



EACB Webinar:
8TH CONVENTION ON CO-OPERATIVE BANKING

Co-operative banks: A new deal for more solidarity

Tuesday, 27th October 2020



BACKGROUND & SCOPE

The Covid-19's outbreak has disrupted life around the world. The pandemic places many challenges for banks and local co-operative banks. Governments and Europe have issued relief packages to help SME's and corporate afloat during the pandemic, but repairing the economy will require **a new deal for more solidarity**.

European banks finance more than 80% of the economy and are therefore "part of the solution". Does the current regulatory environment give banks, and in particular co-operative banks, the means and incentives to fully play their role in supporting SMEs and households? What is the leeway to continue or even accelerate the digitalisation of retail banking? The increase in risks in a context of low profitability related to the level of interest rates raises questions about the sustainability of business models.

This health crisis should not hide climate change neither and the risks associated with it. Co-operative banks are engaged at all levels in this fight over the long term. The authorities have announced ambitious objectives and are implementing the Paris agreement. The European recovery plan "Next Generation EU" has been linked to the objectives of the EU Green Deal. How a transition to a green and sustainable economy will change in this new context?

The health crisis and the climate crisis has highlighted the strength and the weakness of the market economy. Many consider that tomorrow's world will be different and will require more solidarity, more interdependence between individuals, more ethics and more respect for the environment. Co-operative banks and their specific model anchored in the local economy share these concerns. The values they convey of mutual aid, proximity, good governance and participatory democracy are an illustration of this.

The webinar is an opportunity to listen to and debate with high level regulators, supervisors, and policy makers and representatives of the co-operative banking sector.

DRAFT PROGRAMME – ONLINE WEBINAR

Co-operative Banks: A new deal for more solidarity

14:00-14:10 **Welcome and Opening Speech**

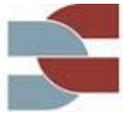
» **Berry Martin**, President, European Association of Co-operative Banks

14:10-14:20 **Keynote speech**

The voice of 2.800 local and retail banks, 84 million members, 209 million customers in EU

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14:20 - 15:25

Panel 1: Which responses from the regulators and supervisors to contain the social, economic and financial impact of the Covid-19 crisis? Which lessons can be learnt for the future?

The first panel will focus on the Covid 19 crisis and the response to the dual challenge to sustain the flow of credit amidst declining growth and manage heightened risks. The panel will also explore the possibilities given by the regulation in terms of flexibility without deviating from the decisions already taken and the recommendations of the Basel Committee following the financial crisis. In the same way, how can the administrative burden be eased without relaxing prudential constraints? What kind of coordination between the various European and international authorities needs to be improved to synchronise the responses to the current crisis? How can co-operative banks show their strong involvement to support their members/customers and local society during and after the crisis and demonstrate the strength of the business model for the future?

Introduction:

- **Othmar Karas**, Vice-President, European Parliament

Panellists:

- **Gerhard Hofmann**, Member of the Board, National Association of German Cooperative Banks
- **Korbinian Ibel**, Director General, Directorate General Micro-Prudential Supervision IV, European Central Bank
- **Martin Merlin**, Director, DG Fisma, European Commission

15:25-15:30

Break

15:30-16:25

Panel 2 - The renewed EU Sustainable Finance strategy towards more solidarity?

The renewed Commission's Sustainable Finance Strategy will be released end of 2020 as part of the new Green Deal. Indeed, to prevent a climate crisis, we need to take action towards a sustainable and green economy. At the same time, we cannot ignore the social impact of the transition. The ESG risks are a priority for supervisors. For this reason, the Environmental and Social dimension of ESG shall be addressed jointly to design a workable framework, including at local and regional level. How to design policies in a responsible way to facilitate a smooth transition to carbon neutral economy? The health crisis and the climate crisis have highlighted the strength and the weakness of the market economy. Is there a need to introduce more solidarity? What can be the role of cooperative banks to a greener economy at local level based on social cohesion? Can the co-operative banks' model "people-centred" and long-term oriented be an answer?

Panellists:

- **Pierre-Edouard Batard**, General Director, Confédération Nationale du Crédit Mutuel
- **Morgan Després**, Head of NGFS Secretariat, Banque de France
- **Marcel Haag**, Director, DG FISMA, European Commission

16:25-16:30

Concluding keynote

- » **Berry Marttin**, President, European Association of Co-operative Banks