



ANNUAL REPORT 2008

EACB
European
Association
of Co-operative
Banks

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Introduction

The **E**uropean **A**ssociation of **C**o-operative **B**anks is an International Non Profit Association which has existed since 1970 and is based in Brussels. It is the voice of co-operative banks in Europe. It is one of the leading trade associations in the financial sector representing 27 members between associations and banks. The co-operative banking sector contributes significantly to the Lisbon agenda and to the competitiveness of the European banking industry at a local and regional level:

- Co-operative banks serve more than 159 million clients
- Co-operative banks are mutual banks, owned by their 49 million members
- Co-operative banks share common values and are a force for local development and entrepreneurship, through their 4,200 member banks and 63,000 branches
- Co-operative banks comply with the key co-operative principle of “one person- one vote” and apply democratic principles in accordance with the European Co-operative Statute
- Co-operative banks contribute to the competitiveness and stability of the European banking industry. Their performances are a result of their strong focus on retail banking, solid capitalization, and the quality of their credit portfolio

Co-operative banks will continue to promote their customer-oriented business model, which benefits Europe, its banking system, its SME's, its consumers and its economy.

President's Address



- The year 2008 will go down as a black year for the banking sector in Europe and throughout the world. This crisis first appeared in the summer of 2007 and then led to a succession of depreciations, inflicted by the accounting rules in force, generating a brutal and uncontrolled plunging of the prices of banking assets. This phenomenon was amplified by the bankruptcy of Lehman Brothers in September 2008. Moreover, it was accompanied by a major crisis of confidence in the solidity of the financial system, leading the public authorities to massively intervene – although in a scattered form – at the beginning of autumn 2008. The succession of summits and meetings at the highest level (G8, G20) and the role undertaken by the European Commission and the European Central Bank created a new awareness of the necessity to rethink the organisation of banking supervision, and maybe even its framework and the content of the regulation. At European

level, the creation of the high-level Larosiere group by the President of the European Commission, responds to this ambition, and the European Association of Co-operative Banks will seek to fully contribute to the initiatives of this high-level group, as well as to any other initiatives that might be undertaken. In this financial turmoil, banks that hold a co-operative statute, working at local or regional levels, are particularly resilient and significantly contribute to re-establish the stability of the financial system. This is also in line with the outcome of research of the International Monetary Fund in January 2007. This ability to resist stems from the high level of capital, a healthy risk diversification, and the stable funding base of the co-operative banks. The cooperative model has proven its aptitude to stand strong in the face of a major crisis. It is now undeniably an example and a model in the European banking landscape, as well as worldwide. Indeed, the EACB has welcomed two new members in 2008; the Japanese cooperative bank, Norinchukin Bank and the Canadian group Caisses Desjardins. Whilst remaining centered on lobbying at European level, the EACB wishes to extend its association with non-European cooperative banking groups, so as to extend its lobbying activities at the G20 level and the international economic and financial institutions international level.

This report is rich in information on the EACB's activities and the main achievements of the Association. I have the privilege of being the EACB's President since July 2008, following Christopher Pleister's three years presidency. He gave decisive impulses to our representation in Brussels, to the benefit of the 28 cooperative banking groups that compose the EACB. I would also like to thank all my fellow cooperative bank or national federation directors, the two vice-presidents, Jean-Marie Sander and Gerard Hofmann and of course Hervé Guider and his staff that compose the General Secretariat.

Piet Moerland
President

Welcome to the EACB

General Manager's Foreword



The purpose of this report is to provide stakeholders, members, policy makers, and European institutions with a better understanding of the EACB's core areas of focus and its successes during the year. I hope it also demonstrates how the EACB is enhancing its reputation and standing within European regulatory and policy circles where financial services and banking issues are concerned.

Some of the major issues that the EACB focused on in 2008 are highlighted below. More details are provided further on in the report. Our lobbying activities would not be a success without the expertise of the various working groups and task forces, while the involvement and contribution of the chairmen and CEOs of co-operative banks has helped boost the reputation of the EACB.

European Regulatory Framework

One of the most important issues for the work of the EACB in the field of banking legislation is the review of the Banking Directive, the Capital Requirements Directive (CRD). Indeed, since the very beginning, the EACB has been heavily involved in this process and has been working on the different elements which are relevant for all banks and for co-operative banks in particular.

The EACB has been also greatly involved in the discussions on the new supervisory requirements (CRD) and architecture. The EACB fully supports the integration of Europe's financial markets and therefore strongly advocates progress of supervision and oversight in the EU. At present, supervisory arrangements remain highly fragmented, since mainly focussing on the national level. It appears clear that the current situation is not conceivable and that a more ambitious solution needs to be worked out at European level, in particular by reinforcing the role of Level 3 committees and of the consolidating supervisor.

The EACB is also committed to the CEBS activities and called for an improved consultation process between CEBS and the banking industry and in particular for retail and decentralised banks such as co-operative banks.

International Financial Reporting Standards

As the voice of the co-operative sector in Europe on the discussion of the definition of equity and liability, the EACB has been engaged in a permanent dialogue with the international accounting standard setter about the convergence program which has the potential to reclassify co-operative shares. In this respect, the Association has requested the full support of the European institutions in defending the specific interests of co-operative banks and the co-operative sector in general. Moreover, co-operative banks took part in the discussions on the amendment of IAS 39 and welcome the quick reaction of the European institutions in amending this standard.

Welcome to the EACB

SEPA

Co-operative banks support the SEPA project. However, the achievement of the implementation of SEPA Direct Debit in 2009 will depend on the acceptance of the European Commission of multilateral banking fees. Co-operative banks expect a long-term commitment from European regulators in order to secure the future of SEPA Direct Debit.

Financial Markets

The EACB has been involved in various consultations with European regulators and has expressed its concerns to the European Commission regarding substitute products and potential legislation in this field. The Association has also communicated its views to CESR on the implementation of the MiFID. Moreover, the EACB supports the TARGET2-Securities platform and appreciates being part of the TARGET2 Advisory Group. This will ensure that the project meets the needs of co-operative banks.

Consumer Affairs

The EACB has actively participated in the development of a set of Common Principles on Customer Mobility for Bank Account Switching which meet the expectations of the European Commission. Co-operative banks are now ready to adopt these Common Principles during 2009 and the EACB will be heavily involved at the European level in the follow-up to the implementation. The EACB continues to contribute to the debates surrounding the integration of mortgage credit markets, the distance marketing of consumer financial services and the Proposal for a Directive on Anti-Discrimination.

Follow-up to the Sector Inquiry on Retail Banking

The EACB has noted that the investigation by DG Competition announced in 2007 is now complete and concludes that co-operative banks are fully compliant with competition rules. Moreover, the EACB welcomes the resolutions of the European Parliament which have demonstrated the key role played by cooperative banks and their contributions to local economies throughout Europe and the need for pluralistic banking markets and diversity of service providers.

The EACB is also strongly attached to the level playing field principle, and therefore cautious towards regulatory initiatives that might open financial activities with reduced requirements to non banking institutions.

Co-operative Banks and Corporate Social Responsibility

The EACB is strongly involved in promoting co-operative values and the specificities of the co-operative business model. Co-operative banks which are rooted in their local communities are keen to facilitate financial inclusion as a method of upholding traditional co-operative values. In this respect, the Association considers that tremendous efforts must still be made by the regulators in the new Member States to encourage the development of co-operative banks. Regarding microfinance, this Association is convinced that the co-operative statute presents a number of vital advantages and is appropriate for microfinance institutions and the development of microfinance in Europe. Moreover, the EACB welcomes the report of the European Economic and Social Committee on the ethical and social dimensions of European financial institutions. Indeed, this report highlights the essential ethical and social role of co-operative banks and the specific added-value which they can provide in this context.

Welcome to the EACB

Communication, Research and Training

The EACB has intensified its efforts to improve the awareness of European and international policy-makers and decision-makers on co-operative banks. In this respect, the 3rd EACB Convention on Co-operative Banks took place at the European Parliament and was attended by high-level representatives of various stakeholders. The Association organised a workshop on green finance and social responsibility of co-operative banks within the context of the Open Days organised by the Committee of the Regions. Finally, the EACB has decided to establish a think tank composed of academics from various European countries. The think tank will be a driving force in the reflections and the analysis of the strengths of the co-operative business model and will be a centre of knowledge and expertise on co-operative banks.

Hervé GUIDER
General Manager

About the EACB (International Non Profit Association)

The EACB Mission Statement:

The EACB is committed to defending and promoting co-operative values and the interests of its members within a competitive environment that allows co-operative banks to best serve their members and clients. To this end, the EACB provides information and advice, and contributes to the dialogue between European institutions and stakeholders.

Our Role

Partner of Decision-Makers

The EACB undertakes a number of activities to promote a legislative and regulatory environment in Europe that fits with the co-operative business model.; taking into consideration the concerns of its members in order to enhance the diversity and the plurality of the European banking industry for the benefit of Europe's citizens and SMEs.

Promoting Co-operative Values

The EACB supports and promotes among European and international institutions the values of the co-operative movement – such as democracy, with the principle of “one person-one vote” at its core, a strong commitment to social values and links with 59,000 bank branches – as an alternative to “shareholder value” and financial markets-oriented institutions.

Commitment

The EACB is fully committed to defending and promoting the unique qualities and values of the co-operative movement on behalf of its members in the European institutions, and the European Central Bank. This commitment makes us the best spokesman and the most effective way for Europe to be heard by policy makers and regulators.

Delivering Value-Added Services

The EACB provides workshops, seminars, publications and information to its members and other co-operative organisations to increase their awareness and knowledge of European issues, keeps them up to date with legislative and regulatory developments and offers a platform to develop co-operation between our members.

About the EACB

Our Values

Transparency

The EACB's governance principles give each full member the same weight in the decision making process regardless of its size, its country of origin or its financial contribution. In addition, the Secretariat has a commitment to inform, to consult, to consider and to respect all opinions and advice from members under the principle, "everything we do - everything you know".

Trust

Relationships between members and the EACB are based on trust. Members trust their Association to defend their interests and it is with this objective in mind that the Secretariat and staff of the EACB go about their work. Members' representatives act with the same aim in the different EACB bodies. This mutual trust is a key component of our lobbying efforts. Moreover, the EACB supports the code of conduct on lobbying.

Efficiency

The EACB is one of the leading professional lobbying organisations in the banking industry in Brussels. The expertise and professionalism of our staff allows us to make relevant contributions in European Parliament committees, in the consultations of the European institutions and in other relevant hearings. We provide a high quality, credible voice for our 4,200 banks.

Selected key achievements

EUROPEAN REGULATORY FRAMEWORK



BANKING SUPERVISION

Discussions on Supervisory Structure

The recent financial turmoil following the American sub-prime crisis is triggering new challenges. Events during September and October 2008 led to an intense discussion on financial architecture (structure of markets, structure of supervision, regulatory cooperation) both at the European and G 20 level. Cooperative Banks are - at the domestic level and in their respective countries - closely involved in discussions with the national public authorities. At the European level, the EACB is working hard to deliver a contribution for a discussion on how to redesign the whole financial architecture for efficient regulation and supervision could emerge from the discussion within the newly established high-level "de Larosière Group".

The view of EACB members is that there should be a good equilibrium between decentralised supervision and a more consolidated approach for cross-border groups ; it is suggested that this objective be implemented as soon as possible. In fact, supervisory authorities must develop an understanding that they need to intensify work towards enhanced European supervisory convergence and that their task includes cooperation at the EU level and between Member States both within and across financial sectors. In particular, such guidelines should allow financial supervisory authorities to consider financial stability concerns in other Member States in exercising their duties and to apply guidelines and recommendations adopted by the EU Committees of Supervisors (level 3 committees) in line with the 'comply or explain' procedure. An important role of the consolidating supervisor and the creation of a European supervisory council may contribute to a more efficient framework.

Members of the EACB also support the Council decision to revise the Commission Decisions on the establishment of the EU Committees of Supervisors - the Committee of European Securities Regulators (CESR), the Committee of European Banking Supervisors (CEBS) and the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) - so as to ensure coherence and consistency in their mandates and tasks as well as to strengthen their contribution to supervisory cooperation and convergence.

Capital Requirements Directive

One of the most important issues for the work of the EACB in the field of banking legislation is the review of the Banking Directive, the Capital Requirements Directive (CRD). Indeed, since the very beginning, the EACB has been heavily involved in this process and has been working on the different elements which are relevant for all banks and for co-operative banks in particular.

In mid-April, the Commission services published a consultation document which finally resulted in a formal proposal for a Directive on 1st October. This project can be described as an "omnibus directive", suggesting changes in specific areas of the European prudential regime for banks, such as large exposures, hybrids, securitization and colleges of

Selected key achievements

supervisors. Following the Commission proposal, the EACB Secretariat and expert members worked to deliver amendments on the Commission Proposal on the CRD. One of the main concerns relates to future interbank exposures that will be fully subject to large exposures limits. While all attempts of the banking industry to convince the Commission to review this approach have failed, the EACB will continue its struggle for improvement in this matter. In addition, the Association has significantly contributed to the proposal made by the Commission for an exemption for interbank exposures within groups adhering to a liquidity system, something which will be highly relevant for most decentralised groups. Another of the major issues of the Commission proposals was the eligibility criteria for hybrids which has to be harmonized throughout the EU. Indeed, the EACB believes that in this regard, it will be important that co-operative banks are not disadvantaged and has suggested that any backfiring of these discussions on the definition of core tier 1 capital implying a degradation of the prudential treatment of co-operative shares must be avoided.

The EACB strongly urged EU lawmakers to extend Article 3 of the CRD to co-operative banks from new Member States (for example Cyprus and Romania) and succeeded in securing consensus on this matter within the banking industry as a whole. Indeed, Article 3 is already part of the current legislation and, as such, is part of the "co-operative acquis" which forms the basis of strong co-operative groups in some countries.

Finally, and regarding the issue of securitization, the Commission proposal suggests that banks, when buying financial instruments that imply a credit risk transfer (originate and distribute principle) have to be very sure and verify on a permanent basis that the originator keeps 5% of the underlying assets on his books. The EACB believes that a 5% quota could be an acceptable solution. However, concerns remain that the provision could have a negative impact even outside of securitization whenever a credit risk transfer takes place.

Liquidity Issues

From a regulatory perspective, the draft principles of the Basel Committee represent a substantial revision of the Committee's liquidity guidance that was published in 2000 and reflect the lessons of the financial market turmoil. The EACB delivered its comments during early August as part of which it welcomed the recommendations because they will help banks to develop improved standards for the management of their liquidity risk. The EACB has also been involved in the activities of CEBS and experts from co-operative banks were appointed to the working group on liquidity management. This group has contributed to the drafting of a CEBS analytical document published in mid-June which also presents some high-level recommendations for the management of liquidity risk. Finally, co-operative banks have highlighted that a new EU framework for liquidity management should remain "open" and flexible and should give sophisticated international banks as well as smaller and non-complex institutions room to develop their own management systems for liquidity risk which will encourage banks to further develop and to improve their systems.

CEBS Activities

Following the Lamfalussy Process, CEBS is taking on an increasingly important role in the shaping of prudential standards and regulation. In this respect, the EACB has become even more involved in the CEBS working process. The EACB considers that retail and decentralised banks such as co-operative banks, whatever their size, need to voice their concerns and ensure that these are duly taken into account during such processes. The EACB has on several occasions met CEBS delegates in order to express its views on the need to improve the consultation process between CEBS and the banking industry and has also

Selected key achievements

actively participated in CEBS panel meetings. In addition, experts from co-operative banks have made valuable contributions to various CEBS technical working groups, for example on liquidity management and on national options and discretions. Furthermore, comments were delivered in response to CEBS' technical aspects of diversification under Pillar 2 of the CRD and the Association also submitted several written contributions on CEBS consultation papers.

Other Prudential Issues

The EACB has closely followed the revision of the Directive on Deposit Guarantee Schemes and is satisfied that the final outcome is more favourable to co-operative banks than the initial proposal put forward by the European Commission. Co-operative banks have their own protection schemes in place, a co-operative specificity which is even recognised by some national regulators. Such systems have been proven to contribute to the confidence of customers of co-operative banks.

The EACB has responded to consultations by the Basel Committee and by the European Commission on the expansion of capital charges for the trading book.



INTERNATIONAL ACCOUNTING STANDARDS

Equity and Liability Distinction – The Accounting Treatment of Co-operative Shares

Co-operative banks are concerned about the convergence process between the US GAAP and the IFRS. Indeed, following the adoption of IFRIC 2, co-operative shares are classified as equity. Moreover, CEBS has confirmed that it recognises co-operative shares as tier 1 prudential capital. However, the EACB is most concerned that the current discussions have resulted in re-opening the debate on the classification of co-operative shares. The original proposals tabled by FASB conflict with the present situation and would result in co-operative shares being treated as liabilities instead of as equity, which co-operative banks do not find acceptable.

As a result, the EACB was invited by FASB to a roundtable to represent the views of and to speak on behalf of co-operative associations. This proved to be a good opportunity to explain and express concerns within the context of the equity/liability project. Moreover, the Association was also invited by the IAS Board members to a hearing on co-operative shares in mid-September. In addition, the EACB has alerted the European Commission to the risk of reclassifying co-operative shares as liabilities. It has requested the full support of the European institutions in defending the specific interests of co-operative banks and the co-operative sector in general on this issue. The European Parliament in its resolution on International Financial Reporting Standards (IFRS) and the Governance of the International Accounting Standards Board (IASB) called on the IASB to incorporate in IAS 32 a definition of 'own funds' which will enable all forms of company, including in particular cooperative societies and partnerships, to declare capital provided by shareholders as own funds in the balance-sheet, and to adopt a solution for hedge accounting based on banking organisations actual risk management practice.

Selected key achievements

Regulation to Amend IAS 39

As a result of the global financial crisis, the IASB issued amendments to IAS 39 Financial Instruments on Recognition and Measurement as well as to IFRS 7 Financial Instruments on Disclosures. In this context, the EACB submitted written contributions to the European Commission in which a number of major problems were identified and appointed experts to participate in defining a European position. Whilst the EACB welcomes the quick reaction of the European institutions in amending IAS 39, it continues to emphasise the need for further action on three urgent matters. The first concerns the need for a solution which ensures that financial assets presently classified under the Fair Value Option can be reclassified under other categories. Secondly, clarification is required as to whether or not synthetic collateralised debt obligations include embedded derivatives. Finally, adjustments should be made to impairment rules applicable to available-for-sale financial assets.

Internationalisation of EACB Lobbying Activities

The evolution of the regulation and supervision of the banking industry and the current discussion on IFRS lead the EACB to believe it to be of utmost importance to intensify its lobbying activities at the international level as an extension of its core activities in Europe. Indeed, the Association intends to take into account the new role played by the G20 and the international economic and financial institutions.

As a means to achieving this, the EACB has in 2008 welcomed two non-EU member co-operative banks. The first is the Norinchukin bank, which functions as the central bank for the agricultural, forestry and fishery co-operatives in Japan. The other new associate member is Caisses Desjardins, a leading Canadian bank. In addition, the EACB has signed a Memorandum of Understanding with the World Organisation of Credit Unions in order to lead, where appropriate, common lobbying campaigns at the international level.



PAYMENTS

EACB and the SEPA Programme

2008 was marked by the launch of the SEPA Credit Transfer Scheme in January. As a founding member of the European Payments Council (EPC), the EACB proudly noted that half of the banks participating in this new scheme come from the co-operative banking sector.

For the remainder of 2008, EACB continued its active participation in the remaining EPC work on the standards and interbank rules required to deliver the future SEPA Direct Debit Scheme (to be launched at the end of 2009). In so doing, it has endeavoured to ensure that the interests of co-operative and retail-oriented banks were taken on board. The EACB supports the standards that have resulted from the work of the EPC and is confident that the co-operative banks in Europe will implement them, provided that the regulatory environment allows for a satisfactory business case to be developed. In this context, it has expressed serious reservations about the statements made by the Commission and the ECB in September 2008 about multilateral banking fees. Cooperative banks in Europe require a long-term business case for SEPA Direct Debit and they expect a positive and constructive attitude from the European Regulators.

Selected key achievements

Terrorist Financing and Regulation 1781/2006 on Information on the Payer

In its role as Secretariat of the EPC FATF Task Force, the EACB took the lead in the development and submission of a position paper responding to a consultation of the so-called three level 3 Committees (Committee of European Banking Supervisors - CEBS, Committee of European Securities Regulators - CESR, and the Committee of European Insurance and Occupational Pensions Supervisors - CEIOPS) on a "Common Understanding" of the obligations imposed by Regulation 1781/2006 on the information on the payer accompanying transfers of funds to payment services providers of payees. Moreover, it has contributed to an update of the EPC Guidance Notes on Regulation 1781/2006, which were first issued in January 2007, to incorporate questions received from the industry since the entry into force of the Regulation and to include recommendations on the use of SWIFT standards in the context of the Regulation. Furthermore, the EACB Secretariat contributed to an EPC position paper in response to a consultation of the Basel Committee on Banking Supervision on "Due diligence and transparency regarding cover payment messages related to cross border wire transfers". It also contributed to an EBIC position paper on the same topic.

EACB and the Regulatory Environment

Work on the Transposition of the Payment Services Directive

The complexity of the text of the Payment Services Directive (PSD), adopted in 2007, has led the industry to create, at the level of the European Banking Credit Sector Associations (ECSAs), a specific expert group to analyse the PSD text, identify interpretation issues that need to be addressed before transposition into national law freezes them, and to address the outcomes to the European Commission. The EACB is particularly concerned about the fact that the Commission seems to allow Member States to extend the scope of national legislation beyond what has been defined in the PSD itself as the outcome of the regulatory process (e.g. the application of certain provisions also to payments outside the EU). Through the expert group, it has been calling upon the Commission to stop this development. Not only does it create a disproportionate additional cost compared to the benefits but it also risks creating a non-harmonised legal framework which is not what the PSD originally intended to do.

Review of Regulation 2560/2001

Throughout 2008, the European Commission has worked on a proposal for a revised Regulation on cross border payments in euro. This resulted in the adoption of a draft Regulation mid-October 2008. The new legal text will target, in addition to payments by card and credit transfers, also direct debits. Whilst it managed to secure a number of improvements to the text in the run-up to its adoption by the Commission (such as the re-introduction of the notion of "corresponding payment" as the criterion to determine the price level), the EACB still maintains its fundamental and overall concern with the continued intervention by public authorities in the pricing policy of private sector parties.

Review of the E-money Directive

In 2008, the Commission also worked on a proposal for a revision of the E-money Directive. A proposal was adopted mid-October 2008. The first directive, which dates back to the year 2000, introduced a new kind of institution called an e-money institution whose core business

Selected key achievements

is defined as the issuance of e-money (e.g. monetary value on storage cards). These institutions benefited from a lighter prudential regime than credit institutions as the risks involved in e-money issuance were considered less important. Because the number of e-money institutions developing as a result of the old Directive was disappointing, the Commission decided to limit the prudential regime in the new Directive even further. At the same time, it extended the scope of activity of e-money institutions to include at least those activities also allowed to be executed by the "Payment Institutions" defined by the Payment Services Directive. The EACB has serious concerns about both these developments as they risk distorting the level playing field with credit institutions.

Launch of TARGET 2 Cash

Together with its members, the EACB has contributed over the past years to the work of a dedicated ECSA working group on the development of TARGET 2. The EACB was thus very pleased to see the successful migration of the various banking communities in the various migration waves from TARGET 1 to TARGET 2.



FINANCIAL MARKETS

Initiatives and Legislation

In January 2008, the EACB responded to a call for evidence launched at the end of 2007 on Substitute Products and was subsequently invited to participate in a Commission workshop. Overall, the EACB position in this debate was one of reluctance to move too lightly towards harmonisation of transparency and/or distribution requirements across the various retail investment products. In particular with regard to the distribution of products, it considered that there was already quite a substantial amount of legislation in place which covers the vast majority of retail products (e.g. Markets in Financial Instruments Directive) and that doing more could risk leading to less choice without adding any benefits. In addition, it considered that the Key Investor Information, proposed as part of the review of the UCITS directive, would mean a great step forward in the improvement of investor information.

The EACB responded to the Commission call for evidence on the status of the implementation of the Markets in Financial Instruments Directive (MiFID) with a position paper. One of the main messages of the EACB in this context was that when drafting the transposition calendar for future legislation, more realistic timelines should be proposed. Indeed, the problems caused by the short deadlines had already been a cause for concern to the EACB in 2007.

Together with the European Savings Banks Group and the European Association of Public Banks, the EACB also addressed a letter to CESR to express concerns in relation to CESR's Questions & Answer Paper on MiFID implementation. The joint letter deplores the lack of commitment to a consultation of market participants on "CESR's MiFID Q&A", the risk of duplication with the European Commission's MiFID website, as well as the uncertainty surrounding the legal value of the Q&As.

Selected key achievements

European Initiatives in the Post-Trading Sector

On the Code of Conduct for market infrastructures (Exchanges, CCPs and CSDs), the EACB participated in the regular meetings of the European Commission aimed at monitoring the implementation of the Code and defended, via the ECSA Users' Task Force, the interests of co-operative banks active in the custody business. The main objectives for the EACB remain to lower the cost of post-trading activities for banks (due to increased competition between infrastructures) and to avoid the extension of the Code of Conduct to banks which, unlike infrastructures, operate in a competitive environment.

The EACB also responded to a CESR call for evidence on regulatory barriers to the development of post trading infrastructures. It was highlighted that there are indeed important regulatory differences hampering the development of pan-European post trading infrastructures. The Association called on the regulators to not let the urgent need for short-term action outweigh the long-term thinking about solutions which is also needed.

With regard to TARGET2-Securities (T2S) platform, the Eurosystem platform for the settlement of securities in euro central bank money User Requirements, the EACB addressed a letter to the ECB on the future Pricing Principles of TARGET2-Securities. In this letter, the EACB outlined four main principles which it considers should guide the future pricing policy: neutrality, no increase in the cost of domestic settlement, openness to innovation, and price transparency. The EACB also responded in 2008 to the Eurosystem consultation on the TARGET2-Securities User Requirements. In its response, the EACB expressed its overall support for the process and reiterated some key principles for ensuring that the project will be a success.

When the ECB gave the final green light to the development of the TARGET 2-Securities in July, it decided to review the structure to be put in place for consultation with the industry on the further development of the T2S platform. In particular, it has confirmed the continued existence of a TARGET 2 Advisory Group which represents central banks and different user communities. The EACB is pleased to see that also in this second phase of development, there are three seats allocated to representatives of co-operative banks. The main objective of those representatives will be to ensure that the project specifications meet the needs of co-operative banks and, in particular, that the expected cost savings will also benefit banks with mostly domestic settlement activities.

In 2008, the EACB also continued its involvement in the development of industry solutions to the so-called Giovannini Barriers. Indeed, an industry-wide consultation was launched on market standards for corporate actions developed by a platform of industry representatives called the Corporate Actions Joint Working Group. These standards are part of the self-regulatory work the securities industry was asked to perform by the Commission by way of follow-up to the Giovanni reports on barriers to the development of an internal market for securities settlement issued in 2001 and 2003.

Selected key achievements

THE FIGHT AGAINST TERRORISM AND MONEY LAUNDERING

With a view to improving and facilitating the execution of financial sanctions regulations, the EACB has renewed the dialogue with the European Commission on the functioning of the Consolidated Electronic List of Persons, Groups and Entities. This list should serve as a single reference for financial institutions with regard to the identification details of persons and organizations under sanction. An important outcome of this dialogue was not only a new data format for the consolidated electronic list to facilitate the usage of the list by banks and IT-systems but also a consistent improvement regarding the structure and the entries on the list. In addition to this, the EACB played an active part in influencing the recommendations for improvements to United Nations Financial Sanctions Resolutions.

Furthermore, the Association is also involved in the implementation of the Third Anti-Money Laundering Directive and is closely following new initiatives to counter the proliferation of weapons of mass destruction. On the latter point, the EACB has noted the increasing tendency to use financial institutions' data processing capacity to capture or trace economic transactions under scrutiny because financial institutions are not in a position to detect whether a transaction has a proliferation-related background.

CONSUMER AFFAIRS

Customer Mobility: Adoption of the Common Principles on Bank Account Switching

In January 2008, the Commission requested EBIC (European Banking Industry Committee) to develop by mid-2008, via self-regulation, a set of common rules on customer mobility to the benefit of all customers. Whilst the Commission had expressed a preference for self-regulation on this issue, it also announced that a regulation would follow should the banking industry's approach be found to be unsatisfactory.

From the very beginning, the EACB has defended the self-regulation principle and the idea of common principles at national level so as to take into account the existing national situations. Co-operative banking experts have contributed significantly to the definition of the Common Principles within the EBIC Task Force on Customer Mobility. At the end of this unprecedented exercise, the banking industry agreed on a set of principles, after consultation with the European consumer organization, BEUC, that have received the support of the European Commission, as stated in its press release in December. By way of follow-up to this agreement, an interim report on implementation will be released in spring 2009 and implementation in national banking communities is to take place by November 2009. A review process is scheduled one year after the entry into force at national level.

Co-operative banks are ready to adopt these common principles as soon as possible and will be heavily involved at European level in the follow-up to the implementation.

Selected key achievements

White Paper on the Integration of Mortgage Credit Markets

The European Commission adopted the White Paper on the Integration of EU Mortgage Credit Markets in December 2007 in which a package of measures is presented that aims to improve the efficiency and competitiveness of residential mortgage markets. The EACB adopted a position on the White Paper in which the supply-driven approach was welcomed as well as the commitment to perform specific impact assessments and to consult with stakeholders on each of the individual measures under consideration. The Commission follow-up to the White Paper consists of separate studies on equity release products, non-credit institutions, the European Standardised Information Sheet and on the policy options in the important fields of pre-contractual information, APRC, responsible lending and early repayment. All follow-up action has been and will continue to be closely monitored by the EACB.

In particular, the Association has embraced the consultation on the Draft Commission Recommendation on Property Valuation, Foreclosure Procedures and Land Registration and submitted a written response to the Draft Recommendation in October 2008. The EACB Response welcomes the initiative of a non-binding instrument and expresses support for the aims of increasing the reliability of property valuations, ensuring faster and more efficient foreclosure and land registration procedures and improving the transparency of and access to land registers. At the same time, however, the EACB has also called for some additions to be made, for example an upper cost limit for foreclosure procedures and a recommendation that the proceeds of forced sales be distributed as quickly as possible.

Most recently, the EACB has provided the European Commission with its feedback on a draft interview guide which will be used to perform extensive consumer testing of the existing European Standardised Information Sheet in 2009. Whilst greatly welcoming the opportunity to comment on the options foreseen for a potential revised Information Sheet, the EACB also made constructive suggestions for improvements to individual questions and highlighted numerous difficulties with the approach envisaged. These include a lack of clarity as to the different functions of pre-contractual information and contractual information.

Distance Marketing of Consumer Financial Services

The EACB has been heavily involved in the ongoing review of Directive 2002/65 on the Distance Marketing of Consumer Financial Services. Within the framework of the newly established EBIC Working Group on Distance Marketing – of which the EACB holds the Chair and the Secretariat – the EACB is very actively engaged with DG SANCO in providing its feedback on two studies being carried out into the legal and economic impacts of the Directive. Three detailed Position Papers were adopted in the latter half of 2008 and major EACB concerns on the content and emphasis of the reports, for example as relates to the importance of language and culture as barriers to cross-border distance marketing activities, have been duly noted and changes made to the reports as a result. The EACB will continue to play a proactive role in both this and all other consumer affairs issues in 2009.

Anti-Discrimination Initiative

The European Commission's proposal for an anti-discrimination directive was published in July 2008. The text provides for protection from discrimination on the grounds of age, disability, sexual orientation and religion or belief beyond the workplace. It would ensure equal treatment in the areas of social protection, including social security and healthcare, education and access to and supply of goods and services which are commercially available

Selected key achievements

to the public, including housing. The "concept of discrimination" contained in Article 2 provides a special rule for insurance and banking services in recognition of the fact that age and disability can be an essential element of the assessment of risk for certain products and therefore of price. Risk assessment is therefore not considered an element of discrimination. In this respect, the EACB's lobbying activities have therefore proven successful.



CO-OPERATIVE AFFAIRS

EACB AND THE LEGAL CO-OPERATIVE ENVIRONMENT

In June 2007, a Directive on the exercise of shareholders' rights was adopted. This Directive includes a national option according to which Member States are allowed to exempt co-operative societies from its scope. Member States are currently implementing these provisions in their national laws, a process which should be finalised by no later than August 2009. The EACB will carefully monitor the implementation of this Directive in order to ensure that national legislators recognise co-operative specificities in the same way as the Directive itself.

THE COMMISSION'S SECTOR INQUIRY ON RETAIL BANKING – CO-OPERATIVE BANKS

DG Competition had announced in 2007 its intention to gather information in order to assess whether co-operative banks restrict competition. Twelve months later, the investigation was complete and the Commission concluded that co-operative banks are fully compliant with competition rules as defined in the EC Treaty. For its part, the European Parliament adopted two resolutions that confirmed the important role of co-operative banks which "contribute substantially to the financing of the local economy and the development of the endogenous potential of regions and facilitate access to financial services for all consumers". Finally, the resolutions stress that "pluralistic banking markets and diversity of providers are pre-conditions for competition throughout the EU banking market". The EACB welcomes these resolutions which demonstrate the recognition given by the European Parliament to the ongoing key roles played and contributions made by co-operative banks in local economies throughout Europe.

CO-OPERATIVE BANKS AS SOCIALLY RESPONSIBLE BANKS

Financial Inclusion

Co-operative banks which are rooted in their local communities are keen to facilitate financial inclusion as a method of upholding traditional co-operative values. In this respect, the EACB welcomes the report on "Financial services provision and the prevention of financial exclusion" published by the European Commission in May 2008. At the same, however, the Association considers that tremendous efforts must still be made by the regulators in the new Member States to encourage the development of co-operative banks in order to successfully increase the rates of financial inclusion prevalent there. Indeed, it is still not permitted in some Member States to establish co-operative banks despite the implementation of the European co-operative statute.

Selected key achievements

Financial Education

Co-operative banks are not focused on short-term profit but rather engaged in a policy of close and long-standing relationships in which many customers have chosen to become members, thus turning into active stakeholders. This specific governance model significantly enhances the importance of financial education of their members for co-operative banks, as shown during the general assemblies of local and regional banks for instance.

Consequently, the EACB and experts on co-operative banks will actively contribute to the newly established Commission Expert Group on Financial Education. Moreover, the EACB has significantly contributed to the discussions in the European Parliament which preceded the draft report entitled "Protecting the consumer: Improving consumer education and awareness on credit and finance".

Microfinance

In relation to the European Parliament's report on the *"European initiative for the development of micro-credit in support of growth and employment"*, the EACB has made the European Parliament aware of the role of co-operative banks in the development of microfinance in Europe. Indeed, co-operative banks have been making a pragmatic contribution for 130 years to the problem of financial exclusion. Co-operative banks consider that microfinance is a powerful instrument for social cohesion at the local level.

In the light of the work led by the Commission and the Parliament, the EACB is willing to contribute to the issues highlighted, such as the definition of microcredit or the neutrality of mechanisms among credit providers in terms of regulation, supervision and competition.

A further European institution, the European Economic and Social Committee, also produced an opinion on the ethical and social dimensions of European financial institutions. This report highlights the essential ethical and social role of co-operative banks and their specific added-value in this context. One of the recommendations put forward by the EESC is to consider that *"each time that a specific organisation can be shown to have given up the principle of maximising profit in order to promote initiatives of an ethical or social nature, it should be entitled to come under tax and regulatory rules that are different from the general ones, at least in part. In some Member States, ethical investors already enjoy derogation from the banking directive: efforts should be made to extend this principle to all the Member States"*. The EACB concurs with these declarations that reinforce the declarations made by the European Commissioner for Regional Policy during the Third EACB Convention in March 2008, asserting that co-operative banks play an essential role in the financing of local economies and balanced development of individual territories.

Communication, research and Training



PUBLIC EVENTS

In the framework of its new communication policy, the EACB has intensified its efforts to improve the awareness of European and international policy-makers and decision-makers of co-operative banks. Efforts were particularly focused on the organisation of public events, training sessions, research activities and studies aimed at explaining the key features of the co-operative banks business model from different perspectives.

3RD CONVENTION - THE CO-OPERATIVE BANKS BUSINESS MODEL: "INNOVATIVE AND SUSTAINABLE"

The 3rd Convention on Co-operative Banks in Europe took place in February 2008 in Brussels and brought together high-level representatives of co-operative banks, EU institutions, international organisations, academics and relevant stakeholders. Two studies formed the cornerstone of this event, namely the studies issued by the International Monetary Fund and Oliver Wyman Consulting. The exchange between participants offered an opportunity both to clarify the governance specificities of co-operative banks, as highlighted by the IMF report, and to underline the nature of the relationship between co-operative banks and their customers and the advantages with which this provides the customers.

OPEN DAYS: WORKSHOP ON GREEN FINANCE AND SOCIAL RESPONSIBILITY OF CO-OPERATIVE BANKS

The EACB was an official partner of the European Week of Regions and Cities organised by the Committee of the Regions (CoR) and the European Commission. Known as Open Days 2008, this event focused on "Regions and Cities in a Challenging World" and took place in Brussels in October. The Association played an active role as organiser of the workshop on "Green Finance and Social Responsibilities of Co-operative Banks". In so doing, co-operative banks demonstrated their leading role in the area of green finance and corporate social responsibility as evidenced by concrete initiatives at domestic level.

Surveys and Research Activities

THE EUROPEAN THINK TANK ON CO-OPERATIVE BANKS

The co-operative bank business model has been much neglected by mainstream research, with only 1% of existing economic research in Europe being devoted to co-operative banks. Indeed, the discussions at the three EACB Conventions have highlighted the necessity of pursuing the analysis of the strengths of the co-operative business model in the 21st century. In order to further the debate, the EACB has launched a European think tank on co-operative banks composed of academics from various European countries. In addition, the think tank will be a centre of knowledge on co-operative banks with the immediate aim of gathering existing research and making it available to the public.

"THE PERFORMANCE AND ROLE OF CO-OPERATIVE BANKS IN EUROPE"

The EACB has agreed with the CEPS (Center for European Policy Studies) that they will perform an independent survey on the "Performance and Role of Co-operative Banks in Europe", including criteria for the assessment of their corporate social responsibility. The study was launched at the end of 2008 and will be completed during 2009.

EACB Database on Co-operative Banks

In order to rectify the lack of statistics on co-operative banks, the EACB has taken the opportunity to construct a database on co-operative banks. This database will be publicly available in 2009 and will provide a useful tool for various stakeholders in their respective activities.

SEMINARS FOR MEMBERS

The EACB views itself as a platform for members to exchange best practices on specific topics and to debate issues which could have an impact on the co-operative business model. Moreover, the EACB provides members with the opportunity to better understand the functioning of European institutions and lobbying processes.

Workshop on "Financial Inclusion, Financial Education and Microfinance"

In September 2008 the EACB organised a Workshop on Financial Inclusion, Financial Education and Microfinance. The aim of the workshop was to allow members to exchange their experiences and information about the situations in their respective countries. Guest speakers from the European Commission presented the ongoing and planned EU initiatives in these fields. This workshop is the beginning of a long-term process which requires the involvement of all stakeholders for the benefit of society at large, a process in which co-operative banks wish to play a key role.

Surveys and Research Activities

Visits and Training Sessions

There is a growing appetite for the acquisition of more information on European affairs, co-operative banks in Europe and the role and mission of the EACB therein. In this respect, the Secretariat has organised two kinds of activities. Firstly, groups of visitors from local or regional banks have been received from numerous European countries throughout the year. These visits were part of training programmes organised by member organisations and had a specific focus on European institutions. At the same time, the EACB and Unico have carried out a third year of their training programme in European Affairs. The aim of the training is to explain the major current and future challenges and the impact of EU regulation on co-operative banks.

Furthermore, the Secretariat was invited by a number of member organisations to meet national policymakers and to speak at a variety of public events.

FURTHER INFORMATION

This Annual Report has been able to present only an overview of the intensive lobbying activities in which the EACB has been engaged in 2008. More detailed information can be obtained by contacting the Secretariat General at the following address: secretariat@eurocoopbanks.coop. Alternatively, you can visit the website of the EACB at: <http://www.eurocoopbanks.coop>

Annex – Glossary of abbreviations

AG: Advisory Group

APRC: Annual Percentage Rate of Charge

BEUC: Bureau Européen des Unions de Consommateurs

CCD: Consumer Credit Directive

CCPs: Central Counterparties (clearing houses)

CEBS: Committee of European Banking Supervisors

CEIOPS: Committee of European Insurance and Occupational Pensions Supervisors

CEIRs: Committee of Insurance Regulators

CESR: Committee of European Securities Regulators

CRD: Capital Requirements Directive

CSDs: Central Securities Depositories

CSR: Corporate Social Responsibility

EBC: European Banking Committee

EBIC: European Banking Industry Committee

ECSAs: European Credit Sector Associations

EFRAG: European Financial Reporting Advisory Group

FASB: Financial Accounting Standards Board

IAS 32: International Accounting Standard 32 – Financial Instruments

IASB: International Accounting Standards Board

ICA: International Cooperative Alliance

IFRIC: International Financial Reporting Interpretations Committee's

IFRS: International Financial Reporting Standards

MEP: Member of the European Parliament

MiFID: Markets in Financial Instruments Directive

SECCI: Standard European Information Sheet

T2S: TARGET2-Securities

UCITS: Undertakings for Collective Investments in Transferable Securities

Annexes

- 1. Key statistics of the Association at 31.12.2007**
- 2. Member organisations at 31.12.2008**
- 3. Members of the Board and Executive Committee at 31.12.2008**
- 4. Working groups and their chairpersons at 31.12.2008**
- 5. Secretariat General**

Key statistics 2007 - Executive Summary

Executive Summary

INTRODUCTION

In 2008 the EACB has undertaken efforts to enhance the quantity and quality of figures available on co-operative banks to give concrete measures of the contribution of our sector to the economy. Accordingly, the range of available financial figures has been increased, while a totally new set of figures assessing the social responsibility of co-operative banks, or what we have called the "co-operative performance" is presented for the first time. In order to facilitate the reading and interpretation of the figures, some preliminary elements of analysis are outlined hereafter.

Financial Indicators: Highlights

- The EACB Key statistics show that co-operative banks perform a strong role in the EU economies and the banking sectors. They impact the daily life of almost 160 million citizens. In total co-operative banks have more than 4,200 local and regional banks, approximately 63,000 branches, 49 million members and they employ 750,000 staff members.
- The majority of co-operative banks have a high capitalization, stable incomes from retail business and many of co-operative banks have high credit ratings.
- The average market share of the sector is about 20% (weighted average of deposits). In some countries, the market share lies well above this figure, as is the case in Austria, Germany, Finland, France, Italy and the Netherlands, ranging from 30% to 50%.

Co-operative Indicators: Highlights

- Co-operative banks created approx 13,000 jobs in 2007 and spent on average approx. 4% on training of personnel.
- Co-operative banks are a main financier of the SME sector. This is illustrated by the market shares of co-operative banks in SME credits and by the share of SME loans in the total loans of co-operative banks. In the largest EU countries the share varies between 13% and 50% for the co-operative sector as a Group. The highest percentages can be found in France, Italy and Germany.
- The members/client ratio of co-operative banks vary between 5% and 65% in Western Europe and between 23% and nearly 100% in Eastern Europe. This wide variety has a background. Some members aim to make all clients members, others focus more on increasing the commitment of the present members and do not have an absolute target for the members/client ratio.
- Individual co-operative banks also have information available on their contribution to local development and sponsoring of the local community. At European level these figures are hard to compare because of differences in what is reported and how data were calculated, e.g. some banks report data only at local level (all amounts are local) whilst others report local, regional and national data. Interested parties can approach the EACB for case examples.
- The main contribution to local development is of course the financing of entrepreneurs and the contribution to employment.

Key Statistics are available on the EACB website : www.eurocoopbanks.coop

Member organisations

at 31-12-2008

FULL MEMBERS

AUSTRIA

Fachverband der Raiffeisenbanken

Am Stadtpark 9
A - 1030 WIEN
Tel.: +43 1 717 07 12 70
Fax: +43 1 717 07 24 96
<http://www.raiffeisen.at>

Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

Löwelstrasse 14-16
A - 1013 WIEN
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Fax: +43 1 313 28 450
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BELGIUM

Crédit Professionnel - BKCP

Avenue des Arts 6-9
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Fax.: +32 2 289 89 90
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BULGARIA

Central Cooperative Bank

103, G.S. Rakovski Street
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Tel.: +359 2 92 66 107/122
Fax: +359 2 98 88 107
<http://www.ccbank.bg>

CYPRUS

Co-operative Central Bank Ltd.

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Fax: +357 22 67 02 61
<http://www.coopbank.com.cy>

DENMARK

Sammenslutningen Danske Andelskasser

Baneskellet 1, Hammershøj,
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<http://www.sda.dk>

FINLAND

OP-Pohjola Group & Pohjola Bank plc

Teollisuuskatu 1b - P.O. BOX 308
FIN - 00101 HELSINKI
Tel. : +358 10 252 011
<http://www.op.fi>

FRANCE

Confédération Nationale du Crédit Mutuel

88-90, rue Cardinet
F - 75017 PARIS
Tel.: +33 1 44 01 10 10
Fax: +33 1 44 01 12 30
<http://www.creditmutuel.fr>

Member organisations at 31-12-2008

| | |
|----------------|---|
| | <p>Fédération Nationale du Crédit Agricole 48, rue La Boétie F - 75008 PARIS Tel.: +33 1 49 53 43 23 Fax: +33 1 49 53 44 81 http://www.credit-agricole.fr</p> <p>Groupe Banque Populaire Le Ponant de Paris 5, rue Leblanc F - 75511 PARIS - CEDEX 15 Tel.: +33 1 40 39 60 00 Fax: +33 1 40 39 60 01 http://www.banquepopulaire.fr</p> |
| GERMANY | <p>Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR Schellingstrasse 4 D – 10785 BERLIN Tel.: +49 30 20 21 0 Fax: +49 30 20 21 19 00 http://www.bvr.de</p> <p>DZ BANK AG Platz der Republik D - 60265 FRANKFURT AM MAIN 1 Tel.: +49 69 74 47 01 Fax: +49 69 74 47 16 85 http://www.dzbank.de</p> |
| GREECE | <p>Association of Cooperative Banks of Greece 50, Skoufa Str Kolonaki GR - 106 82 ATHENS Tel.: +30 1 36 36 311 Fax: +30 1 36 10 210 http://www.este.gr</p> |
| HUNGARY | <p>National Federation of Savings Co-operatives Varosmajor u.74 H – 1122 BUDAPEST Tel.: +36 1 488 08 73 Fax: +36 1 488 08 61 http://www.takarekszovetkezetek.hu</p> |
| ITALY | <p>Associazione Nazionale fra le Banche Popolari Piazza Venezia 11 I - 00187 ROMA Tel.: +39 06 69 535 203 Fax: +39 06 679 55 58 http://www.assopopolari.it</p> <p>Federazione Italiana delle Banche di Credito Cooperativo-Casse Rurali ed Artigiane Via Lucrezia Romana, 41 – 47 I - 00178 ROMA Tel.: +39 06 7207 1 Fax: +39 06 7207 2790 http://www.creditocooperativo.it</p> |

Member organisations at 31-12-2008

| | |
|--------------------|--|
| LUXEMBURG | Banque Raiffeisen Rue Charles Martel, 46 L - 2134 MERL Tel.: +352 24 50 1 Fax: +352 22 75 41 http://www.raiffeisen.lu |
| NETHERLANDS | Rabobank Nederland Croeselaan 18 NL - 3500 HG UTRECHT Tel.: +31 30 216 18 54 Fax: +31 30 216 00 00 http://www.rabobank.nl |
| POLAND | Krajow Związek Bankow Spoldzielczych - KZBS ul. T. Boya-Zelenskeigo 6 Apt. 22/23 PL- 00 – 621 WARSAW Tel.: +48 22 875 30 30 Fax: +48 22 875 30 40 http://www.kzbs.org/ |
| PORTUGAL | FENACAM – Federação Nacional das Caixas de Crédito Agrícola Mútuo, F.C.R.L. Rua Pascoal de Melo, 49 P – 1000-232 LISBOA Tel.: +351 21 313 69 00 Fax: +351 21 313 69 91 http://www.creditoagricola.com |
| ROMANIA | Central Cooperatist Bank Creditcoop Plevnei Way 200 Sector 6 RO - BUCHAREST Tel.: +40 21 317.74.05 Fax: +40 21 317 74 86 http://www.creditcoop.ro |
| SLOVENIA | Deželna banka Slovenije d.d. Kolodvorska ulica 9 SI-1000 LJUBLJANA Tel.: +386 1 4727 100 Fax: +386 1 4727 405 http://www.dbs.si |
| SPAIN | Unión Nacional de Cooperativas de Crédito Calle Virgen de los Peligros 4 - 4a planta E - 28013 MADRID Tel.: +34 91 595 67 85 Fax: +34 91 595 67 96 http://www.unacc.com |
| SWEDEN | Landshypotek AB Strandvägen 1, 1st floor S – 10441 STOCKHOLM Tel.: +46 8 459 04 00 Fax: +46 8 459 01 21 http://www.landshypotek.se |

Member organisations at 31-12-2008

UNITED KINGDOM

The Co-operative Bank p.l.c.
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Fax: +44 161 839 42 20
<http://www.co-operativebank.co.uk>

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CANADA

Mouvement des caisses Desjardins
100, avenue des Commandeurs
Lévis (Québec) G6V 7N5
Tel. : +1 866 835-8444, poste 2612
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JAPAN

The Norichukin Bank
13-2, Yurakucho 1-chome, Chiyoda-ku,
TOKYO 100-8420
Tel.: +81 (0)3 3279 0111
<http://www.nochubank.or.jp>

LITHUANIA

Lithuanian Central Credit Union
Savanoriu 363-211
LT - 49425 KAUNAS
Tel.: +370 8 3720 0584
Fax: +370 8 3720 0454
<http://www.lku.lt>

SWITZERLAND

Raiffeisen Schweiz
Schreinerstrasse 6
CH- 9001 ST. GALLEN
Tel.: + 41 71 225 88 88
Fax: +41 71 225 88 87
<http://www.raiffeisen.ch>

Members of the Board and Executive Committee

at 31-12-2008

President

CH. PLEISTER (until 15 July 2008)
BVR

P. MOERLAND (from 16 July 2008)
Rabobank Nederland

Board

J.-M. SANDER (Vice-President)
Fédération Nationale du Crédit Agricole

G. HOFMANN (Vice-President)
Bundesverband der Deutschen Volksbanken und
Raiffeisenbanken – BVR

M. COMOLI
Associazione Nazionale fra le Banche Popolari

A. PANGL
Fachverband der Raiffeisenbanken

Members

AUSTRIA

A. PANGL
Fachverband der Raiffeisenbanken

W. ROTHENSTEINER
Raiffeisen Zentralbank Österreich AG

F. SOMMER
Raiffeisen Zentralbank Österreich AG

R. BORNS
Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

BELGIUM

W. ROGIERS
Crédit Professionnel-BKCP

BULGARIA

G. KONSTANTINOV
Central Cooperative Bank

CANADA

M. LEROUX
Mouvement des caisses Desjardins

CYPRUS

E. CHLORAKIOTIS
Co-operative Central Bank Ltd.

DENMARK

V. RAUN
Sammenslutningen Danske Andelskasser

FINLAND

H. VITIE
OP-Pohjola Group

Members of the Board and Executive Committee at 31-12-2008

FRANCE

*J.-M. SANDER
Fédération Nationale du Crédit Agricole*

*J.-P. CHIFFLET
Fédération Nationale du Crédit Agricole*

*J. d'AUZAY
Fédération Nationale du Crédit Agricole*

*E. PFLIMLIN
Confédération Nationale du Crédit Mutuel*

*J.-C. DETILLEUX
Groupe Banque Populaire*

GERMANY

*G. HOFMANN
Bundesverband der Deutschen Volksbanken und
Raiffeisenbanken – BVR*

*W. KIRSCH
DZ BANK AG*

*St. GÖTZL
Genossenschaftsverband Bayern e.V.*

*H. MIELK
Bundesverband der Deutschen Volksbanken und
Raiffeisenbanken – BVR*

GREECE

*N. MYRTAKIS
Association of Co-operative Banks of Greece*

HUNGARY

*A. VARGA
National Federation of Savings Co- operatives*

ITALY

*A. AZZI
Federazione Italiana delle Banche di Credito Cooperativo
- Casse Rurali ed Artigiane*

*G. DE LUCIA LUMENO
Associazione Nazionale fra le Banche Popolari*

*R. DE BRUYN
Associazione Nazionale fra le Banche Popolari*

*M. COMOLI
Associazione Nazionale fra le Banche Popolari*

JAPAN

*M. MIYAZONO
The Norichukin Bank*

LITHUANIA

*S. BUBNYS
Lithuanian Central Credit Union*

Members of the Board and Executive Committee at 31-12-2008

| | |
|-----------------------|--|
| LUXEMBURG | G. HOFFMANN <i>Banque Raiffeisen</i> |
| NETHERLANDS | P. MOERLAND <i>Rabobank Nederland</i> A.J.A.M. KUIJPERS <i>Rabobank Nederland</i> W. BOONSTRA <i>Rabobank Nederland</i> |
| POLAND | J. ROZYNSKI <i>Krajowy Związek Banków Spółdzielczych</i> |
| PORTUGAL | P. R. DE MACEDO <i>FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo</i> |
| ROUMANIA | A. MORAR <i>Central Cooperatist Bank Creditcoop</i> |
| SLOVENIA | D. VESELINOVIC <i>Delelna banka Slovenije d.d.</i> |
| SPAIN | A. L. MARTIN SERRANO <i>Union Nacional de Cooperativas de Crédito</i> |
| SWEDEN | K. STILLMAN <i>Landshypotek AB</i> |
| SWITZERLAND | H. GERNET <i>Raiffeisen Schweiz</i> |
| UNITED KINGDOM | D. SANDERS <i>The Co-operative Bank p.l.c.</i> |

Working Groups and their Chairpersons

at 31-12-2008

COORDINATION OF BANKING LAW

*R. BORNS
Österreichischer
Genossenschaftsverband
(Schulze-Delitzsch)*

PAYMENT SYSTEMS

*G. GALL
Fachverband der Raiffeisenbanken*

CONSUMER POLICY

*M.-Ch. CAFFET
Confédération Nationale du Crédit
Mutuel*

ACCOUNTING

*St. MORFELD – WAHLE
Bundesverband der Deutschen
Volksbanken und Raiffeisenbanken – BVR*

FINANCIAL MARKETS

*E. DEROBERT
CACEIS*

CORPORATE SOCIAL RESPONSIBILITY

*B.-J. KROUWEL
Rabobank Nederland*

Secretariat General



H. GUIDER

General Manager

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