**WRITTEN STATEMENT**

**BY**

**THE WELSH GOVERNMENT**

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| **TITLE** | **Community Bank Update** |
| **DATE** | 02 February 2023 |
| **BY** | **Vaughan Gething MS, Minister for Economy** |

I recently met with the Chair, Board representatives and Chief Executive of the Monmouthshire Building Society (MBS), alongside the Minister for Social Justice and representatives from Cambria Cydfuddiannol Ltd (CCL) to receive an update on the progress being made to realise the vision of a Community Bank in Wales.

At the meeting we were informed by MBS that, ongoing work to deliver a Community Bank is, inevitably being impacted by factors such as rising interest rates, a contraction of the mortgage market, falling house prices and a cost-of-living crisis, with the Bank of England predicting a recession.

The Chief Executive has confirmed that the Monmouthshire Building Society (MBS) remain fully committed to their programme of work to develop and deliver a Community Bank. However, in light of prevailing economic conditions, MBS are not planning an active roll-out in 2023. Key work to enable delivery will continue and MBS will update me again before the summer.

I recognise that Community Bank is a commercial venture on the part of MBS, who have received no public funding to do this. Building on work undertaken by Cambria Cydfuddiannol Ltd they have developed the vision and are committed to delivering a community bank that is successful, sustainable and has a presence on high streets across Wales for years to come.

The Welsh Government remains committed to supporting delivery of a Community Bank.

I, like many other people, am keen to see this ambition realised as soon as possible. While it is disappointing that economic conditions are impacting plans, our ultimate goal remains the delivery of a Community Bank that supports a strategic shift in the market and the choices available to customers. Against a backdrop of disinvestment by the major corporations, we will continue to champion a new banking model in Wales that centres on value for, and value in, our communities. Other countries have regional and community banking structures which stand in real contrast to our highly concentrated shareholder dominated structure in the UK.

I am proud that Welsh Government has worked with partners to reach this point, where we have real plans from a credible commercial organisation whose vision and aspirations are aligned with ours.

Wales remains in the vanguard and we recognise that, as a commercial partner, MBS must adapt and plan accordingly. Getting it done right so a Community Bank can deliver successfully for the long-term is the real prize.

I will bring a further update to Members before the summer. In the meantime, further information can be seen on the [MBS Community Bank page](https://www.monbs.com/about-us/community-bankbanc-cymunedol/) of their web site.