

Introducing *SafeSave*

- Started August 1996 as a private experiment to see if the ‘Poor and Their Money’ principles could be actualised as a sustainable microfinance institution working in the slums of Dhaka
- Early success led to incorporation as a registered Co-operative
- Constant experimentation means that four different ‘product mixes’ are being offered in the various branches
- Financed largely by its clients’ savings, plus investments by its founder, by a friendly NGO (PLAN) and, recently, by CGAP at the World Bank

Important features of *SafeSave* products

- Individual service: no groups, no meetings, no group-guarantees
- Daily collection at the client's doorstep
- Open savings account with no minimum balance and allowing any value deposit or withdrawal at any time
- Longer-term interest-bearing savings account
- Loans with no fixed repayment schedule (with a daily non-compulsory opportunity to repay in any value)
- Loans as a *right* earned by previous behaviour
- High level of reliability

Important features of *SafeSave*'s approach

- Very strong commitment to *reliability*
- Strong commitment to discovering and serving actual demand
- Strong commitment to cost control
- Strong computerised information systems
- Commitment to full cost-recovery
- Growth kept in line with digested experience
- Transparency (please visit www.safesave.org)

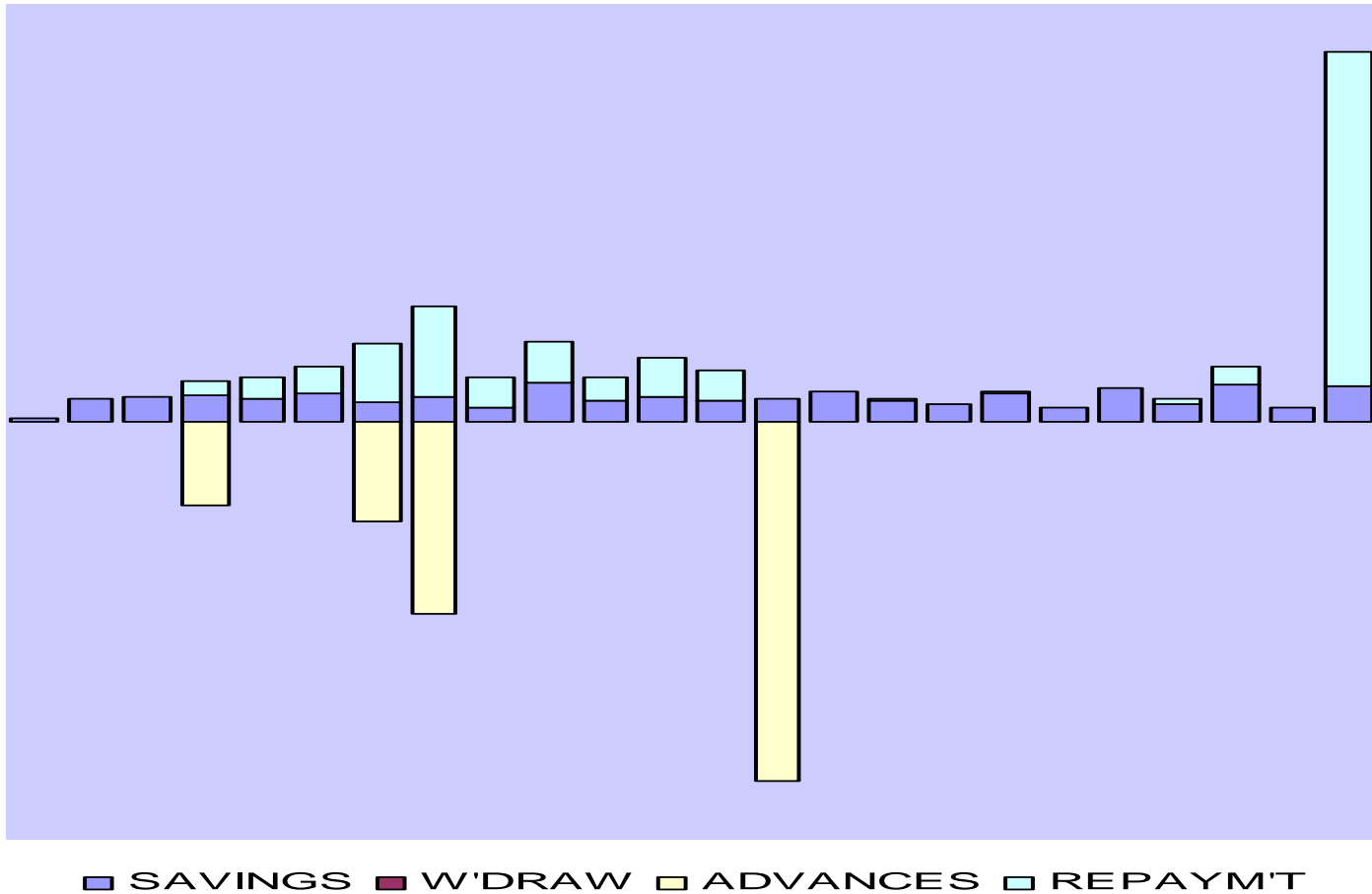
SafeSave at February 28th, 2002

- 6,000 active clients in 6 urban slums under 5 branches employing 55 staff
- \$125,000 held in savers' accounts, \$185,000 in loans outstanding
- Three oldest branches make regular monthly surpluses
- Rural branch just about to start
- Full figures can be found at www.safesave.org

What we mean by flexibility

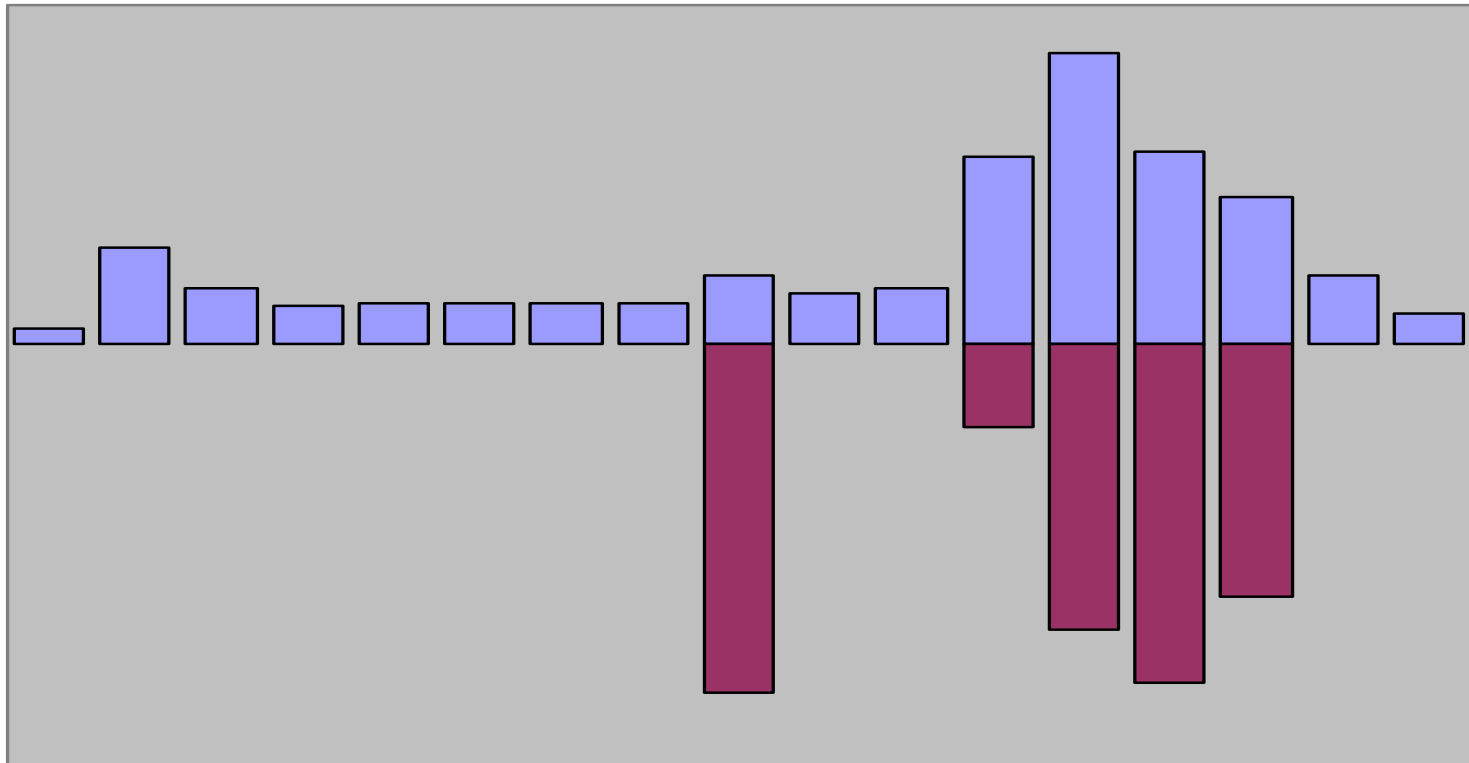
Behaviour Domain	Possibilities with <i>SafeSave</i>	Standard MC Product in B'desh
Saving Behaviour	<ul style="list-style-type: none"> - Save frequently or occasionally - Save sums of a similar or differing value at regular or irregular intervals - Save without borrowing 	<ul style="list-style-type: none"> - Compulsory saving in regular equal amounts
Withdrawal Behaviour	<ul style="list-style-type: none"> - Withdraw frequently or rarely, or store for the very long term 	<ul style="list-style-type: none"> - Withdrawal restrictions
Borrowing Behaviour	<ul style="list-style-type: none"> - Choose not to borrow - Borrow regularly or irregularly at any interval 	<ul style="list-style-type: none"> - Borrow continuously at regular intervals
Repayment Behaviour	<ul style="list-style-type: none"> - Quickly or slowly, with no fixed term - In instalments or in lump sums - At regular or at irregular intervals 	<ul style="list-style-type: none"> - Repay in regular equal instalments amortising loan within a fixed time period
Effect of Borrowing on Savings Behaviour	<ul style="list-style-type: none"> - Discontinue saving while holding a loan, <i>or</i> - Save at the same or at an increased pace 	<ul style="list-style-type: none"> - No effect

How SafeSave's clients use its flexibility, 1



Hayatunessa: a good saver who also borrows but never withdraws savings

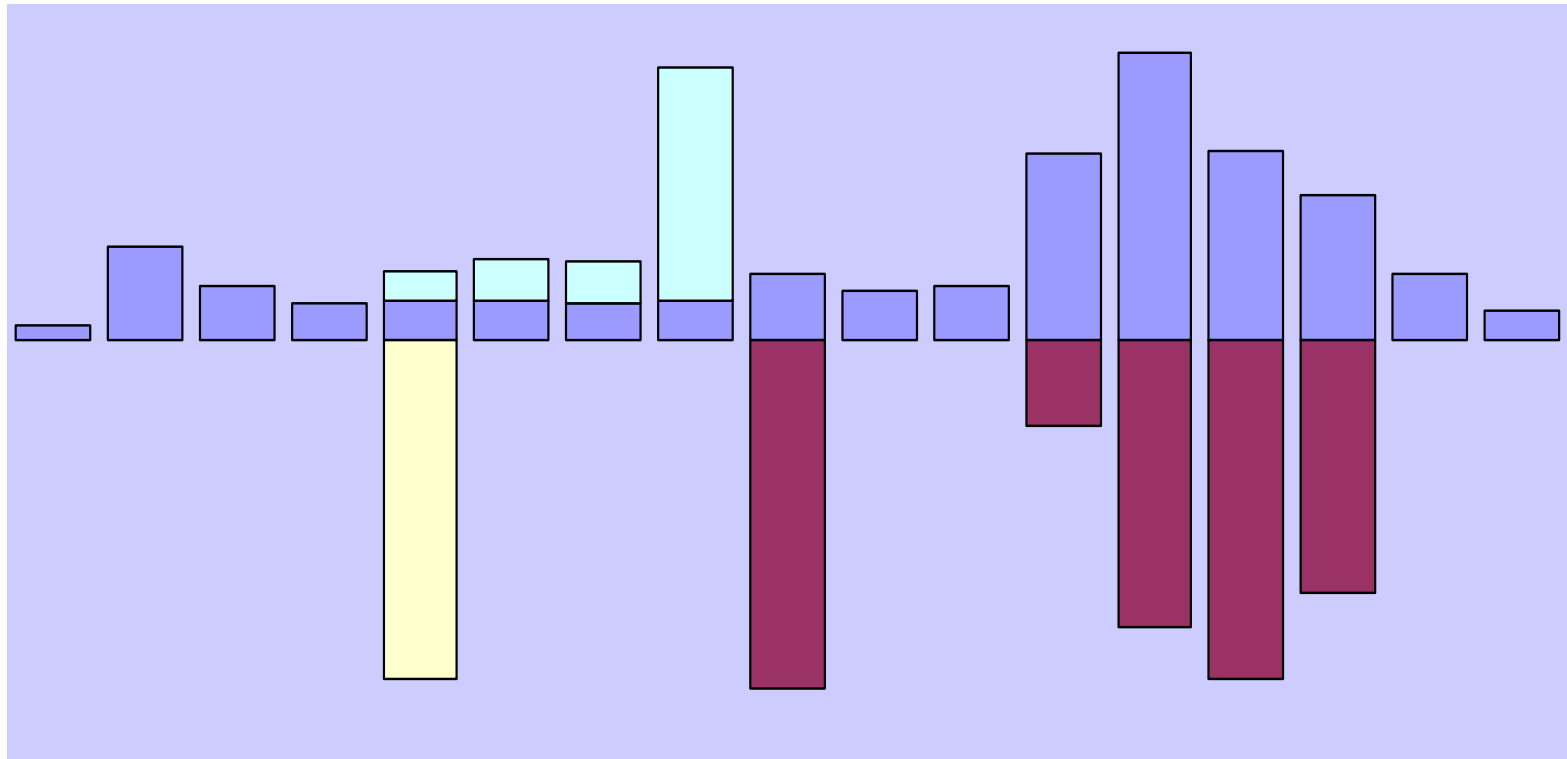
How SafeSave's clients use its flexibility, 2



■ SAVINGS ■ W'DRAW ■ ADVANCES ■ REPAYM'T

Sahida: a big saver who never borrows but often withdraws savings

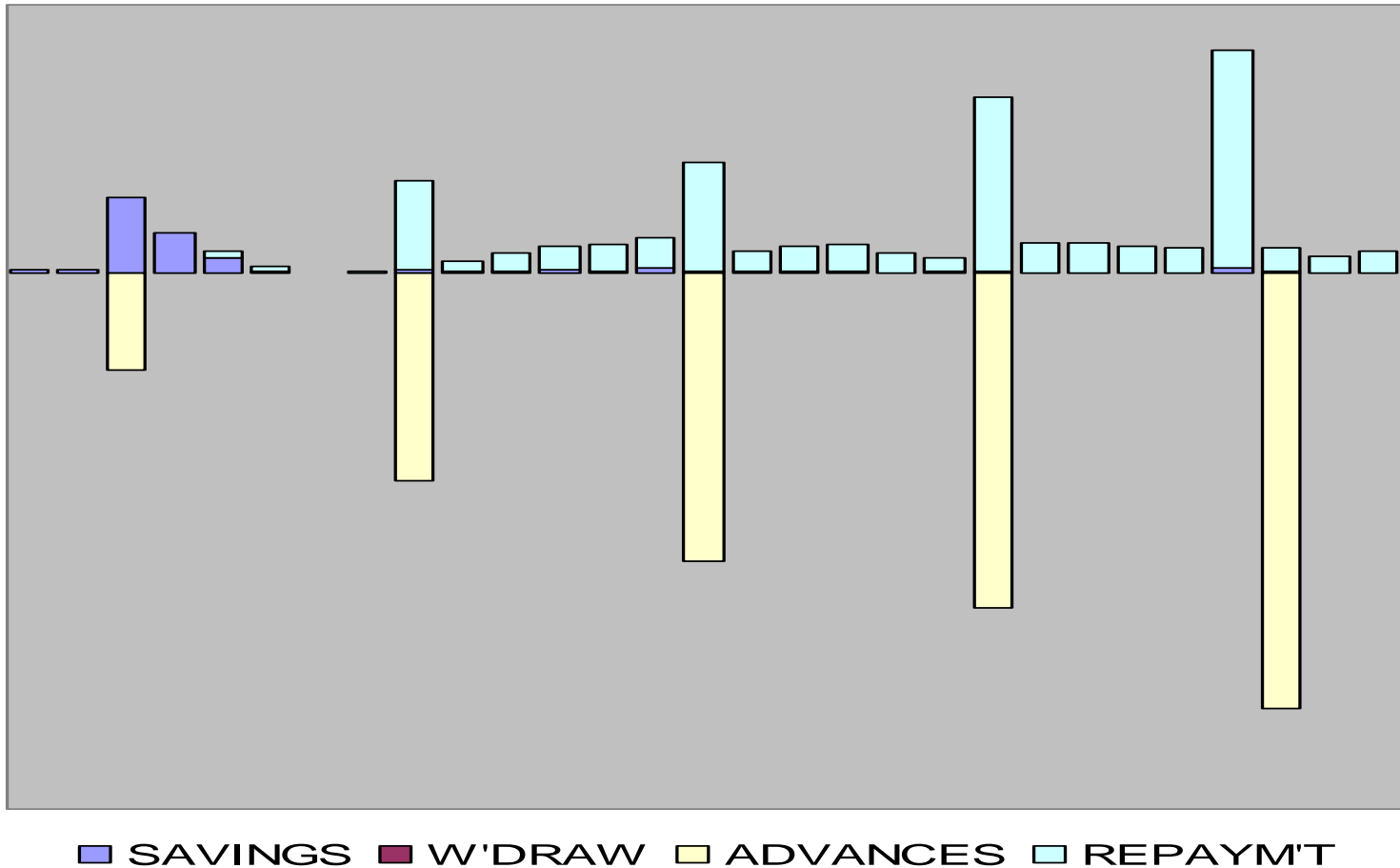
How SafeSave's clients use its flexibility, 3



■ SAVINGS ■ W'DRAW ■ ADVANCES ■ REPAYM'T

15-year-old Yasmin: tried borrowing then switched to saving

How SafeSave's clients use its flexibility, 4



Moly: a classic borrower – but repays twice as fast as a Grameen client

Tests for *SafeSave*

Are the services useful?	The wide diversity of use patterns suggests they are
Can it reach the very poor?	Some evidence that it can, but more research needed
Is it commercially sustainable?	Probably, even at its current very small scale
Can it be massified?	Not yet known – growth will be slow so it will take time before we know
Is it gaining a bigger share of the market?	Not yet known – more research needed