



Claudia Valladares

Banca Comunitaria (Community Banking) - Banesco

Founded in 2006, Venezuela

<http://www.bancacomunitariabanesco.com>

Banesco's Banca Comunitaria (Community Banking) provides opportunities to people from low-income sectors to enter the bank system and start saving, and gives small credits to alleviate poverty.

Focus: Banking, Finances

Geographic Area of Impact: Venezuela

Model: Business

Number of Direct Beneficiaries: 110,175 (June 2010)

Annual Budget: US\$ 31.9 million (2009). US\$ 44.8 million (2010)

Percentage Earned Revenue: 100% (2009)

Recognition: Social Entrepreneur of the Year, Venezuela, 2010

Background

The specific needs that Banca Comunitaria seeks to address are the low levels of bank and formal credit access of the Venezuelan population, especially of the sectors at the base of the pyramid. In Venezuela, bank and formal credit access is barely 60% (Softline Consulting, 2009). Banca Comunitaria measures the access to the formal credit for the first time among their clients and the result has been 40% (May 2010).

Innovations and Activities

Banca Comunitaria promotes sustainable development through access to credit and financial products and services, and empowerment of entrepreneurs. It offers opportunities to those that traditionally are excluded from the financial system, and dignifies the human being and communities by generating opportunities and self-confidence. It also contributes to the reduction of poverty through economic development and social transformation.

In harmony with the "now the bank comes to you" slogan, Banca Comunitaria has created a network of 176 commercial allies or retail agents. Through financial terminals or electronic points of sale (POSWEBs) located at retailers in the communities (grocery stores, pharmacies, supermarkets, cybercafés, etc.), 57 with personalized attention (a 2x2 mts² service point within a retail outlet) and 119 operated by the owner or person in charge of the store, clients can do their financial transactions such as deposits, withdrawals and balance inquiries, as well as open accounts, receive savings services and apply for microcredit. With the use of this technology, clients save important transactional costs because they do not need to go to a bank. Clients also have access to www.bancacomunitariabanesco.com as well as an SMS service from their mobile phones to check their balances and last transactions of their accounts.

To reduce costs and be more efficient, especially in low-income areas, Banca Comunitaria has designed and implemented a model called "Community Trailer" that is unique in the banking market. This model is based on a community branch in its functioning but operates physically in a "container" or "trailer", reducing by 30% the investment in infrastructure when compared with a regular branch. Banca Comunitaria presently has three community trailers, which form a part of its network of 15 branches located in Higuero, Santa Teresa (Valles del Tuy) and La Vega.

Banca Comunitaria has also implemented a microfinance core system with mobile devices (PDAs) that allows the automation of the credit process from the request of the loan to its disbursement, as well as the process of collection and all the management indicators, thus offering clients more flexibility in response time.

The Entrepreneur

A systems engineer with an MBA and MF by training, but dedicated to the business and finance area for the benefit of less privileged sectors, Claudia has worked in non-profit organizations such as Gente Nueva in Mexico and Venezuela. She has also worked at the Instituto Nacional de la Vivienda (INAVI), Bancamiga, Consejo Nacional de la Vivienda (CONAVI), Citibank, Citigroup and now at Banesco Banco Universal as the vice-president of Banca Comunitaria. In this last position, she has done tremendous work in improving the banking system for those usually excluded from it. In this capacity, she has helped micro entrepreneurs increase their income by 27% on average and their sales by 34% on average. From a total of more than 15,000 clients that received their second or more loan during 2009, 8,764 clients started to use their savings; over 9,000 clients improved their skills in the management of their business; more than 10,000 clients acquired their own house during the last year; more than 13,000 clients now have telephone and TV cable services; and more than 4,600 micro entrepreneurs each created two or more places of employment in their communities.