

PRESS INFORMATION



WORLD SAVINGS BANKS INSTITUTE

Brussels, 17 November 2004

WSBI supports UN International Year of Microcredit 2005, to be launched tomorrow

WSBI (World Savings Banks Institute) member savings banks are intensifying their efforts in contributing to more inclusive financial systems (visit: www.savings-banks-events.org/microcredit2005/index.htm). As an official Microfinance Partner of the *United Nations' International Year of Microcredit in 2005*¹, the WSBI will be advocating an enabling environment for the increased involvement of formal financial institutions, like savings and retail banks, in the provision of microfinance. Furthermore, it will be pursuing objectives that seek to both raise awareness of- and foster savings and retail banks' microfinance operations.

Microcredit is often recognised by the broader term 'microfinance', which is understood to be the provision of small-scale financial products and services targeted to low income segments of the population, who do not have access to formal financial circuits. It is unique among economic development initiatives because it has the ability to deliver social benefits on an *ongoing, permanent basis* and on a *large scale*.

Savings banks' primary concern is to mobilise domestic resources and, where possible, re-invest these in the local economy in the form of loans and credit to people and to small businesses. According to a 2004 study entitled 'Access to Finance', commissioned by the WSBI and conducted by Stephen Peachey and Alan Roe from the Oxford Policy Management, as proximity banks savings banks have essential assets that make them ideally equipped to provide microfinance services. They are accessible because of their *geographic proximity* given their wide spread branch networks and nationwide coverage. Compared to other formal financial institutions they also tend to have relatively *low requirements for accessing their services* (such as low minimum balances for savings accounts).

"The WSBI welcomes the recognition of policymakers that formal financial institutions can play a vital role in massifying microfinance services, and in broadening and deepening financial systems," highlights Mr. De Noose, Chairman of the WSBI Management Committee. He further emphasizes that *"WSBI advocates an enabling environment for these institutions, and domestic retail banks in particular, to engage further in microfinance in order to meet the challenges of improving access to finance for all. The WSBI will be pursuing these objectives throughout the year 2005."*

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¹ For further information, visit www.yearofmicrocredit.org

Editors Notes

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2. **Access to Finance. A study commissioned by the WSBI**, by Stephen Peachey and Alan Roe, Oxford Policy Management, October 2004 can be downloaded from the WSBI website at www.savings-banks.com
The study was presented during the 'Access to Finance' conference organised by WSBI in association with the World Bank in Brussels this 28-29 October. It gives an overview of the importance of access to finance for all and to record the main obstacles to access in different parts of the world. It also attempts to create a coherent framework for analysing the available data on access and to link this through to indicators of wider economic development. Having surveyed the nature and dimensions of access (or lack of it), the paper goes on to review public and banking sector initiatives to improve access to finance and develop a policy agenda for both the financial institutions that must deliver access and the public sector that must create the right environment for doing so. Finally the critical role of proximity banks in the provision of financial services to all strata of the population in urban and more remote areas has been located within the broader framework of analysis.
3. Today the **WSBI (World Savings Banks Institute)** is one of the largest international banking associations and the only global representative of savings and retail banks. Founded in 1924, it promotes the interests of more than 1150 financial intermediaries in 85 countries. At the beginning of 2002, assets of member banks totalled almost €7,700 billion, while non-bankers deposits amounted to €5,000 billion and non-bankers loans just under €4,500 billion. Member bank organisations operate around 200,000 branches and employ close to 2,5 million employees.
4. **WSBI member banks** are in general regulated financial institutions committed in the first instance to the mobilisation of savings to which they generally add a fully-fledged range of financial services. Principal clients of member savings and retail banks are private individuals, micro enterprises, SMEs and local authorities. All member banks are characterised by largely distributed networks allowing extensive penetration nation-wide that enable them to address the needs of the people locally and use the resources mobilised to invest in the real economy. Savings and retail banks combat financial exclusion; and their natural commitment to the society in which they operate is tangibly and substantially reflected in the redistribution of their profit.

For a list of our member banks active in microfinance, please contact: Charlotte Amiri +32 2 211 11 90, charlotte.amiri@savings-banks.com OR Alessandra Pertot +32 2 211 11 91, alessandra.pertot@savings-banks.com