



## MINUTES OF THE ICBA GENERAL MEETING

### Hybrid Meeting-30 November 2021 ■

#### LIST OF ATTENDEES

<p><b><u>General Body Members</u></b></p> <p><b>Chair</b>  <b>Mr. Subrahmanyam Bhima</b></p> <p><b>Members:</b></p> <ol style="list-style-type: none"> <li>1.Mr.Konduru Ravinder Rao</li> <li>2.Ms Isabelle Ferrand</li> <li>3.Kabir Tukur</li> <li>4.George Magutu Mwangi</li> <li>5.Mr.Mohiuddin Ahmed</li> </ol> <p>Representatives of ICBA Members.:  Hybrid Form</p>	<p><b>Chief Guest:</b>  <b>Mr.Ariel Guarco</b>  <b>President,ICA</b></p> <p>Guest:  Mr.Jean Louis Bancel  ICA Board Member</p>
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The annual General Meeting was 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 etc. Bhima Subrahmanyam, President, ICBA welcomed Mr Ariel Guarco, President, ICA and others to all important events of ICBA. During the welcome address, he presented that the ICBA marked its strong involvement in strengthening Cooperative Financial Institutions (CFIs). He was of the strong view that the activities of ICBA since October 2019 have spotlighted the role of cooperative Banks/CFIs and their clients expectations for support from the banks, which are necessary to accelerate the transition of the real economy. The coordinated efforts of ICBA are important success factors to reach the achievements. Cooperative Banks/CFIs under the guidance of ICBA stand ready to play their role but the regulatory and policy framework are important to facilitate an inclusive positive transition that puts the local territories at the centre. That is why the ICBA launched a study which alerts the international & domestic regulatory agencies and policy makers. He also referred to the activities undertaken by ICBA and as reported in ICA annual Reports.

.Mr.Ariel Guarco delivered keynote address on the occasion. He envisages a strong financial system and safety to their customers under the able guidance of ICBA. He was presented with the three study reports published by ICBA in 2020. 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 and in the august presence of President, ICA. important events of ICBA

<b>Item No.1</b>	<b>To confirm the Minutes of the event events of ICBA. International Cooperative Banking Association ordinary members/General Meeting, held virtually on 12 October 2020.</b>
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Resolved that the Minutes of the meeting of ordinary General meeting, International Cooperative Banking Association (ICBA) held virtually on 12 October 2020 be confirmed

<b>Item No.2</b>	<b>To note &amp; approve the action taken on the resolutions and decisions of the ordinary General meeting held virtually on 12 October 2020.</b>
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Resolved to note the action taken on all the resolutions and decisions of the meeting of ordinary General meeting, International Cooperative Banking Association (ICBA) held virtually on 12 October 2020.

<b>Item No.3</b>	<b>To peruse the conclusions/suggestions emerged out of 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 General members also appreciated the webinar on how the ICBA members contribute and report on SDGs. The members further acknowledged the disseminated 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.

<b>Item No.4</b>	<b>To peruse the conclusions/suggestions emerged out of 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 the Costs involved in carrying out the study report.

<b>Item No.5</b>	To peruse the current ICBA Statute and consider suggestions/modifications , if any.to be put in place
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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 in 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 framework of the decisions by General Assembly and Board.

<b>Item No. 6</b>	To peruse the 33rd world cooperative congress postponed and proposed to be held on 1-3. Dec 2021 in Seoul, South Korea.
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Resolved to note that President, ICBA encouraged the participation of the members of ICBA in the 33rd world cooperative congress postponed and proposed to be held on 1-3. Dec 2021 in Seoul, South Korea. Further resolved to note with appreciation that ICBA organised events such as Webinar on SDGs, ICBA General Assembly, Board meeting etc. on 30 November 2021 as pre congress events.

<b>Item No.7</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.
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**Resolved to place on record the initiative /contribution of ICBA President & Board members towards containing the adverse impact of Pandemic.**

<b>Item No.8</b>	To plan to create a Data Bank and Directory of ICBA members.-a big project.
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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.

**Resolved to endorse the views of ICBA Board and 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. Resolved to authorise the President to initiate all necessary steps including Preparation of Concept Paper, setting up of a committee to create /establish database for & of ICBA members.**

<b>Item No.9</b>	<b>To invite and consider the work Plan &amp; Budgeted Expenditure for the year 2021 (January to December)</b>
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Approved subject to changes from time to time

<b>Item No.10</b>	<i>To note the decision to retain the services 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.</i>
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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.11</b>	<b>To approve /ratify the actions taken during the period between 12 October 2020 till date.</b>
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Resolved to note and approve all actions & decisions, with appreciation to the President ICBA in spite of many constraints.

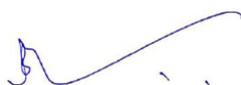
<b>Item No.12</b>	<b>Any other items with the permission of the Chair. (Additional items, if any...)</b>
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a. Resolved to appreciate the special events of organising webinar on ICBA MEMBERS TODAY: HOW DO THEY CONTRIBUTE AND REPORT ON SUSTAINABLE DEVELOPMENT? on two occasions : on 18 Nov 2021 and 30 November 2021.

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. Also Resolved to note with appreciation the presentation on the contributions of ICBA member countries during COVID-19 Pandemic.

The meeting ended with vote of thanks by President to all the members.



(Bhima. Subrahmanyam)  
President  
International Cooperative Banking Association(ICBA)  
12-12-2021