

EDITORIAL

J-L BANCEL
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Dear Members,

After a year that was particularly turbulent for the banking sector, the construction of a “post crisis” financial system begins to take shape. G 20 Summit, which took place on September 24th and 25th in Pittsburgh, confirms that transparency in banks’ governance is calling the attention of most international regulators. Imposing a limitation of non-claims bonuses and an increased control over remuneration systems, limiting the influence sphere of tax havens, representatives of big nations are defending values that cooperative banks have been promoting for many years.

At the time when the banking world seems to prepare a deep reform of its own system, it’s important for co-operative banks to defend their model and let hear their voice clearly. We can regret that their recommendation weren’t sufficiently taken into account by G-20 members, but some facts are promising and show that co-operative movement is maybe not the poor relation of the crisis.

The debate raised in the United State about the reform of health insurance is in this perspective significant: indeed, a lot of people see co-operatives as a reliable mean to create an egalitarian health insurance system without a direct intervention of the State. That’s a proof a co-operative can be considered today as a reference.

More generally, the attention paid to co-operative specificities by the IASB and the FASB proves that co-operative banks are no longer left aside. But if we can be optimistic due to a favourable evolution of the situation, we have to remain vigilant. The deliberations the Basel Committee is currently leading, which may put into question the prudential status of co-operative banks’ member shares, are a similar threat and call our most acute attention.

While banks are expecting an quick improvement of their situation, co-operative financial groups want to defend further a more dependable system, with less volatility, and don’t want to neglect any aspect of sustainable development. It is the reason why ICBA organizes in Geneva on November 18th, before Copenhagen summit, its annual seminar on the theme “co-operative banks and green growth”, and hopes to welcome you there.

Yours cooperatively,

Jean-Louis Bancel.
Chairman of the ICBA,
Chairman of Crédit Coopératif (France).

ICBA current activities



Proceedings of the annual seminar (2008)

ICBA annual seminar took place on October 21st 2008 in Paris, its proceedings are now available on our website (www.icba.coop).

The seminar is the principal event of the association, aims to keep ICBA members aware of important matters concerning co-operative banks, and encourages direct exchanges between participants. 2008 session treated two main subjects: the notion of co-operative groups and CSR norms applied to co-operative banks.

Report on ESR (Environmental and Social Responsibility) and co-operative banks

In preparation for its seminar, which will concern this year sustainable development and co-operative banks, ICBA issued a note to introduce the principle themes of reflexion on the subject.

The note presents briefly the part co-operative banks will have to play in the development of green economy. Underlining the necessity no to neglect ecological entrepreneurs, it notably evokes the competitive advantage co-operative banks enjoy on that market end the risks this new sector presents.

Study on mutual organizations and co-operatives.

ICA produced a paper analyzing differences and similarities between mutual and co-operative systems.

Within the framework of its participation to ICA workgroup on relationships between mutual organizations and co-operatives, ICBA interested itself for elements unifying the both sectors which are closer to each other than one could presume at the first sight.

Position on the subject “independent administrators”

ICBA prepared a position paper on the question of the independent administrators, which will be discussed during the its next Board meeting on November 17th.

Often evoked as a possible measure for the reform of the international banking system, the recruitment as administrators of personalities without any kind of links with the enterprise aims to reinforce the transparency in banks' governance and to increase control over managers. Of course, ICBA wouldn't oppose any reform targeting better governance and bigger stability of financial institutions; it nevertheless defends above all the co-operative point of view. This is the reason why it warns national and international regulators of the danger the application of such a measure would represent for co-operative banks. To force them to introduce external personalities could make this governance less efficient and weaken democratic life, which remains a pillar of any co-operative bank.

Cooperative Banks: The Global 50.

In the works...

Inspired by the ICA Global 300, the ICBA is working on a Top 50 cooperative bank ranking, based on financial data available on cooperative bank websites. ICBA members are asked to send in their information to the ICBA secretariat.

All these studies are available on ICBA website: www.icba.coop



Participation to ICA workgroups

Through its President Jean-Louis Bancel, ICBA is represented in two workgroups ICA recently created. The first one, whose President is Jean-Louis Bancel, aims to establish similarities and differences between **mutualist** and co-operative models. Targeting practical conclusions, it is supposed to give its first proposals at the ICA Board's meeting in November. It is in this framework that the study on co-operative and mutual organizations was led.

The second workgroup ICBA is represented in is the Governance Committee, to which IACA gave the mission to evaluate the governance scheme of the organization and General Assembly's functioning and determinate conditions of eligibility for the Board. Three teleconferences and two reunions for the occasion of ICA Board meetings in Tokyo and Skai permitted the group to begin its reflexion. First recommendations were accepted at Skai meeting in September.

Representation of ICA Sectorial Organizations

Jean-Louis Bancel represents with Javier Solaberria, from CICOPA, sectorial organizations at ICA Board. The latter ones exchange their point of view within a liaison group (SOLG) which has for objective to coordinate their actions and positions within ICA. The group's next meeting will take place on October 24th in Roissy (France) to discuss, with ICA Governance Committee, its position towards future of sectorial organizations.



ICBA Board Meeting and General Assembly

ICBA statutory meetings will take place in Geneva (Switzerland) on November 17th, for the occasion of ICA General Assembly. Different themes from actuality will be discussed, notably the financial crisis' impact on co-operative banks and the consequences for the association of the governance reforms implemented by ICA, as the question of an update of ICBA statuses.

November 17th

9h – 13h: ICBA Board's meeting

14h30 – 17h30: Ica General Assembly.

ICBA Annual Seminar

The next ICBA Seminar will take place in November 2009 in Geneva, Switzerland. This seminar, "co-operative banks and green growth" entitled, will address questions of sustainable development and solutions to finance it. Green economy's growth is nowadays both a political necessity and a great opportunity for co-operative banks. The values they promote and their management model seem to fit particularly with supporting ecological projects.

Consequently, the main goal of the seminar will to make clearer intervention modalities co-operative banks could adopt, but also to warn about the dangers of an eventual "green bubble", and more generally to look over the main issues of this new economy. AS the precedent sessions, the seminar will focus on questions of sustainability and alternative finance and hope to make our members more sensible to a banking activity that will be crucial in the next decades. We strongly encourage our members to send us their reflexion or experiences on this subject.

November 18th

9h – 13h: ICBA Seminar

Confirmed their presence at the seminar as speakers:

- **Dominique Rotten**, from the Bank Alternative Suisse
- **Ruud Nijs**, responsible for the ESR Department at Rabobank
- **Arnaud Berger**, responsible for the ESR Department at Group BPCE
- **BS Wishwanathan**, President of the Co-operative Bank of India
- **Michael Peck**, representative of Mondragon in North America



Other meetings

First “co-operative week” in Barcelona

The first edition of the “co-operative week” was organized in Barcelona from June 30th to June 2nd. Jean-Louis Bancel, Chairman of ICBA and Crédit Coopératif, opened the first meeting dedicated to financing, regulation and taxation.

ICMIF Congress

Jean-Louis Bancel attended the ICMIF (International Cooperative and Mutual Insurance Federation) Congress in Toronto on October 8th and 9th.

The meeting, including several debates and conferences, analyzed the new perspectives for the mutual sector in a changing economic context. After having exposed the consequences of the financial crisis on mutual organizations, the speakers evoked a few possible trends for their future development, among which sustainable development, implementation of new strategies and the reinforcement of the collaboration with co-operatives have a significant part.

For further information, please see the website www.icmif.org (Events)

Mont-Blanc Meeting

On November 9th and 10th will take place in Chamonix (France) the 4th Mont-Blanc Meeting, with following theme: “How to feed the planet? What part for social economy?”

We invite all of our members to attend a manifestation whose interests correspond directly to the ones of our association.

For further information, please see the website www.rencontres-montblanc.coop.

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