



## TRAINING & CONSULTANCY



### **A CASE STUDY**

## **WSBI Member FEDECREDITO benefits from targeted and practical training**

TRAINING & CONSULTANCY SERVICES CARRY OUT TRAINING SEMINARS IN EL SALVADOR ON RECUPERATION AND COVERAGE OF CREDITS AND ON MARKETING OF SAVINGS.



## The future of FEDECRÉDITO is the future of our members



News & Views took advantage of the opportunity of the visit by its Salvadorian member FEDECRÉDITO to the WSBI headquarters in Brussels to interview its President, Mr Macario Armando Rosales.

FEDECRÉDITO is a wholesale financial institution, founded over 64 years ago to offer economic assistance to entrepreneurs of micro, small and medium enterprises and to the workers of El Salvador. At the moment, the FEDECRÉDITO SYSTEM is a financial group composed of 48 Credit Unions, seven Workers' Banks and its Federation. It has a loan portfolio of 397.7 million dollar and assets of 109.6 million dollar.

Mr Rosales, reading the book "Casos Exitosos del SISTEMA FEDECRÉDITO"<sup>1</sup>, I have the impression that there is a very close relationship with your customers. Is that so?

Yes, of course! El Salvador is a fairly small country – we have more or less six million inhabitants – and the FEDECRÉDITO SYSTEM has the densest sales network in the country. Most of our staff is in direct contact with customers, whether in the branch offices or directly at home, in the customer's shop or workshop. This level of customer service is no problem for the profitability of our company, quite the contrary. Our thorough knowledge of



the situation in the field makes it possible for us to develop the products that our customers need. The FEDECRÉDITO SYSTEM is the country's largest network of institutions in the field of micro-finance, in addition to serving small and medium enterprises. Our close contact with our customers means that they remain loyal long-term. One of the customers in the book was also one of the first users of the Popular

Credit Programme intended for tradespeople and market retailers. He has been a customer of the Cojutepeque Credit Union for 54 years!

What is the importance of these loans for the Salvadorian economy and for Salvadorians?

Traditionally, our country's financial system focused on the major coffee traders, since coffee was the main export commodity for a long time. One of the basic reasons for the founding of FEDECRÉDITO 64 years ago was to provide a service to the middle-class and poor segments of the people. People's lives can change radically if they obtain a loan. Many customers were able to start or develop a profitable business thanks to one of our loans and some of them have turned into high-level merchants. Our most popular products are Crédito Popular (Popular Credit), aimed at marketing and retailers, loans for micro and small enterprises, home loans and private loans.

So, your product portfolio is composed solely of loans?

No, not at all. We also offer fixed-term savings and deposit products. We are also very active in the market of family remittances, a very important phenomenon for our country that has seen many of its inhabitants leaving to work abroad. Every year, 3 billion dollar is sent to our country and our ambition is to secure at least 30% of this flow.

Last but not least, in the course of this year we will launch credit and debit cards and we are developing a payment system for collective utilities, such as water and electricity.

<sup>1</sup> "Success stories of the FEDECRÉDITO SYSTEM"

## MEMBERS NEWS

### How do you see the future of the FEDECRÉDITO SYSTEM?

The future of the FEDECRÉDITO SYSTEM is the future of our members. If they prosper, we also prosper, and vice versa. Our cooperative system is our basic strength and we can proudly say that being a member of FEDECRÉDITO SYSTEM means belonging to a community committed to solving the difficulties of our fellow citizens. It means belonging to a Salvadorian financial institution working for Salvadorians.

### What does it mean for you to be a member of the WSBI?

For us, it is an opportunity to develop relations with the outside world, to stay abreast of changes in the financial system and to exploit synergies. It also means being in contact with



a community of very different institutions, but with a similar philosophy of service for all segments of the population, without losing sight of the profitability of operations. We have close relations with your association and we have organised several training sessions together.

## WSBI member FEDECREDITO benefits from targeted and practical training

Following the signing of a contract with FEDECREDITO the WSBI/ESBG Consultancy Services, in cooperation with the Training Center of FEDECREDITO, carried out in December 2007 the first two training seminars of a series of four in San Salvador, El Salvador.

During 6 days Jose Linares, an ESBG retained consultant, trained a total of 50 participants: executives, directors and other members of staff coming from 13 of the credit and workers' banks which form part of the FEDECREDITO system.

The training bare on the fields of **recuperation and coverage of credits and of marketing of savings**. The sessions were composed of lectures given by the ESBG consultant followed by practical workshops allowing all attendees to actively participate. This later enabled them to easily share the lessons learnt with colleagues in their branches.

According to the Training Centre of FEDECREDITO: *'The knowledge and experience transfer provided by the ESBG consultant has reinforced concepts and provided new ideas for the tasks related to the recuperation and coverage of credits'*.

The two remaining sessions on marketing of micro-credits and SME credits and on qualification of credit applicants will be carried out in February 2008.

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