



EACB Press Release:

EACB statement on comprehensive banking regulatory reform package

24/11/16 – The European Association of Cooperative Banks takes note of the legislative proposals for risk reduction measures touching upon fundamental aspects of the legislative framework (namely the CRR, CRD IV, BRRD, SRMR). Hervé Guider, Managing Director, pointed out: “We very much appreciate the intention of the Commission not only to strengthen the stability of the financial sector but also to improve the conditions for lending. In this respect, we welcome the introduction of certain elements that go in the direction of maintaining stable financing for the real economy and reflecting the specificities of EU markets, while attempting to recalibrate certain aspects for more proportionate solutions and in light of the “better regulation” stance of the Commission. We believe that further work is needed and hope that future discussions will help refining these aspects.

Moreover, we understand the need to implement in the EU legislation outstanding elements of the Basel III package such as a binding leverage ratio, a binding net stable funding ratio, a revised trading book framework, and the need to align resolution tools such as MREL and TLAC.

At the same time, we would like to stress that this reform package comes in eve of the adoption of a further set of Basel reforms (in particular on credit risk) which will then need to be implemented in the EU under a successive legislative overhaul. Such a pace of reform keeps the institutions under a constant pressure and requires continuous resources to be dedicated to compliance, also considering that numerous CRR/CRD IV elements are still being processed.

Finally, we underline that the proposals for amendments to the resolution framework shall be mindful of the diversity of the EU banking system and shall not introduce elements that would unduly hit business models, and hint to a demutualisation of cooperative banks. Preserving the diversity of the banking business models is of fundamental importance for the financial stability of the EU.

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EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

The Co-operative Difference : Sustainability, Proximity, Governance

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 28 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%.

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