Irish Rural Link

12th October 2017

**Irish Rural Link Meeting Oireachtas Finance Meeting to discuss a Third Pillar of Banking Model in Ireland**

Irish Rural Link – the national network representing the interest of rural communities along with The Sparkasse Foundation (SBFIC); the consulting arm of the DSGV (German Savings Bank Association), are meeting with the Oireachtas Finance Committee today, Thursday 12th October 2017 to discuss the elements for a new possible Irish Public Banking model.

Irish Rural Link has been working with the Sparkassen Foundation for the last 2 years to introduce the idea of a regional public banking model in Ireland. A public consultation on Community Banking took place in March and IRL made a submission to the Government on this.

The SME sector is the backbone of the Irish economy, comprising 99.8% of all enterprises and nearly 70% of people employed, and hence it is the engine for regional and local development. However, lending to SME’s and the agriculture sector severely reduced following the financial crisis and has not recovered to the extent that is needed for economic development in rural areas.

Seamus Boland, CEO Irish Rural Link: “Our financial institutions are not serving the SME and Agriculture Sectors of our economy in the way they require. We know that all the commercial banks have pulled back their branch networks significantly, leaving many rural communities with no access to a local branch”.

IRL are proposing a solution to the continuing problem of accessing finance as experienced by SMEs by establishing a decentralised network of 8 to 10 regional public banks across Ireland based on the German Sparkassen Model.

Niclaus Bergmann of SBFIC: “The German Sparkassen Model is a unique and most successful banking model which could be a blueprint for a change in the Irish Banking System. Together with Irish Credit Unions a new Public Banking model could shift the Irish Financial industry to a more long-term and more sustainable perspective”.

IRL wants the Government to recognise the need for some kind of alternative banking model in Ireland and to more actively engage with organisations such as the Sparkasse to fully explore how this model could be set up in Ireland.

Ends

**For further information, please contact (anytime):**

Seamus Boland (Chief Executive) 0862491153 or Louise Lennon (Policy and Communications Officer) 0861069244

**About Irish Rural Link:**

Irish Rural Link represents the interests of locally based rural groups in disadvantaged and marginalised rural areas by highlighting problems, advocating appropriate policies, sharing experiences and examples of good practice. It has a membership of over 600 rural community groups dedicated to sustainable rural development and represents rural communities at a national and international level. [www.irishrurallink.ie](http://www.irishrurallink.ie)

**About Sparkassenstiftung für Internationale Kooperation (SBFIC):**

SBFIC is a not-for-profit foundation that is the consulting arm of the DSGV (German Savings Bank Association). The SBFIC advocates for the Sparkassen concept globally, and promotes core Savings banks issues e.g. financial inclusion, equal opportunities & education. It recognises that local banking serves the people and the real economy (SMEs) directly and ‘fuel’ entrepreneurs and brings this message through its work across the world. <http://www.sparkassenstiftung.de/en/home.html>