



**MINUTES OF THE ICBA BOARD MEETING**  
**30-11-2021 -Hybrid ▪**  
**Seoul, South Korea**

**LIST OF ATTENDEES**

<p><b><u>Board Members</u></b></p> <p><b>Chair</b>  <b>Mr. Subrahmanyam Bhima</b></p> <p><b>Vice President</b></p> <p><b>Members</b></p> <ol style="list-style-type: none"> <li>1. Ms. Isabelle Ferrand</li> <li>2. Mr. Kabir Ayinde-Takur</li> <li>3. Mr. Mieczyslaw Grodzki</li> <li>4. Mr. George Magutu Mwangi</li> <li>5. Mr. Ahmed Mohiuddin</li> <li>6. Mr. Ravinder Rao Konduru</li> </ol>	
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**MINUTES OF THE MEETING**

The Events of ICBA /Meetings were graced by Mr. Ariel Guarco, President, ICA as chief Guest. He also graced the other very important events of ICBA such as Webinar on Sustainable Development Goals, Board Meeting ,Annual General Meeting etc. Mr Ariel Guarco delivered keynote address on the occasion. President, ICBA presented three study reports published by ICBA in 2020 President, ICA. The President, ICA appreciated the activities of ICBA and advised to continue to keep up the good work done. He assured to extend all possible support to the proposed Centenary celebrations of ICBA in 2022.

Dr. Jean Louis Bancel, the Former President , ICBA while appreciating the activities of revived ICBA cautioned to take challenges before the cooperative banking /Financial sector and be prepared to address them including digitalisation aspects.

After the introduction of the delegates, the formal meeting took place with agenda being discussed under the chairmanship of President, ICBA in the presence of the chief Guest.

Item No.1	To confirm the Minutes of the International Cooperative Banking Association Board Meeting, held virtually 12 October 2020
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Resolved that the Minutes of the meeting of the Board of Directors of ICBA held Virtually on 12 October 2020 be confirmed.

Item No.2	To note & approve the action taken on the resolutions and decisions of the Board Meeting held Virtually on 12 October 2020.
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Resolved to note the action taken on all the resolutions and decisions of the meeting of the Board of Directors of NAFSCOB held on 12 October 2020

Item No.3	To consider the ICBA Activity Reports of the events held during 12 October 2020 till date or based on the ICA Annual Reports: 2019,2020 and till 30-11-2021
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Resolved to note with appreciation that the activity reports of ICBA for the years 2019 and 2020 which have been Published in ICA Annual Reports.

Resolved to note that the following activities have been carried out by ICBA till 30-11-2021 since the last virtual meeting held on 12 October 2020.

- 1.Membership Enrollment : both walk in & Drive
2. Virtual Meeting between Dr Brian Branch, President cum CEO, and Mr Andrew Price,Vice president (Advocacy) , WOCCU with Bhima Subrahmanyam, ICBA President on 25-03-2021.
- 3.13 April 2021: Virtual Meeting between WOCCU and ICBA Board of Directors.

(1: Dr Brian Branch2.Mr Andrew Price3.Bhima Subrahmanyam; (India)4. Mr.Konduru Ravinder Rao : India) 5.Mr.Kabir Ayinde -Tukur (Nigeria) 6. Eng. Mieczyslaw GRODZKI, President,NCC,Poland 7.Dr. Adam Piechowski : (Poland),8.Mr. Mohiuddin Ahmed : (Bangladesh),9. Dr. J.M. (Hans) Groeneveld, Rabobank : Special Invitee: Participated)

4. Coordinated with The World Bank to organise Webinar.

ICBA established initially contacts with The World Bank in June 2020.ICBA will continue to carry out the contacts with the WORLD BANK. **Mr. Toshiaki Ono Senior Financial Sector Specialist, Agriculture Finance Finance, Competitiveness and Innovation is the nodal contact for ICBA.**

- 6.Established contact with newly appointed CEO , EACB: Ms Nina Schindler on 15 April 2021 to impress upon the need to jointly organize events for CFIs.

7. ICBA and WOCCU jointly organised Webinar on “...Sharing Digitalisation Strategies among Credit Unions and Cooperative Banks’, on 25 May 2021

8. Joined "ICETT online Event on Future of Work - 1st June 2021".

9. UN Department of Economic and Social Affairs (UNDESA) and the International Cooperative Alliance (ICA) organized expert group meetings on Cooperatives in preparation of this year's report of the UN Secretary General on Cooperatives in Social Development at 17.30 to 20.00 hrs (ist) on 02 June 2021. ICBA has been associated.

10. Established contact with EURICSE and continued to share Few Facts about ICBA and World Monitoring Monitor (WCM) on 04-06-2021.

Participated in the webinar on Cooperative and responsible finance for development" by EURICS on 17-06-2021:

11. Associated with International Co-operative Governance Symposium on 17-06-2021:

Theme: Governance in Co-operatives - Participatory, People-Centred, Democratic  
Hosted by the International Centre for Co-operative Management, Saint Mary's University (Halifax, Nova Scotia, CANADA)

12. ICBA participated in the online events organized by COPAC on 02-07-2021

on the eve of IDC on the theme of Rebuild Better Together: Cooperatives for a better Recovery

13. Virtual Conference jointly by APMAS, IRU, ICBA, NAFSCOB on IDC held on 03-07-2021

September 2021-Jointly with ICBA.

14. Retained Ms Nazik and Ms Rubiga to work for ICBA for 4 months till the conclusion of 33<sup>rd</sup> world cooperative Congress to be held in Seoul, but not later than January 2022.

15. Webinar on SDGs held on 18 November 2021 by CBA in close association with KCO and KU Leuven Programme on SDG

16. The following ICBA events have been held on 30-11-2021 in Hybrid format.- Both virtual and Physical.

\*Webinar on “how Financial Cooperatives contribute to sustainable development” based on the findings of the baseline research.

\*Presentation of 3 ICBA Publications to Mr Ariel Guarco, President, ICA.

\*One set of the same publications has been presented to Mr. Jean-louis Bancel, Director on ICA Board.

\*ICBA Board meeting

\*ICBA General Meeting

<b>Item No.4</b>	<b>To note and consider the Final Version of the MOU between ICBA-ICA and EACB.</b>
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The MOU is as a result of the discussions & correspondence between ICA and EACB. Mr Bruno Roelants facilitated the meeting between President, ICBA and Mr. Herve Guider, Managing Director EACB on 30-01-2020 to appreciate each other's point of View. EACB suggested the need for MOU between ICBA & EACB. The ICBA Board in its meeting held on 22-02-2020 in India approved the proposal to enter into MOU. The draft copy of the MOU was shared with all members of ICBA. Based on the suggestions from members, the MOU has been finalized. A copy of a two page signed MOU has been already sent in April-May,2020 for the perusal of members. The General Assembly and BOD of ICBA in their virtual meeting held on 12 Oct 2020 endorsed the MOU with appreciation. The ICBA noted the above status during the meeting held on 30-11-2021 and resolved as follows:

**Resolved to appreciate the initiative taken by President ICBA with the support of Director General, ICA in entering into MOU with EACB. Further resolved to note that the MOU will certainly lead to better coordination & cooperation with EACB at the international level to address the issues pertaining to Cooperative Financial Institutions / cooperative Banks & Credit Unions.**

Resolved to note the meeting online between ICBA president and Ms Nina Schindler, newly appointed Managing Director , EACB on 15 April 2021.

Item No. 5	<b>To peruse the study report on Sustainable development Goals: contributions of Cooperative Banks.</b>
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The members resolved to peruse the suggestions, observations & conclusions emerged out of the study on Sustainable development Goals: (SDGs)with appreciation. The members also appreciated the webinar on how the ICBA members contribute and report on SDGs. The members further acknowledged the dissemination of study report and webinar on SDGs through website, circulation and printed hard copies. Also resolved to appreciate that a copy of the same is also presented in person to Mr Ariel Guarco, President, ICA in Art Hall, Vista/Grand Walker Hall, Seoul at the conclusion of the webinar & general meeting, by President, ICBA.

Resolved to note that the study report is also available at:

1. [www.ica.coop](http://www.ica.coop)
2. [www.icba.coop](http://www.icba.coop)

The Printed and hard copies have been made available during World cooperative congress held in Seoul, Korea on 30 Nov-03 Dec 2021. The first hard copy is presented to Mr.Ariel Guarco. President. ICA on 30-11-2021.

**Resolved to place on record the initiative/contribution of ICBA President & Board and congratulate for the achievement.**

Item No.6	<b>To peruse the study report on 'Regulation and Sustainability of Cooperative Banks: A cross country Study reports</b>
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The Overview of the report is noted as follows:

\* Standalone banks are smaller in size and Less Systemically Important. Current regulatory designs indicate that these bank will be, eventually merged into bigger banks. Regulators are nudging them towards becoming networked institutions. Once networked the standalone cooperative bank loses its individuality.

\*The cooperative principles of “one vote one member”, share linkage to credit, not pursuing profit maximisation etc are not factored in regulatory estimate of risk. With IPS ‘one member one vote’ concepts become less effective.

\* About coop Bank shares redeemability. Some regulators indicate an annual amount of redemption while some do not allow any redemption. These have implication for the cooperative character of the banks and may dissuade people from becoming members of cooperatives.

\* Governance is a big challenge because as banks become bigger members find it difficult to be board members and Regulators insist on independent directors. If the board has majority independent directors, then members lose control over the bank. This stipulation of fully independent board being made on cooperative banks however is not seen in case of commercial banks.

\*Proportional regulation is ad-hoc/arbitrary and Basel has not developed any metrics for the same. Basel has not, apparently arrived at any methodology for proportional regulation. It is the structure of Basel II and III that ensures proportionality.

\*Cost of compliance is on the increase. The cost to income ratio of cooperatives is higher. More so when fixed rate/cost borrowings are resorted to for maintaining CAR.

The suggestions of the report with regard to Proportionality of Regulation are noted by the members:

- ▶ Coop banks with total assets <1% of countries banking system need not be closely regulated. Could be subject to lower CAR say 2%, lower reserve ratios, deposit insurance premium and NPA norms. Investments to be allowed in G Sec and other bank deposits (liquidity purposes) only. No market trading. Sell investments if any through IPS system. The reporting and disclosure system should be simpler. These banks should be encouraged to be part of IPA and supervised by the central bank of IPS
- ▶ Banks with T A between 1% and 2%. Norms could be similar to 1 above, a higher reserve ratio, and CAR of 4% along with exposure norms. Banks with TA > 2% but < 3% could, have CRR on par with big banks and CAR of 6%. If they trade in the market the CAR could be 7%. Banks with total assets above 3% CAR could be as per Basel Norms. These banks should be supervised by the regulator.
- ▶ In countries where IPS is well settled coop banks which are part of network could have similar norms as above. Central bank of the net work could be given some benefit in norms while reckoning the consolidated position.
- ▶ NPA norms could be in a range basis say 90 days to 135 days. Banks could adopt what is suitable for purposes or areas. But once adopted they should stick to it.

**Resolved to appreciate the initiative taken by President ICBA with the support of President and Director General, ICA in carrying out the above study report.** Further noted & endorsed the Costs involved in carrying out the study report.

<b>Item No.7</b>	<b>To peruse the highlights of Indian Banking Regulations (Amendment) Act-2020 - highlights.</b>
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Resolved to note that the following twin highlights of the Indian **Banking Regulations (Amendment) Act-2020** :

- to bring the co-operative banks on par with the developments in the banking sector through better management and proper regulation of co-operative banks with a view to ensure that the affairs of the co-operative banks are conducted in a manner that protects the interests of the depositors.
- to strengthen the co-operative banks by increasing professionalism, enabling access to capital, improving governance and ensuring sound banking through the Reserve Bank of India.

Based on the briefing by ICBA President, the Board of Directors also resolved as follows:

Resolved to note the amendments in The Banking Regulation (Amendment) Act 2020 and to look forward to omit certain clauses of section 56 & other consequential changes in section 56.” as is the consensus of Indian cooperative banks. Further resolved to authorize President, ICBA to commission a study/survey to understand the characteristics of cooperative Identity and to assess extent of cooperativeness in Rural Cooperatives in India more particularly at the level of State Cooperative Banks

<b>Item No.8</b>	To peruse the ICBA Statute Rules and consider amendments, if any
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The members resolved to appreciate the efforts in keeping the ICBA Statute and also related rules at place as approved by the Board. While appreciating the need for further examination of certain provisions of ICBA statute, the members expressed and endorsed the view that Non-Members cannot hold formal position on the ICBA Board. Similarly, the indirect members also cannot hold formal position in the ICBA Board. The indirect members, if holding any elected positions on the board of ICBA may consider to vacate those positions in the next meeting of ICBA Board. Therefore, the general assembly resolved to abide by the ICA stand that Regional Banking Committee (RBC) and or ICA-AP cannot be the members of ICBA as they are direct entities of ICA. Since they are not members of ICBA, they cannot hold the position of Vice president of ICBA. The general assembly resolved not to ratify the position of RBC of ICA AP in ICBA Board. The issue of whether to extend ratification of the non- elected /nominated position in ICBA and more particularly the positions by non-members is within the exclusive powers /jurisdiction of ICBA General Assembly. Therefore, the general assembly approves and endorses the decision of the ICBA Board that RBC /ICA AP are not members of ICBA and cannot hold any position on ICBA Board. Chairman, RBC /RCBA no more holds the position of Vice president , ICBA. This decision comes into with immediate effect. Resolved to endorse the views of Board of Directors, ICBA. Resolved to empower President, ICBA to take appropriate action in these matters within the frame work of the decisions by General Assembly and Board.

**Resolved to put in place the ICA statute and Rules to facilitate executing & managing the affairs of ICBA.**

<b>Item No. 9</b>	<b>To peruse the highlights of ICA 33rd world cooperative congress to be held on 1-3 Dec 2021 in Seoul, South Korea.</b>
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Resolved to peruse the events organised during rescheduled 33<sup>rd</sup> World Congress on 01-03 Dec 2021 in Seoul, South Korea. Also noted the pre congress events held on 25-30 Nov 2021. Further resolved to specifically note and endorse the activities carried out by ICBA President which includes General meeting/Webinar etc. during that period. The members are highly appreciative of the fact Mr Ariel Guarco, President, ICA was chief Guest during ICBA events and spent considerable amount of time with ICBA deliberations and members.

<b>Item No.10</b>	<b>To share status reports, if any, on measures taken by cooperative Banks/Cooperative Financial Institutions/Credit Unions in containing the adverse Impact of Pandemic.</b>
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The attention of the members is drawn to the information made available on [www.icba.coop](http://www.icba.coop). **Resolved to note the valuable information. Appreciated the work being done by ICA and ICBA members.**

<b>Item No.11</b>	<b>To invite and consider the work Plan &amp; Budgeted Expenditure for the year 2021 (January to December)</b>
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Resolved to accord 'in principle approval' with a suggestion to amend it from time depending upon the ongoing developments. Further, resolved to submit the same to ICA for consideration, as and when is advised to submit. The attention of the members is again drawn to the information made available on [www.icba.coop](http://www.icba.coop).

However, the budget proposals for the year 2022 should pay attention to the activities of ICBA during the centenary year 2022 and related expenditure.

Resolved to note and appreciate the dissemination information by ICBA President on continuous basis.

Further resolved to authorise President, ICBA to formulate the work Plan and related Budget for the year 2022 and submit to ICA.

<b>Item No.12</b>	<b>To approve /ratify the actions taken during the period between 12 October 2020 till date.</b>
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Approved with appreciation.

<b>Item No.13</b>	<b>To plan to create a Data Bank and Directory of ICBA members - a big project.</b>
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The attention of all members of ICBA is drawn towards the need for maintaining a data base of the Cooperative Financial Institutions (CFIs): Cooperative Banks and Credit Unions. This helps to work out the existing status, the assess gaps and plan for future activities. Appreciated the need for preparing Concept paper for further perusal.

Resolved to authorize the President, ICBA to commission assignment (outsourcing)to comply with the actual and felt needs of CFIs as it is felt necessary to build Data Bank of ICBA Members/create database of/for ICBA members.

<b>Item No.14</b>	<b>To note and approve the decision to retain the services of DR. Nazik Beishnaly and Ms Rubiga Sivakumaran by the ICBA for carrying out a base line research on the profiles and sustainability activities of ICBA member organisations.</b>
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Resolved to approve the decision to retain the services of *of Ms. Nazik Beishnaly and Ms.Rubiga Sivakumaran are currently engaged by the ICBA for carrying out a baseline research on the profiles and sustainability activities of member organisations .Also resolved the MOU between them and ICBA which includes approval of consultancy Fee/Remuneration.*

<b>Item No.15</b>	<b>Any other items with the permission of the Chair. (Additional items, if any...)</b>
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a. Resolved to appreciate the special events of organising webinar on ICBA MEMBERS TODAY: HOW DO THEY CONTRIBUTE AND REPORT ON SUSTAINABLE DEVELOPMENT? on two occasions : 18 Nov 2021 and 30 November2021.

b. Resolved to note with appreciation the presentation on the contributions made by ICBA member countries.

c. Resolved to appreciate the proposals to organise ICBA Centenary Celebrations in 2022. and further empower the President ,ICBA to take all necessary steps to conduct the same. These steps may include preparation of Concept paper, Setting up of a committee, Retaining services of adhoc staff to assist in organising the celebrations etc.

(Bhima. Subrahmanyam)



President

International Cooperative Banking Association(ICBA)

12-12-2021