, an umbrella association – FNCS – was set up for the Cajas Solidarias in autumn 2004 which now boasts some 65 member savings banks.

The Cajas Solidarias project focused on restructuring around 190 savings banks. In agreement with the savings banks associations, SBFIC elaborated individual restructuring plans for the savings banks involved and SBFIC experts assisted in their implementation, the objective being to empower the savings banks to obtain a licence from the bank supervisory authority by the end of the project.

Of the more than 300 Cajas Solidarias, just a mere 159 currently fall under the savings-banks law. The other savings banks come under a paragraph of this law which permits very small savings banks, and those that do not take any deposits, to continue operating without state supervision. In keeping with the provisions laid down in the SBFIC consultancy agreement, only

Mexico: The name chili derives from a word in the Nahuatl language of the Aztecs, "Pochilli", which essentially translates as "smoked chili". Chili is related to the green and red bell peppers – there are mild, sweet types as well as spicy-hot ones that bring tears to the eyes. The many different types of chili vary in form, size and colour; chilis also have different names depending on their geographical origin. In Mexico, a terminological distinction is made between fresh and dried chili of the same variety.

The capsaicin contained in chili is a medical all-round talent. Chili extracts are used for pharmaceutical purposes for muscle-warming creams and for ointments to stimulate circulation. Chili is used, amongst other things, to treat lumbago, migraine, shingles and circulatory complaints.

those savings banks that are governed by the savings banks law can be supported on a sustainable basis.

Of the 159 savings banks that have been actively supported within the scope of the project, some 155 had attained the so-called Prorroga Condicionada by the end of the year. The interim deadline for compliance with the legal statutes ended on 31 December 2005, but was extended by 3 years for those savings banks that had managed to comply with specific bank supervisory criteria by this point in time – as was the case with some 155 project savings banks. The remaining savings banks are scheduled to merge with other institutes in the course of 2006.

The project is resourced with World Bank funds. Both the World Bank and the Mexican partner BANSEFI regard the achievement of the Prorroga Condicionada by more than 97 % of the savings banks concerned as a great indicator of success and have consequently offered to extend SBFIC's consultancy contract beyond October 2006.

SBFIC has seven project offices, each with two to four staff members, in the following places: Mexico City (Head Office), Guadalajara, Durango, Queretaro, Tepic, Oaxaca and Campeche. In addition to two German long-term experts, the project employs some 30 local staff members.

Yerba-Mate Tea – Paraguay: In Paraguay tereré is more than just a beverage, it is a ritual. As with the peace pipe, whoever sucks on the bombilla, a small metal pipe fitted with a sieve at the lower end, can rest assured they are a welcome guest.

One of the most important plants, with a reputation that extends far beyond Paraguay's own national borders, is the ubiquitous Ilex tree, whose dark green leaves and stalks are used to make the slightly bitter-tasting Paraguayan national drink, Yerba-Mate tea (also known as Jesuit tea). The tree originates from Paraguay's sadly now extinct jungle forests.

Today, the cultivated plant is grown in numerous areas in Central South America. The tree, which often appears somewhat bush like, can grow up to 18 metres in height with leaves that are 4 to 15 cm in length.



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Paraguay

Only one in five citizens in Paraguay has access to financial products, and virtually all of those who do belong to the middle and above all upper classes. The majority of the people here, and rural-based, low-income earners in particular, have absolutely no means of accessing safe investment options for their savings or of making provisions for their old age. And they certainly have no chance of qualifying for a small loan. Indeed, before they can own an account, people have to surmount some very considerable, institutionalised hurdles. The minimum deposit at most banks, for example, is 5 million guaranies (around EUR 750) and loans are only extended against substantial collateral and on strict terms and conditions. In short, for the majority of the population, banks and their financial products are simply out of bounds.

In autumn 2005, SBFIC was asked to look into a combined financial and education project in Paraguay that was geared to promoting economic development in the country's southeast by establishing a savings bank and a vocational training facility. The project's twofold objective primarily involved generating access to financial products for small and medium-sized companies as well as for the locals in this region, with a particular focus on low- and middle-income earners, thus giving them the chance to build up and pursue an economic livelihood. On top of this, the financial component was to go hand in hand with the establishment of a vocational education institution offering instruction in administrative and technical occupations, handicrafts and agriculture-sector trades.

In December 2005, SBFIC conducted a fact-finding mission to Paraguay to analyse the local framework conditions and investigate project feasibility. The mission upshot was that a new savings bank would indeed help spur on the region's economic development quite significantly and would definitely be a boon for small and medium-sized enterprises and smaller population groups in particular. Moreover, it concluded that the need for vocational educational establishments in Paraguay is very real.

However, a project geared to building up a savings bank and an educational establishment would entail some very considerable financial and consultancy requirements. Thus, as yet, it has not been clarified whether or not a project of this kind can be promoted within the scope of bilateral development cooperation.

Country data Paraguay

Population	6.0 million	
Annual per-capita Gross Domestic Product (GDP) in 2005	928 €	
Real changes in GDP	2003	2.6 %
	2004	2.8 %
	2005	2.0 %
Average gross monthly wage in local currency (Guarani PYG) in Euro	580,192 78	
Annual inflation rate	2003	14.2 %
	2004	4.3 %
	2005	6.2 %



© Ferdinand Feldgen

I hear and forget,
I see and remember,
I do and understand
(Confucius)

Experience is the best teacher. Regrettably, the process of gaining experience is often a painful one. And, ultimately, unpleasant experiences tend to outweigh all others. Business games therefore offer a good alternative when attempting in just a few days to gain the kind of experience that can normally only be gathered over years at a time and at great risk. The business game has its origins in the military sector. Military games enable the outcome of a certain action to be played through using different strategies, so as to assess their prospects for success.

Bank management seminars

In recent years, SBFIC has worked with various partners to offer management business games for bank managers, whereby funding did not rely on government resources or supranational donors, but was put forward by the respective partners themselves. In 2005, this offer was stepped up considerably. Together with the China Financial Training Institute (CFTI), eight seminars were conducted for almost 400 participants from various Chinese banks. In fact, one Chinese bank even commissioned two other seminars directly with SBFIC.

In cooperation with the World Savings Banks Institute (WSBI), a management business game was also implemented for the Government Savings Bank in Thailand. And two seminars took place in Croatia at the Austrian-owned Erste und Steiermärkische Bank in Zagreb.

At the seminars, the participants learn how to design and implement banking strategies under competitive conditions. To this end, a PC-based market model is used to simulate the following management tasks:

- Price policy
- Steering of bank equity investments
- Risk steering
- Human-resource policy and investments in materials and equipment
- Liquidity steering, adherence to regulation-specified liquidity norms
- Compliance with regulatory norms governing equity capital resources
- Advertising and marketing strategies
- Commission and service transaction steering

Following completion of each of the four to five rounds of play that the groups process in line with the given simulated economic situation, every team receives indepth reports for each of its members, inter alia concerning the market share attained, costs and earnings, success in commercial operations, write-offs in the lending sector, liquidity, capital resources and personnel. Individual results are discussed immediately after each round. The final day of the seminar is reserved for a general presentation of the strategies and overall results of all the groups that have taken part, including discussions with the seminar moderator.

A particular attraction is the methodology behind the seminar which allows for a high level of participant involvement and for direct control of individual learning success, even when a large number of people are taking part. SBFIC has obtained a licence for the software used in seminar work, whereby the following language options are available: English, French, German, Russian and Spanish. SBFIC seminar work is, however, mainly conducted in English, although interpreters for the local language are employed when required. The materials are updated regularly and have since been used in more than 30 seminars in some ten countries.

Next to India, Sri Lanka is the largest exporter of tea in the world. Every year, some 240,000 tonnes are exported, which is equivalent to 95 % of the harvest. To grow tea, areas are cleared and a special sort of grass is planted which then grows in clumps. The grass is ultimately burned off and one-year-old tea seedlings are planted. After two to four years, the tea can be picked. The bush has to be cut back regularly to maintain a height of one metre, otherwise it would grow to up to ten metres high. A tea plantation should be eroded after about ten years and subsequently re-instated. This does not always happen, however. Depending on the location, tea is harvested every three to four weeks (highlands) or every eight to ten days (lowlands). In general, this work falls to the Indo-Tamil women whose ancestors were brought in from southern India by the British to work on the tea plantations at the end of the 19th century. A tea-picker harvests around 25 kilograms of tea a day, whereby only the bud and the first two leaves are picked.



© Leanne Chan

Sparkassen Reconstruction Fund (Tsunami Aid)

Right at the outset in 2004/2005, Germany's Sparkassen, Landesbanken and their associates decided to pool their offers of assistance for the regions hit by the tsunami disaster. To secure fast, effective and above all sustainable aid, the Sparkassen-Finanzgruppe set up the Sparkassen Reconstruction Fund, committing some 15 million euros to this end.

The aim of the Sparkassen Reconstruction Fund is to provide long-term reconstruction aid by refinancing loans to small and medium-sized enterprises. The partner institutions involved in Indonesia and Sri Lanka receive extensive consultancy. This is designed to give them better access to their target customers and to empower them to secure sustainable access to financial services in their region, thus promoting sustainable success. As such, the contribution of the Sparkassen-Finanzgruppe is very different from other, more short-term offers of assistance.

Credit is extended at conditions geared to standard market rates for (non-subsidised) credit, but is at the lower end of the scale. The plan is to re-employ returning money to grant new loans, thus enabling the initial financial aid package to generate a substantially greater volume of loans over time. SBFIC also recruits suitable experts to conclude contracts with local financing institutes, with a view to advising selected partner institutions and to monitoring the credit portfolio.

In Sri Lanka, SBFIC signed a Memorandum of Understanding with Hatton National Bank (HNB) and with the non-governmental organisa-

tion Sarvodaya Economica Enterprise Development Services (SEEDS), whose key focus is on rural lending. Credit extension through HNB began in August 2005, getting off to a fast and successful start. By the end of 2005, some 150 loans with a total volume of nearly one million euros had already been granted. The volume of loans granted by SEEDS was initially smaller. SBFIC experts are thus working with SEEDS to optimise the framework conditions for loan extension.

In Indonesia, a Memorandum of Understanding was signed with the development bank of the Province Aceh (BPD) in the summer of 2005, with the first loans scheduled for disbursement in the second quarter of 2006.

There are no plans to fund project measures with resources from state or supranational donors. The Sparkassen-Finanzgruppe supplies the Fund's resources and covers consultancy costs.

Four German long-term experts were seconded to Sri Lanka in the summer of 2005 to start implementing project measures. Both the Sparkasse Nürnberg and Sparkasse Hanau have provided staff for project work. The first long-term expert started work in Indonesia at the end of 2005. A second expert was selected at the end of 2005.



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Member of the Board, NORD/LB Norddeutsche Landesbank Girozentrale

Bernd Eberding
Member of the Board, Sparkasse KölnBonn

Dr. Norbert Emmerich
Deputy Chairman of the Board, WestLB AG

Rudolf Faltermeier
Vice President, Sparkassenverband Bayern

Werner Fuchs
Member of the Board, LRP Landesbank Rheinland-Pfalz

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

Volker Groß
Retired Chairman of the Board, Sparkasse Neunkirchen

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

Heinrich Haasis
President, Sparkassenverband Baden-Württemberg

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

Dr. Josef Bernhard Hentschel
Chairman of the Board, Sparkasse Osnabrück

Peter Höhmann
Member of the Board, Sparkasse Oberlausitz-Niederschlesien

Joachim Hoof
Chairman of the Board, Ostsächsische Sparkasse Dresden

Dr. Siegfried Jaschinski
Chairman of the Board, Landesbank Baden-Württemberg

Matthias Klein
Member of the Board, Sparkasse Gelsenkirchen

Dr. Bernd Kobarg
Chief Managing Director, Deutscher Sparkassen Verlag GmbH

Dr. Wilhelm Kraetschmer
Deputy Secretary General, Österreichischer Sparkassenverband

Uwe Kruschinski
Member of the Board, Bankgesellschaft Berlin AG

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

Jürgen Oltmann
Chairman of the Board, Sparkasse Bremen, and President, Verband der Deutschen Freien Öffentlichen Sparkassen e.V.

Dr. Henning Osthues-Albrecht
Chairman of the Board, Sparkasse Essen

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

Dieter Schaefer
Chairman of the Board, Sparkasse Schwarzwald-Baar

Werner Schmidt
Chairman of the Board, Bayerische Landesbank

Dr. Friedhelm Steinberg
Deputy Chairman of the Board, Hamburger Sparkasse

Dr. Bernhard Steinmetz
Member of the Board, DekaBank Deutsche Girozentrale

Hartmut Strauß
Member of the Board, HSH Nordbank AG

Jürgen Teufel
Chairman of the Board, Sparkasse Pforzheim Calw

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

Rainer Voigt
Executive President, Ostdeutscher Sparkassenverband

Alexander Wüerst
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

Runa Hammerschmitt

Stefan Henkelmann

Christina Heuft

Brigitte Kurscheidt

Elisabeth Lamm

Lucia Meiwes-Spruck

Cornelia Müller

Marco Rimkus

Dagmar Romero

Dr. Ilonka Rühle

Regina Schumann

Anne-Charlotte von Langen Keffenbrinck

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

Representations abroad

Armenia

Dr. Jürgen Engel
4 Sakarov Str.
37010 Yerevan

Azerbaijan

Andreas Francke (as of June 2005)
Rainer Haberkorn (through to August 2005)
Eduard Schmitt
Jörg Teumer (through to June 2005)
Nizami str. 10, 3rd floor
1001 Baku

China

Dirk Langenau (as of October 2005)
Nanchong City Commercial Bank
301 Wenhua Road
Nanchong, Sichuan 637000

Georgia

Martina Chudziak
Dr. Jürgen Engel (as of December 2005)
Birte Mörke (through to November 2005)
15, Chavchavadze Ave.
0179 Tbilisi

Mexico

Rolf Grepel
Dr. Ursula Heimann
Alastair Watson (through to January 2005)
Calzado General Anaya nro. 65
04120 Mexico, D.F.

Olaf Meyer (through to January 2005)
Calle Caravajal de la Cueva No. 302, Norte
Centro de Monterrey
64000 Monterrey, N.L.

Hildegard von Walther (through to April 2005)
Calle Filadelfia No. 1134
Colonia Providencia
44610 Guadalajara, Jalisco

Romania

Carmen Schuster (through to February 2005)
Casa de Economii si Consemnatiuni
Calea Victoriei 13, sector 5
030022 Bucharest

Sri Lanka

Bernd Arnim Benning (as of August 2005)
Uwe Sommerschuh (as of August 2005)
50/a Gemunu Pedesa off Senayake Avenue
Nawala Road
Nawala

Frank Müller (as of July 2005)
Petra Rehberger (as of August 2005)
Hatton National Bank
HNB Towers, Level 19, No. 479 T.B.
Jayah Mawatha
Colombo

South Africa

Bernd Werthenbach
Teba Bank Ltd.
Sunhill Park, No. 1 Eglin Road
2157 Sunninghill

Uganda

Elsayed Abdelhamid (through to May 2005)
Markus Tacke (through to May 2005)
PostBank Uganda
Nrkumah Rd Plot 11/13
Kampala

Uzbekistan

Ulrich Kienitz
Xalq Banki
64, Qatortol Str.
700096 Tashkent

Vietnam

Jörg Teumer (as of July 2005)
TYM Fund
39 Hang Chuoi
Hanoi

Members

Sparkassen / Savings Banks

Sparkassenverband Baden-Württemberg

Sparkasse Zollernalb, Balingen
Kreissparkasse Biberach
Kreissparkasse Böblingen
Sparkasse Bühl
Sparkasse Engen-Gottmadingen
Kreissparkasse Freudenstadt
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 Schwarzwald-Baar,
Villingen-Schwenningen
Kreissparkasse Waiblingen
Sparkasse Hochrhein, Waldshut-Tiengen

Sparkassenverband Bayern

Sparkasse Aschaffenburg-Alzenau
Sparkasse Bad Kissingen
Sparkasse Berchtesgadener Land,
Bad Reichenhall
Sparkasse Bad Tölz-Wolfratshausen
Sparkasse Bayreuth
Sparkasse Coburg-Lichtenfels
Sparkasse Dachau
Sparkasse Fürstenfeldbruck
Sparkasse Fürth
Kreissparkasse Garmisch-Partenkirchen
Vereinigte Sparkassen Gunzenhausen
Kreissparkasse Höchstadt

Sparkasse Ingolstadt
Kreis- und Stadtparkasse Kaufbeuren
Sparkasse Allgäu, Kempten
Sparkasse Kronach-Ludwigsstadt
Sparkasse Landsberg-Dießen
Kreissparkasse Lichtenfels
Kreissparkasse Miesbach-Tegernsee
Sparkasse Miltenberg-Obernburg
Kreissparkasse München Starnberg
Stadtparkasse München
Stadtparkasse Neuburg a. d. Donau
Sparkasse Nürnberg
Sparkasse Mittelfranken-Süd, Roth
Stadt- und Kreissparkasse Rothenburg
Stadtparkasse Schrobenhausen
Städtische Sparkasse Schweinfurt
Sparkasse Straubing-Bogen
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
Bezirkssparkasse Dillenburg
Wartburg-Sparkasse, Eisenach
Sparkasse Odenwaldkreis, Erbach
Sparkasse Mittelthüringen, Erfurt
Sparkasse Werra-Meißner, Eschwege
Frankfurter Sparkasse
Sparkasse Wetterau, Friedberg
Kreissparkasse Gelnhausen
Sparkasse Gera-Greiz
Kreissparkasse Gotha

Stadtparkasse Grebenstein
 Kreissparkasse Groß-Gerau
 Sparkasse Dieburg, Groß-Umstadt
 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 Saalfeld-Rudolstadt
 Kreissparkasse Saale-Orla, Schleiz
 Sparkasse Langen-Seligenstadt
 Kyffhäusersparkasse, Artern-Sondershausen
 Nassauische Sparkasse, Wiesbaden
 Kreissparkasse Eichsfeld, Worbis

Sparkassenverband Niedersachsen

Sparkasse Aurich-Norden
 Stadtparkasse Bad Pyrmont
 Sparkasse Celle
 Stadtparkasse Cuxhaven
 Kreissparkasse Lüchow-Dannenberg
 Sparkasse Duderstadt
 Sparkasse Gifhorn-Wolfsburg
 Sparkasse Göttingen
 Sparkasse Goslar/Harz
 Stadtparkasse Hameln
 Sparkasse Hannover
 Sparkasse Münden, Hannoversch-Münden
 Sparkasse Hildesheim
 Sparkasse Leer-Weener
 Sparkasse Nienburg
 Landessparkasse zu Oldenburg
 Sparkasse Osnabrück

Kreissparkasse Peine
 Sparkasse Schaumburg, Rinteln
 Kreissparkasse Soltau
 Kreissparkasse Stade
 Sparkasse Stade - Altes Land
 Kreissparkasse Walsrode
 Kreissparkasse Wittmund
 Stadtparkasse Wunstorf
Ostdeutscher Sparkassenverband
 Sparkasse Erzgebirge, Annaberg-Buchholz
 Kreissparkasse Aue-Schwarzenberg
 Kreissparkasse Bautzen
 Sparkasse Elbe-Saale, Bernburg
 Kreissparkasse Bitterfeld
 Sparkasse Jerichower Land, Burg
 Sparkasse Chemnitz
 Sparkasse Spree-Neiße, Cottbus
 Sparkasse Delitzsch-Eilenburg
 Stadtparkasse Dessau
 Kreissparkasse Döbeln
 Ostsächsische Sparkasse, Dresden
 Sparkasse Barnim, Eberswalde
 Sparkasse Elbe-Elster, Finsterwalde
 Sparkasse Oder-Spree, Frankfurt/Oder
 Niederschlesische Sparkasse, Görlitz
 Sparkasse Vorpommern, Greifswald
 Sparkasse Muldentale, Grimma
 Stadt- und Saalkreissparkasse Halle (Saale)
 Stadt- und Kreissparkasse Leipzig
 Sparkasse Mansfelder Land,
 Lutherstadt Eisleben
 Sparkasse Wittenberg, Lutherstadt Wittenberg
 Stadtparkasse Magdeburg
 Sparkasse Mittleres Erzgebirge, Marienberg
 Kreissparkasse Meißen
 Kreissparkasse Mittweida
 Sparkasse Neubrandenburg-Demmin

Sparkasse Ostprignitz-Ruppin, Neuruppin
Sparkasse Mecklenburg-Strelitz, Neustrelitz
Bördesparkasse, Oschersleben
Sparkasse Uecker-Randow, Pasewalk
Mittelbrandenburgische Sparkasse in Potsdam
Sparkasse Uckermark, Prenzlau
Sparkasse Prignitz, Pritzwalk
Sparkasse Altmark West, Salzwedel
Kreissparkasse Sangerhausen
Stadtsparkasse Schwedt
Sparkasse Schwerin
Sparkasse Niederlausitz, Senftenberg
Kreissparkasse Aschersleben-Staßfurt
Kreissparkasse Stendal
Sparkasse Hansestadt Stralsund
Kreissparkasse Märkisch-Oderland, Strausberg
Müritz-Sparkasse, Waren
Kreissparkasse Wernigerode
Sparkasse Burgenlandkreis, Zeitz
Kreissparkasse Anhalt-Zerbst, Zerbst
Kreissparkasse Löbau-Zittau
Sparkasse Zwickau

Rheinischer Sparkassen- und Giroverband

Sparkasse Aachen
Stadtsparkasse Bad Honnef
Sparkasse Dinslaken-Voerde-Hünxe
Sparkasse Düren
Kreissparkasse Düsseldorf
Stadtsparkasse Düsseldorf
Stadtsparkasse Duisburg
Sparkasse Essen
Kreissparkasse Euskirchen
Stadtsparkasse Haan
Sparkasse Hennef
Stadtsparkasse Kaarst-Büttgen
Sparkasse Kleve
Kreissparkasse Köln

Sparkasse KölnBonn
Sparkasse Krefeld
Sparkasse Leverkusen
Stadtsparkasse Mönchengladbach
Sparkasse Mülheim a. d. Ruhr
Sparkasse Neuss
Stadtsparkasse Oberhausen
Sparkasse Radevormwald-Hückeswagen
Stadtsparkasse Remscheid
Sparkasse Hilden Ratingen Velbert
Verbands-Sparkasse Wesel
Sparkasse der Homburgischen Gemeinden, Wiehl
Stadtsparkasse Wuppertal
Sparkassen- und Giroverband Rheinland-Pfalz
Kreissparkasse Altenkirchen
Sparkasse Rhein-Haardt, Bad Dürkheim
Sparkasse Rhein-Nahe, Bad Kreuznach
Kreissparkasse Westerwald, Bad Marienberg
Kreissparkasse Ahrweiler, Bad Neuenahr-Ahrweiler
Kreissparkasse Bitburg-Prüm
Stadtsparkasse Kaiserslautern
Sparkasse Gernersheim-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 Stadtsparkasse 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

Kreissparkasse Südholstein, Bad Segeberg
 Sparkasse Eckernförde
 Sparkasse Ostholstein, Eutin
 Sparkasse Westholstein, Itzehoe
 Sparkasse Kiel
 Sparkasse zu Lübeck
 Stadtsparkasse Neumünster
 Sparkasse Mittelholstein AG, Rendsburg
 Stadtsparkasse Wedel

Westfälisch-Lippischer Sparkassen- und Giroverband

Sparkasse Westmünsterland, Ahaus
 Sparkasse Attendorn-Lennestadt-Kirchhundem
 Sparkasse Wittgenstein, Bad Berleburg
 Stadtsparkasse Bad Oeynhausen
 Sparkasse Bergkamen-Bönen
 Sparkasse Bielefeld
 Stadtsparkasse Blomberg/Lippe
 Sparkasse Bochum
 Sparkasse Bottrop
 Sparkasse Höxter, Brakel
 Sparkasse Hochsauerland, Brilon
 Sparkasse Burbach-Neunkirchen
 Sparkasse Detmold
 Stadtsparkasse Dortmund
 Sparkasse Ennepetal-Breckerfeld
 Sparkasse Finnentrop
 Stadtsparkasse Freudenberg

Sparkasse Gelsenkirchen
 Sparkasse Geseke
 Stadtsparkasse Gevelsberg
 Stadtsparkasse Gladbeck
 Stadtsparkasse Gronau
 Sparkasse Gütersloh
 Kreissparkasse Halle (Westfalen)
 Sparkasse Herford
 Stadtsparkasse Hilchenbach
 Kreissparkasse Steinfurt, Ibbenbüren
 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
 Sparkasse Werl
 Stadtsparkasse Witten

Associations

Deutscher Sparkassen- und Giroverband, Berlin und Bonn
 Sparkassenverband Baden-Württemberg, Stuttgart und Mannheim
 Sparkassenverband Bayern, München

Hanseatischer Sparkassen- und Giroverband,
Hamburg

Sparkassen- und Giroverband Hessen-
Thüringen, Frankfurt a. M. und Erfurt

Sparkassenverband Niedersachsen, Hannover

Ostdeutscher Sparkassenverband, Berlin

Rheinischer Sparkassen- und Giroverband,
Düsseldorf

Sparkassen- und Giroverband 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 und Mannheim

Bayerische Landesbank, München

LandesBank Berlin – Girozentrale –, 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

LRP Landesbank Rheinland-Pfalz, 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

Deutscher Landkreistag, Berlin

Helmut Wolynski, Burgdorf

