



**A Brave New World?**  
**The Future of Banking in Emerging Europe**  
*Rethinking Size, Structure, Ownership, Policies and Incentives*

Conference co-organized by the Bank of Albania and the London School of Economics and Political Science (LSE)

October 10<sup>th</sup> (17:30 onwards) - 11<sup>th</sup> 2019

## **Programme**

### **Thursday, 10 October 2019 – venue: Bank of Albania**

**17:30 – 19:00**    **SESSION: Global and EU-wide trends reshaping the landscape for Southern-Eastern Europe**

*Subdued global and European economic outlook create a demanding environment for Albania and the SEE region as a whole. The escalating tariff war between the United States and China; threats to global technology supply chains; Brexit-related uncertainty; and the return of “currency wars” have been weakening market confidence. Meanwhile, ongoing economic and policy developments in the European Union are powerfully shaping the context for EU candidate members.*

*This panel will discuss the following issues:*

- *Key trends in the global and regional economic outlook;*
- *EU conditionality for reforms;*
- *Scope for multilateral policy actions for reform governance both globally – G20 and alike – and regionally in the context of the European Union.*

**Chair and lead: Gent SEJKO**, Governor, Bank of Albania

**EU Conditionality and Commitment to Reforms**

**Vassilis MONASTIRIOTIS**, Associate Professor of Political Economy, European Institute, Director of LSE Research on South East Europe

**Pan-European Developments and Trends**

**Nadeem ILAHI**, Senior Resident Representative, IMF Regional Office for Central, Eastern and Southeastern Europe

**Reform of Global and Regional Governance and Implications for the Southern-Eastern European region (SEE)**

**Erik BERGLOF**, Deputy Dean, LSE School of Public Policy and Director, IGA

**19:00 – 21:00**    **Welcoming reception hosted by Governor of the Bank of Albania Gent Sejko**

**Friday, 11 October 2019 – venue: The Plaza Tirana Hotel, (Rruga “28 Nëntori”, 1001 Tiranë)**

**08:00 – 09:00 Registration and light breakfast**

**09:00 – 10:00 Welcome and opening speeches**

Welcome address by **Gent SEJKO**, Governor, Bank of Albania

Welcome address by **Erik BERGLOF**, Director, LSE Institute of Global Affairs

Greeting speech by **Arben AHMETAJ**, Chairman, Economy and Finance Committee, Parliament of Albania

Greeting speech by **Anila DENAJ**, Minister of Finance and Economy

Greeting speech by **H.E.Mr. Ilir META**, President of the Republic of Albania

**10:00 – 10:10 Group photo (all speakers)**

**10:10 – 11:25 FIRST SESSION: Facts on the ground: Restructuring, technological change, and the evolving regulatory and monetary policy context**

*The banking industry is facing a rapidly changing context. Technological change is disrupting existing bank business models. Supervisory and financial stability regulations and other potential impediments to global trade are threatening to pose new barriers to financial flows. Banking groups in Europe, which own much of the banking sectors in the SEE region, are in retreat. New market entrants have also emerged from Central Europe and beyond. In the meantime SEE region has become part of a “mini-Euro financial cycle”, where the ECB’s monetary policy decisions directly impact financial conditions in the region.*

*The session will discuss the following questions:*

- *How is the business models of banks changing in the emerging Europe, the SEE region and particularly in Albania?*
- *What are the potential implications of the EU-based financial groups’ ongoing withdrawal from the SEE region for financial stability, banking supervision and financial market development in this region?*
- *Can non-bank finance fill the gap that the departure of EU-based bank groups is creating in financing sustained development? What is the role of Fintech and Bigtech in future finance in this region?*
- *What are the risks to macroeconomic and financial stability and economic development?*

**Chair: Natasha AHMETAJ**, Second Deputy Governor, Bank of Albania

**Title of presentation**

**Ralph De HAAS**, Director of Research, European Bank for Reconstruction and Development

**Title of presentation**

**Davide STROPPA**, Bank Expert, Banking, Markets Products and Innovation Unit, European Banking Authority

**Third Round of the Euro Area Enlargement: Are the Candidates Ready?**  
**Milan DESKAR-ŠKRBIĆ**, Advisor, Modelling Department, Croatian National Bank

**Changing business model of banks**  
**Paola ANGELETTI**, Head of ISBD - Intesa Sanpaolo Subsidiaries Bank Division

**Title of presentation**  
**Silvio PEDRAZZI**, Chairman, Albanian Association of Banks

**11:25 – 11:40**    **Questions & Discussions**

**11:40 – 12:00**    **Coffee break**

**12:00 – 13:15**    **SECOND SESSION: Policy challenges and implications**

*This panel will investigate how banks in the SEE and in particular in Albania deal with new challenges that arise both from regulators and non-bank financial entities. The session will also analyze the new challenges these trends pose for authorities not only in terms of regulation and supervision but also in terms of policy implementation, including monetary transmission channel effectiveness and overall efficiency of market participants.*

*The session will address the following questions:*

- *How do ongoing trends alter banks business model and how should they engage/approach innovative trends in financial products and technology?*
- *How technological change in banking and finance can be harnessed for growth and financial stability?*
- *Can non-bank finance fill the gap that the potential departure of EU-based bank groups is creating in financing sustained development? What is the role of Fintech and Bigtech in future finance in this region?*
- *What are the policy implications and policy options for central bankers, policy makers and the banking community?*

**Chair: Luljeta MINXHOZI**, First Deputy Governor, Bank of Albania

**Title of presentation**  
**Marianne NESSÉN**, Senior Advisor to the Executive Board, Sveriges Riksbank

**Title of presentation**  
**Michael WUERZ**, Head of Department, Financial Stability and Macroprudential Supervision Department, Oesterreichische Nationalbank

**Title of presentation**  
**Ioannis ASIMAKOPOULOS**, Senior Economist, Head of Banking & Capital Markets Section, Economic Analysis and Research Department, Bank of Greece

**Title of presentation**  
**Peter BOTOCHAROV**, TRPrice Asset Management

**Title of presentation**  
**Heinz WIEDNER**, Member of the Supervisory Board, Raiffeisen Bank Albania

**13:15 – 13:30**    **Questions & Discussions**

**13:30 – 15:00**    **Lunch**

**15:00 – 16:30**    **THIRD SESSION: The Governor’s Panel - Financial Sector for Growth and Stability**

*The traditional Governor’s Panel will address key issues in the future of banking and financial services. What are the most promising trends and where do future risk lie? What are the potential implications in terms of macroeconomic stability and risks, and main dilemmas for central bankers and regulators, not least in the context of the recurrence of “currency wars”? The discussion will focus on policy and regulatory choices and incentives to reinvigorate financial intermediation in Albania, the SEE, and in the broader Emerging Europe region.*

**Chair: Piroska NAGY-MOHACSI**, Programme Director, LSE Institute of Global Affairs

**Gent SEJKO**, Governor, Bank of Albania

**Želimir RASPUDIĆ**, Vice Governor, Central Bank of Bosnia and Herzegovina

**Dmytro SOLOHUB**, Deputy Governor, National Bank of Ukraine

**Ardo HANSSON**, Former Governor, Bank of Estonia

**Mario BLEJER**, LSE and IDB; former Governor of Central Bank of Argentina

**Erik BERGLOF**, Deputy Dean, LSE School of Public Policy and Director, IGA

**16:30 – 16:45**    **Concluding Remarks**

**Gent SEJKO**, Governor, Bank of Albania

**Erik BERGLOF**, Deputy Dean, LSE School of Public Policy and Director, IGA