



EACB Press Release:

Statement of the EACB on the Basel 3 negotiations at Santiago de Chile

02/12/16 – The members of the European Association of Cooperative banks appreciate that the Basel Committee during its meeting at Santiago de Chile earlier this week has made good progress and the contours of an agreement are now clear. However, with the overall calibration of charges remaining open, concerns remain. Gerhard Hofmann, President of the Association pointed out today: *"The finalization of the agreement is important for global coherence and a global level playing-field. However, the new framework should not only be more sensitive to risk and enhance the stability of banks, but also ensure that banks can fulfil their role in the economy. European cooperative banks are among the primary lenders to private households, SMEs and corporates. In the current situation, any reduction of their lending capacity would be a severe blow for the European economy. We are therefore delighted to hear that the new standardized approach will be neutral in terms of capital impact. We are also glad to hear that internal models will be largely retained. On the other hand, we remain sceptic about the combination of input floors and a combined output floor to the IRB models and their impact on bank capital. However, we are strongly convinced the European negotiators will take a firm stand on the capital neutrality."*

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About the EACB:

The **European Association of Co-operative Banks (EACB)** is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 30 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 4,200 locally operating banks and 67,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 205 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 81 million members and 805,000 employees and have a total average market share of about 20%.

Website: www.eacb.coop

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The voice of 4.200 local and retail banks, 81 million members, 205 million customers

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