

IV Role of Banking Associations

Book: “Banking Associations – Their Role and Impact in a Time of Market Change”

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УДРУЖЕЊЕ БАНАКА СРБИЈЕ
ASSOCIATION OF SERBIAN BANKS



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Book: *Banking Associations: Their Role and Impact in a Time of Market Change*

- *Authors: Sladjana Sredojevic, PhD and Milan Brkovic, PhD specialists of the Association of Serbian Banks*
- *Both authors are experienced specialists with managerial responsibilities in the national banking association for more than 15 years.*
- **Main motivation – 100 years of the Association of Serbian Banks in 2021 + believe that the role of research is relevant for current business and forecasts where associations are not being known enough.**
- **The book will be published on January 19, 2022, when it will be available on the website and in paper-copy.**

Banking Associations

Their Role and Impact in a Time of Market Change

Sladjana Sredojevic and Milan Brkovic

In the series **The Moorad Choudhry Global Banking Series**



- **Language:** English
- **Publisher:** De Gruyter
- **Copyright year:** 2022
- **Audience:** Banking practitioners and government officials.
- **Pages**
 - Front matter: 15
 - Main content: 180
- **Illustrations**
 - Coloured Illustrations: 14
 - Tables: 4
 - Coloured Tables: 1
- **Keywords:** banking association; banks; society; development; organization

About this book

Banking Associations, as business associations representing the interests of its members (banks) at the national level, in today's changing regulatory and economic environment have an increasingly important role not only in the Banking sector but in the wider economy. Their increasing importance is deriving from their mission, structure and capabilities to obtain and promote different interests in the economy and wider society. It is important to understand their mission, vision and activities and ideally to include Banking Associations in the market decision making process. Countries where that had previously been the case were observed to achieve a higher level of mutual understanding of different stakeholders, and thereby produced greater value-added.

The book will contribute in understanding the purpose, mission, organization and activities of banking associations, their potential and their roles in promoting economic growth, banking transformation.

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Special thanks

- Special contributions:
 - Prof Moorad Choudhry, director of the Global Banking Series at the De Gruyter
 - Dr Levente Kovac, Secretary General, Hungarian Banking Association
 - Wim Mijs, CEO of the European Banking Federation EBF
- Reviews:
 - Prof Roger Claessens, professional, consultant in financial sector and prof. in Luxembourg University
 - Prof. Aleksic, Institute of Economic Sciences Belgrade
 - Prof Jednak, Faculty of Organizational Sciences Belgrade
- Special thanks to all contributors – interviews with all general secretaries of the region, etc .
- **THANK YOU ALL FOR YOUR GREAT POSITIVE RESPONSES: ASSOCIATIONS, GENERAL SECRETARIES**

About the Book

- Importance of the national banking associations (NBAs) – history, positioning on the market, relationship with stakeholders, how associations are affected and responding to the market changes, code of conducts, international cooperation, regulatory changes, etc.
- 70 banking associations analyzed – foundation, organization, management structure, main activities, special features or characteristics etc.
 - All European Banking Associations + other selected associations from all regions worldwide: Euro Asia, Middle East, Asia and Oceania (India, China, Japan, Australia), America (Brasil, Canada, USA), Africa (Egypt, South Africa).
 - Power of international cooperation - most relevant international banking associations: European Banking Federation (EBF), International Banking Federation (IBF), Asia Financial Cooperation Association (AFCA), The Latin American Federation of Banks (FELABAN), Banking Association of Central and Eastern Europe (BACEE), Union of Arab Banks (UAB).

- Each association is mentioned at least once as a good practice in the Book (e.g. Sustainability Guidelines for The Banking Sector by The Banks Association of Turkey).
- In addition to our findings, Survey was conducted among managers of the banking sector (worldwide) in order to complement the conclusions – 10 questions, 48 respondents.

***Banking
Associations –
Their Role and
Impact in a
Time of Market
Change***

**I Part -
About the
Banking
associations**

- Knowing Banking Associations
- Roles and Responsibilities
- Organization, mission, vision
- Dealing with changes

**II Part
Banking
Associations
and its
stakeholders**

- Banks,
- How they respond today
- Banking landscape in Europe,, with EBF
- Impact of the Banking Associations

**III Part –
Banking
Associations
Today**

- Banking Associations from A to Z – Overview of 70 banking association
- Analysis of selected practices
- What can we expect in the future - activities

Peculiarities – appearance of the associations...

- End of the XIX century
- **American Bankers Association** (founded on July 20th, 1875 in Saratoga Springs, N.Y), and **Canadian Bankers Association CBA** (founded in Montreal on December 17th, 1891).
- Before the First World War
- In independent European countries of that time - e.g., **Association of German Banks was formed in 1901**, in the **Hungarian Kingdom the first banking association was set up in 1903**, while the **Swiss Bankers Association was formed in 1912**.
- After the First World War
- **Italian Banking Association ABI was formed in 1919**, **Association of Yugoslavian (Serbian) Banks was established in 1921**, **Hellenic Bank Association was formed in 1928....**
- Great Depression 1929-1939
- Federation of Egyptian Banks was formed in 1936, the **Luxembourg Bankers' Association in 1939**
- After the Second World War - The **Banks Association of Turkey** was formed in 1958, etc.
- Berlin wall Fall – many new European associations appeared.

Typical form, structure and operations of the NBA

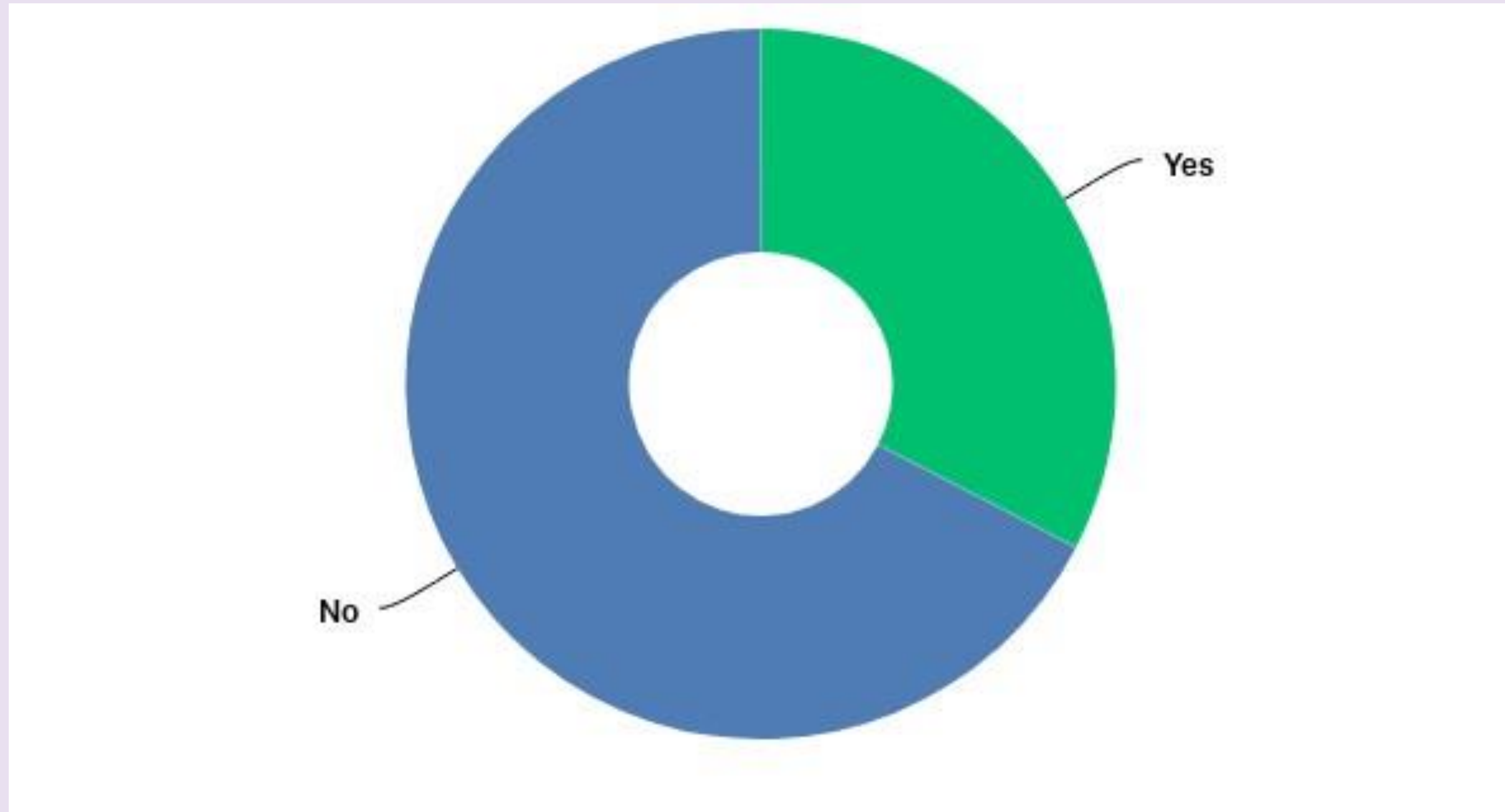
- **Seats:** capital.
- **EU Affairs:** some associations have established a European Policy office in Brussels such as Finance Denmark, Polish Banks Association, Association of German Banks, Italian Banking Association
- **Foundation:** Based on Statute, Non-profit Mission and vision
- **Members:** Banks, and/or other financial institutions
- **Membership** may be:
 - a) voluntary or compulsory, b) full or associate or corresponding, c) only banks or other financial institutions, too (insurance companies, investment firms, etc.), d) only certain type of banks e.g., regional banks, saving banks, e) ordinary membership, f) specialized employer membership, g) remote membership (e.g., Finance Norway), h) national and international members membership (e.g., Associate members of the Union of Banks of Kyrgyzstan are also IFC, EBRD, International Banking Council).
- **Financing:** members contributions (e.g. common to all members, based on the size of the member – Malta), revenues, donations, Income from its own assets or capital, Miscellaneous revenues.

Survey findings – selected questions and selected responses

- Do you think Banking Associations and their activities are **known enough** for the general audience?
- Which one out of these **pillars of activities** should be fostered in the future role of banking associations: Activities focused on its members – banks, activities focused on current and potential users of financial sector services and activities focused on general public?
- Which of the following **profiles/competences of the staff** as employees of the banking associations will be needed in the future?
- In your opinion, what should be the **main source of financing** for the operations of the banking associations?
- Which segments and activities of the banking association will have growing importance as the **response to the changes** in the mid-term future?
- In your opinion, should national banking association become **participant in the market** and provider of certain commercial services (e.g., cooperation with fintech, IT services....)?

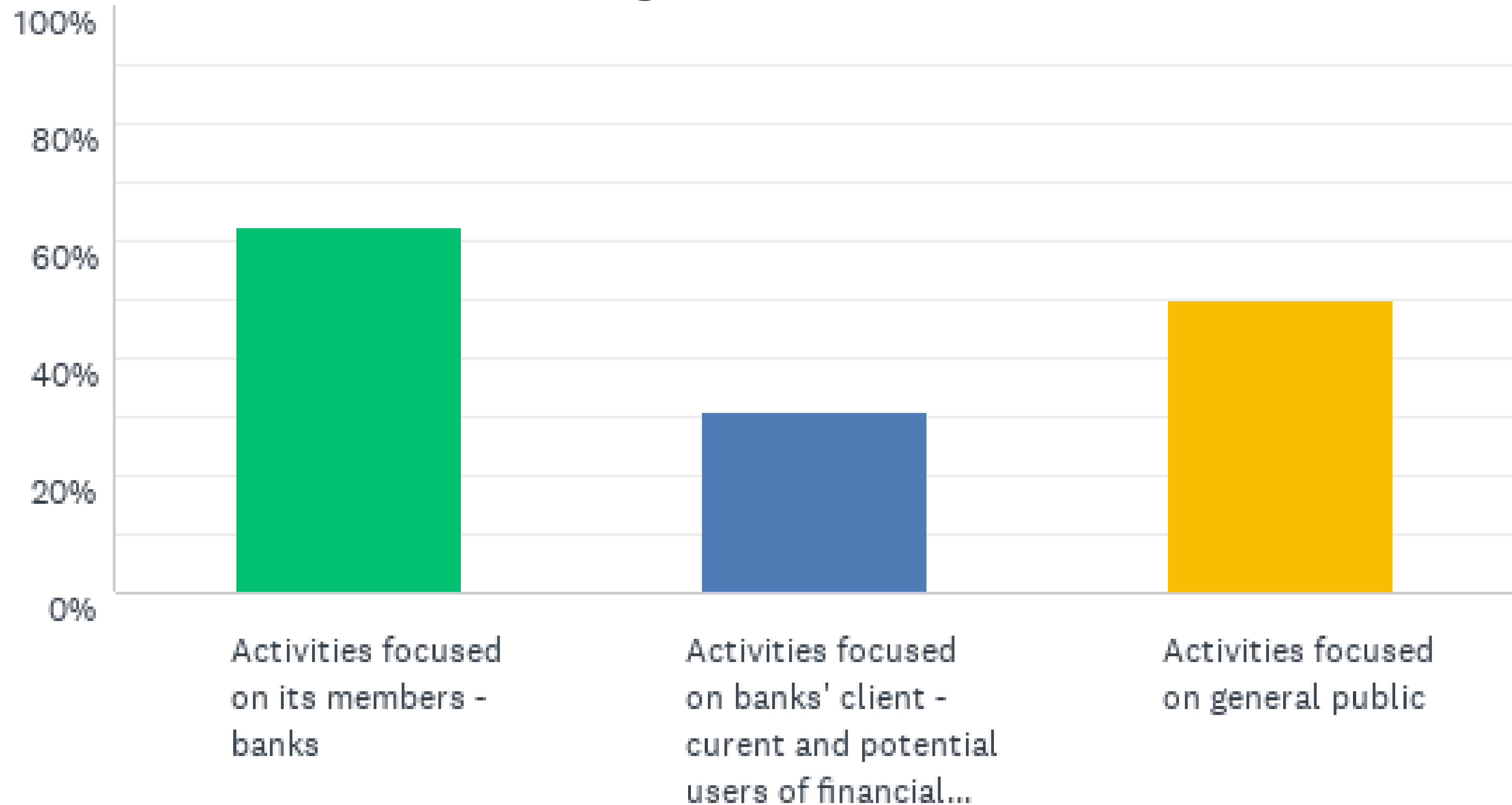
Do you think Banking Associations and their activities are known enough for the general audience?

Answered: 46 Skipped: 0



Which one out of these pillars of activities should be fostered in the future role of banking associations?

Answers:



Which segments and activities of the banking association will have growing importance as the response to the changes in the mid-term future?

Answered: 44 Skipped: 2

ANSWER CHOICES	RESPONSES	
Education (including Financial Education)	6.82%	3
Sustainable and Green Financing	38.64%	17
Partnership with Government and Regulator in various initiatives	11.36%	5
Partnership with market participants: FinTech, IT companies etc.	20.45%	9
Overall changes of the Banking association itself: organization/structure (departments, committees), changes of staff specialization, etc.	22.73%	10
TOTAL		44

In your opinion, what should be the main source of Financing the operations of the banking associations?

Answered: 45 Skipped: 1

ANSWER CHOICES	RESPONSES	
Membership Fees	75.56%	34
Developing alternative sources of funding on a commercial basis	40.00%	18
Other (please specify)	13.33%	6
Total Respondents: 45		

Which of the following profiles/competences of the staff as employees of the banking associations will be needed in the future? (Please select all that apply.)

Answered: 47 Skipped: 1



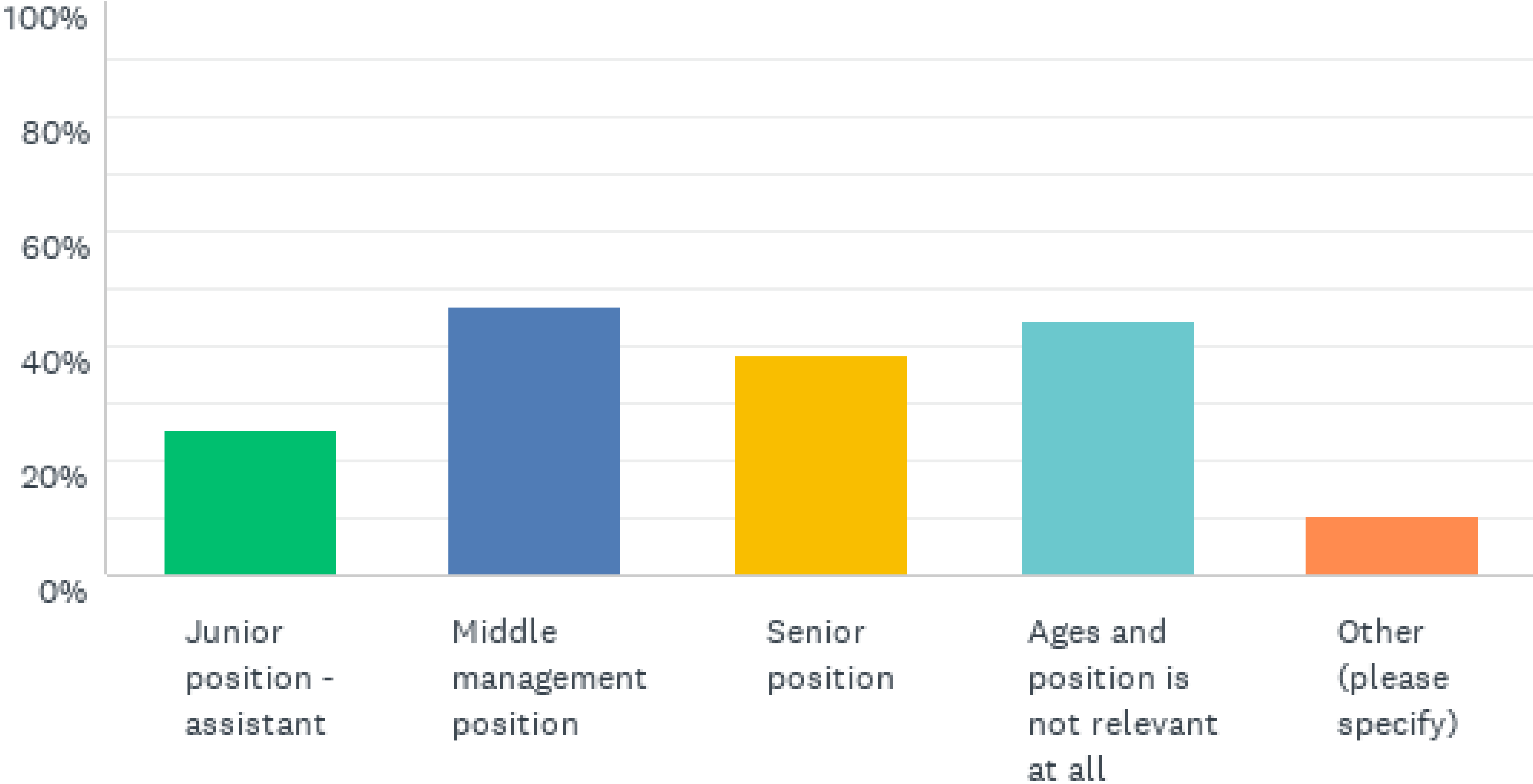
Which of the following profiles/competences of the staff as employees of the banking associations will be needed in the future? (Please select all that apply.)

Answered: 47 Skipped: 1

ANSWER CHOICES	RESPONSES	
Coordinator	40.43%	19
Specialist in one banking&finance field	10.64%	5
Specialist in several banking&finance fields	82.98%	39
Specialist in non banking fields (IT, journalist, mathematician, etc)	38.30%	18
Other (please specify)	14.89%	7
Total Respondents: 47		

Which of the following positions of the staff as employees of the banking associations will be needed in the future? (Please select all that apply.)

Answered: 47 Skipped: 1



Q6: Which of the following positions of the staff as employees of the banking associations will be needed in the future? (Please select all that apply.)

Answered: 47 Skipped: 1

ANSWER CHOICES	RESPONSES	
Junior position - assistant	25.53%	12
Middle management position	46.81%	22
Senior position	38.30%	18
Ages and position is not relevant at all	44.68%	21
Other (please specify)	10.64%	5
Total Respondents: 47		

All further suggestions to:

Specialists and co-authors

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