European Chapter Meeting, November 19-20, 2015

The fourth Global Alliance for Banking on Values (GABV) European Chapter Meeting took place in Copenhagen, Denmark during November. A group of 19 participants, mostly GABV members and CEOs of European values-based banks, met to discuss current challenges of the European banking sector. Many banks are facing similar challenges and opportunities and uncovering these factors and how other banks deal with them was a key element on the agenda. Attendees also received an update on current GABV developments and broadened their network by meeting members of the parallel Governing Board Forum meeting. Hosted by GABV member, Merkur Cooperative Bank (Denmark), participants gained insights into Merkur’s work and visited its headquarters.

<table>
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<th>Common challenges and opportunities</th>
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<tr>
<td>• Low or negative interest rates</td>
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<td>• Regulations e.g. resulting in higher demand for equity capital</td>
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<td>• Competitors</td>
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<td>• IT-System changes</td>
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<td>• Digitalization: Fintech revolution</td>
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<th>Banks’ approaches</th>
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<td>• Building higher volumes</td>
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<td>• Increasing process efficiency</td>
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<td>• Reducing costs</td>
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<td>• Moving towards a learning organization</td>
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<td>• Innovating as a key success factor</td>
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<td>• Developing new technology solutions</td>
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<td>• Developing a new way of pricing</td>
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<td>• Building new revenue streams</td>
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As the GABV enters a new phase of growth, the Governing Board Forum (GBF), an expert-led Community of Practice, has been set-up to provide a unique opportunity for each member bank to network, share and learn about governance systems, challenges and opportunities. The GBF was initiated during the 2015 GABV Annual Meeting in Paris and the parallel session held in conjunction with the Regional Chapter meeting at Merkur Cooperative Bank in November marked the first full in-person meeting of experts.
This session provided Board leaders with the chance to share experiences and delve into topics of special interest.

**Participants**

- Chair: Jan O’Brien (Vancity, Canada)
- Kearney Healy (Affinity Credit Union, Canada)
- Vera Goussaert (Assiniboine Credit Union, Canada)
- Tineke Ritzema (Alternative Bank Schweiz, Switzerland)
- Ugo Biggeri (Banca Etica)
- Maria Bjune (Cultura, Norway)
- Morten Gunge (Merkur)
- Lars Pehrson (Merkur)
- Luis Castillo (SAC Integral)
- David Carrington (Triodos Bank)
- Anita Braha (Vancity)
- Dr. Kenneth Amaeshi (University of Edinburgh)
- Anastasia Naranova (University of Edinburgh, Research Assistant)
- Linda Ryan (GABV, The Netherlands)

**PANEL DISCUSSION: Change Finance to Finance Change**

*Courtesy of Ann Hybertz Frandsen, Merkur Cooperative Bank*

The GABV, the KR Foundation, Copenhagen Business School and member bank Merkur Cooperative Bank, hosted a provocative panel debate on Thursday November 19. Executives from the Danish financial sector and representatives from academia, politics, and non-government organisations and of course the GABV
explored whether there is a need for a shift in the general mind-set of the financial industry. The discussion focused on the demand for more responsibility from financial institutions – not only financial responsibility, but also social responsibility. Global challenges such as climate change have called upon an active approach and co-responsibility from the financial sector. All panellists agreed that the demand for more sustainability is growing among consumers, but whether a transition should uniquely be consumer driven was a topic for more discussion.

Another topic was to which degree financial institutions must be sustainable – is it enough to comply with the UN principles or is there a need for even more action and responsibility?

One thing is certain; there is no doubt that there is a need for action within the financial sector. But to which degree and how, remains a subject of controversy.

**The Panel**

- **Marcos Eguiguren**, Executive Director, GABV
- **Anders Damgaard**, Group CFO of the independent Danish pension company PFA Pension.
- **Eric Chr. Pedersen**, Executive Director, Nordea Invest, a Mutual Fund managed by the Nordic financial services group Nordea.
• **Thomas Meinert Larsen**, spokesperson of ‘Ansvarlig Fremtid’ (Responsible Future). ‘Ansvarlig Fremtid’ is an independent group under the Danish NGO ‘Klimabevægelsen’ (Climate Movement of Denmark). ‘Ansvarlig Fremtid’ is inspired by the American movement 350 (350.org).

• **Finn Østrup**, Professor, Department of International Economics and Management, Copenhagen Business School. Finn Østrup has written extensively on financial institutions, on financial crises, and on international monetary economics.

• **Lars Pehrson**. The debate was moderated by Lars Pehrson, CEO of GABV member bank. Merkur Cooperative Bank.

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**Next European Chapter meeting:** November 17-18, 2016 at ABS Bank in Switzerland.