



**WRITTEN ASSEMBLY QUESTION
FOR ANSWER BY
THE MINISTER FOR ECONOMY & TRANSPORT
ON 21 JUNE 2019**

Russell George (Montgomeryshire): Is the Welsh Government on target to establish the Community Bank of Wales by the end of this Assembly term? WAQ78416 (e)

Russell George (Montgomeryshire): Will the Minister state what progress has been made in order to establish the Community Bank of Wales? WAQ78417 (e)

Russell George (Montgomeryshire): Will the Minister state when we could expect to see the opening of the first branch of the Community Bank of Wales? WAQ78418 (w)

Russell George (Montgomeryshire):
Will the Minister state how much financial support the Welsh Government will provide to facilitate the creation of the Community Bank of Wales? WAQ78419 (e)

Russell George (Montgomeryshire): Will the Minister state how many branches of the Community Bank of Wales the Welsh Government wants to open by the end of this Assembly Term? WAQ78420 (e)

Russell George (Montgomeryshire): Will the Minister state the number of Community Bank of Wales ATM's the Welsh Government wants to install by the end of this Assembly Term? WAQ78421 (e)

Ken Skates: I am totally committed to doing everything possible to support and test the feasibility of creating a community bank in Wales and the Welsh Government is currently engaged with a number of stakeholders on this matter.

A stakeholder group has now incorporated a mutual society under the name of Banc Cambria and have submitted a proposal to Welsh Government requesting support to meet the cost of the early work phases. This seed finance will allow the group to recruit suitably qualified banking professionals with the aim of developing a business plan and submitting an application for a banking licence to the respective Bank of England agencies, the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA) during the next two year period.

At this stage officials from the Development Bank of Wales are supporting with an early stage market assessment and this will develop further as the business plan begins to take shape. It is therefore too early to provide detail on the various products and services that the future bank might offer or indeed where it will be located and details on the number of branches and ATMs that will open.

It goes without saying that establishing a bank is technically complex although Bank Cambria is working in partnership with the Community Savings Bank Association (CSBA) whose aim is to establish a network of community banks throughout the UK. The CSBA and has laid down much of the groundwork working with other groups seeking to establish community banks in the London, South West England, Avon & Somerset areas and I also understand that the Manchester area is now looking to follow suit.

Formal approval from the Bank of England is thought to be feasible within a three year time-frame. Thus the Community Bank for Wales could be open for business by end 2021, though more likely during 2022. The process should accelerate if and when the three community banks currently in the pipeline (London and the South West of England) succeed in their approvals and share learnings with the Banc Cambria team.

The project timetables are challenging and are reliant on others particularly the regulatory authorities the PRA and FCA but I am encouraged by the early work that has already taken place and not least the significant level of interest shown in other areas of the country to consider the community banking model as a means to provide continued banking services where they might otherwise not be available.
