

Isabel Sánchez, director of the Catalan and Balearics branch of Triodos Bank

‘The big difference between ethical and conventional banking is that, in ethical banking we not only fund projects with a positive impact on people and the environment, but we also inform our clients about this financing’

Isabel Sánchez is the director of the Catalan and Balearics branch of Triodos Bank. She has worked in ethical banking for 23 years and has participated in the start up of numerous social, cultural and environmental projects that have been made possible thanks to the funding provided by entities like Triodos Bank.

What is ethical banking?

It is a way of doing banking that combines social, cultural and environmental benefits with financial profitability. That is, ethical banking means banking with values that we take the time to explain to clients, such as how we use their money. Furthermore, ethical banking is not going to execute just any type of transaction. Sure, it obtains benefits and profitability, but not at any price, given that it also takes into account, as a basic principle, the social and ecological effect of the project to be financed.

What type of projects does it finance?

The word *triodos* has a Greek origin and means three (from ‘tri’) roads (from ‘dos’). In this regard, Triodos Bank finances three types of projects: social (improving people’s quality of life), cultural (promoting culture) and environmental (driving forward organic farming or renewable energies, for example). Likewise, Triodos Bank works with socially and environmentally responsible companies and takes into account funding projects with added values for people and the planet. These are known as projects with the triple P: Planet, Persons & Profit.

For what reasons does an individual or a company opt for ethical banking?

The main reason why clients turn to an entity such as Triodos Bank is because they want their money to work (providing benefits and obtaining profits) in line with their values. I think that if people and companies knew exactly how the money is used that they deposit in banks and savings banks, a lot of things would change, for example demands with respect to the ethical use of the money they entrust to us. This is the big difference between ethical and conventional banking: in ethical banking we not only fund projects with a positive impact on people and the environment, we also notify our clients about this financing.

What are the professional profiles required in ethical banking?

Ethical banking requires the same professionals as traditional banking, given that there is not any difference in banking in the strictest sense of the word. The only thing that changes are the entity’s values with respect to the projects it finances and the use of the capital that clients entrust to us. In this regard, ethical banking needs people who are educated and with experience in the sector, but with an added value: that they understand and know how to explain what ethical banking is and, most importantly, that they believe in and want to materialise the projects that are funded through ethical banking.

What differential traits or skills must a person have who wants to work in ethical banking?

Of course, people with suitable degrees and educational backgrounds are needed but, above all, who are capable of conveying the meaning of ethical banking, who know how to get the message to society that there is another way of managing money. Professionals in ethical banking must also have empathy and personal values that are in line with those of the entity. In that sense, I would stress that good working skills are not the only requirement for working in ethical banking, they must also have positive attitudes and good personal values.

What is the present situation of the banking and finance sector?

Banking is in a very complex situation at present. Nonetheless, I believe that the crisis has presented us with an opportunity to redefine it. Banks and savings banks, not only those that practice ethical banking, will have to redefine their growth methods, taking into account the benefits entailed by investing in the people who generate wealth, which directly impact the profits of banking entities.

What effects has the financial crisis experienced in 2009 had on ethical banking?

To those of us in ethical banking, the crisis has not affected us as directly as other entities for two reasons. Firstly, because the loss of trust in conventional banking has made the media take an interest in knowing about what ethical banking is and this has created good publicity for us. The second reason, which is related to the first, is that many people have also taken an interest in finding out what ethical banking is all about and -a majority- have ended up becoming clients. Thus, loss of trust in the banking sector, on the one hand, and the transparency that Triodos Bank provides to its clients, on the other, have had a positive impact on us and have attracted many people to our entity.

What are future outlooks for the banking and finance sector? And, in this respect, how will ethical banking develop?

There will be many mergers of regional and local savings banks that were initially founded with values similar to those of ethical banking and that later lessened. It is very likely that these values will emerge again, because clients are increasingly demanding about the profitability of their money and how it is employed. I also believe that banking in general will tend to be more transparent with the information that it provides to clients and the operations it executes.

What are the professional profiles that will be in most demand in the sector in the future? What competences will they need to have?

Ethical banking will require highly qualified professionals, such as for example risk analysts and company consultants but, above all, people will be needed who perform service to the public, because there has been a significant increase in the number of individuals who come into our branch to ask about what ethical banking means and how they can invest their savings in projects that directly benefit people. Very probably, we will need sales managers with a clear customer orientation.

What impact is electronic banking having on the sector? And on the competences of the professionals who work in this sector?

For clients, it has been an advance, above all for those living in regions far from large urban hubs, given that it has made it easier for them to carry out their most common banking operations without needing to actually go into the branch office. For personnel, it has also had very positive effects, because our work is now more efficient. However, the inclusion of new technologies will have other consequences. For example, ICTs will make traditional banking move more towards more commercial banking, more focused on and adapted to clients because administrative tasks will be done automatically by 'machines' (management software) and, us, people, we will take charge of customer communications and services.

Co-financed by: