



UN SISTEMA DI BANCHE
Differente **per forza.**

The Italian Credit Cooperative Banks System: a decentralized network

FEDERCASSE

Department of Studies, Research and International Relations

Index of the presentation

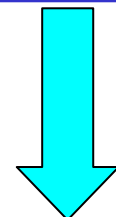
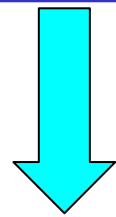
- Brief overview of the integration process in cooperative banking
- The Italian Credit Cooperative Banks case

EUROPEAN COOPERATIVE BANKS

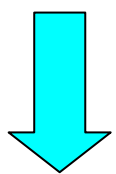
Main reasons for the integration

Market Development

Regulation



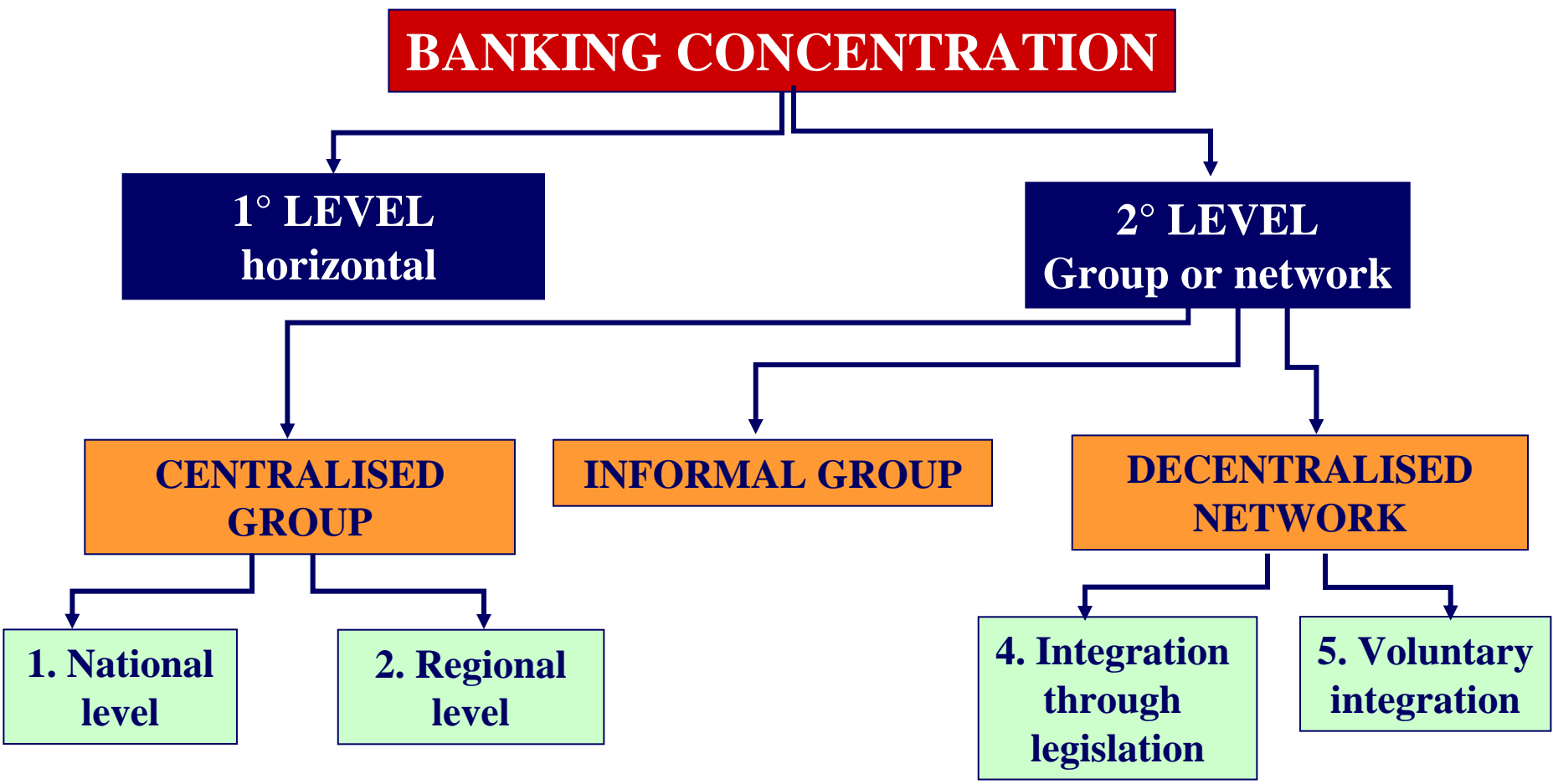
- Efficiency
- Competition
- Complexity



ECONOMY OF SCOPE AND SCALE

EUROPEAN COOPERATIVE BANKS

Integration process



EUROPEAN COOPERATIVE BANKS

COMMON PRINCIPLES: LOCAL BANKS' AUTONOMY AND SISTEM INTEGRATION



GROUP INTEGRATION AND REGULATORY TIES

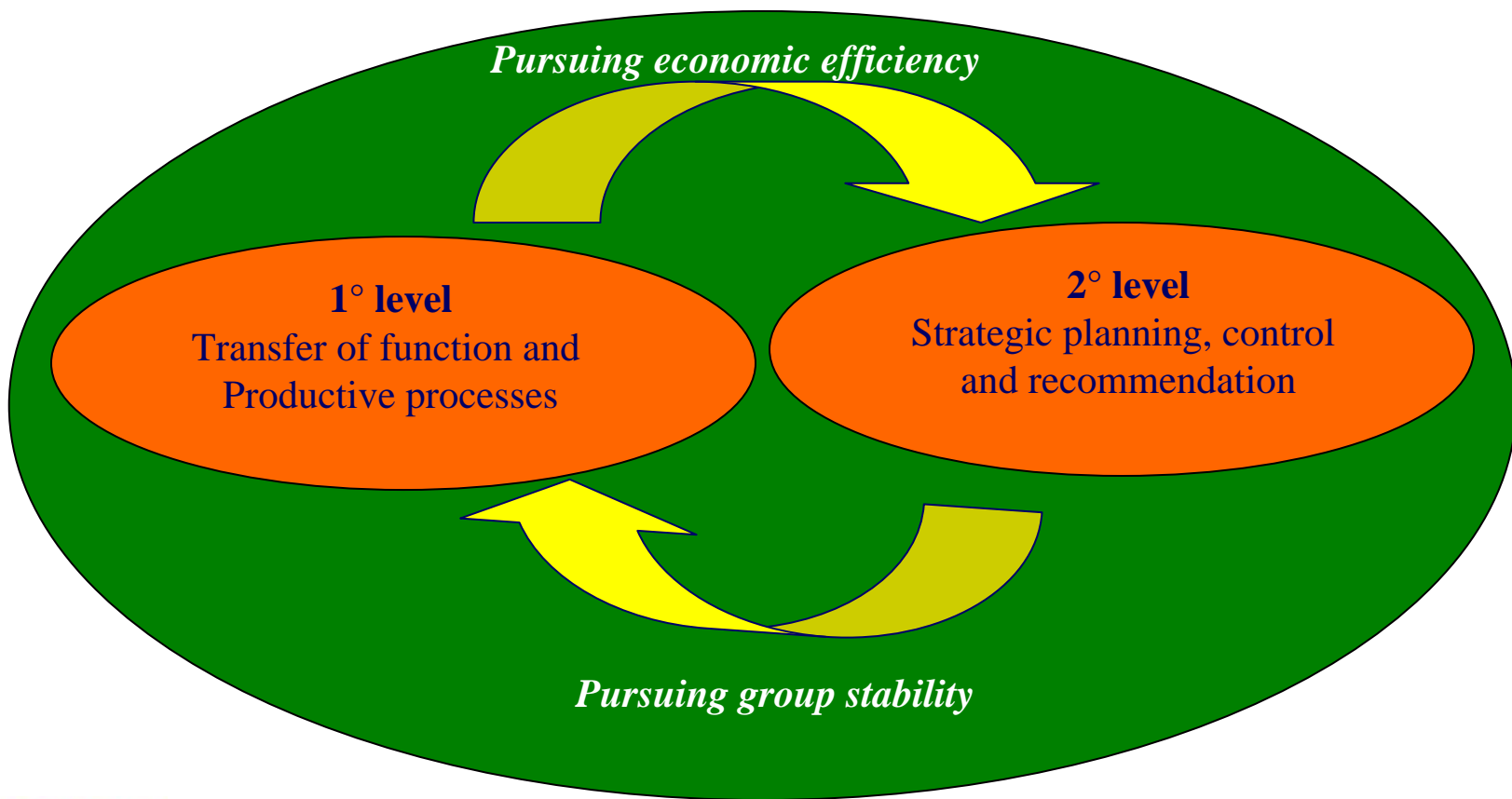
Banking functions
Instrumental functions
Controls
Consolidated accounts

Compulsory association
Audit
Delegated supervision
Consolidated Ratios

Number and size of associated banks
Group/system dimension
Country size

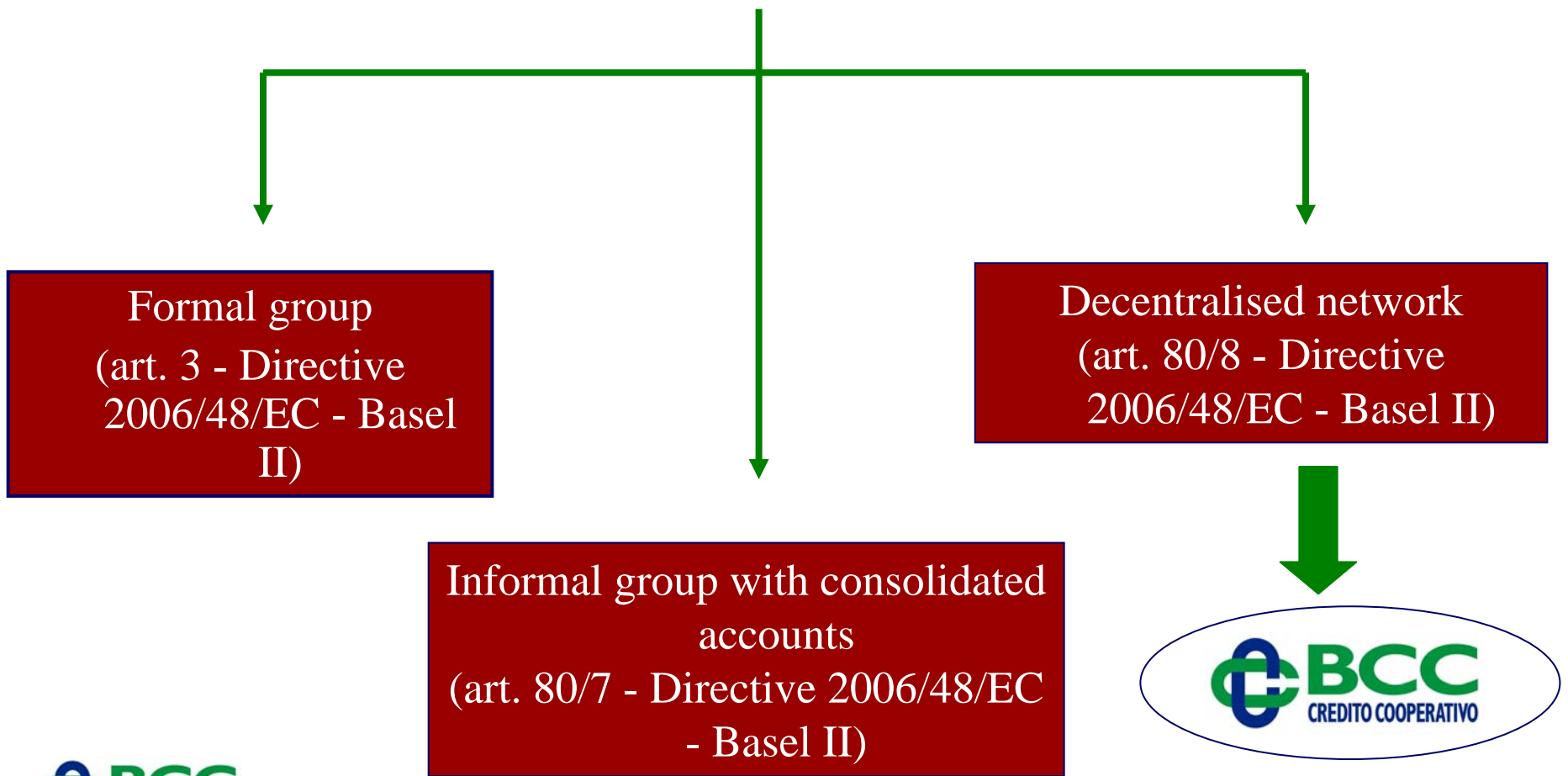
A change of strategy

From a bottom-up approach to a top-down model

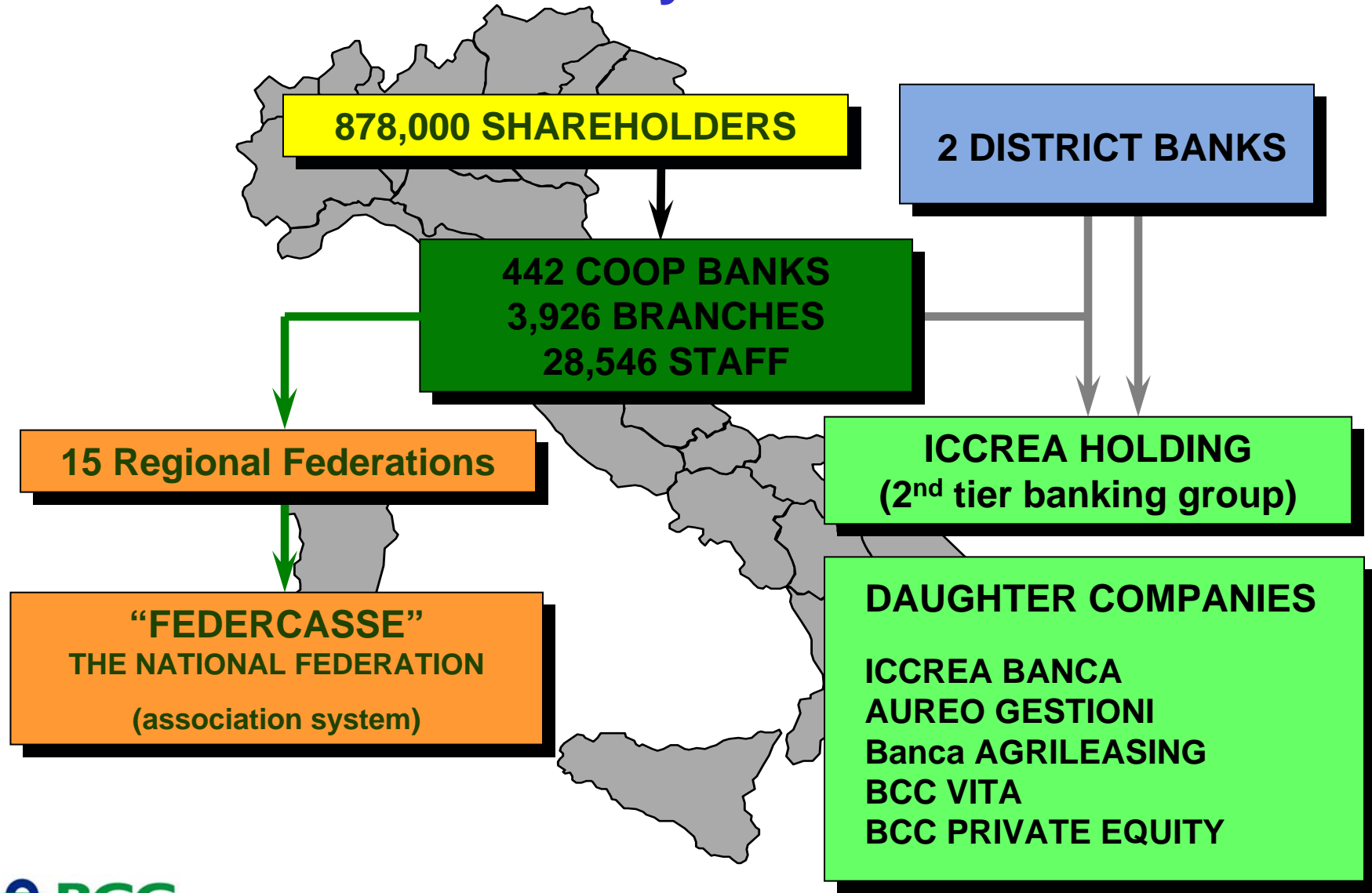


EUROPEAN COOPERATIVE BANKS

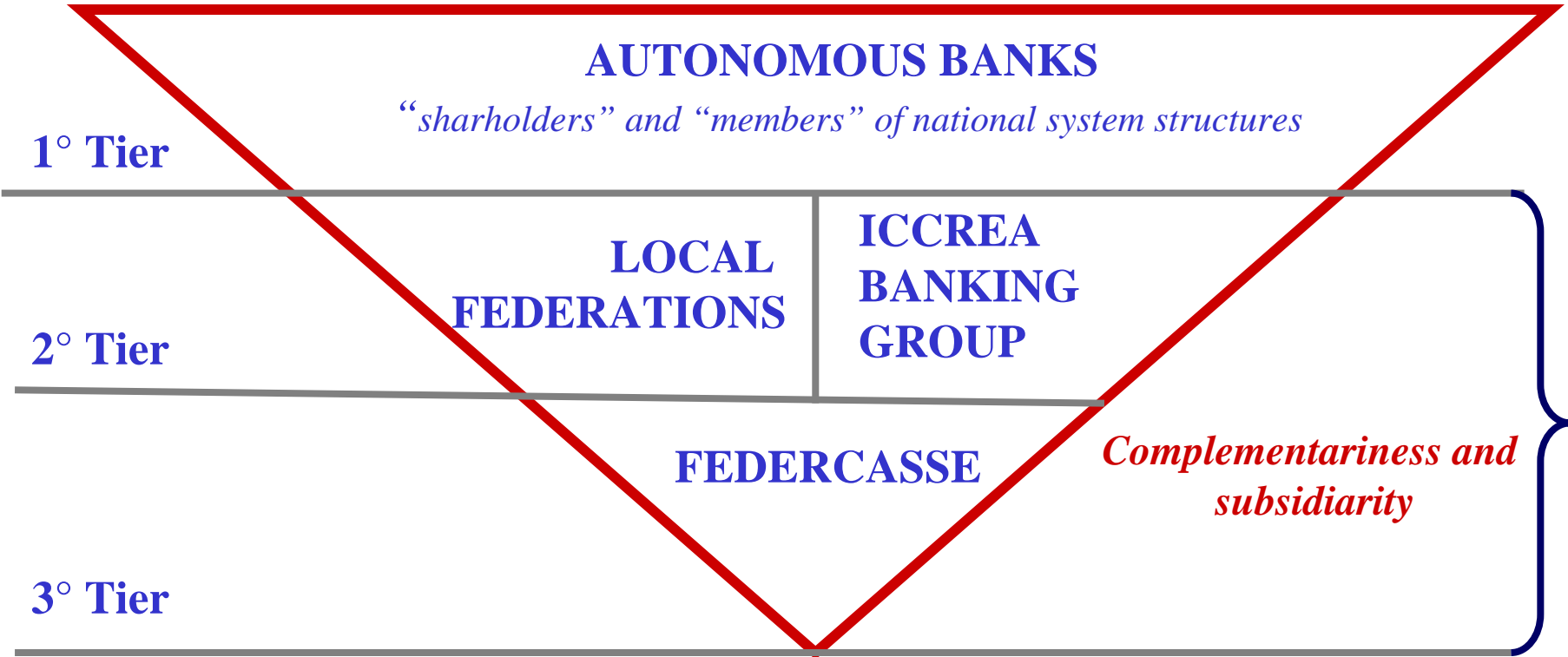
Different levels of integration in cooperative banking fully recognised by regulation



Italian Credit Cooperative Banks: a BIPOLAR System



A 3 Tier Strategic Model: A TURN DOWN PYRAMID

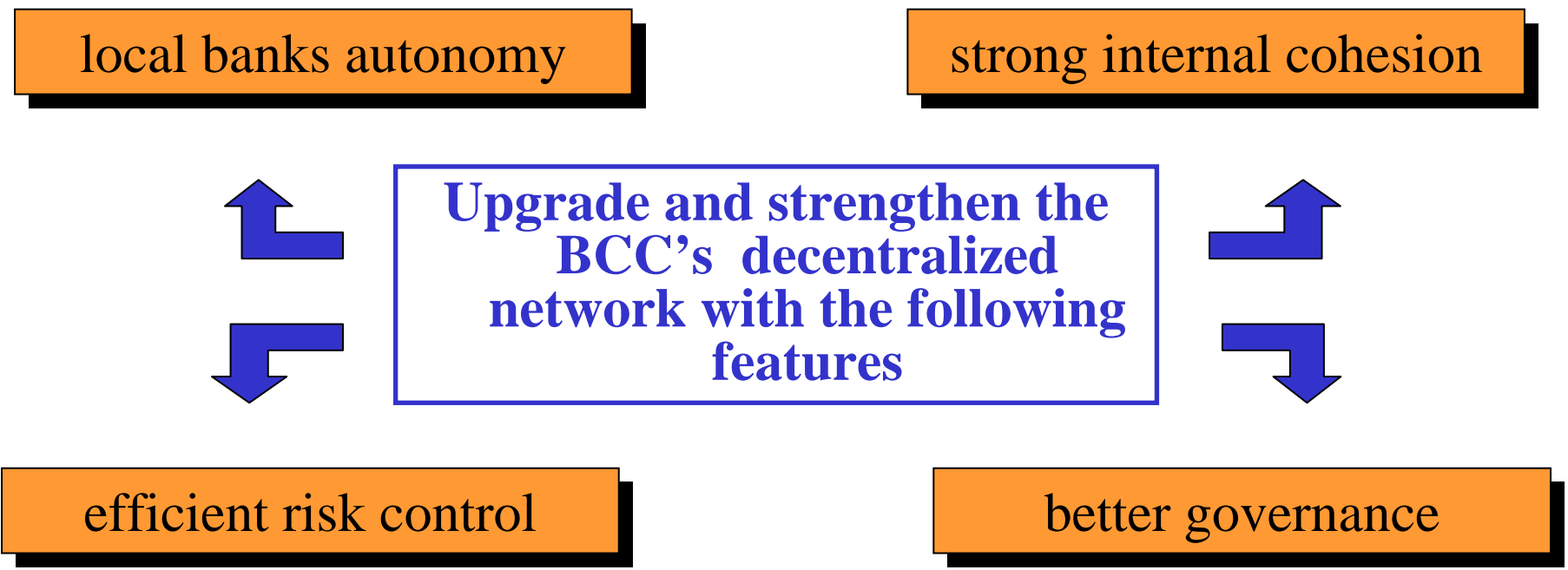


The Italian Cooperative Banks network: recent evolution

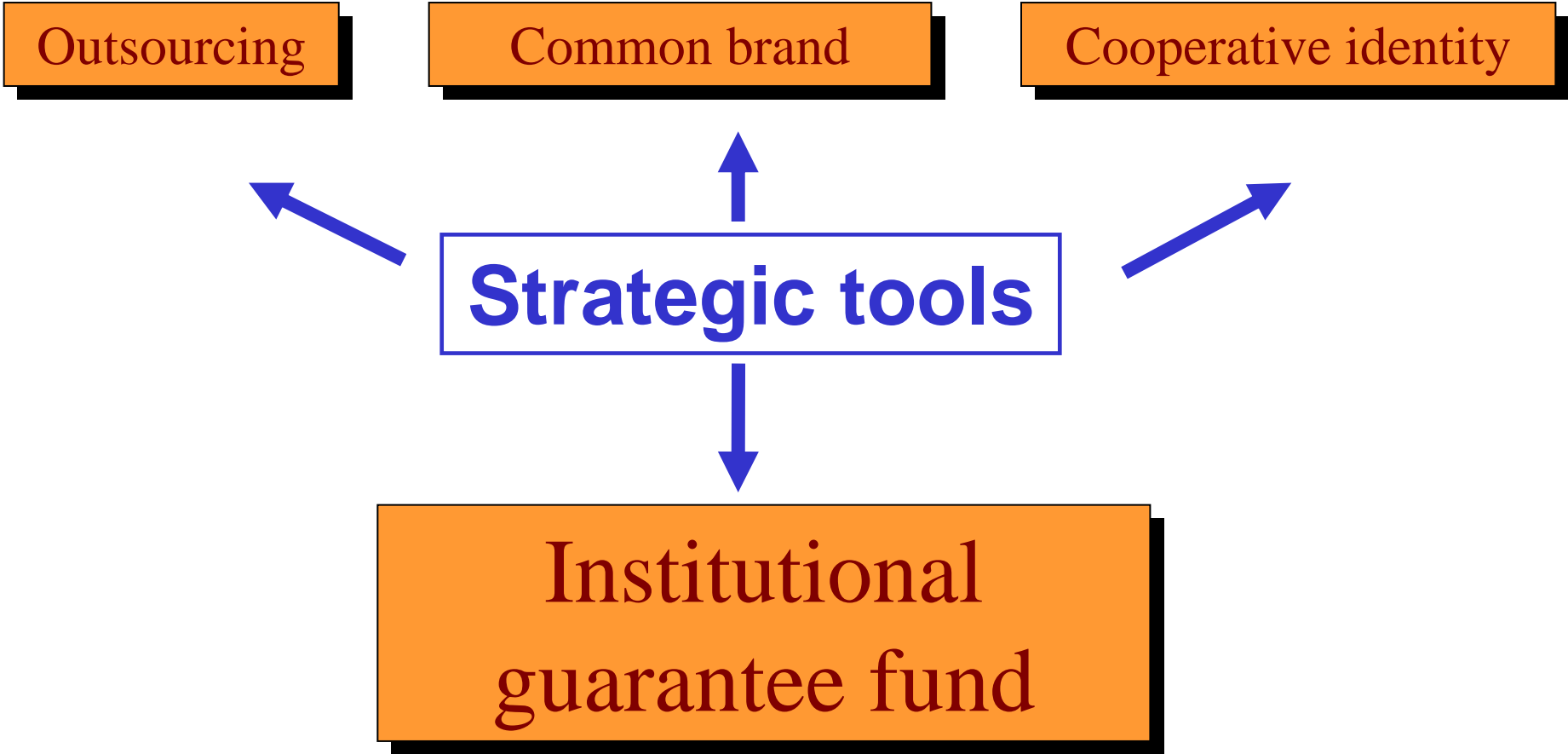
2000-2005 debate:
Cooperative Group vs Decentralised Network

Basel II
Regulatory Recognition of Decentralised
Networks

The Italian Cooperative Banks Strategy



Strengthening the BCCs network



IGF: opportunities

- The IGF realisation give us several opportunities :

Non financial	– To formalise the commitment for cohesion and solidarity among participating banks
	– To centralise the risk monitoring
	– To improve the support to the definition of common strategies
Financial	– To manage financial effects of a default case for the Cooperative Credit System
	– To give a support for increasing the efficiency of capital allocation
	– To reduce costs for fund raising

The FIPC: advantages

- From taking that opportunities we would get the following advantages
 - The possibility, at discretion of the authorities, to subdue under the “zero ponderation” the Cooperative Credit Bank exposures (ex art.80 c.7 CRD) and so
 - » To release a quantity of capital proportional to the operativity of each bank towards the own system
 - The possibility to obtain a better agency rating in order to increase the value of the cooperative credit system and so
 - » To be more recognisable on the “external” financial market
 - » To have benefits in term of less fund-raising costs

Conclusions

- Cooperative banks have demonstrated to be able to adapt their structure and governance to very different economic environments
- Capacity to promote cooperative values and compete in sophisticated markets: aptitude to innovation
- Different models but similar aims
- Integration as strategic choice to manage risks, improve governance and strengthen cohesion



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THANKS FOR YOUR ATTENTION!

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